THE FUKUI BANK REPORT
2026.3
Financial Statements

FUKUI BANK

REPORT 2026.3

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Innovative Action

Our Mission as a Regional Bank

Since its establishment in 1899, we at the Fukui Bank, Ltd. (“the Bank”) have worked to develop society and people’s lives in Fukui Prefecture, believing that our mission is to “support regional industry.”

In 2015, we established our corporate philosophy of striving to cultivate and promote regional industry and achieving prosperous living conditions for our region’s population. In 2021, with the aim of sustainable development for our region, we formed a united financial group with THE FUKUHO BANK, LTD. (“the Fukuho Bank”), which is also based here in Fukui Prefecture. We have outlined our long-term vision for where we want to be in ten years’ time—Vision for 2032—which states that we will be there for our employees and customers and their diverse challenges through a model that brings about a value loop for our region.

With the merger in May 2026, we have become Fukui Prefecture’s biggest financial institution with a greater than 50% market share. For this “new” Fukui Bank, we have developed a new slogan—“Sharing Moments of Emotion.” Under this slogan, we will think and act in ways that go beyond our customers’ expectations to overcome problems together and provide moving experiences. We will successfully evolve as a true problem-solver for the region to offer close support to tackle the challenges that employees, customers, and the region face. By doing so, we will help bring about a value loop for value created here in Fukui.

Corporate Governance

The Fukui Bank uses a committee-based governance structure, characteristics of which include strengthened governance structures through the separation of executive and supervisory functions, accelerated executive functions by delegating decision-making authority, and improved management transparency by establishing three committees on which the majority of members are outside directors. As well as having outside directors chair even those three committees, we are working to put in place comprehensive corporate governance in line with the following fundamental principles.

(1) The Fukui Bank will respect the rights held by all of its shareholders and will work to guarantee all shareholders are treated equally.

(2) The Fukui Bank will pay consideration to how to benefit all of its stakeholders, including its shareholders, and, where relevant, will strive to cooperate with said stakeholders.

(3) The Fukui Bank will disclose all relevant information, including non-financial data, and will endeavor to guarantee corporate information is transparent.

(4) The Fukui Bank will construct a system in which independent outside directors play a central role and, by utilizing that system, will commit ourselves to improving the efficacy of our auditing capabilities in regards to overseeing the execution of duties by the board of directors.

(5) The Fukui Bank, in order to increase corporate value in the medium to long term, and to achieve sustainable growth, will undertake to carry out constructive dialogue with all of its shareholders.

The Bank will continue to further strengthen its corporate governance structure and provide a wide range of products and services. This will allow it to fulfill its role as both an incorporated company and a regional financial institution. Going forward, the Bank will continue to strive to be a financial institution that truly deserves your trust.

Sustainability Initiatives

In line with our corporate philosophy of striving to cultivate and promote regional industry and achieving prosperous living conditions for people in our region, we recognize that it is our mission to help address the issues that stand in the way of our communities becoming more sustainable. As such, and with the goal of ensuring the entire Fukui Bank Group is united in its efforts toward sustainability, we have established our Fundamental Policy on Sustainability.

In accordance with this policy, and as a true problem-solver for the region, we strive to resolve regional issues such as those we identify as priority (material) issues, working as a united group to draw out the potential of Fukui Prefecture—our base—and link it to sustainable growth.

Consolidated Financial Highlights

The Fukui Bank, Ltd. and its consolidated subsidiaries

Years ended March 31	Millions of yen			Thousands of U.S. dollars
	2026	2025	2024	**2026**
For the Year:				
Total income	**¥ 79,133**	¥ 64,636	¥ 55,505	**$ 494,955**
Total expenses	**66,096**	55,823	50,024	**413,414**
Profit before income taxes	**13,036**	8,813	5,480	**81,541**
Profit attributable to owners of parent	**8,601**	7,166	3,717	**53,801**
Basic earnings per share	**363.64**	309.15	160.96	**2.27**
At Year-end:				
Deposits	**¥ 3,409,438**	¥ 3,410,934	¥ 3,411,241	**$ 21,324,984**
Loans and bills discounted	**2,442,519**	2,361,120	2,340,316	**15,277,205**
Securities	**978,465**	940,172	824,467	**6,120,002**
Total assets	**4,314,363**	4,286,795	4,164,371	**26,985,012**
Total net assets	**152,972**	136,450	141,507	**956,795**

Notes:
The U.S. dollar amounts represent translation of Japanese yen at the exchange rate of ¥159.88 per U.S. $1.00 on March 31, 2026.
The inclusion of such dollar amounts is solely for convenience and is not intended to imply that Japanese yen have been or could be readily converted, realized, or settled in U.S. dollars at this or any other exchange rate.

The Management Environment and Issues to Be Addressed

With rising prices and continuous increases to wages, as well as changes to the government's financial policies, positive interest rates are becoming the norm for the Japanese economy. Meanwhile, population decline and aging, growing workforce shortages, global instability, and other factors are leading to increasing uncertainty in the economic environment. Yet, Fukui Prefecture possesses a technologically advanced manufacturing industry, appealing tourism resources, and an industrial base that includes diverse energy sources. Moreover, there is the continued impact of the extension of the Hokuriku Shinkansen within the prefecture in March 2024. These present significant opportunities for regional revitalization.

Under these circumstances, and with the goal of sustainable growth for both the region and the Fukui Bank Group, we have reorganized our priority (material) issues into six categories: 1) responding to the shrinking, aging population; 2) contributing to sustainable growth for the regional economy; 3) responding to climate change and reducing environmental impacts; 4) adapting to a digital society; 5) practicing human capital management; and 6) improving corporate value. In part two of our medium-term management plan, we will address these issues and evolve as a true problem-solver for the region.

As mentioned above, we will continue to unite the full strength of the Group to achieve our long-term vision of achieving a regional value loop model and take on a central role in revitalizing the region.

Consolidated Performance Review

The consolidated results of the Bank and its 11 consolidated subsidiaries in the current fiscal year developed as follows.

Total income increased by ¥14,496 million from the previous fiscal year to ¥79,133 million. This was mainly due to an increase in interest on loans and discounts, while aiming to improve yields, and an increase in profit on sales of shares, etc. It was the result of the entire Group's efforts as a true problem-solver for the region to work together to closely follow customers' real problems and to offer close, tenacious support. Total expenses increased by ¥10,273 million from the previous fiscal year to ¥66,096 million. This was mainly due to an increase in interest on deposits due to rising interest rates and an increase in property costs resulting from the management merger with the Fukuho Bank.

As a result, we recorded profit before income taxes of ¥13,036 million, an increase of ¥4,223 million from the previous fiscal year. Profit attributable to owners of parent increased by ¥1,434 million from the previous fiscal year to ¥8,601 million.

Moreover, as the Fukui Bank Group's comprehensive financial services business is in a single business segment, segment performance data is not provided.

Cash Flows

In terms of consolidated net cash flows, ¥50,592 million was used in operating activities, ¥19,064 million was used in investing activities, and ¥1,588 million was used in financing activities. As a result, cash and cash equivalents at the end of the year were ¥799,949 million, which was a decrease of ¥71,245 million compared with the previous year.

Net cash used in operating activities

Net cash used in operating activities was ¥50,592 million. The main factor behind this was expenses related to an increase in loans and bills discounted and a decrease in borrowed money more than offsetting income provided by increases in cash collateral received for securities lent.

Net cash used in investing activities

Net cash used in investing activities was ¥19,064 million. This was mainly due to expenses used to purchase securities exceeding income from sales and redemptions of securities.

Net cash used in financing activities

Net cash used in financing activities was ¥1,588 million, mainly for the payment of dividends.

Consolidated Financial Statements

The Fukui Bank, Ltd. and its consolidated subsidiaries

Consolidated Balance Sheets

March 31	Millions of yen 2026	Millions of yen 2025	Thousands of U.S. dollars 2026
Assets:			
Cash and due from banks	¥ **800,280**	872,378	$ **5,005,507**
Money held in trust (Note 22)	**7,302**	7,302	**45,673**
Securities (Notes 3, 4, 6, 11, 20 and 21)	**978,465**	940,172	**6,120,002**
Loans and bills discounted (Notes 4, 5, 6, 7 and 20)	**2,442,519**	2,361,120	**15,277,205**
Foreign exchanges (Note 4 and 5)	**9,530**	8,328	**59,610**
Other assets (Notes 4, 6 and 24)	**52,231**	68,982	**326,691**
Property, plant and equipment (Notes 8, 9, 10 and 27)	**29,340**	29,843	**183,515**
Intangible fixed assets	**618**	1,234	**3,870**
Deferred tax assets (Note 26)	**2,723**	6,347	**17,037**
Customers' liabilities for acceptances and guarantees (Note 4)	**11,407**	9,905	**71,347**
Allowance for loan losses (Note 20)	**(20,056)**	(18,821)	**(125,445)**
Total assets	¥ **4,314,363**	¥ 4,286,795	$ **26,985,012**
Liabilities:			
Deposits (Notes 6 and 20)	¥ **3,409,438**	¥ 3,410,934	$ **21,324,984**
Securities sold under repurchase agreements (Notes 6 and 20)	**12,742**	804	**79,699**
Cash collateral received for securities lent (Notes 6 and 20)	**301,303**	162,554	**1,884,559**
Borrowed money (Notes 6 and 20)	**376,058**	523,514	**2,352,131**
Foreign exchanges	**141**	34	**882**
Other liabilities (Note 24)	**41,563**	33,414	**259,967**
Provision for bonuses	**485**	438	**3,037**
Provision for bonuses for directors (and other officers)	**33**	44	**207**
Retirement benefit liability (Note 25)	**4,685**	5,180	**29,307**
Provision for retirement benefits for directors (and other officers)	**37**	32	**235**
Provision for share awards for directors (and other officers)	**324**	267	**2,027**
Provision for reimbursement of deposits	**134**	148	**839**
Provision for contingent loss	**274**	348	**1,714**
Provision for point card certificates	**79**	76	**495**
Allowance for demolition of non-current assets	**12**	12	**75**
Deferred tax liabilities (Note 26)	**248**	210	**1,556**
Deferred tax liabilities for land revaluation (Note 8)	**2,423**	2,423	**15,156**
Acceptances and guarantees	**11,407**	9,905	**71,347**
Total liabilities	¥ **4,161,391**	¥ 4,150,345	$ **26,028,217**
Net assets (Note 17):			
Share capital	¥ **17,965**	¥ 17,965	$ **112,369**
Capital surplus	**10,083**	10,075	**63,066**
Retained earnings	**108,774**	101,664	**680,351**
Treasury shares	**(901)**	(826)	**(5,639)**
Total shareholders' equity	**135,921**	128,879	**850,147**
Valuation difference on available-for-sale securities (Note 23)	**11,157**	2,103	**69,784**
Revaluation reserve for land (Note 8)	**5,274**	5,274	**32,989**
Remeasurements of defined benefit plans	**533**	121	**3,336**
Total accumulated other comprehensive income	**16,964**	7,499	**106,109**
Non-controlling interests	**86**	71	**539**
Total net assets	**152,972**	136,450	**956,795**
Total liabilities and net assets	¥ **4,314,363**	¥ 4,286,795	$ **26,985,012**

Consolidated Statements of Operations

For the years ended March 31	Millions of yen 2026	Millions of yen 2025	Thousands of U.S. dollars 2026
Income (Note 15):			
Interest on loans and discounts	¥ **31,189**	¥ 26,047	$ **195,081**
Interest and dividends on securities	**9,074**	9,472	**56,760**
Other interest income	**5,058**	2,804	**31,636**
Fees and commissions	**11,733**	11,495	**73,390**
Other operating income	**11,514**	10,889	**72,021**
Other income (Note 12)	**10,562**	3,926	**66,067**
Total income	**79,133**	64,636	**494,955**
Expenses:			
Interest on deposits	**6,763**	2,354	**42,301**
Interest on borrowings	**1,717**	477	**10,740**
Other interest expenses	**3**	93	**24**
Fees and commissions payments	**4,054**	3,508	**25,359**
Other operating expenses	**14,702**	15,291	**91,962**
General and administrative expenses (Note 13)	**33,553**	30,773	**209,867**
Other expenses (Note 14)	**5,301**	3,322	**33,161**
Total expenses	**66,096**	55,823	**413,414**
Profit before income taxes	**13,036**	8,813	**81,541**
Income taxes—current (Note 26)	**5,134**	1,648	**32,114**
Income taxes—deferred (Note 26)	**(714)**	5	**(4,469)**
Profit	**8,616**	7,159	**53,896**
Profit (loss) attributable to non-controlling interests	**15**	(7)	**95**
Profit attributable to owners of parent	¥ **8,601**	¥ 7,166	$ **53,801**

	Yen 2026	Yen 2025	U.S. dollars 2026
Basic earnings per share (Note 32)	¥ **363.64**	¥ 309.15	$ **2.27**

Consolidated Statements of Comprehensive Income

For the years ended March 31	Millions of yen 2026	Millions of yen 2025	Thousands of U.S. dollars 2026
Profit	¥ **8,616**	¥ 7,159	$ **53,896**
Other comprehensive income (Note 16)	**9,465**	(9,885)	**59,203**
Valuation difference on available-for-sale securities	**9,053**	(9,937)	**56,628**
Revaluation reserve for land	**—**	(69)	**—**
Remeasurements of defined benefit plans, net of tax	**411**	121	**2,575**
Comprehensive income	**18,082**	(2,726)	**113,099**
Comprehensive income attributable to owners of parent	**18,067**	(2,719)	**113,004**
Comprehensive income attributable to non-controlling interests	**15**	(6)	**95**

Consolidated Statements of Changes in Net Assets

Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the start of period	17,965	6,298	95,603	(1,581)	118,286	12,040	5,408	1	17,450	5,770	141,507
Changes during period											
Dividends of surplus			(1,165)		(1,165)						(1,165)
Reversal of revaluation reserve for land			60		60						60
Profit attributable to owners of parent			7,166		7,166						7,166
Purchase of treasury shares				(1,216)	(1,216)						(1,216)
Disposal of treasury shares		83		1,972	2,055						2,055
Change in ownership interest of parent due to transactions with non-controlling interests		3,693			3,693						3,693
Net changes in items other than shareholders' equity						(9,937)	(134)	120	(9,951)	(5,699)	(15,650)
Total changes during period	–	3,777	6,061	755	10,593	(9,937)	(134)	120	(9,951)	(5,699)	(5,057)
Balance at the end of period	17,965	10,075	101,664	(826)	128,879	2,103	5,274	121	7,499	71	136,450

Current fiscal year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the start of period	17,965	10,075	101,664	(826)	128,879	2,103	5,274	121	7,499	71	136,450
Changes during period											
Dividends of surplus			(1,492)		(1,492)						(1,492)
Reversal of revaluation reserve for land			0		0						0
Profit attributable to owners of parent			8,601		8,601						8,601
Purchase of treasury shares				(302)	(302)						(302)
Disposal of treasury shares		7		226	233						233
Change in ownership interest of parent due to transactions with non-controlling interests					–						–
Net changes in items other than shareholders' equity						9,053	(0)	411	9,465	15	9,480
Total changes during period	–	7	7,110	(75)	7,041	9,053	(0)	411	9,465	15	16,521
Balance at the end of period	17,965	10,083	108,774	(901)	135,921	11,157	5,274	533	16,964	86	152,972

