

INTEGRATED REPORT 2026



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NNFH

Nishi-Nippon Financial Holdings, Inc.

Group Management Philosophy

Aiming high and motivated by pride in our services, we are committed to becoming a leading financial group through our ability to respond to change and to grow with our customers.

Group Brand Slogan

Sincere Relationships, Best Solutions

Our Logo



Meaning behind Our Logo
Our logo uses the motif of the “Sun,” the energy which creates our future, and the vibrant image of “Wings.” The radiating wings symbolize the infinite future. And the color gradation from light to dark orange expresses the Nishi-Nippon Financial Holdings Group’s commitment to evolving and transforming itself toward the future.

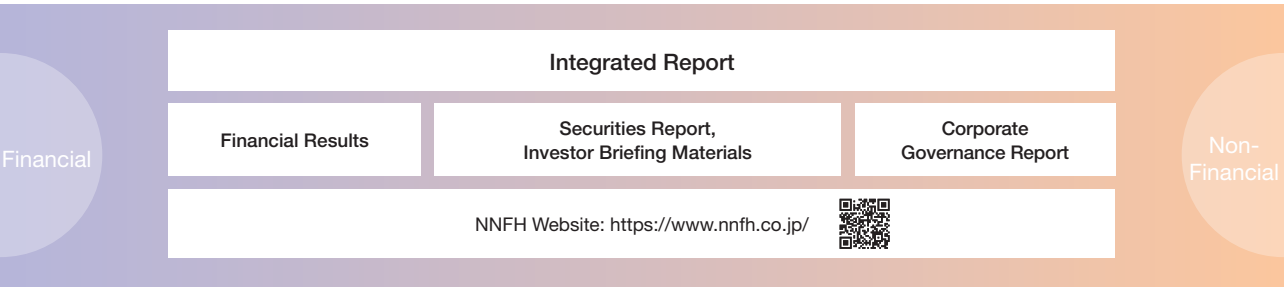
Editorial Policy

Nishi-Nippon Financial Holdings, Inc. (NNFH) has put together this Integrated Report 2026 in a bid to help investors and other stakeholders understand the initiatives by the NNFH Group to sustain business growth and create value. It has been compiled with reference to the International Integrated Reporting Framework released in December 2013 by the International Integrated Reporting Council (IIRC), bringing together financial and non-financial information, including Group Management Philosophy, management plans, and ESG (environmental, social, and governance) information.

- **Scope of Report**
Period covered: April 2025 to March 2026
(Some information includes updates from April 2026 or later.)
Organizations covered: Nishi-Nippon Financial Holdings, Inc. and its subsidiaries and affiliates
- **Date of Publication**
October 2026

Cautionary Statement Regarding Forward-Looking Statements
The Report contains statements about the NNFH Group’s future operating results. These forward-looking statements do not guarantee future performance but involve risks and uncertainties. Please note that actual results could differ from those indicated due to a variety of factors, including changes in the operating environment.

Information Disclosure Framework



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As the NNFH Group reaches
a new milestone, we aim to
pioneer a new future together
with the host community.



Nishi-Nippon Financial Holdings, Inc.

President

Hideyuki Murakami

Introduction

It gives me great pleasure to present Nishi-Nippon Financial Holdings, Inc.’s (NNFH) Integrated Report.

The NNFH Group’s operating environment is changing rapidly as social and economic conditions continue to evolve. Japan’s population is shrinking and aging amid a declining birthrate, technologies such as generative AI are advancing, and Japan has returned to an environment with positive interest rates. These changes have made the needs and challenges of our customers and host communities increasingly diverse and sophisticated.

Meanwhile, Fukuoka and other areas in the Kyushu Region, where the Group mainly operates, enjoy a favorable market environment, with ongoing development projects in urban and surrounding areas, a growing concentration of industries, particularly in the semiconductor sector, as well as robust inbound tourist demand. This environment is expected to continue generating business opportunities across a wide range of financial and non-financial fields.

Against this backdrop, we have launched our new Medium-Term Business Plan (MTBP), “Co-Creating the Future 2029 – Moving Forward Together –” (covering the period from April 2026 to March 2029).