Current fiscal year (From April 1, 2025 to March 31, 2026)

(Thousands of U.S. dollars)

	Shareholders' equity					Accumulated other comprehensive income					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at the start of period	112,369	63,021	635,880	(5,167)	806,103	13,157	32,992	760	46,909	444	853,456
Changes during period											
Dividends of surplus			(9,332)		(9,332)						(9,332)
Reversal of revaluation reserve for land			2		2						2
Profit attributable to owners of parent			53,801		53,801						53,801
Purchase of treasury shares				(1,889)	(1,889)						(1,889)
Disposal of treasury shares		45		1,417	1,462						1,462
Change in ownership interest of parent due to transactions with non-controlling interests					–						–
Net changes in items other than shareholders' equity						56,627	(3)	2,576	59,200	95	59,295
Total changes during period	–	45	44,471	(472)	44,044	56,627	(3)	2,576	59,200	95	103,339
Balance at the end of period	112,369	63,066	680,351	(5,639)	850,147	69,784	32,989	3,336	106,109	539	956,795

Consolidated Statements of Cash Flows

For the years ended March 31	Millions of yen				Thousands of U.S. dollars	
		2026		2025		2026
Cash flows from operating activities						
Profit before income taxes	¥	13,036	¥	8,813	$	81,541
Depreciation		2,015		1,618		12,608
Impairment losses		121		37		760
Increase (decrease) in allowance for loan losses		1,234		207		7,720
Increase (decrease) in provision for bonuses		46		12		294
Increase (decrease) in provision for bonuses for directors (and other officers)		(11)		25		(69)
Increase (decrease) in provision for retirement benefits for directors (and other officers)		4		4		31
Increase (decrease) in net defined benefit liability		(494)		(388)		(3,094)
Increase (decrease) in provision for share awards for directors (and other officers)		57		56		357
Increase (decrease) in provision for reimbursement of deposits		(14)		(21)		(93)
Increase (decrease) in provision for contingent loss		(74)		95		(464)
Increase (decrease) in provision for point card certificates		2		(0)		16
Increase (decrease) in allowance for demolition of non-current assets		(0)		(3)		(5)
Interest income		(45,322)		(38,324)		(283,478)
Interest expenses		8,484		2,926		53,065
Loss (gain) related to securities		(3,392)		4,293		(21,218)
Loss (gain) on money held in trust		(60)		(68)		(381)
Foreign exchange losses (gains)		(2,167)		21		(13,555)
Loss (gain) on disposal of non-current assets		43		(145)		270
Net decrease (increase) in loans and bills discounted		(81,399)		(20,804)		(509,126)
Net increase (decrease) in deposits		(1,495)		(307)		(9,355)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)		(147,456)		(49,373)		(922,293)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)		852		133		5,334
Net increase (decrease) in call money		11,937		(725)		74,665
Net increase (decrease) in cash collateral received for securities lent		138,748		162,554		867,832
Net decrease (increase) in foreign exchanges - assets		(1,201)		(921)		(7,517)
Net increase (decrease) in foreign exchanges - liabilities		106		(61)		664
Net decrease (increase) in lease receivables and investments in leases		(4,228)		(3,771)		(26,448)
Interest received		43,445		37,846		271,736
Interest paid		(7,079)		(2,220)		(44,281)
Other		24,978		12,540		156,233
Subtotal		(49,283)		114,048		(308,251)
Income taxes paid		(1,308)		(1,976)		(8,187)
Net cash provided by (used in) operating activities		(50,592)		112,072		(316,438)
Cash flows from investing activities						
Purchase of securities		(261,339)		(314,613)		(1,634,600)
Proceeds from sale of securities		87,433		122,008		546,872
Proceeds from redemption of securities		155,937		59,585		975,338
Purchase of property, plant and equipment		(1,040)		(834)		(6,507)
Purchase of intangible fixed assets		(117)		(392)		(735)
Proceeds from sale of property, plant and equipment		78		866		488
Payments for asset retirement obligations		(15)		(7)		(99)
Net cash provided by (used in) investing activities		(19,064)		(133,386)		(119,243)
Cash flows from financing activities						
Dividends paid		(1,492)		(1,165)		(9,332)
Dividends paid to non-controlling interests		—		(81)		—
Purchase of treasury shares		(302)		(1,216)		(1,889)
Proceeds from sale of treasury shares		233		2,055		1,461
Repayments of lease liabilities		(28)		(31)		(177)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation		—		(1,917)		—
Net cash provided by (used in) financing activities		(1,588)		(2,357)		(9,937)
Net increase (decrease) in cash and cash equivalents		(71,245)		(23,671)		(445,618)
Cash and cash equivalents at beginning of period		871,194		894,866		5,449,053
Cash and cash equivalents at end of period (Note 18)	¥	799,949	¥	871,194	$	5,003,435

Notes to the Consolidated Financial Statements

Years ended March 31, 2026 and 2025

1. Basis of presentation

The accompanying consolidated financial statements of The Fukui Bank, Ltd. ("the Bank") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law, its related accounting regulation and the Banking Act of Japan, and in conformity with accounting principles and practices generally accepted in Japan ("Japanese GAAP"). Japanese GAAP are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The accompanying consolidated financial statements are a translation of the audited consolidated financial statements of the Bank which were prepared in accordance with Japanese GAAP and were filed with the applicable Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made in the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The amounts in Japanese yen are presented in millions of yen and are rounded down to the nearest million. Accordingly, the totals shown in the accompanying consolidated financial statements and these notes may not equal the sum of the individual amounts.

The consolidated financial statements are stated in Japanese yen. The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers, using the prevailing exchange rate at March 31, 2026, which was ¥159.88 to U.S. $1.00. Such translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Significant accounting policies and practices

(1) Scope of consolidation

The consolidated financial statements as of March 31, 2026 include the accounts of the Bank and its 11 subsidiaries ("the Group").

Under the control and influence concepts, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are fully consolidated.

(i) Consolidated subsidiaries: 11 companies

The Fukugin Lease Co., Ltd.
The Fukui Credit Guarantee Service Co., Ltd.
Fukui Card Co., Ltd.
The Fukui Net Co., Ltd.
The Fukui Capital & Consulting Co., Ltd.
THE FUKUHO BANK, LTD.
Fukui Career Management Co., Ltd.
THE FUKUHO CARD CO., LTD.
The Fukui Hito Mono Design Co., Ltd.
Digital for Fukui Co., Ltd.
The Fukui Capital Partners Co., Ltd.

(ii) Unconsolidated subsidiaries: 4 companies

Fukui Regional Revitalization Investment Limited Partnership
Fukui Future Business Support Investment Limited Partnership
Fukui Capital Partners No. 1 Investment Limited Partnership
Fukui Start-Up Support No. 1 Investment Limited Partnership

The accounts of the subsidiary have not been consolidated since its total assets, ordinary revenue, profit (loss), retained earnings and accumulated other comprehensive income did not have a significant impact on the consolidated financial statements.

(iii) Companies, etc., not recognized as subsidiaries despite the Bank holding more than 50% of voting rights: 1 company

The unconsolidated subsidiary involved in the investment business, etc., holds shares as a business transaction for the purpose of fostering investment and making capital gains, not for the purpose of making it a subsidiary. Therefore, it is not recognized as a subsidiary.

(2) Application of the equity method

Those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

(i) Unconsolidated subsidiaries accounted for by the equity method

None

(ii) Affiliates accounted for by the equity method

None

(iii) Unconsolidated subsidiaries not accounted for by the equity method: 4 companies

Fukui Regional Revitalization Investment Limited Partnership
Fukui Future Business Support Investment Limited Partnership
Fukui Capital Partners No. 1 Investment Limited Partnership
Fukui Start-Up Support No. 1 Investment Limited Partnership

(iv) Affiliates not accounted for by the equity method

None

(v) Companies, etc., not recognized as affiliates despite the Bank holding voting rights of 20% or more but not more than 50%: 1 company

The unconsolidated subsidiary involved in the investment business, etc., holds shares as a business transaction for the purpose of fostering investment and making capital gains, not for the purpose of making it a subsidiary. Therefore, it is not recognized as an affiliate.

(3) The Balance sheet date of consolidated subsidiaries

The balance sheet dates of the consolidated subsidiaries are as follows:

March 31: 11 companies

(4) Significant accounting policies

(i) Securities

A. Held-to-maturity debt securities are in general stated using the amortized cost (straight-line) method, calculated via the moving-average method. Other available-for-sale securities are in general stated at fair value (cost of sale calculated according to the moving-average method) indicated according to market price. However, shares, etc., without market prices are valued at cost using the moving-average method.

Valuation difference on available-for-sale securities are reported as a component of net assets.

B. Securities constituting trust assets within money held in trust are valued using the same methods as those for “Other available-for-sale securities” as detailed in A above.

(ii) Derivatives

Derivatives are stated at fair value.

(iii) Depreciation and amortization methods

A. Property, plant and equipment (excluding lease assets)

Property, plant and equipment of the Bank and its consolidated subsidiaries involved in banking operations are depreciated using the straight-line method.

Useful lives of major asset categories:
Buildings: 3–50 years
Others: 2–20 years

Property, plant and equipment of consolidated subsidiaries are depreciated mainly using the declining-balance method based on assets’ estimated useful lives.

B. Intangible fixed assets (excluding lease assets)

Intangible fixed assets are amortized using the straight-line method. Software for internal use is amortized over the useful life specified by the Bank and its consolidated subsidiaries, generally 5–11 years.

C. Lease assets

Lease assets included within property, plant and equipment related to finance lease transactions that do not transfer ownership are depreciated over the lease term using the straight-line method. For lease assets with a guaranteed residual value stated in their lease agreements, the residual value is set at the guaranteed amount. Otherwise, the residual value is assumed to be zero.

(iv) Allowance for loan losses

The Bank and its consolidated subsidiaries involved in banking operations record allowance for loan losses in accordance with internally established criteria for write-offs and allowance.

For claims against borrowers that have initiated special liquidation proceedings or other bankruptcy proceedings (“bankrupt borrowers”) and against borrowers that are in substantially similar adverse condition (“substantially bankrupt borrowers”), the allowance is provided based on the amount of claims, net of the write-off stated below, deducted by the expected amount of recoveries from collateral and guarantees.

For claims against borrowers that have not yet initiated bankruptcy proceedings, but are very likely to become bankrupt in the future (“potentially bankrupt borrowers”), the allowance is provided for the amount deemed necessary based on the overall assessment of the borrowers’ solvency, and reduced by the amount expected to be collected through the disposal of collateral or execution of guarantees from the claims.

For claims against large potentially bankrupt borrowers with certain outstanding balances or restructured loans or other borrowers who will require management in the future, the allowance is provided for the difference between the present value of expected future cash flows discounted at the contractual interest rate prior to the loan restructuring and the carrying amount of the claim, if future cash flows from collection of the principal and interest can be reasonably estimated (the "cash flow estimation method").

For claims other than those stated above, the allowance is provided for expected loss amounts. These are calculated based on the average actual loss ratios for the historical one-year or three-year loan loss records, using the lower limit of the average actual loss ratios for the entire measurable period in order to reflect long-term economic fluctuations.

All claims are assessed by sales-related departments, based on the criteria for self-assessment of asset quality. The results are verified by examination management departments and monitored by the auditing department, which is independent of the relevant department.

For claims against bankrupt borrowers or substantially bankrupt borrowers with collateral or guarantees, the write-off amount is determined as the unrecoverable portion, the claims due from borrowers deducted by the amounts expected to be collected through the disposal of collateral or through the execution of guarantees, and is directly deducted from the original balance of claims. The write-off amount was ¥4,320 million (U.S. $27,023 thousand) and ¥5,705 million for the fiscal year ended March 31, 2026 and 2025, respectively.

For other consolidated subsidiaries, the allowance for loan losses for general claims is provided based on the historical loan-loss ratios, and the allowance for loan losses for specific claims, such as possible uncollectible claims, is provided based on the estimate of unrecoverable amount for each claim.

(v) Provision for bonuses

Provision for bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses that are attributable to the current fiscal year.

(vi) Provision for bonuses for directors (and other officers)

Provision for bonuses for directors (and other officers) is provided for payment of bonuses to directors (and other officers), in the amount of estimated bonuses that are attributable to the current fiscal year.

(vii) Provision for retirement benefits for directors (and other officers)

Provision for retirement benefits for directors (and other officers) is provided for payment of retirement benefits to directors (and other officers) at certain consolidated subsidiaries, an allowance is provided based on the amount recognized for the consolidated fiscal year for the amount to be supplied to directors as retirement benefits.

(viii) Provision for share awards for directors (and other officers)

Provision for share awards for directors (and other officers) is provided for issuance of shares to directors (and other officers) in accordance with the performance-linked stock compensation plan.

(ix) Provision for reimbursement of deposits

Provision for reimbursement of deposits is provided for in order to meet depositor requests for reimbursement on deposits already derecognized as liabilities, in the amount deemed necessary by estimating the losses corresponding to the expected requests for reimbursements in the future.

(x) Provision for contingent loss

Provision for contingent loss is provided to cover payments to credit guarantee corporations under a responsibility-sharing system with the corporations, in the amount deemed necessary based on estimated possible future payments.

(xi) Provision for point card certificates

Provision for point card certificates, which is provided for the future use of points granted to customers under credit card points programs, is calculated by converting outstanding points into a monetary amount and rationally estimating the amount that will be redeemed in the future.

(xii) Allowance for demolition of non-current assets

Allowance for demolition of non-current assets is provided to anticipate future expenses related to the demolition of buildings in certain consolidated subsidiaries.

(xiii) Retirement benefit liability

In determining the retirement benefit obligations, the Bank adopts the benefit formula basis to attribute projected benefit obligations to the period of the year-end. Moreover, for certain consolidated subsidiaries, the straight-line method is used. Past service cost and actuarial gains or losses are expensed using the following methods:

Past service cost: Past service cost is recognized using the straight-line method, over 5 years within the employees' average remaining service period at incurrence. (For certain consolidated subsidiaries, this is processed as expenses for the full amount in the fiscal year in which it occurred)

Actuarial differences: Actuarial differences are expensed using the straight-line method, over 5 or 10 years within the employees' average remaining service period, commencing from the next fiscal year of incurrence.

(xiv) Accounting standards for recognition of significant revenues and expenses

Revenue from contracts with customers mainly takes the form of deposits and lending operations and foreign exchange operations. The Bank recognizes revenue to the amount expected to be received in exchange for the promised goods or services at the point that control of such goods or services are transferred to customers.

The accounting standard for income related to financial lease transactions is calculated using a method that accounts for sales and sales prices at the time at which the leasing fee is received.

(xv) Foreign currency translation

Foreign currency assets and liabilities are translated into yen at the rates prevailing at the consolidated balance sheet date.

(xvi) Scope of cash and cash equivalents in the consolidated statement of cash flows

The balance of cash and cash equivalents in the consolidated statements of cash flows consist of cash and due from the Bank of Japan.

(xvii) Accounting policies and procedures adopted in the absence of requirements in relevant accounting standards, etc., that specifically apply to events or transactions that are accounted for

Gains resulting from the cancellation or redemption of investment trusts (excluding exchange-traded funds) are recorded as "Interest and dividends on securities." Losses, meanwhile, are recorded as "Other operating expenses."

Significant accounting estimates

Items recorded in the consolidated financial statements for the fiscal year under based on accounting estimates that may have a significant impact on the consolidated financial statements for the next fiscal year are as follows.

Allowance for loan losses

(1) Carrying amounts in consolidated financial statements for the current fiscal year

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Allowance for loan losses	¥ **20,056**	¥ 18,821	$ **125,445**

The amount of the allowance for loan losses recorded at the Bank and its consolidated subsidiaries involved in banking operations was ¥18,142 million (U.S. $113,476 thousand) and ¥16,921 million for the fiscal years ended March 31, 2026 and 2025, respectively.

The following calculation method for the allowance for loan losses has been set forth with respect mainly to the Bank and its consolidated subsidiaries involved in banking operations.

(2) Information on the nature of significant accounting estimates for identified items

(i) Method of calculation

The calculation method of the allowance for loan losses is described "(iv) Allowance for loan losses" of "(4) Significant accounting policies" in 2. Significant accounting policies and practices.

For calculating the allowance for loan losses, the borrowers are classified into categories based on self-assessment criteria: "normal borrowers," "borrowers requiring caution," "potentially bankrupt borrowers," "substantially bankrupt borrowers," and "bankrupt borrowers." Allowance for loan losses is provided for each category of claims according to their assigned credit risk rating.

In the self-assessment, the borrower categories of loans are determined by assessing borrowers' repayment ability based on various factors such as the outlook for business continuity and profitability, the appropriateness of the business improvement plan, and the financial support provided by other financial institutions, taking into consideration industry specific factors.

Notably, if business restructuring is initiated by implementing financial support in line with a reasonable and feasible business improvement plan or similar, the borrower will be classified as borrowers requiring caution and claims will not constitute restructured loans.

(ii) Key assumptions

Key assumptions are "the business continuity and profitability outlook based on the characteristics of the specific industry with respect to determining borrower categories, the viability of business improvement plans, and the financial support provided by other financial institutions," especially "prospects for future business recovery and business continuity resulting from a reasonable and feasible business improvement plan." These assumptions are assessed and individually set for each borrower.

We have recognized an allowance for loan losses for amounts lent to potentially bankrupt borrowers, or similar, whose unsecured amount of borrowing exceeds a certain amount, and for whom we have particular concerns about repayment capacity, which is calculated according to a cash flow estimation method.

If the economic environment suddenly worsens, such as due to the continuing rising cost of living resulting from drastic rises in energy and other prices as well as the weakness of the Japanese yen, credit risks could rise. For loans to those borrowers who require caution (excluding borrowers who require management) and who are expected to be significantly affected by a rapid deterioration in the economic environment, the Bank and its consolidated subsidiaries involved in banking operations calculate a provision for expected losses equivalent to that borrowed by borrowers who require management.

(iii) Impact on consolidated financial statements for the next fiscal year

A change in the assumptions used in the initial estimates due to changes such as those in the economic environment detailed above could have a significant impact, such as requiring an increase in the allowance for loan losses on consolidated accounts in the next fiscal year.

Accounting standards not yet adopted

- Accounting Standard for Leases (ASBJ Statement No. 34, issued on September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, issued on September 13, 2024)

(1) Overview

These standards prescribe accounting treatments such as recognizing assets and liabilities for all leases by lessees, similar to international accounting standards.

(2) Scheduled date of adoption

The standards are scheduled to be adopted from the beginning of the fiscal year ending March 31, 2028.

(3) Effects of adoption

The effects of adopting these standards are currently under evaluation.

Additional information

Transactions of delivering of the Bank's own stock to employees, etc. through trusts

(1) Trust-type Employee Share Ownership Incentive Plan

The Bank introduced the "Trust-type Employee Share Ownership Incentive Plan" (the "Incentive Plan") in order to provide the Bank's employees with incentives to increase the Bank's corporate value over the mid-to-long term, and to improve the benefits and welfare of the employees of the Bank by promoting asset formation of employees who buy and own shares of the Bank through the Employee Stock Holdings.

The Incentive Plan for all employees participating in the "Fukui Bank Employee Stock Holdings" (the "Employee Stock Holdings"). For the implementation of the Incentive Plan, the Bank has established the "Fukui Bank Stock Holding Partnership Exclusive Trust Account" (the "Trust") at the trust bank. The accounting treatment of the trust agreement conforms to the provisions of "Practical Solution on Transactions of Delivering the Bank's Own Stock to Employees etc., through Trusts" (ASBJ PITF No. 30 of March 26, 2015).

(i) Overview of the transaction process

The "Trust" buys a considerable number of the Bank shares that are expected to be acquired by the Employee Stock Holdings during approximately five years. Subsequently, the Trust is to continuously transfer the Bank shares to the Employee Stock Holdings, and if any gains on sales of shares remain in the Trust account at the Trust's termination, such residual assets are to be distributed to those who meet the requirements of eligible beneficiaries. The Bank is required to guarantee the Trust's debts to acquire the Bank shares. When a decline in the Bank's share price increases losses on sales of shares in the Trust account, and there are any outstanding debts remaining in the Trust account at the Trust's termination, the Bank will repay remaining debts in accordance with the guarantee contract.

(ii) Shares held by the Trust

Shares held by the Trust are recorded as treasury shares in the net assets at their stated book value of the Trust account (excluding incidental cost amounts). The book value and the number of treasury shares are ¥235 million (U.S. $1,474 thousand) and 136 thousand shares, respectively.

(iii) Book value of borrowings stated in accordance with the gross method

¥183 million (U.S. $1,149 thousand)

(2) Board benefit trust

The Bank has introduced a performance-linked stock compensation plan using a trust (the "Plan") as a means of compensating executive officers. The accounting treatment of the trust agreement adopt to the provisions of "Practical Solution on Transactions of Delivering the Bank's Own Stock to Employees etc., through Trusts" (ASBJ PITF No. 30 of March 26, 2015).

(i) Overview of the transaction process

The Plan consists of a stock compensation scheme under which a trust established with cash paid by the Bank (the "Trust") acquires shares of the Bank. Shares corresponding to the points awarded to executive officers by the Bank will be transferred to executive officers through the Trust. As a rule, shares will be transferred to the executive officers at the time of their retirement. At a Board of Directors meeting held on August 8, 2025, it was decided that on August 26 of the same year the Trust would acquire additional shares in the Bank and the Bank would dispose of treasury shares to the Trust, and this was carried out.

(ii) Shares held by the Trust

Shares held by the Trust are recorded as treasury shares in the net assets at their stated book value of the Trust account (excluding incidental cost amounts). The book value and the number of treasury shares are ¥568 million (U.S. $3,558 thousand) and 297 thousand shares, respectively.

Notes to the Consolidated Balance Sheets

3. Total amount of capital held in non-consolidated subsidiaries and affiliates

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Investments in capital	**¥ 944**	¥ 541	**$ 5,907**

4. Claims based on the Banking Act and the Act on Emergency Measures for the Revitalization of the Financial Functions

The claims consist of bonds (this is limited to those for which redemption of the principal and payment of interest are guaranteed in whole or in part, and the issuance of bonds is based on private placement of securities (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans, foreign exchange, accrued interest, and customers' liabilities for acceptances and guarantees, which are included in "Securities" in the consolidated balance sheets, and securities (limited to those under loan for use or lease contracts), which are included in the notes to the balance sheets.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Bankruptcy reorganization loans and corresponding amounts	**¥ 5,476**	¥ 6,509	**$ 34,253**
Bankruptcy risk loans	**39,736**	33,935	**248,541**
Delinquent loans past due three months or more	**149**	71	**937**
Restructured loans	**946**	1,205	**5,919**
Total	**¥ 46,309**	¥ 41,722	**$ 289,650**

Bankruptcy reorganization loans and corresponding loans are loans to borrowers who have fallen into bankruptcy and filed a petition to commence bankruptcy proceedings, reorganization proceedings, or rehabilitation proceedings, or corresponding loans.

Bankruptcy risk loans are those to borrowers who have not yet become bankrupt, but whose economic situation or business performance has worsened, where the likelihood of not being able to recover the original amount or interest is high, and which are not bankruptcy reorganization loans or corresponding loans.

Delinquent loans past due three months or more are those where the original amount and interest has not been paid for three months or more from the day following the contracted repayment date. These cases are not bankruptcy reorganization loans and corresponding loans, and nor are they bankruptcy risk loans.

Restructured loans are lent with the goal of helping borrowers to support or reorganize their businesses. This type of lending might include a lowering or elimination of interest, a postponement for the repayment of interest or the original amount, an abandonment of the loan, or other measure deemed beneficial to the borrower. These cases are not bankruptcy reorganization loans and corresponding loans, and nor are they bankruptcy risk loans or delinquent loans past due three months or more.

Amounts for the loans detailed above are the amounts before the allowance for loan losses is deducted.

5. Bills discounted

Bills discounted are accounted for as financial transactions in accordance with the JICPA Industry Specific Committee Practical Guidance No. 24, March 17, 2022. The Bank has the right to sell or pledge bills discounted and foreign exchange bills purchased without restrictions. Their total face value is as follows.

Millions of yen		Thousands of U.S. dollars
2026	2025	**2026**
¥ 8,268	¥ 6,437	**$ 51,717**

6. Assets pledged

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Assets pledged as collateral			
Securities	**¥ 574,626**	¥ 573,462	**$ 3,594,109**
Loans and bills discounted	**323,175**	322,142	**2,021,363**
Other assets	**30**	31	**188**
Total	**897,831**	895,637	**5,615,660**
Corresponding liabilities to assets pledged as collateral			
Deposits	**16,760**	20,673	**104,830**
Securities sold under repurchase agreements	**12,742**	804	**79,699**
Cash collateral received for securities lent	**301,303**	162,554	**1,884,559**
Borrowed money	**373,800**	521,500	**2,338,004**

In addition to the foregoing, the following assets have been pledged as collateral for operating transactions, such as foreign exchange contracts.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Securities	**¥ 26,850**	¥ —	**$ 167,939**
Other assets	**3,295**	25,296	**20,612**

Other assets include security deposits in the amount stated below.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Security deposits	**¥ 277**	¥ 290	**$ 1,738**
Cash collateral for financial instruments etc.	**1,618**	1,462	**10,125**

7. Overdraft facility agreements and commitment lines of credit

Overdraft facility agreements and commitment lines of credit are agreements to extend credit up to a prearranged amount at the customer's request as long as the terms of the agreement have not been violated. The amounts of unutilized commitment balances under such agreements are as follows.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Unutilized loan commitment lines	**¥ 644,575**	¥ 635,141	**$ 4,031,620**
Loans for which the term of the agreement is one year or less	**629,023**	584,126	**3,934,346**

The balance of loan commitment lines will not necessarily affect the future cash flows of the Bank and its consolidated subsidiaries because most of these agreements expire without being exercised. Most of these agreements contain clauses allowing the Bank and its consolidated subsidiaries to reject requests for credit outright or reduce the credit limits due to changed financial circumstances, the need to secure claims, or other reasonable causes. Besides requesting collateral, such as real estate or securities, as necessary at the time of entering into the agreement, the Bank has also adopted other measures to keep its credit sound, such as periodically assessing the condition of customers' businesses following the internal procedures and, if necessary, revising agreements.

8. Revaluation reserve for land

Pursuant to the Law concerning Revaluation of Land (Law No. 34, promulgated March 31, 1998, the "Law"), land used for banking operations was revalued. The tax-equivalent portion of this revaluation amount was recorded as "Deferred tax liabilities for land revaluation" in liabilities and remainder as "Revaluation reserve for land" in net assets.

Revaluation date

March 31, 1998

Item 3, Article 3, of the Law establishes the evaluation method as that prescribed by Article 2, Paragraph 4 of the Enforcement Ordinance of Law on Revaluation of Land (Enforcement Ordinance No. 119, promulgated March 31, 1998), and the amount of land tax is calculated on the basis of the land tax amount specified under Article 16 of the Land-holding Tax Act, adjusted rationally in accordance with the basis of calculation announced officially by the National Tax Agency.

Total difference between market value of land for banking operations revalued in accordance with Article 10 of the Law and the total book value of the land after such revaluation are as follows.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
	¥ 7,730	¥ 7,770	**$ 48,355**

9. Accumulated depreciation of property, plant and equipment

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Accumulated depreciation	**¥ 24,325**	¥ 23,967	**$ 152,147**

10. Amounts of tax purpose reduction entry of property, plant and equipment

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Amounts of reduction entry	**¥ 3,280**	¥ 3,281	**$ 20,517**

11. Acceptances and guarantees

The amounts of guarantee obligations on corporate bonds under "Securities" that were placed through private securities offerings are as follows.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
	¥ 13,982	¥ 10,781	**$ 87,454**

Notes to the Consolidated Statements of Operations

12. Other income

Other income includes the following.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Gains on sales of shares	¥ **8,265**	¥ 1,518	$ **51,701**

13. General and administrative expenses

General and administrative expenses include the following.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Salaries and allowances	¥ **12,849**	¥ 12,487	$ **80,371**

14. Other expenses

Other expenses include the following.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Losses on devaluation of shares	¥ **35**	¥ 0	$ **224**
Losses on sales of shares	**253**	426	**1,586**

15. Revenue from contracts with customers

For ordinary revenue from sales, revenue from contracts with customers is not listed separately from other income. The amount of revenue from contracts with customers is detailed in Note 29 of the Notes to Consolidated Financial Statements related to revenue recognition: “Breakdown of revenue from contracts with customers.”

Notes to the Consolidated Statements of Comprehensive Income

16. Reclassification adjustments and tax effects related to other comprehensive income

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Valuation difference on available-for-sale securities			
Gains (losses) arising during the year	**¥ 17,175**	¥ (15,686)	**$ 107,424**
Reclassification adjustments	**(3,935)**	1,556	**(24,617)**
Amount before Income tax and tax effect	**13,239**	(14,129)	**82,807**
Income tax and tax effect	**(4,185)**	4,192	**(26,179)**
Total	**9,053**	(9,937)	**56,628**
Revaluation reserve for land	**—**		**—**
Gains (losses) arising during the year	**—**	—	**—**
Reclassification adjustments	**—**	—	**—**
Amount before Income tax and tax effect	**—**	—	**—**
Income tax and tax effect	**—**	(69)	**—**
Total	**—**	(69)	**—**
Remeasurements of defined benefit plans			
Gains (losses) arising during the year	**601**	163	**3,765**
Reclassification adjustments	**0**	11	**4**
Amount before Income tax and tax effect	**602**	174	**3,769**
Income tax and tax effect	**(190)**	(53)	**(1,194)**
Total	**411**	121	**2,575**
Total other comprehensive income	**9,465**	(9,885)	**59,203**

Notes to the Consolidated Statements of Changes in Net Assets

17. Changes in Net Assets

Under the Companies Law and the Banking Law of Japan, the following is provided: the entire amount of the issue price of shares is required to be accounted for as capital, although a company may, by a resolution of its board of directors, account for an amount not exceeding one-half of the issue price of the new shares as additional paid-in capital, which is included in capital surplus.