The title of the MTBP, “Co-Creating the Future 2029,” and its subtitle, “Moving Forward Together,” succinctly express our long-term vision, purpose, and the value we provide.

Our previous three Medium-Term Business Plans, including the most recent, used “Leaping Forward” in the title. However, the new title embodies our determination to pioneer a new future together with local communities, in light of accelerating changes in the business environment and society, as well as the opening of our new headquarters building, the NISHI-NIPPON CITY BUILDING, described below, a major milestone for the Company.

Under the MTBP, we will continue to fully leverage our solution capabilities to contribute to the sustainable development of local communities while enhancing our business performance and corporate value.

Review of the Previous Medium-Term Business Plan (See pages 23–28)

Looking back at the launch of the previous Medium-Term Business Plan, “Leaping Forward 2026 – Connecting with Sincerity, Connecting the Future –” (covering the period from April 2023 to March 2026; “the previous MTBP”), we significantly strengthened our management base and established much of the framework needed to provide customers with solutions. This was achieved through continued efforts to enhance our collective strengths under the previous two Medium-Term Business Plans with “Leaping Forward” in the title, as well as through the rollout of digital strategies, work reforms, human capital reforms, and other initiatives. However, a major challenge

remained: we had yet to earn sufficient recognition from our various stakeholders, including corporate and retail customers, employees, and investors. In light of these circumstances, the central theme of the previous MTBP was strengthening relationship management, which connects customer needs to the Group’s solution functions in order to earn greater support from customers, and we have steadily implemented a range of measures toward this end.

This enabled us to achieve the targets for all four key management indicators. We have also significantly improved our standing among corporate and retail customers, which had previously been a challenge. We accomplished this through the steady rollout of various measures to strengthen relationship management, including establishing sales systems to match different customers, enhancing the head office support structure, and strengthening collaboration across the Group. Employee engagement also improved steadily through measures such as pay raises and other improvements in employee treatment, as well as internal branding initiatives.

Furthermore, PBR and PER rose significantly as a result of higher ROE achieved through various MTBP initiatives, along with enhanced dialogue with investors and more extensive information disclosure. These efforts also improved our standing among investors.

These results show that the previous MTBP delivered a solid degree of success.

New Medium-Term Business Plan “Co-Creating the Future 2029 – Moving Forward Together –” (See pages 23–24 and 31–32)

Under the previous MTBP, we sought to earn greater support from customers and enhance our earning power. To build further on these efforts, we have set the goal of becoming the regional financial group most supported and chosen by customers, host communities, employees, and shareholders as our new Long-Term Vision. At the same time, we also reflected on the Group’s journey to date and identified the values and strategic concepts that we consider important. In addition, we positioned the three-year period under the MTBP as a time to accelerate efforts to realize this vision and used backcasting to formulate strategies and set targets.

To realize our vision, the MTBP is designed around two pillars: providing solutions to address social issues and strengthening the management base that enables us to exercise our regional financial power. Specifically, in response to the increasingly diverse and sophisticated challenges and needs of customers and local communities, we will strengthen both our financial and non-financial solution capabilities and the channels through which we deliver these solutions. In doing so, we aim to expand overall transactions, including deposits and lending, by developing stronger relationships with our customers and earning greater support and trust. Furthermore, to strengthen our



New Medium-Term Business Plan “Co-Creating the Future 2029 – Moving Forward Together –”
[Basic Strategies and Priority Measures]

Solving social issues	Basic strategy	1. Providing customer-oriented “One-to-One Solutions”
	Priority measures	(1) Providing solutions to corporate customers (2) Providing solutions to retail customers (3) Developing the optimal mix of physical and digital channels
	Basic strategy	2. Regional development strategy
Strengthening the management base	Priority measures	(1) Resolving regional issues and contributing to community development (2) Startup and business launch support
	Basic strategy	3. Strategy to strengthen the management base
	Priority measures	(1) Enhancing the risk appetite framework (2) Business transformation through the use of AI (3) Strengthening human capital (4) Improving sustainability

[Target Management Indices (Assumed Policy Interest Rate: 1.0%)]

		FY2025 results	FY2028 plan			FY2025 results	FY2028 plan
Profitability	Consolidated net income	¥40.1 billion (¥4.8 billion)	¥60.0 billion (¥5.5 billion)	Efficiency	Consolidated OHR	58.7%	Lower 50% range
	Consolidated ROE	6.89%	Approx. 9%		Consolidated capital adequacy ratio	10.24%	Lower 10% range

management base, the strategic direction of the MTBP is to focus on initiatives such as enhancing the risk appetite framework, accelerating the use of AI, and increasing investments in human capital.