The Companies Law and the Banking Law provide that an amount equal to at least 20% of cash dividends shall be appropriated and set aside as a legal reserve until the total amount of legal reserve and additional paid-in capital equals 100% of common stock. The legal reserve and additional paid-in capital may be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting or may be capitalized by a resolution of the board of directors. On condition that the total amount of legal reserve and additional paid-in capital remains equal to or exceeds 100% of common stock, they are available for distribution by a resolution of the shareholders' meeting. Legal reserve is included in retained earnings in the accompanying financial statements.

The maximum amount that the Bank can distribute as dividends is calculated based on the non-consolidated financial statements of the Bank in accordance with the Companies Law.

Previous fiscal year (From April 1, 2024 to March 31, 2025)

(1) Classes and total number of shares issued including treasury shares (Thousands of shares)

	Number of shares outstanding at the beginning of the fiscal year	Increase	Decrease	Number of shares outstanding at the end of the fiscal year	Remarks
Number of shares issued and outstanding					
Common shares	24,144	—	—	24,144	
Total	24,144	—	—	24,144	
Treasury shares					
Common shares	978	603	1,114	466	(Notes 1, 2, 3)
Total	978	603	1,114	466	

Notes:
1. The number of treasury shares includes shares of the Bank held by the employee stock ownership trust (289 thousand shares at the beginning of the fiscal year and 208 thousand shares at the end of the fiscal year) and shares held by the board benefit trust (155 thousand shares at the beginning of the fiscal year and 155 thousand shares at the end of the fiscal year).
2. The number of treasury shares increased due to the purchase of 600 thousand shares through market transactions for the acquisition of treasury shares, and the purchase of 3 thousand shares resulting from requests to buy back fractional share units.
3. The number of treasury shares decreased due to the disposal of 1,033 thousand shares in connection with the share exchange, the transfer of 80 thousand shares to the Employee Stock Holdings under the stock ownership trust, and the sale of 0 thousand shares in response to requests for share purchases to supplement fractional share units.

(2) Subscription rights to shares

Not applicable.

(3) Dividends

(i) Dividends paid in the fiscal year

(Resolution)	Type of share	Aggregate amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
May 10, 2024 Board of Directors	Common shares	590	25	March 31, 2024	May 31, 2024
November 8, 2024 Board of Directors	Common shares	575	25	September 30, 2024	December 3, 2024

Notes:
1. Total dividend amounts pursuant to the resolutions of the Board of Directors on May 10, 2024, include dividend amounts of ¥7 million paid to shares of the employee stock ownership trust and ¥3 million paid to shares of the board benefit trust.
2. Total dividend amounts pursuant to the resolutions of the Board of Directors on November 8, 2024, include dividend amounts of ¥6 million paid to shares of the employee stock ownership trust and dividend amounts of ¥3 million paid to shares of the board benefit trust.

(ii) Dividends with a record date during the fiscal year ended March 31, 2025, but whose effective date is after March 31, 2025, are as follows:

(Resolution)	Type of share	Aggregate amount of dividends (Millions of yen)	Dividend resources	Dividends per share (Yen)	Record date	Effective date
May 9, 2025 Board of Directors	Common shares	793	Retained earnings	33	March 31, 2025	May 30, 2025

Note: Total dividend amounts include ¥6 million paid to shares of the employee stock ownership trust and ¥5 million paid to shares of the board benefit trust.

Current fiscal year (From April 1, 2025 to March 31, 2026)

(1) Classes and total number of shares issued including treasury shares

(Thousands of shares)

	Number of shares outstanding at the beginning of the fiscal year	Increase	Decrease	Number of shares outstanding at the end of the fiscal year	Remarks
Number of shares issued and outstanding					
Common shares	**24,144**	**—**	**—**	**24,144**	
Total	**24,144**	**—**	**—**	**24,144**	
Treasury shares					
Common shares	**466**	**151**	**129**	**488**	(Notes 1, 2, 3)
Total	**466**	**151**	**129**	**488**	

Notes:
1. The number of treasury shares includes shares of the Bank held by the employee stock ownership trust (208 thousand shares at the beginning of the fiscal year and 136 thousand shares at the end of the fiscal year) and shares held by the board benefit trust (155 thousand shares at the beginning of the fiscal year and 297 thousand shares at the end of the fiscal year).
2. The number of treasury shares increased due to the acquisition of 150 thousand shares of the Bank by the board benefit trust and the purchase of 1 thousand fractional share units.
3. The number of treasury shares decreased due to the transfer of 50 thousand shares to the board benefit trust, the transfer of 71 thousand shares of the Bank held by the employee stock ownership trust to the Employee Stock Holdings, the award of 7 thousand shares associated with the retirement of one director and one executive officer based on the board benefit trust, and 0 thousand shares due to requests for share purchases to supplement fractional share units.

(2) Subscription rights to shares

Not applicable.

(3) Dividends

(i) Dividends paid in the fiscal year

(Resolution)	Type of share	Aggregate amount of dividends (Millions of yen)	Aggregate amount of dividends (Thousands of U.S. dollars)	Dividends per share (Yen)	Record date	Effective date
May 9, 2025 Board of Directors	Common shares	**793**	**4,962**	**33**	March 31, 2025	May 30, 2025
November 14, 2025 Board of Directors	Common shares	**698**	**4,370**	**29**	September 30, 2025	December 9, 2025

Notes:
1. Total dividend amounts pursuant to the resolutions of the Board of Directors on May 9, 2025, include dividend amounts of ¥6 million (U.S. $43 thousand) paid to shares of the employee stock ownership trust and ¥5 million (U.S. $32 thousand) paid to shares of the board benefit trust.
2. Total dividend amounts pursuant to the resolutions of the Board of Directors on November 14, 2025, include dividend amounts of ¥4 million (U.S. $30 thousand) paid to shares of the employee stock ownership trust and dividend amounts of ¥8 million (U.S. $54 thousand) paid to shares of the board benefit trust.

(ii) Dividends with a record date during the fiscal year ended March 31, 2026, but whose effective date is after March 31, 2026, are as follows:

(Resolution)	Type of share	Aggregate amount of dividends (Millions of yen)	Aggregate amount of dividends (Thousands of U.S. dollars)	Dividend resources	Dividends per share (Yen)	Record date	Effective date
May 15, 2026 Board of Directors	Common shares	**1,903**	**11,904**	Retained earnings	**79**	March 31, 2026	June 5, 2026

Note: Total dividend amounts include ¥10 million (U.S. $68 thousand) paid to shares of the employee stock ownership trust and ¥23 million (U.S. $147 thousand) paid to shares of the board benefit trust.

Notes to the Consolidated Statement of Cash Flows

18. Reconciliation of cash and cash equivalents

The following table shows reconciliation between "Cash and cash equivalents" in the consolidated statements of cash flows and "Cash and due from banks" in the consolidated balance sheets as of March 31, 2026 and 2025.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Cash and due from banks	**¥ 800,280**	¥ 872,378	**$ 5,005,506**
Other deposits	**(331)**	(1,184)	**(2,071)**
Cash and cash equivalents	**799,949**	871,194	**5,003,435**

19. Lease Transactions

(1) Finance lease transactions

Finance leases that do not transfer ownership

(i) As a lessee

A. Description of lease assets

a. Property, plant and equipment

Predominantly vehicles, equipment, and fixtures

b. Intangible fixed assets

None

B. Depreciation method for lease assets

Refer to "(iii) Depreciation and amortization methods" of "(4) Significant accounting policies" in 2. Significant accounting policies and practices.

(ii) As a lessor

This note is omitted, as the total amount is insignificant.

(2) Operating lease transactions

Total lease payments or receivables under non-cancelable operating lease transactions

(i) As a lessee

This note is omitted, as the total amount is insignificant.

(ii) As a lessor

This note is omitted, as the total amount is insignificant.

(3) Sublease transactions

Amounts corresponding to sublease transactions stated on the consolidated sheet before deduction of interest were omitted due to insignificant.

20. Financial Instruments

(1) Circumstances of financial instruments

(i) Policies for engagement with financial instruments

The Group is engaged in a variety of financial services centered on the banking businesses, such as deposit operations, lending operations, and foreign exchange operations. Moreover, in order to acquire stable returns, the Group utilizes the funds of securities on the investment side.

Furthermore, the Group engages in derivative transactions in order to respond to customers' requests on risk hedging related to foreign currency exchange as well as for use in asset liability management (ALM) for the appropriate management of the Group's own market risks, and as a measure for investing with partially mitigated risk. And the Group has determined not to engage in derivative transactions of a complex structure and speculative nature.

Certain consolidated subsidiaries of the Group operate banking and leasing businesses.

(ii) Content and risks of financial instruments

Financial assets held by the Group, principally loans and bills discounted extended to domestic customers are exposed to credit risk and market risk. Securities, principally debt securities, shares, and investment trusts, held by the Group are exposed to credit risk and market risk.

Financial liabilities held by the Group, principally deposits, are exposed to market risk. Borrowed money is subject to market risk and liquidity risk of becoming unable to execute payment on due date, such as that the Group cannot use the market under certain circumstances.

With regard to derivative transactions, the Group employs interest rate swaps in interest-related transactions, currency swaps, currency options, and currency forwards in currency-related transactions. The Group is exposed to credit risk and market risk.

(iii) Risk management structure related to financial instruments

A. Credit risk management

Credit risk means the risk of suffering loss from a decrease or extermination of the value of assets (including off-balance items) of the Group by the deterioration in the creditworthiness of the obligor.

For the Group, credit risk is an unavoidable risk for the purposes of its business operations. The Group aims to create its structure capable of controlling credit risk because the Group is fully aware of the necessity of rapid responsive action to such risk. Specifically, the Group has established the Credit concentration risk management standards and is working to identify and improve upon such risk in order to avoid credit concentration risks and create balanced credit portfolios.

With regard to credit risk measurement, the Group assesses and analyzes its credit risk status according to credit rating, industry and region, and exercises risk-based quantitative management and control in accordance with the Risk capital system.

B. Market risk management

Market risk means the risk of financial loss to the Group through changes in income and value of assets and liabilities held, including off-balance items, due to fluctuations in various market risk factors, such as interest rates, exchange rates, equity prices.

a. Risk management

Market risk mainly consists of interest risk, foreign exchange risk and price fluctuation.

The Group considers market risk as a constituent part of ALM. The Group intends to maintain an appropriate balance of risk and return based on capital adequacy, profitability, trends of loan and deposit, the status of securities holdings.

Specifically, the management committee makes discussions concerning the status of comprehensive risk values, risk values of the market investment division, and quantitative interest rate risk of loans and deposits, as well as discussions of the securities investment plan, which enables the Group to manage integrally the Group's overall risk and market risk. The market investment division establishes its position limits for entire securities and by type of security, and carries out market transaction flexibly within them.

Additionally, the market risk management unit (middle office) is organizationally segregated from the front office operations to maintain the segregation of duties, and conducts daily monitoring of the risk status.

The market risk management unit identifies quantitative market risk using Value at risk (VaR) for the securities, loans and deposits accounts of banking operation, and conduct risk management and analysis.

b. Quantitative information concerning market risk

The variance-covariance method is used to calculate the Group's market risk (VaR).

Investment held in securities accounts

Holding period: 6 months; confidence level: 99.0%; observation period: 5 years

Policy investments held in securities accounts

Holding period: 1 year; confidence level: 99.0%; observation period: 5 years

Loans and deposits accounts

Holding period: 1 year; confidence level: 99.0%; observation period: 5 years

In the calculation of the amount of market risk (VaR) of loans and deposits accounts, the Group considers core deposits and uses an internal model approach to measure core deposits.

At the end of this fiscal year, the total amount of market risk (VaR) of the Group amounted to ¥35,847 million (U.S. $224,217 thousand)—¥33,217 million at the previous fiscal year-end—and loans and deposit accounts totaled ¥21,229 million (U.S. $132,783 thousand)—¥14,574 million at the previous fiscal year-end.

In order to verify the reliability of its methods for measuring market risk, the Group performs back testing by comparing VaR calculated for securities accounts for a one-day holding period with the day-to-day declines in market value and checks its validity.

However, VaR measures the market risk under a certain probability statistically calculated based on historical market fluctuations, and risks may not be captured in the event of extraordinarily rapid changes in market conditions.

C. Liquidity risk management relevant to fundraising

Liquidity risk comprises "cash management risk," the risk of suffering loss when necessary funds cannot be secured or the funds are forced to be raised only at an abnormally high interest rate, due to a period mismatch between investments and funding, or due to unforeseeable fund outflows; "market liquidity risk," the risk of suffering loss when transactions cannot take place due to market turmoil or can only be conducted at an abnormally inferior price; and "settlement risk," the risk of suffering loss when funds or assets cannot be received as planned through settlements with counterparties.

Liquidity risk refers to those three comprehensive risks, cash management risk, market liquidity risk, and settlement risk. The Group considers controlling of cash management risk the important management issue since market liquidity risk and settlement risk belong ultimately to cash management risk.

The Group conducts appropriate cash management and reporting to the executive officer in charge of the comprehensive risk management division through management of the fund procurement structure, funding gaps between investments and procurement, and liquidity reserves for Japanese yen and foreign denominated funds.

Specifically, the Group has defined categories rated as "normal," "alert," and "crisis" according to the status of cash management and has determined subsets of management methods, reporting frameworks, and approval modes for each category, managed by the organizationally independent front office, back office, and middle office with monitoring mutually.

(iv) Supplementary explanation concerning fair value of financial instruments

The measurement of fair value of financial instruments is based on certain assumptions and may vary when different assumptions are employed.

(2) Fair values of financial instruments

The carrying amounts on the consolidated balance sheets and fair values of financial instruments as of March 31, 2026 and 2025, as well as the differences between these values are presented below. Shares and investments in partnerships without market prices are not included in the following table (See Note 1). Also, as cash and due from banks as well as cash collateral received for securities lent are repaid in a short time frame, their fair values are essentially equivalent to their book values, so these are also omitted. Notes for instruments deemed immaterial are also excluded.

Previous fiscal year (March 31, 2025)

(Millions of yen)

	Carrying amount	Fair value	Difference
(1) Securities			
Held-to-maturity debt securities	298,402	293,888	(4,513)
Available-for-sale securities	626,162	626,162	—
(2) Loans and bills discounted	2,361,120		
Allowance for loan losses*1	(17,926)		
	2,343,193	2,285,365	(57,828)
Total assets	3,267,758	3,205,416	(62,341)
(1) Deposits	3,410,934	3,410,258	(675)
(2) Borrowed money	523,514	523,514	—
Total liabilities	3,934,448	3,933,773	(675)
Derivative transactions*2			
Not qualifying for hedge accounting	22	22	—
Qualifying for hedge accounting	—	—	—
Total derivative transactions	22	22	—

*1 A general allowance for loan losses and specific allowance for loan losses are deducted from loans and bills discounted.

*2 Derivative transactions recorded in other assets and other liabilities are presented collectively.
Receivables and payables arising from derivative transactions are presented on a net basis.

Current fiscal year (March 31, 2026)

(Millions of yen)

	Carrying amount	Fair value	Difference
(1) Securities			
Held-to-maturity debt securities	298,687	292,226	(6,460)
Available-for-sale securities	661,911	661,911	—
(2) Loans and bills discounted	2,442,519		
Allowance for loan losses*1	(19,732)		
	2,422,786	2,305,226	(117,559)
Total assets	3,383,385	3,259,365	(124,020)
(1) Deposits	3,409,438	3,409,306	(132)
(2) Borrowed money	376,058	371,847	(4,211)
Total liabilities	3,785,497	3,781,153	(4,343)
Derivative transactions*2			
Not qualifying for hedge accounting	(316)	(316)	—
Qualifying for hedge accounting	—	—	—
Total derivative transactions	(316)	(316)	—

*1 A general allowance for loan losses and specific allowance for loan losses are deducted from loans and bills discounted.
*2 Derivative transactions recorded in other assets and other liabilities are presented collectively.
Receivables and payables arising from derivative transactions are presented on a net basis, and net payables are presented with parentheses: ( )

Current fiscal year (March 31, 2026)

(Thousands of U.S. dollars)

	Carrying amount	Fair value	Difference
(1) Securities			
Held-to-maturity debt securities	1,868,196	1,827,789	(40,407)
Available-for-sale securities	4,140,053	4,140,053	—
(2) Loans and bills discounted	15,277,205		
Allowance for loan losses*1	(123,422)		
	15,153,783	14,418,482	(735,301)
Total assets	21,162,032	20,386,324	(775,708)
(1) Deposits	21,324,984	21,324,156	(828)
(2) Borrowed money	2,352,131	2,325,789	(26,342)
Total liabilities	23,677,115	23,649,945	(27,170)
Derivative transactions*2			
Not qualifying for hedge accounting	(1,981)	(1,981)	—
Qualifying for hedge accounting	—	—	—
Total derivative transactions	(1,981)	(1,981)	—

*1 A general allowance for loan losses and specific allowance for loan losses are deducted from loans and bills discounted.
*2 Derivative transactions recorded in other assets and other liabilities are presented collectively.
Receivables and payables arising from derivative transactions are presented on a net basis, and net payables are presented with parentheses: ( )

Note 1: The amounts for shares and investments in partnerships without market prices on the consolidated balance sheets are as stated below. The fair value of financial instruments is not included in "Available-for-sale securities."

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Unlisted stocks[*1, *2]	¥ **1,648**	¥ 1,218	$ **10,309**
Investments in partnerships[*3]	**16,218**	14,389	**101,444**

*1: Unlisted stocks are excluded from fair value disclosure in line with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).
*2: During the previous fiscal year, an impairment loss of ¥0 million was recognized against unlisted stocks.
During the current fiscal year, an impairment loss of ¥0 million (U.S. $3 thousand) was recognized against unlisted stocks.
*3: Investments in partnerships are excluded from fair value disclosure in line with Paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

Note 2: Redemption schedule of monetary claims and securities with maturities after March 31, 2026 and 2025

Previous fiscal year (March 31, 2025)

(Millions of yen)

	Within one year	Over one year to three years	Over three years to five years	Over five years to seven years	Over seven years to ten years	Over ten years
Due from banks	840,287	—	—	—	—	—
Securities	153,938	328,080	120,364	66,030	170,063	21,716
Held-to-maturity debt securities	100,000	150,000	—	—	50,000	—
Government bonds	100,000	150,000	—	—	50,000	—
Available-for-sale securities with maturities	53,938	178,080	120,364	66,030	120,063	21,716
Government bonds	10,000	78,500	20,500	12,500	31,000	—
Local government bonds	2,163	5,227	42,027	17,303	27,432	7,442
Corporate bonds	24,608	45,894	29,349	2,616	831	12,653
Others	17,166	48,459	28,487	33,611	60,799	1,620
Loans and bills discounted*	646,945	471,224	304,792	189,403	185,669	461,239
Total	1,641,172	799,305	425,156	255,434	355,733	482,956

* The balances exclude loans and bills discounted for debtors who are legally bankrupt, substantially bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥39,845 million and those without maturity, amounting to ¥61,999 million.

Current fiscal year (March 31, 2026)

(Millions of yen)

	Within one year	Over one year to three years	Over three years to five years	Over five years to seven years	Over seven years to ten years	Over ten years
Due from banks	766,154	—	—	—	—	—
Securities	207,092	356,403	94,622	97,715	140,572	10,704
Held-to-maturity debt securities	97,500	152,500	—	—	50,000	—
Government bonds	97,500	152,500	—	—	50,000	—
Available-for-sale securities with maturities	109,592	203,903	94,622	97,715	90,572	10,704
Government bonds	64,000	80,000	26,500	28,000	11,000	—
Local government bonds	3,780	35,761	23,913	29,498	21,468	3,629
Corporate bonds	23,356	50,837	8,316	241	700	5,991
Others	18,455	37,304	35,892	39,975	57,403	1,083
Loans and bills discounted*	691,614	491,066	319,566	204,315	192,079	451,809
Total	1,664,860	847,469	414,188	302,030	332,651	462,513

* The balances exclude loans and bills discounted for debtors who are legally bankrupt, substantially bankrupt or likely to become bankrupt that are not expected to be collected, amounting to ¥44,531 million and those without maturity, amounting to ¥47,536 million.

Current fiscal year (March 31, 2026)

(Thousands of U.S. dollars)

	Within one year	Over one year to three years	Over three years to five years	Over five years to seven years	Over seven years to ten years	Over ten years
Due from banks	4,792,057	—	—	—	—	—
Securities	1,295,297	2,229,192	591,833	611,180	879,235	66,950
Held-to-maturity debt securities	609,832	953,840	—	—	312,734	—
Government bonds	609,832	953,840	—	—	312,734	—
Available-for-sale securities with maturities	685,465	1,275,352	591,833	611,180	566,501	66,950
Government bonds	400,300	500,375	165,749	175,131	68,802	—
Local government bonds	23,647	223,676	149,570	184,505	134,281	22,699
Corporate bonds	146,087	317,971	52,015	1,511	4,378	37,474
Others	115,431	233,330	224,499	250,033	359,040	6,777
Loans and bills discounted*	4,325,836	3,071,466	1,998,788	1,277,930	1,201,399	2,825,927
Total	10,413,190	5,300,658	2,590,621	1,889,110	2,080,634	2,892,877

* The balances exclude loans and bills discounted for debtors who are legally bankrupt, substantially bankrupt or likely to become bankrupt that are not expected to be collected, amounting to U.S. $278,533 thousand and those without maturity, amounting to U.S. $297,326 thousand.

Note 3: Repayment schedule of interest-bearing liabilities after March 31, 2026 and 2025

Previous fiscal year (March 31, 2025)

(Millions of yen)

	Within one year	Over one year to three years	Over three years to five years	Over five years to seven years	Over seven years to ten years	Over ten years
Deposits*	3,294,742	94,781	17,120	1,058	3,230	—
Securities sold under repurchase agreements	804	—	—	—	—	—
Cash collateral received for securities lent	162,554	—	—	—	—	—
Borrowed money	204,413	319,101	—	—	—	—
Total	3,662,515	413,882	17,120	1,058	3,230	—

* The balance of demand deposits is included in "Within one year."

Current fiscal year (March 31, 2026)

(Millions of yen)

	Within one year	Over one year to three years	Over three years to five years	Over five years to seven years	Over seven years to ten years	Over ten years
Deposits*	**3,237,398**	**154,007**	**13,926**	**757**	**3,348**	**—**
Securities sold under repurchase agreements	**12,742**	**—**	**—**	**—**	**—**	**—**
Cash collateral received for securities lent	**301,303**	**—**	**—**	**—**	**—**	**—**
Borrowed money	**127,366**	**248,691**	**—**	**—**	**—**	**—**
Total	**3,678,810**	**402,699**	**13,926**	**757**	**3,348**	**—**

* The balance of demand deposits is included in "Within one year."

Current fiscal year (March 31, 2026)

(Thousands of U.S. dollars)

	Within one year	Over one year to three years	Over three years to five years	Over five years to seven years	Over seven years to ten years	Over ten years
Deposits*	**20,248,927**	**963,271**	**87,104**	**4,736**	**20,945**	**—**
Securities sold under repurchase agreements	**79,699**	**—**	**—**	**—**	**—**	**—**
Cash collateral received for securities lent	**1,884,559**	**—**	**—**	**—**	**—**	**—**
Borrowed money	**796,640**	**1,555,491**	**—**	**—**	**—**	**—**
Total	**23,009,825**	**2,518,762**	**87,104**	**4,736**	**20,945**	**—**

* The balance of demand deposits is included in "Within one year."

(3) Breakdown for the fair value of financial instruments

The fair value of financial instruments by level of inputs

Based on the observability and the significance of the inputs used to determine fair value, the fair value of financial instruments is presented by categorizing the measurements into the following three levels:

Level 1 fair value: fair value measured by quoted prices of identical assets or liabilities in active markets.
Level 2 fair value: fair value measured using observable inputs other than Level 1.
Level 3 fair value: fair value measured using unobservable inputs.

When multiple inputs of different categories are used in measuring fair value, the Bank and its subsidiaries classify the fair value into the category to which the lowest priority is assigned.

(1) Financial instruments measured at fair value in the consolidated balance sheet

Previous fiscal year (March 31, 2025)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Available-for-sale securities				
Government and local government bonds	148,611	96,302	—	244,913
Corporate bonds	—	102,484	10,934	113,419
Stocks	44,032	19	—	44,052
Others	38,675	184,500	599	223,776
Total assets	231,319	383,307	11,534	626,162
Derivative transactions				
Currency-related transactions	—	22	—	22
Total derivative transactions	—	22	—	22

*1 None of the securities were investment trusts to which Paragraphs 24-3 and 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021) apply.
*2 Derivative transactions recorded in other assets and other liabilities are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis.

Current fiscal year (March 31, 2026)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Available-for-sale securities				
Government and local government bonds	202,566	110,041	—	312,607
Corporate bonds	—	72,634	14,125	86,760
Stocks	46,862	19	—	46,882
Others	42,431	173,229	—	215,661
Total assets	291,860	355,925	14,125	661,911
Derivative transactions				
Currency-related transactions	—	(316)	—	(316)
Total derivative transactions	—	(316)	—	(316)

*1 None of the securities were investment trusts to which Paragraphs 24-3 and 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021) apply.

*2 Derivative transactions recorded in other assets and other liabilities are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis.

Current fiscal year (March 31, 2026)

(Thousands of U.S. dollars)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Available-for-sale securities				
Government and local government bonds	1,266,990	688,275	—	1,955,265
Corporate bonds	—	454,306	88,352	542,658
Stocks	293,109	125	—	293,234
Others	265,396	1,083,500	—	1,348,896
Total assets	1,825,495	2,226,206	88,352	4,140,053
Derivative transactions				
Currency-related transactions	—	(1,981)	—	(1,981)
Total derivative transactions	—	(1,981)	—	(1,981)

*1 None of the securities were investment trusts to which Paragraphs 24-3 and 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021) apply.

*2 Derivative transactions recorded in other assets and other liabilities are presented collectively. Receivables and payables arising from derivative transactions are presented on a net basis.

(2) Financial instruments not recorded at fair value on the consolidated balance sheet

Previous fiscal year (March 31, 2025)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Held-to-maturity debt securities				
Government and local government bonds	293,888	—	—	293,888
Loans and bills discounted	—	—	2,285,365	2,285,365
Total assets	293,888	—	2,285,365	2,579,254
Deposits	—	3,410,258	—	3,410,258
Borrowed money	—	523,514	—	523,514
Total liabilities	—	3,933,773	—	3,933,773

Current fiscal year (March 31, 2026)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Held-to-maturity debt securities				
Government and local government bonds	**292,226**	**—**	**—**	**292,226**
Loans and bills discounted	**—**	**—**	**2,305,226**	**2,305,226**
Total assets	**292,226**	**—**	**2,305,226**	**2,597,453**
Deposits	**—**	**3,409,306**	**—**	**3,409,306**
Borrowed money	**—**	**371,847**	**—**	**371,847**
Total liabilities	**—**	**3,781,153**	**—**	**3,781,153**

Current fiscal year (March 31, 2026)

(Thousands of U.S. dollars)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Held-to-maturity debt securities				
Government and local government bonds	**1,827,789**	**—**	**—**	**1,827,789**
Loans and bills discounted	**—**	**—**	**14,418,482**	**14,418,482**
Total assets	**1,827,789**	**—**	**14,418,482**	**16,246,271**
Deposits	**—**	**21,324,156**	**—**	**21,324,156**
Borrowed money	**—**	**2,325,789**	**—**	**2,325,789**
Total liabilities	**—**	**23,649,945**	**—**	**23,649,945**

Note 1: Explanation of evaluation methods used to calculate fair value and inputs related to the calculation of fair value

<u>Assets</u>

Securities

As market fair values for listed stocks in active markets can be used without adjustment, these are classified as Level 1 fair values. Securities with low trading frequency that are not considered to have quoted prices in active markets are classified as Level 2.

The fair values of private placement bonds guaranteed by the Bank are calculated based on the value of expected future cash flows, after deductions for credit risk for the total amount of principal and interest by the issuer's internal rating and certain time period has been applied, discounted at the market interest rate. As credit risk is an input with unobservable significant effect (a "significant unobservable input"), these are classified as Level 3 fair values. For investment trusts for which there is no market fair value, reference prices are used as fair value provided that there are no significant restrictions that would warrant demands from market participants for an amount equivalent to the risk of cancellation or repurchase. These are classified as Level 2 fair values.

Securities not detailed above use fair values based on evaluation amounts provided by third parties. Of those, securities for which there are fair values for equivalent assets or liabilities in active markets and that are not adjusted are classified as Level 1. Those that use significant unobservable inputs are classified as Level 3, while others are classified as Level 2 fair values.

Loans and bills discounted

Loans and bills with fluctuating interest rates can be reflected by market interest rates in the short term, and provided the credit risk of the borrower does not change dramatically, fair values are essentially equivalent to their book values and so fair value is taken to be the relevant book value. The fair values of loans and bills with fixed interest rates are calculated based on the value of expected future cash flows, after deductions for credit risk for the total amount of principal and interest principally by the type of loan, issuer's internal rating and certain time period has been applied, discounted at the market interest rate.