In line with this strategic direction, we have established three basic strategies and nine priority measures. Through their steady implementation, we will seek to achieve our targets for management indicators relating to profitability, efficiency, and financial soundness.

Basic Strategy 1 Providing Customer-Oriented “One-to-One Solutions”

Providing customer-oriented “One-to-One Solutions” means offering products and services that cater to each customer’s needs and issues in order to achieve greater customer satisfaction and build long-lasting business relationships.

This concept is a long-term undertaking carried forward from past Medium-Term Business Plans, and we consider it one of the Group’s key strategic concepts.

■ Providing solutions to corporate customers (See pages 33–36)

Against the backdrop of social and economic changes such as labor shortages, difficulties in securing successors, advances in digitalization, and changes in the interest rate environment, the management challenges and needs of companies are becoming increasingly diverse and sophisticated, and extend beyond the scope of financial matters. By fully leveraging our collective strengths and working together as one to provide financial and non-financial solutions tailored to each customer, we aim to become the most trusted partner of local companies.

Under the MTBP, we make it a fundamental principle to gain a thorough understanding of each customer through our day-to-day relationships and fully demonstrate our financial intermediation capabilities, which is itself an element of social infrastructure. In particular, to accommodate the increasingly diverse range of financing methods, we will roughly double the number of structured finance specialists during the MTBP period.

To further strengthen our capabilities for providing solutions to address social issues, we also consolidated our head office support functions for non-financial fields at the launch of the MTBP, and are training additional specialized personnel who provide sophisticated solutions in areas such as M&A.

■ Providing solutions to retail customers (See pages 37–40)

As we ensure that our business operations remain

customer-oriented, we will offer consulting services based on a comprehensive view of each customer’s assets and liabilities and offer optimal solutions tailored to their stage of life. In particular, in preparation for the coming era of mass inheritance, we will focus on inheritance-led consulting. While building relationships of trust with customers, we will work together as a Group to provide optimal solutions that take their family composition and other customer-specific factors into account.

We will also enhance the appeal of our accounts for everyday use by introducing new incentive programs and other means, and raise awareness of the Company through financial seminars for students, employees of business partners, and others, with the aim of being chosen as the main financial institution by a broad range of people in the community.

Through these efforts, we aim to become a partner that aids retail customers in leading more fulfilling lives.

■ Developing the optimal mix of physical and digital channels (See pages 41–42)

We have worked to provide optimal solutions through both human touch and digital channels. To further develop these, we will strengthen our physical channels by expanding specialized locations, among other measures, while also enhancing our digital channels by expanding the functionality and improving the UI/UX of the Nishi-Nippon City Bank app and NCB Business Station.

Furthermore, the new customer management and sales support system, CRM “Micata,” introduced in January of this year, enables us to centrally manage customer information from all channels and share it across channels. This allows us to seamlessly provide optimal solutions.

In addition, we will establish sales structures for corporate and retail customers tailored to each customer segment, and continue to strengthen how we manage relationships with customers.

Basic Strategy 2 Regional Development Strategy

We hold firmly to the conviction that “without regional development, there will be no growth of the Group.” Guided by this conviction, we seek to make the already vibrant Fukuoka and other areas in the Kyushu Region even more vibrant by creating and revitalizing local industries and by generating greater vitality and activity in local communities.