Fair values for loans and bills with short contract periods (a year or less) are essentially equivalent to their book values and so fair value is taken to be the relevant book value. For loans to bankrupt, substantially bankrupt, and potentially bankrupt borrowers, fair value is an amount where the individual allowance for loan losses is deducted from book value. As credit risk is a significant unobservable input, these are classified as Level 3 fair values.

<u>Liabilities</u>

Deposits

For demand deposits paid immediately after a demand on the consolidated balance sheet date, that amount is taken as the fair value. The fair values of time deposits are determined based on the present discounted value of future cash flows by certain time periods discounted by expected future cash flows. The discount rate uses the interest rate required for newly originated deposits. These are classified as Level 2 fair values.

Borrowed money

The fair values of borrowed money are determined based on the present value of the total amount of principal and interest by certain time periods discounted at the interest rate that would be presumably applied for similar borrowings. Fair values for borrowed money with short contract periods (a year or less) are essentially equivalent to their book values and so fair value is taken to be the relevant book value. These are classified as Level 2 fair values.

<u>Derivative transactions</u>

The fair values of derivative transactions are calculated using present value evaluation method, the Black-Scholes model, or other evaluation method depending on the type of transaction or time until completion. Major inputs for these used in these evaluation methods include interest, exchange rates, and volatility. For those where unobservable inputs are not used, or where the influence of such is deemed insignificant, these are classified as Level 2 fair values. These include exchange contract transactions, currency option transactions, and currency swap transactions.

Note 2: Information on Level 3 fair values of financial instruments recorded at fair value on the consolidated balance sheet

(1) Quantitative information related to significant unobservable inputs

Previous fiscal year (March 31, 2025)

Category	Evaluation method	Significant unobservable inputs	Scope of inputs	Input-weighted average
Available-for-sale securities				
Corporate bonds (private placement bonds guaranteed by the Bank)	Present value evaluation method	Default probability	0.0–8.0%	0.3%

Current fiscal year (March 31, 2026)

Category	Evaluation method	Significant unobservable inputs	Scope of inputs	Input-weighted average
Available-for-sale securities				
Corporate bonds (private placement bonds guaranteed by the Bank)	Present value evaluation method	Default probability	**0.0–8.6%**	**0.5%**

(2) Reconciliation between the balances at the start and end of the current fiscal year and gains/losses from valuation recognized as gains/losses during the period

Previous fiscal year (March 31, 2025)

(Millions of yen)

	Balance at the start of the period	Gains/losses during the period and other comprehensive income		Net amounts for purchase, sales, issuance, and settlements	Transfer to Level 3	Transfer from Level 3	Balance at the end of the period	Gains/losses from valuation for financial assets and financial liabilities held on the date of the consolidated balance sheet where amounts of gains/losses have been recorded for the current fiscal year
		Recorded as gains/losses	Recorded as other comprehensive income*1					
Securities								
Available-for-sale securities								
Corporate bonds	6,840	—	61	4,032	—	—	10,934	—
Others	600	—	(0)	—	—	—	599	—

*1 Included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" in the consolidated statement of comprehensive income.

Current fiscal year (March 31, 2026)

(Millions of yen)

	Balance at the start of the period	Gains/losses during the period and other comprehensive income		Net amounts for purchase, sales, issuance, and settlements	Transfer to Level 3	Transfer from Level 3	Balance at the end of the period	Gains/losses from valuation for financial assets and financial liabilities held on the date of the consolidated balance sheet where amounts of gains/losses have been recorded for the current fiscal year
		Recorded as gains/losses	Recorded as other comprehensive income*1					
Securities								
Available-for-sale securities								
Corporate bonds	10,934	—	(129)	3,320	—	—	14,125	—
Others	599	—	0	(600)	—	—	—	—

*1 Included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" in the consolidated statement of comprehensive income.

Current fiscal year (March 31, 2026)

(Thousands of U.S. dollars)

	Balance at the start of the period	Gains/losses during the period and other comprehensive income		Net amounts for purchase, sales, issuance, and settlements	Transfer to Level 3	Transfer from Level 3	Balance at the end of the period	Gains/losses from valuation for financial assets and financial liabilities held on the date of the consolidated balance sheet where amounts of gains/losses have been recorded for the current fiscal year
		Recorded as gains/losses	Recorded as other comprehensive income*1					
Securities								
Available-for-sale securities								
Corporate bonds	68,394	—	(810)	20,768	—	—	88,352	—
Others	3,752	—	0	(3,752)	—	—	—	—

*1 Included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" in the consolidated statement of comprehensive income.

(3) Explanation of the fair value evaluation process

Within the Bank accounting departments set policies and procedures for calculating fair value, and the market departments calculate fair value in accordance with these policies and procedures. For the fair values so calculated, the accounting departments assess the evaluation method used, the validity of the inputs, and the appropriateness of the level into which the value has been categorized.

In calculating fair value, the most appropriate evaluation model, which can reflect the nature, special characteristics, and risks of each individual asset, are used. Even for instances when a market value provided by a third party is used, the evaluation method and the validity of the value are assessed through appropriate methods.

(4) Explanation of effect on fair value when significant unobservable inputs are changed

A significant unobservable input that is used to calculate fair value on private placement bonds guaranteed by the Bank is the default probability. A significant rise (or drop) in the default probability rate will cause a significant drop (or rise) in the fair value.

21. Securities

"Shares of subsidiaries and affiliates" are disclosed in the notes to the financial statements.

(1) Securities for trading purposes

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

(2) Held-to-maturity debt securities

Previous fiscal year (March 31, 2025)

(Millions of yen)

	Type	Carrying amount	Fair value	Difference
Securities for which fair value exceeds the carrying amounts on the consolidated balance sheets	Government bonds	—	—	—
	Local government bonds	—	—	—
	Corporate bonds	—	—	—
	Others	—	—	—
	Subtotal	—	—	—
Securities for which fair value does not exceed the carrying amounts on the consolidated balance sheets	Government bonds	298,402	293,888	(4,513)
	Local government bonds	—	—	—
	Corporate bonds	—	—	—
	Others	—	—	—
	Subtotal	298,402	293,888	(4,513)
Total		298,402	293,888	(4,513)

Current fiscal year (March 31, 2026)

(Millions of yen)

	Type	Carrying amount	Fair value	Difference
Securities for which fair value exceeds the carrying amounts on the consolidated balance sheets	Government bonds	—	—	—
	Local government bonds	—	—	—
	Corporate bonds	—	—	—
	Others	—	—	—
	Subtotal	—	—	—
Securities for which fair value does not exceed the carrying amounts on the consolidated balance sheets	Government bonds	**298,687**	**292,226**	**(6,460)**
	Local government bonds	—	—	—
	Corporate bonds	—	—	—
	Others	—	—	—
	Subtotal	**298,687**	**292,226**	**(6,460)**
Total		**298,687**	**292,226**	**(6,460)**

Current fiscal year (March 31, 2026)

(Thousands of U.S. dollars)

	Type	Carrying amount	Fair value	Difference
Securities for which fair value exceeds the carrying amounts on the consolidated balance sheets	Government bonds	—	—	—
	Local government bonds	—	—	—
	Corporate bonds	—	—	—
	Others	—	—	—
	Subtotal	—	—	—
Securities for which fair value does not exceed the carrying amounts on the consolidated balance sheets	Government bonds	**1,868,196**	**1,827,789**	**(40,407)**
	Local government bonds	—	—	—
	Corporate bonds	—	—	—
	Others	—	—	—
	Subtotal	**1,868,196**	**1,827,789**	**(40,407)**
Total		**1,868,196**	**1,827,789**	**(40,407)**

(3) Available-for-sale securities

Previous fiscal year (March 31, 2025)

(Millions of yen)

	Type	Carrying amount	Acquisition cost	Difference
Securities for which carrying amount exceeds acquisition cost	Stocks	39,052	17,749	21,303
	Bonds	17,005	16,824	180
	Government bonds	6,496	6,493	2
	Local government bonds	—	—	—
	Corporate bonds	10,508	10,331	177
	Others	37,971	36,500	1,471
	Foreign securities	6,531	6,470	60
	Subtotal	94,029	71,074	22,955
Securities for which carrying amount does not exceed acquisition cost	Stocks	5,000	5,778	(777)
	Bonds	341,328	351,788	(10,460)
	Government bonds	142,114	144,941	(2,826)
	Local government bonds	96,302	101,228	(4,926)
	Corporate bonds	102,910	105,618	(2,708)
	Others	185,804	194,993	(9,189)
	Foreign securities	42,111	42,844	(733)
	Subtotal	532,133	552,560	(20,427)
Total		626,162	623,634	2,527

Current fiscal year (March 31, 2026)

(Millions of yen)

	Type	Carrying amount	Acquisition cost	Difference
Securities for which carrying amount exceeds acquisition cost	Stocks	44,172	15,827	28,344
	Bonds	12,283	12,117	165
	Government bonds	—	—	—
	Local government bonds	—	—	—
	Corporate bonds	12,283	12,117	165
	Others	76,199	70,294	5,905
	Foreign securities	4,842	4,781	60
	Subtotal	132,655	98,239	34,416
Securities for which carrying amount does not exceed acquisition cost	Stocks	2,709	3,308	(598)
	Bonds	387,084	401,172	(14,087)
	Government bonds	202,566	207,471	(4,905)
	Local government bonds	110,041	116,380	(6,338)
	Corporate bonds	74,477	77,319	(2,842)
	Others	139,461	144,326	(4,865)
	Foreign securities	47,393	48,497	(1,104)
	Subtotal	529,256	548,807	(19,551)
Total		661,911	647,046	14,865

Current fiscal year (March 31, 2026)

(Thousands of U.S. dollars)

	Type	Carrying amount	Acquisition cost	Difference
Securities for which carrying amount exceeds acquisition cost	Stocks	276,285	98,998	177,287
	Bonds	76,828	75,790	1,038
	Government bonds	—	—	—
	Local government bonds	—	—	—
	Corporate bonds	76,828	75,790	1,038
	Others	476,607	439,669	36,938
	Foreign securities	30,287	29,908	379
	Subtotal	829,720	614,457	215,263
Securities for which carrying amount does not exceed acquisition cost	Stocks	16,949	20,691	(3,742)
	Bonds	2,421,096	2,509,208	(88,112)
	Government bonds	1,266,990	1,297,673	(30,683)
	Local government bonds	688,275	727,922	(39,647)
	Corporate bonds	465,831	483,613	(17,782)
	Others	872,288	902,721	(30,433)
	Foreign securities	296,432	303,338	(6,906)
	Subtotal	3,310,333	3,432,620	(122,287)
Total		4,140,053	4,047,077	92,976

(4) Held-to-maturity debt securities sold in the current fiscal year

Previous fiscal year (From April 1, 2024 to March 31, 2025)

None

Current fiscal year (From April 1, 2025 to March 31, 2026)

None

(5) Available-for-sale securities sold in the current fiscal year

Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Type	Amount sold	Total gain on sales	Total loss on sales
Stocks	4,973	582	425
Bonds	42,778	—	3,821
Government bonds	—	—	—
Local government bonds	—	—	—
Corporate bonds	42,778	—	3,821
Others	25,608	1,483	819
Foreign securities	5,258	40	62
Total	73,360	2,066	5,066

Current fiscal year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

Type	Amount sold	Total gain on sales	Total loss on sales
Stocks	**14,707**	**7,435**	**240**
Bonds	**16,351**	**—**	**2,904**
Government bonds	**—**	**—**	**—**
Local government bonds	**9,596**	**—**	**1,411**
Corporate bonds	**6,755**	**—**	**1,492**
Others	**16,742**	**967**	**998**
Foreign securities	**457**	**4**	**—**
Total	**47,801**	**8,402**	**4,143**

Current fiscal year (From April 1, 2025 to March 31, 2026)

(Thousands of U.S. dollars)

Type	Amount sold	Total gain on sales	Total loss on sales
Stocks	**91,990**	**46,505**	**1,504**
Bonds	**102,276**	**—**	**18,166**
Government bonds	**—**	**—**	**—**
Local government bonds	**60,021**	**—**	**8,829**
Corporate bonds	**42,255**	**—**	**9,337**
Others	**104,719**	**6,050**	**6,247**
Foreign securities	**2,859**	**27**	**—**
Total	**298,985**	**52,555**	**25,917**

(6) Securities that changed their holding purpose

Previous fiscal year (From April 1, 2024 to March 31, 2025)

None

Current fiscal year (From April 1, 2025 to March 31, 2026)

None

(7) Impairment of securities

Securities other than trading securities, (excluding shares and investments in partnerships without market prices) are treated as impaired when their fair values have declined significantly from the acquisition cost, unless it is deemed that there is a possibility of a recovery in the fair value. Such securities are recorded at their fair values in the consolidated balance sheets. The difference between the acquisition cost and the fair values is recognized as an impairment loss.

In the previous fiscal year, there was no impairment loss.

In the current fiscal year, impairment loss of ¥35 million (U.S. $221 thousand) (all related to “Stocks”) was recognized.

The impairment of securities is recognized for all securities when the market value of the securities has fallen by 50% or more compared with the acquisition cost, and for other securities when the market value of the securities has fallen by 30% or more compared with the acquisition cost, unless it is deemed that there is a possibility of a recovery in the fair value in consideration of past reduction rates over a specific period of time and financial conditions of issuing companies.

22. Money held in trust

(1) Money held in trust for trading purposes

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

(2) Money held in trust held to maturity

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

(3) Other money held in trust (other than those for trading purposes or held to maturity)

Previous fiscal year (March 31, 2025)

(Millions of yen)

	Carrying amount	Acquisition cost	Difference	Positive difference	Negative difference
Other money held in trust	7,302	7,302	—	—	—

Note: The amount of "Difference" is the net of "Positive Difference" and "Negative Difference."

Current fiscal year (March 31, 2026)

(Millions of yen)

	Carrying amount	Acquisition cost	Difference	Positive difference	Negative difference
Other money held in trust	**7,302**	**7,302**	**—**	**—**	**—**

Note: The amount of "Difference" is the net of "Positive Difference" and "Negative Difference."

Current fiscal year (March 31, 2026)

(Thousands of U.S. dollars)

	Carrying amount	Acquisition cost	Difference	Positive difference	Negative difference
Other money held in trust	**45,673**	**45,673**	**—**	**—**	**—**

Note: The amount of "Difference" is the net of "Positive Difference" and "Negative Difference."

23. Valuation differences on available-for-sale securities

The following table shows components of Valuation differences on available-for-sale securities in the consolidated balance sheets.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Valuation differences	**¥ 15,766**	¥ 2,527	**$ 98,616**
Securities	**15,766**	2,527	**98,616**
Deferred tax liability	**(4,609)**	(424)	**(28,832)**
Valuation differences on available-for-sale securities (before adjustment for non-controlling interests)	**11,157**	2,103	**69,784**
Non-controlling interests	**—**	—	**—**
Valuation differences on available-for-sale securities	**11,157**	2,103	**69,784**

Note: "Valuation difference on available-for-sale securities" includes a valuation gain of ¥901 million (U.S. $5,640 thousand) associated with partner contributions.