■ Resolving regional issues and contributing to community development (See pages 43–46)

Through proactive engagement with local governments, we identify and address the challenges and needs of local communities, and promote



community development in collaboration with a wide range of local stakeholders from industry, government, academia, and the private sector. Specifically, this includes our involvement in regional development projects such as Tenjin Big Bang and Hakata Connected, as well as our efforts to build a regional semiconductor ecosystem by matching relevant companies in semiconductor-related industries, where investments are on the rise, particularly in Kumamoto Prefecture. In addition, we will actively work to create greater vibrancy in the area in front of Hakata Station by making the most of the NISHI-NIPPON CITY BUILDING, our new headquarters building, which opened in July of this year.

The Group has also long been engaged in cultural and artistic activities such as the NCB Music Festival; recognition programs such as the Excellent Executive Award, which honors business leaders who have contributed to the local economy; and financial and economic education initiatives, including sending lecturers to universities and holding financial literacy workshops to teach local elementary school students about the value and role of money. Going forward, we will continue to actively pursue community contribution activities that draw on our distinctive strengths as a regional financial group.

■ Startup and business launch support (See pages 49–50)

The Nishi-Nippon City Bank, Ltd., a core subsidiary of the Group, has a history of supporting the growth of local small and medium-sized enterprises by actively

assisting numerous such enterprises through its expertise in that area of finance. As a representation of this inherited “DNA of developing SMEs,” we will contribute to the creation and revitalization of local industries by supporting the growth of startups and newly established companies through both financial and non-financial solutions.

Specifically, the Nishi-Nippon City Bank has established a department specialized in supporting startups to provide seamless support, from identifying promising companies and providing solutions through to supporting their growth through business collaboration. We also actively support business founders, primarily through NCB Business Launch Support Salons, and under the MTBP, we established the new NCB Business Launch Support Salon HAKATA in the NISHI-NIPPON CITY BUILDING. We intend to make it a one-stop hub providing the funding, expertise, and connections needed to start a business and supporting companies from the time of establishment through to their subsequent growth.

Basic Strategy 3 Strategy to Strengthen the Management Base

For regional financial institutions to demonstrate their regional financial powers (their ability to contribute to the local economy by providing companies with management support and addressing local challenges), it is essential to strengthen the management base that underpins those powers.

Under the MTBP, we will focus on building the foundation needed to fully demonstrate our regional

financial powers by enhancing the risk appetite framework, accelerating the use of AI, increasing investments in human capital, and pursuing sustainability initiatives.

■ Enhancing the risk appetite framework (See page 86)

Achieving an appropriate balance between earnings and risk based on the risk appetite framework and meeting the evolving expectations of stakeholders amid changes in the internal and external environments will enable us to maintain a robust management base well into the future.

Under the MTBP, we will strengthen our risk management framework by increasing staffing and investments in cybersecurity and other areas of growing importance.

■ Business transformation through the use of AI (See pages 61–62)

As AI becomes increasingly widespread in business, we too will incorporate full-scale use of generative AI in our operations to both streamline and enhance our work. We will pursue this as a Group-wide effort, drawing on the expertise and technological capabilities of City Ascom Co., Ltd., IJGN GROUP Inc., and other Group companies that specialize in IT and digital transformation.

We will then reallocate the human capital resources made available through streamlining and other measures to priority areas in order to improve productivity.

■ Strengthening human capital (See pages 63–72)

As under the previous MTBP, we will continue to accelerate human capital development initiatives under the current MTBP as well, including developing the strategic human resources who will lead the Group in the future and fostering younger employees. At the same time, we will bolster initiatives to enhance job satisfaction by significantly revising our personnel systems to enable our diverse range of human capital to thrive and by continuing to improve employee treatment.

The need to create a diverse and vibrant organizational culture is one of the messages I have consistently communicated since becoming president. We will actively invest in human capital in order to “respond to change and to grow with our customers,” as stated in the Group Management Philosophy.

■ Improving sustainability (See pages 51–60 and 73–74)

The NNFH Group considers addressing sustainability issues to be an important part of our management strategy, and we will pursue initiatives

that draw on our distinctive strengths as a regional financial group to achieve sustainability for both local communities and the Group itself.

Under the MTBP, we will continue working to reduce our own GHG emissions toward achieving the Group’s goal of carbon neutrality in Scope 1 and 2 by FY2030, while also addressing Scope 3, Category 15 through engagement with customers.

Target Management Indices (See page 32)

To improve profitability and efficiency while maintaining financial soundness, we have retained the same four target management indices used under the previous MTBP: consolidated net income, consolidated ROE, consolidated OHR, and consolidated capital adequacy ratio.

For the final year of the MTBP, we aim to substantially improve profitability by achieving consolidated net income of ¥60.0 billion (¥20.0 billion more than in the final year of the previous MTBP) and consolidated ROE of approximately 9%. The key drivers will be higher net interest income resulting from growth in loans and improved ROA, as well as higher fees and commissions generated by strengthening the provision of solutions to address social issues. Furthermore, we aim to achieve consolidated ROE of at least 10% in the future.

We also plan to steadily improve consolidated OHR to the low-50% range by absorbing increases in essential costs, including those for cybersecurity measures, through top-line growth. Consolidated capital adequacy ratio is projected to remain in the low-10% range, which will ensure an adequate level of financial soundness.

Capital Allocation (See page 27)

Our approach to capital allocation remains unchanged, and to achieve sustainable growth and enhance the NNFH Group’s corporate value, we will manage capital with due consideration to balancing the following three priorities: maintaining an adequate level of capital, making forward-looking growth investments, and enhancing returns to shareholders and investors.

Under the MTBP, we will increase the investments needed for sustainable growth, including strategic investments in systems and branches and investments in human capital.

■ Shareholder returns (See page 28)

Under the previous MTBP, we used a total return ratio of approximately 40% as the benchmark for shareholder returns. However, we have now changed this to a dividend payout ratio of approximately 40% and will seek to increase dividends through earnings growth. We also intend to conduct share buybacks

flexibly, taking into account economic conditions, our financial position, earnings outlook, and other relevant factors at the time.

Opening of the NISHI-NIPPON CITY BUILDING (See pages 47–48)

So far, I have outlined our new Medium-Term Business Plan, but another major event for the NNFH Group this year is the opening of the NISHI-NIPPON CITY BUILDING, our new headquarters building.

The NISHI-NIPPON CITY BUILDING opened in July of this year, approximately six and a half years after we announced the coordinated redevelopment of three buildings, including the Nishi-Nippon City Bank Head Office Building, in December 2019.

In undertaking this redevelopment project, we were determined to contribute to the host community by making the most of the site’s direct connection to Hakata Station, Kyushu’s gateway by land. With this goal in mind, we focused particularly on the following three points.

First is the creation of spaces that encourage pedestrian traffic. In order to extend the energy and vibrancy of Hakata Station into the surrounding area and create a community that is enjoyable to explore on foot, we have developed Connected Core, a large multilevel plaza, as well as comfortable pedestrian walkways and green spaces.

Second is the establishment of a hub for community interaction. We have built NCB Hall, which offers outstanding acoustics and can accommodate a wide range of events, including classical concerts, traditional performing arts, business seminars, and exhibitions. Through synergies with the art installations, commercial facilities, and other features on the lower

floors, we aim to make the building a hub connecting people and the community.

Third is the enhancement of environmental performance and business continuity preparedness. We actively adopt outstanding environmentally conscious technologies and have obtained seven leading environmental certifications, including ZEB Ready, in order to contribute to community development with an eye toward a sustainable future together with the local community. The building is also equipped with disaster preparedness features, including a seismic isolation structure and emergency generators. In the event of a disaster, NCB Hall and other areas will be made available as temporary accommodation for people unable to return home.

Through these efforts, we aim to make the building a landmark that is cherished by the larger community.

In Conclusion

The year 2026 marks a major milestone for the Group, with the launch of our new Medium-Term Business Plan and the opening of our new headquarters building. Our Group Management Philosophy is “Aiming high and motivated by pride in our services, we are committed to becoming a leading financial group through our ability to respond to change and to grow with our customers.” We are committed to sharing this philosophy with all officers and employees and working diligently to put it into practice in order to ensure that these new initiatives and environment lead to the sustainable development of local communities and a leap forward for the NNFH Group.

We look forward to your continued support and patronage.