24. Derivatives

(1) Derivative transactions not qualifying for hedge accounting

Derivative transactions not qualifying for hedge accounting are grouped by the type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts), the fair values, and the valuation differences as of the consolidated balance sheet date are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(i) Interest-related transactions

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

(ii) Currency-related transactions

Previous fiscal year (March 31, 2025)

(Millions of yen)

Category	Type	Notional amounts (total)	Notional amounts (over one year)	Fair value	Valuation difference
Listed	Currency futures				
	Sold	—	—	—	—
	Purchased	—	—	—	—
	Currency options				
	Sold	—	—	—	—
	Purchased	—	—	—	—
OTC	Currency swaps	3,438	3,438	81	81
	Forward exchange contracts				
	Sold	14,631	30	(85)	(85)
	Purchased	8,720	—	27	27
	Currency options				
	Sold	63,158	48,327	(2,002)	(49)
	Purchased	63,158	48,327	2,002	394
	Others				
	Sold	—	—	—	—
	Purchased	—	—	—	—
Total		————	————	22	368

Note: The transactions above are stated at their fair values and valuation differences are recorded in the consolidated statement of operations.

Current fiscal year (March 31, 2026)

(Millions of yen)

Category	Type	Notional amounts (total)	Notional amounts (over one year)	Fair value	Valuation difference
Listed	Currency futures				
	Sold	—	—	—	—
	Purchased	—	—	—	—
	Currency options				
	Sold	—	—	—	—
	Purchased	—	—	—	—
OTC	Currency swaps	5,180	5,180	(245)	(245)
	Forward exchange contracts				
	Sold	11,197	157	(246)	(246)
	Purchased	11,438	—	174	174
	Currency options				
	Sold	57,174	39,981	(906)	822
	Purchased	57,174	39,981	906	(523)
	Others				
	Sold	—	—	—	—
	Purchased	—	—	—	—
Total				(316)	(17)

Note: The transactions above are stated at their fair values and valuation differences are recorded in the consolidated statement of operations.

Current fiscal year (March 31, 2026)

(Thousands of U.S. dollars)

Category	Type	Notional amounts (total)	Notional amounts (over one year)	Fair value	Valuation difference
Listed	Currency futures				
	Sold	—	—	—	—
	Purchased	—	—	—	—
	Currency options				
	Sold	—	—	—	—
	Purchased	—	—	—	—
OTC	Currency swaps	32,400	32,400	(1,535)	(1,535)
	Forward exchange contracts				
	Sold	70,038	983	(1,539)	(1,539)
	Purchased	71,547	—	1,093	1,093
	Currency options				
	Sold	357,606	250,070	(5,672)	5,145
	Purchased	357,606	250,070	5,672	(3,276)
	Others				
	Sold	—	—	—	—
	Purchased	—	—	—	—
Total				(1,981)	(112)

Note: The transactions above are stated at their fair values and valuation differences are recorded in the consolidated statement of operations.

(iii) Stock-related transactions

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

(iv) Bond-related transactions

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

(v) Commodity-related transactions

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

(vi) Credit derivative transactions

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

(2) Derivative transactions qualifying for hedge accounting

Derivative transactions qualifying for hedge accounting are grouped by the type of underlying transactions. The notional amounts (or the amount equivalent to the principal specified in the contracts) and the fair values as of the consolidated balance sheet date are presented below. The notional amounts do not reflect the market risk associated with the derivatives.

(i) Interest-related transactions

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

(ii) Currency-related transactions

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

(iii) Stock-related transactions

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

(iv) Bond-related transactions

Previous fiscal year (March 31, 2025)

None

Current fiscal year (March 31, 2026)

None

25. Retirement benefits

(1) Outline of the retirement benefit plans

The retirement benefits plan of the Bank has a dual structure consisting of a lump-sum benefit program and a defined contribution pension plan.

Notably, the Bank may pay additional retirement benefit payments with premium at the retirement, etc., of employees.

Additionally, a number of consolidated subsidiaries use a defined benefit corporate pension contract system and a lump-sum benefit program, and are entered into the Smaller Enterprise Retirement Allowance Mutual Aid Program.

As part of efforts to create uniform systems following their merger on May 2, 2026, the retirement benefit plan for the Bank and its former consolidated subsidiary THE FUKUHO BANK, LTD. (hereinafter "Fukuho Bank"), was transferred to a defined contribution pension plan, with the exception of part of the Fukuho Bank's contract-type defined benefit corporate pension plan. Moreover, the Fukuho Bank's retirement lump-sum payment plan has been integrated into the Bank's lump-sum payment plan.

(2) Defined benefit plans

(i) Reconciliation of retirement benefit obligations

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Retirement benefit obligations (opening balance)	**¥ 6,488**	¥ 6,935	**$ 40,586**
Service cost-benefits earned during the fiscal year	**373**	386	**2,335**
Interest cost on projected benefit obligations	**49**	25	**308**
Actuarial differences	**(480)**	(225)	**(3,008)**
Retirement benefits paid	**(518)**	(632)	**(3,243)**
Past service cost	**233**	—	**1,459**
Other	**—**	—	**—**
Retirement benefit obligations (closing balance)	**¥ 6,145**	¥ 6,488	**$ 38,437**

(ii) Reconciliation of pension assets

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Pension assets (opening balance)	**¥ 1,308**	¥ 1,366	**$ 8,185**
Expected return on plan assets	**39**	40	**246**
Actuarial differences	**121**	(62)	**757**
Retirement benefits paid	**(69)**	(97)	**(432)**
Contribution from business owners	**59**	60	**375**
Pension assets (closing balance)	**¥ 1,459**	¥ 1,308	**$ 9,131**

(iii) Reconciliation between closing balances of retirement benefit obligations and pension assets, and liabilities and assets for retirement benefits recorded on the consolidated balance sheet

	Millions of yen				Thousands of U.S. dollars	
		2026		2025		2026
Funded system retirement benefit obligations	¥	**1,801**	¥	1,632	$	**11,269**
Pension assets		**(1,459)**		(1,308)		**(9,131)**
		341		323		**2,138**
Non-funded system retirement benefit obligations		**4,343**		4,856		**27,169**
Net amounts of liabilities and assets recorded on the consolidated balance sheet	¥	**4,685**	¥	5,180	$	**29,307**

	Millions of yen				Thousands of U.S. dollars	
		2026		2025		2026
Net defined benefit liability	¥	**4,685**	¥	5,180	$	**29,307**
Net defined benefit asset		**—**		—		**—**
Net of liabilities and assets recorded in the consolidated balance sheet	¥	**4,685**	¥	5,180	$	**29,307**

(iv) Breakdown of retirement benefit expenses

	Millions of yen				Thousands of U.S. dollars	
		2026		2025		2026
Service cost-benefits earned during the fiscal year	¥	**373**	¥	386	$	**2,335**
Interest cost on projected benefit obligations		**49**		25		**308**
Expected return on plan assets		**(39)**		(40)		**(246)**
Amortization of actuarial differences		**(21)**		(10)		**(136)**
Amortization of past service cost		**255**		22		**1,599**
Other		**—**		—		**—**
Retirement benefit expenses for defined benefit obligations	¥	**617**	¥	382	$	**3,860**

Note: The “Amortization of past service cost” that arose at some consolidated subsidiaries during the current fiscal year as a result of amendments to the retirement benefit plan was all recorded as other expenses (¥233 million; U.S. $1,459 thousand).

(v) Adjustments for retirement benefits

Details of adjustments for retirement benefits (before tax effects) are as follows.

	Millions of yen				Thousands of U.S. dollars	
		2026		2025		2026
Past service cost	¥	**22**	¥	22	$	**140**
Actuarial differences		**580**		152		**3,629**
Other		**—**		—		**—**
Total	¥	**602**	¥	174	$	**3,769**

(vi) Accumulated adjustments for retirement benefits

The breakdown of accumulated adjustments for retirement benefits (before tax effects) is as follows.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Unrecognized past service cost	**¥ 22**	¥ 44	**$ 140**
Unrecognized actuarial differences	**(799)**	(219)	**(5,004)**
Other	**—**	—	**—**
Total	**¥ (777)**	¥ (175)	**$ (4,864)**

(vii) Matters relating to pension assets

(1) The ratio of each major category from total pension assets is as follows.

	2026	2025
Bonds	**31.24%**	30.56%
Stocks	**46.84%**	43.69%
Cash and deposits	**16.91%**	2.10%
Others	**5.01%**	23.65%
Total	**100%**	100%

(2) Method for setting the expected rate of return on assets

The expected long-term rate of return on pension assets is based on the current and projected allocation of pension assets and the expected long-term rate of return on the various assets comprising pension assets.

(viii) Actuarial assumptions

The major assumptions used for calculating the actuarial gains and losses are as follows.

	2026	2025
Discount rate	**Mainly 2.2%**	Mainly 0.5%
Expected rate of return on assets	**3.0%**	3.0%
Expected rate of retirement benefits basis increase	**Mainly 4.0%**	Mainly 4.0%

Note: Since the Bank and certain consolidated subsidiaries take expected rates for retirement benefit basis increases as a basis for calculating retirement benefits, these expected rates are used in place of expected rates for salary increases.

(3) Defined-contribution pension plans

The required contribution amount for the defined contribution plans of the Bank and its consolidated subsidiaries was ¥61 million in the previous fiscal year, and ¥62 million (U.S. $389 thousand) in the current fiscal year.

26. Tax effect accounting

(1) Deferred tax assets and liabilities

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Deferred tax assets			
Allowance for loan losses	**¥ 7,016**	¥ 6,911	**$ 43,884**
Retirement benefit liability	**1,469**	1,621	**9,191**
Devaluation of securities	**329**	414	**2,058**
Impairment loss on land	**942**	948	**5,895**
Depreciation	**1,057**	956	**6,612**
Prepaid expenses	**666**	282	**4,168**
Losses carried forward for tax purposes (Note 2)	**2,091**	1,604	**13,084**
Others	**1,412**	1,150	**8,837**
Subtotal	**14,985**	13,891	**93,729**
Valuation allowance for net loss carried forward (Note 2)	**(2,076)**	(1,590)	**(12,987)**
Valuation allowance for total deductible temporary differences, etc.	**(5,472)**	(5,384)	**(34,229)**
Valuation allowance subtotal (Note 1)	**(7,548)**	(6,974)	**(47,216)**
Total deferred tax assets	**7,436**	6,917	**46,513**
Deferred tax liabilities			
Valuation difference on available-for-sale securities	**(4,609)**	(424)	**(28,832)**
Reserve for advanced depreciation of non-current assets	**(153)**	(158)	**(959)**
Revised book values from fair value evaluation	**(172)**	(172)	**(1,076)**
Others	**(26)**	(24)	**(165)**
Total deferred tax liabilities	**(4,961)**	(779)	**(31,032)**
Net deferred tax assets (liabilities)	**¥ 2,475**	¥ 6,137	**$ 15,481**

Note 1: Valuation allowances increased by ¥574 million (U.S. $3,594 thousand). This was mainly due to an increase in the valuation allowance for net loss carried forward.

Note 2: Net loss carried forward and amounts for each deferred tax asset by deferral period

Previous fiscal year (March 31, 2025)

(Millions of yen)

	Within one year	Over one year to two years	Over two years to three years	Over three years to four years	Over four years to five years	Over five years	Total
Net loss carried forward*	0	64	—	1	293	1,243	1,604
Valuation allowance	(0)	(64)	—	(1)	(293)	(1,228)	(1,590)
Deferred tax assets	—	—	—	—	—	14	14

*Net loss carried forward is multiplied by the statutory effective tax rate.

Current fiscal year (March 31, 2026)

(Millions of yen)

	Within one year	Over one year to two years	Over two years to three years	Over three years to four years	Over four years to five years	Over five years	Total
Net loss carried forward*	64	–	1	293	4	1,726	2,091
Valuation allowance	(64)	–	(1)	(293)	(4)	(1,710)	(2,076)
Deferred tax assets	–	–	–	–	–	15	15

*Net loss carried forward is multiplied by the statutory effective tax rate.

Current fiscal year (March 31, 2026)

(Thousands of U.S. dollars)

	Within one year	Over one year to two years	Over two years to three years	Over three years to four years	Over four years to five years	Over five years	Total
Net loss carried forward*	405	–	12	1,837	31	10,799	13,084
Valuation allowance	(405)	–	(12)	(1,837)	(31)	(10,702)	(12,987)
Deferred tax assets	–	–	–	–	–	97	97

*Net loss carried forward is multiplied by the statutory effective tax rate.

(2) Effective income tax rate

	2026	2025
Statutory effective tax rate	**30.46%**	30.46%
(Adjustments)		
Permanent differences such as entertainment expenses	**0.47**	0.73
Permanent differences such as dividend income	**(3.51)**	(2.09)
Adjustment to deferred tax assets at year-end due to change in tax rate	**—**	(0.96)
Impact of the difference between future applicable tax rates and statutory effective tax rates	**(1.00)**	—
Change in the valuation allowance amount	**4.21**	(12.22)
Inhabitant tax on per capita basis	**0.40**	0.60
Reversal of tax effect due to elimination in losses carried forward	**0.00**	0.13
Tax rate difference from parent	**0.34**	0.42
Consolidated elimination of dividend income	**2.84**	1.22
Consolidated adjustments related to fair value evaluation assets	**(0.15)**	(0.05)
Expenses related to the acquisition of shares of a subsidiary	**—**	0.48
Others	**(0.16)**	0.04
Effective tax rate after adoption of tax effect accounting	**33.9%**	18.76%

27. Asset retirement obligations

Previous fiscal year (From April 1, 2024 to March 31, 2025)
This note is not provided due to its low materiality.

Current fiscal year (From April 1, 2025 to March 31, 2026)
This note is not provided due to its low materiality.

28. Investment and rental property

Previous fiscal year (From April 1, 2024 to March 31, 2025)
This note is not provided due to its low materiality.

Current fiscal year (From April 1, 2025 to March 31, 2026)
This note is not provided due to its low materiality.

29. Revenue recognition

(1) Breakdown of revenue from contracts with customers

	Millions of yen		Thousands of U.S. dollars
	2026	2025	**2026**
Fees and commissions	**¥ 10,333**	¥ 9,920	**$ 64,636**
Deposits and lending operations	**2,765**	2,674	**17,295**
Foreign exchange operations	**2,443**	2,237	**15,285**
Securities-related operations	**1,896**	1,782	**11,862**
Agency operations	**196**	190	**1,227**
Insurance sales operations	**421**	381	**2,637**
Other operations	**2,610**	2,653	**16,330**
Ordinary revenue from contracts with customers	**10,333**	9,920	**64,636**
Ordinary revenue other than that detailed above	**68,767**	54,446	**430,120**
Ordinary revenue from external customers	**¥ 79,101**	¥ 64,366	**$ 494,756**

(2) Information that founds the basis for understanding of revenue from contracts with customers

This information is described "(xiv) Accounting standards for recognition" of "(4) Significant accounting policies" in 2. Significant accounting policies and practices. As such, it is omitted here.

(3) Information for the understanding of income amounts for the current fiscal year and future fiscal years

This information is omitted due to its low materiality.