Group History

The starting point of the Nishi-Nippon City Bank, Ltd., the core entity of the NNFH Group, was a financial institution specializing in financial services for SMEs. It inherited the “DNA of developing SMEs,” cultivated in its two predecessor banks, and has grown with many local SMEs, overcoming various hardships, including bad debt problems.

We have transitioned to a holding company system to contribute more to the regional economy and maximize the Group’s corporate value, forming a comprehensive financial group comprising a diverse range of distinctive subsidiaries engaged in banking, securities, credit cards, ICT, leasing, and other businesses.

2004

Birth of the Nishi-Nippon City Bank

The Nishi-Nippon City Bank was established in October 2004 through a merger between Nishi-Nippon Bank and Fukuoka City Bank. The merger was intended to further strengthen the management base.

We realigned and consolidated the operations of the two banks’ subsidiaries and affiliated companies to leverage their strengths to the maximum extent, aiming to enhance the group’s total financial capabilities.

2016

Birth of NNFH and transition to the holding company structure

In October 2016, we built a new management structure, having transitioned to a holding company system with NNFH at the top, to strengthen unity and coordination in the Group and properly respond to various changes in the business environment and risks in the future.

2022

Enhancing the Group’s collective strengths

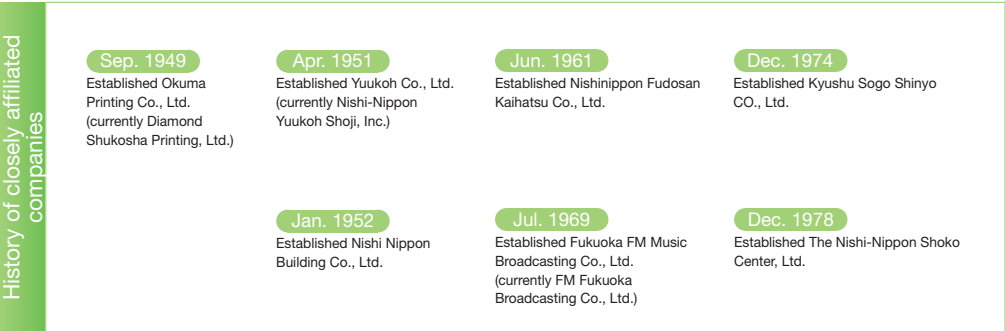
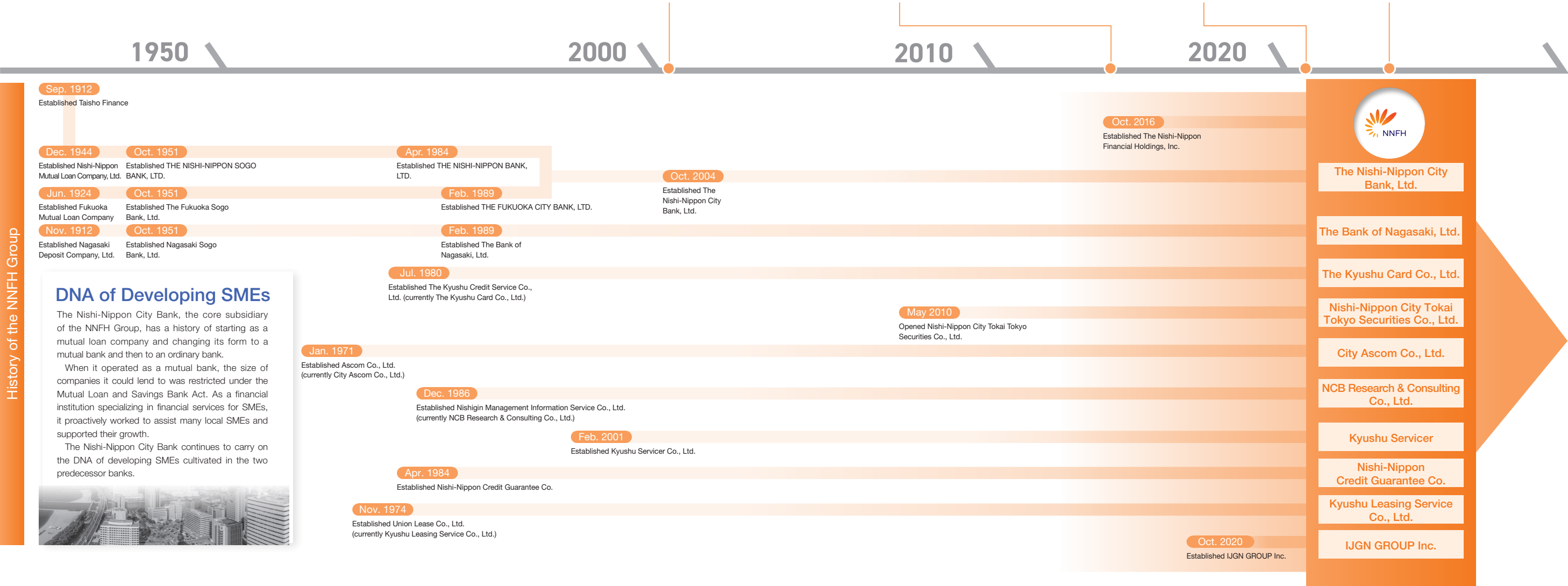
To enhance the Group’s collective strengths, City Ascom Co., Ltd., a leading ICT company in Kyushu, and Kyushu Leasing Service Co., Ltd., Kyushu’s largest leasing company by business scale, joined the Group in October 2022. IJGN GROUP Inc., which specializes in digital transformation consulting and the development of services using digital technologies, joined the Group in December 2022.