30. Segment information

Reportable segment information

As the Fukui Bank Group's comprehensive financial services business is in a single business segment, segment information is not provided.

Related information

Previous fiscal year (From April 1, 2024 to March 31, 2025)

(1) Information by service

(Millions of yen)

	Lending business	Securities trading business	Leasing business	Others	Total
Ordinary revenue from external customers	28,872	11,803	9,466	14,223	64,366

Note: The figures represent “revenue” in substitution for net sales to be presented by companies in other industries.

(2) Geographic information

(i) Ordinary revenue

More than 90% of the Group’s revenue on the consolidated statement of operations for the fiscal years ended March 31, 2025 is attributable to revenue from external customers in Japan; accordingly, revenue by geographical area is not presented.

(ii) Property, plant and equipment

More than 90% of the Group’s property, plant and equipment on the consolidated balance sheets as of March 31, 2025 are located in Japan; accordingly, property, plant and equipment by geographical area are not presented.

(3) Information about major customers

This information is not provided since no outside customers accounted for more than 10% of ordinary revenue of the Group.

Current fiscal year (From April 1, 2025 to March 31, 2026)

(1) Information by services

(Millions of yen)

	Lending business	Securities trading business	Leasing business	Others	Total
Ordinary revenue from external customers	**33,191**	**17,477**	**10,620**	**17,812**	**79,101**

Note: The figures represent “revenue” in substitution for net sales to be presented by companies in other industries.

(Thousands of U.S. dollars)

	Lending business	Securities trading business	Leasing business	Others	Total
Ordinary revenue from external customers	**207,604**	**109,316**	**66,426**	**111,410**	**494,756**

Note: The figures represent “revenue” in substitution for net sales to be presented by companies in other industries.

(2) Geographic information

(i) Ordinary revenue

More than 90% of the Group's revenue on the consolidated statements of operations for the fiscal years ended March 31, 2026 is attributable to revenue from external customers in Japan; accordingly, revenue by geographical area is not presented.

(ii) Property, plant and equipment

More than 90% of the Group's property, plant and equipment on the consolidated balance sheets as of March 31, 2026 are located in Japan; accordingly, property, plant and equipment by geographical area are not presented.

(3) Information about major customers

This information is not provided since no outside customers accounted for more than 10% of ordinary revenue of the Group.

Information related to losses on impairment of fixed assets by reportable segment

Previous fiscal year (From April 1, 2024 to March 31, 2025)

As the Group only has a single reportable segment—Comprehensive Financial Services—this is omitted.

Current fiscal year (From April 1, 2025 to March 31, 2026)

As the Group only has a single reportable segment—Comprehensive Financial Services—this is omitted.

Information related to amortization of goodwill and unamortized balance of goodwill by reportable segment

Previous fiscal year (From April 1, 2024 to March 31, 2025)

None

Current fiscal year (From April 1, 2025 to March 31, 2026)

None

Information related to gain on negative goodwill by reportable segment

Previous fiscal year (From April 1, 2024 to March 31, 2025)

None

Current fiscal year (From April 1, 2025 to March 31, 2026)

None

31. Related party transactions

(1) Transactions with related parties

(i) Transactions between the Group and related parties

A. Transactions between the Group and the parent company or major corporate shareholders

Previous fiscal year (From April 1, 2024 to March 31, 2025)

Not applicable.

Current fiscal year (From April 1, 2025 to March 31, 2026)

Not applicable.

B. Transactions between the Group and unconsolidated subsidiaries or affiliates

Previous fiscal year (From April 1, 2024 to March 31, 2025)

Not applicable.

Current fiscal year (From April 1, 2025 to March 31, 2026)

Not applicable.

C. Transactions between the Group and companies with the same parent or subsidiaries of the Group's affiliates

Previous fiscal year (From April 1, 2024 to March 31, 2025)

Not applicable.

Current fiscal year (From April 1, 2025 to March 31, 2026)

Not applicable.

D. Transactions between the Group and directors and/or executive officers, or major individual shareholders

Previous fiscal year (From April 1, 2024 to March 31, 2025)

Type	Name (company or individual)	Location	Share capital or equity (Millions of yen)	Business line or occupation	Percentage of voting rights, etc., held (held by the related party)	Relationship with the related party
Company in which more than half of those with voting rights are immediate family members of corporate officers	Kaneichi Co., Ltd. (Note)	Sabae, Fukui	80	Real estate transactions	Direct shareholdings by the related party 0.00	Banking transactions

Transaction content	Transaction amount (Millions of yen)	Account	Balance at the end of the period (Millions of yen)
Lending of funds	100	Loans	100

Transaction terms and method of determination of transaction terms, etc.

Identical to terms used with general transaction counterparties.

Note 1: 99% of voting rights in Kaneichi Co., Ltd. are held by an immediate family member of an executive officer of the Bank.

Current fiscal year (From April 1, 2025 to March 31, 2026)

Type	Name (company or individual)	Location	Share capital or equity		Business line or occupation	Percentage of voting rights, etc., held (held by the related party)	Relationship with the related party
			(Millions of yen)	(Thousands of U.S. dollars)			
Company in which more than half of those with voting rights are immediate family members of corporate officers	Kaneichi Co., Ltd. (Note)	Sabae, Fukui	**80**	**500**	Real estate transactions	Direct shareholdings by the related party 0.00	Banking transactions

Transaction content	Transaction amount		Account	Balance at the end of the period	
	(Millions of yen)	(Thousands of U.S. dollars)		(Millions of yen)	(Thousands of U.S. dollars)
Lending of funds	**100**	**625**	Loans	**100**	**625**

Transaction terms and method of determination of transaction terms, etc.
Identical to terms used with general transaction counterparties.

Note: 99% of voting rights in Kaneichi Co., Ltd. are held by an immediate family member of an executive officer of the Bank.

(ii) Transactions between the Group's consolidated subsidiaries and related parties.

Previous fiscal year (From April 1, 2024 to March 31, 2025)

There were no material transactions.

Current fiscal year (From April 1, 2025 to March 31, 2026)

There were no material transactions.

(2) Notes concerning the parent company or important affiliates

Previous fiscal year (From April 1, 2024 to March 31, 2025)

None

Current fiscal year (From April 1, 2025 to March 31, 2026)

None

32. Per-share information

	Yen				U.S. dollars	
		2026		2025		2026
Net assets per share	¥	**6,462.86**	¥	5,759.83	$	**40.42**
Basic earnings per share		**363.64**		309.15		**2.27**

Notes 1: Diluted earnings per share in the current fiscal year is not stated as there are no dilutive shares.

2: The basis for calculation of net assets per share and basic earnings per share is as follows.

(1) Net assets per share

	Millions of yen				Thousands of U.S. dollars	
		2026		2025		2026
Net assets as reported	¥	**152,972**	¥	136,450	$	**956,795**
Less		**86**		71		**539**
Thereof, non-controlling interests		**86**		71		**539**
Net assets attributable to common shares at the end of the period	¥	**152,886**	¥	136,379	$	**956,256**

(Thousands of shares)

	2026	2025
The number of shares of common stock outstanding	**23,656**	23,677

(2) Basic earnings per share

	Millions of yen				Thousands of U.S. dollars	
		2026		2025		2026
Basic earnings per share						
Profit attributable to owners of parent	¥	**8,601**	¥	7,166	$	**53,801**
Amount not attributable to common stockholders		**—**		—		**—**
Profit attributable to owners of parent related to common stock	¥	**8,601**	¥	7,166	$	**53,801**

(Thousands of shares)

	2026	2025
Average number of shares of common stock outstanding	**23,653**	23,181

Note 3: The Bank's shares remaining in the employee stock ownership trust and the board benefit trust are recorded as treasury shares, which are deducted from the number of shares outstanding at the end of the year when calculating the net assets per share. They are also deducted from the average number of shares outstanding during the year when calculating the basic earnings per share.

(Thousands of shares)

	2026		2025	
	Employee stock ownership trust	Board benefit trust	Employee stock ownership trust	Board benefit trust
Number of treasury shares outstanding at the end of the year, deducted when calculating net assets per share	**136**	**297**	208	155
Average number of treasury shares outstanding during the year, deducted when calculating basic earnings per share	**176**	**240**	257	155

33. Subsequent events

Partial amendment of the retirement benefit plan

As part of efforts to create uniform systems following their merger on May 2, 2026, the retirement benefit plan for the Bank and its former consolidated subsidiary THE FUKUHO BANK, LTD. (hereinafter “Fukuho Bank”), was transferred to a defined contribution pension plan, with the exception of part of the Fukuho Bank’s contract-type defined benefit corporate pension plan. Moreover, the Fukuho Bank’s retirement lump-sum payment plan has been integrated into the Bank’s lump-sum payment plan.

In recording this transfer and other factors, Guidance on Accounting for Transfer between Retirement Benefit Plans (ASBJ Guidance No. 1, December 16, 2016) and Practical Solution on Accounting for Transfer between Retirement Benefit Plans (ASBJ PITF No. 2, February 7, 2007) were applied. The amount transferred to the defined contribution pension plan has been recorded as a partial termination of the retirement benefit plan.

As a result, in the next fiscal year other income of ¥670 million (U.S. $4,196 thousand) are expected.

Independent auditor's report

To the Board of Directors of The Fukui Bank, Ltd.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Fukui Bank, Ltd. ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2026 and 2025, the consolidated statements of operations, comprehensive income, changes in net assets and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of classification of borrowers in estimating the allowance for loan losses for loans	
The key audit matter	**How the matter was addressed in our audit**
The consolidated financial statements of the Group reported loans and bills discounted of ¥2,442,519 million (57% of consolidated total assets) and allowance for loan losses of ¥20,056	The primary procedures we performed to assess whether classification of borrowers in estimating the allowance for loan losses for loans of the Bank, the consolidated parent company, and the

million in the consolidated balance sheet. Of this, the total amount of allowance for loan losses reported by the Bank, the consolidated parent company, and the Fukuho Bank, a consolidated subsidiary, was ¥18,142 million. As described in Note 2, “Significant accounting policies and practices (4) Significant accounting policies (iv) Allowance for loan losses” and “Significant accounting estimates - Allowance for loan losses" to the consolidated financial statements, the Bank and the Fukuho Bank classify borrowers into five categories based on its internal self-assessment criteria: “normal borrowers,” “borrowers requiring caution,” “potentially bankrupt borrowers,” “substantially bankrupt borrowers,” and “bankrupt borrowers.” Allowance for loan losses is provided for each category of claims according to their assigned credit risk rating determined in accordance with the write-off and provisions policy. In the self-assessment, classification of a borrower into a category is determined by assessing the borrowers’ repayment ability based on various factors such as the outlook for business continuity and profitability, the appropriateness of the business improvement plan, and the financial support provided by other financial institutions, taking into consideration industry specific factors. In particular, when assessing the credit risk of borrowers, taking into consideration the prospects for future business recovery and business continuity resulting from a reasonable and feasible business improvement plan, the assessment involves management's subjective judgment and may have a significant impact on the allowance for loan losses. We, therefore, determined that our assessment of the appropriateness of classification of borrowers in estimating the allowance for loan losses for loans was the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	Fukuho Bank, a consolidated subsidiary, was appropriate, included the following: **(1) Internal control testing** We tested the design and operating effectiveness of certain of the Bank’s internal controls relevant to classification of borrowers in the self-assessment. In this assessment, we tested the following: ● controls to ensure that the internal self-assessment criteria and the write-off and provisions policy were established in compliance with the applicable accounting standards; ● controls to ensure the reliability of the financial information of borrowers that were entered into the self-assessment rating management systems; and ● controls over classification of borrowers based on the internal self-assessment criteria reflecting qualitative factors. **(2) Assessment of the appropriateness of the borrower category of loans** In order to assess whether borrowers were appropriately classified based on the self-assessment criteria, we selected borrowers for which business improvement plans were designed based on certain criteria. In addition, we: ● inspected the documents reviewed by the Examination Management Division and inquired of the responsible personnel to assess the reasonableness and feasibility of the business improvement plan; ● for borrowers for which business improvement plans were designed in and before the previous fiscal year, evaluated the precision of their estimates based on the achievement of the business improvement plans by comparing the planned sales and profits of the business improvement plans in past years with actual results; and ● examined, comprehensively, the feasibility of the business improvement plan based on non-financial information obtained from the sales-related divisions, such as the orders received and sales volumes of the borrower, and the financial support provided by other financial

	institutions, taking into account the business environment surrounding the borrower.

Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers' and directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers' and directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Bank and its subsidiaries for the current year are ￥93 million and ￥4 million, respectively.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2026 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ando, Masahiro

Designated Engagement Partner

Certified Public Accountant

Nomura, Minoru

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Hokuriku Office, Japan

August 31, 2026

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Bank and KPMG AZSA LLC.

Corporate Information

Directors and Executive Officers (as of June 30, 2026)

Director and Chairman of the Board:	Masahiro Hayashi
Director, President and Representative Executive Officer:	Eiichi Hasegawa
Director, Managing Executive Officer and Representative Executive Officer:	Kenichi Araki
Director and Managing Executive Officer:	Yoshihito Kobayashi
Directors:	Masatsugu Fujihara Hiromi Tagawa* Keiko Umeda* Hideichi Okazaki* Shiori Takinami*
Managing Executive Officer:	Yukinori Taniguchi
Statutory Executive Officers:	Yoshimasa Yonemura Hiromu Miyagoshi Hiroto Haruki Takeshi Nakamura Manabu Yonemura Makoto Kitamura Shumei Kimura

*Outside Directors

Corporate Data (as of March 31, 2026)

Date of Establishment:	December 19, 1899
Number of Shares Issued and Outstanding:	24,144 thousand shares
Paid-in Capital:	JPY17,965 million
Number of Employees:	1,235

Service Network (as of May 31, 2026)

Head Office:
1-1, Junka 1-chome, Fukui 910-8660, Japan
Telephone: +81-776-24-2030

International Division:
1-1, Junka 1-chome, Fukui 910-8660, Japan
Telephone: +81-776-26-9841
Facsimile: +81-776-26-7605
SWIFT: FKUIJPJT

Number of Domestic Offices:

Fukui	77
Ishikawa	10
Toyama	4
Shiga	2
Tokyo	1
Aichi	1
Kyoto	1
Osaka	1
Total	**97**

Correspondent Banking Network:
22 countries
57 cities
112 banks

Consolidated Subsidiaries (as of June 30, 2026)

The Fukugin Lease Co., Ltd.
The Fukui Credit Guarantee Service Co., Ltd.
Fukui Card Co., Ltd.
The Fukui Net Co., Ltd.
The Fukui Capital & Consulting Co., Ltd.
The Fukui Capital Partners Co., Ltd.
Fukui Career Management Co., Ltd.
The Fukui Hito Mono Design Co., Ltd.
Digital for Fukui Co., Ltd.
THE FUKUHO BANK, LTD.
THE FUKUHO CARD CO., LTD.

THE FUKUI BANK, LTD.
1-1, Junka 1-chome, Fukui 910-8660, Japan
Telephone: +81-776-24-2030