2026

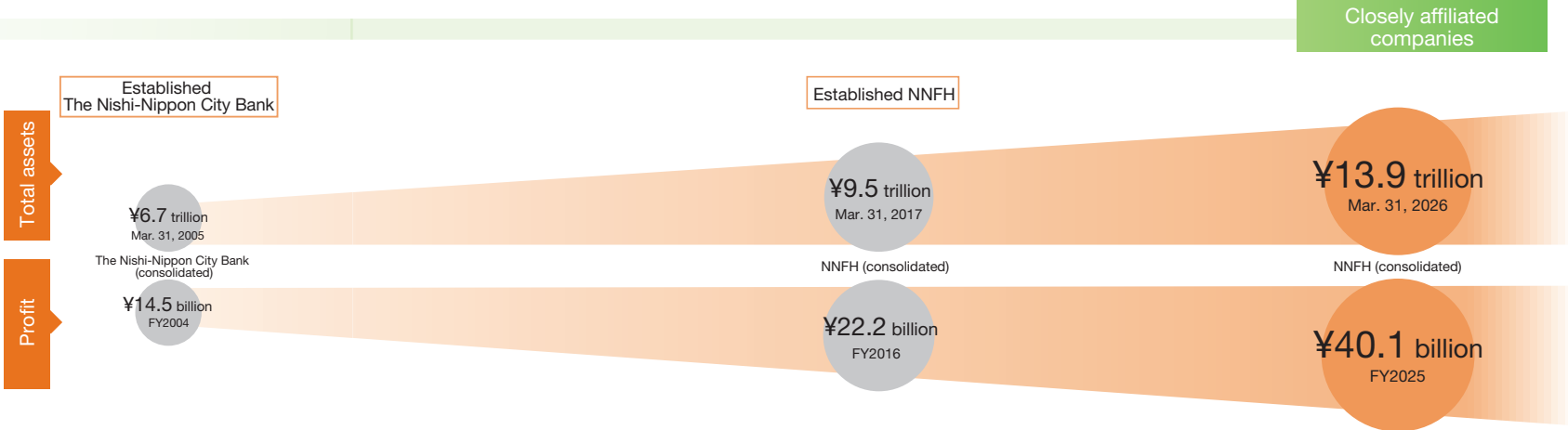
Start of the MTBP “Co-Creating the Future 2029 – Moving Forward Together –”

We started the Medium-Term Business Plan (MTBP), “Co-Creating the Future 2029 – Moving Forward Together –” covering the three-year period from April 2026 to March 2029.

To realize our long-term vision, the NNFH Group is pursuing three basic strategies: 1. Providing customer-oriented “One-to-One Solutions,” 2. Supporting regional development, and 3. Strengthening the management base.



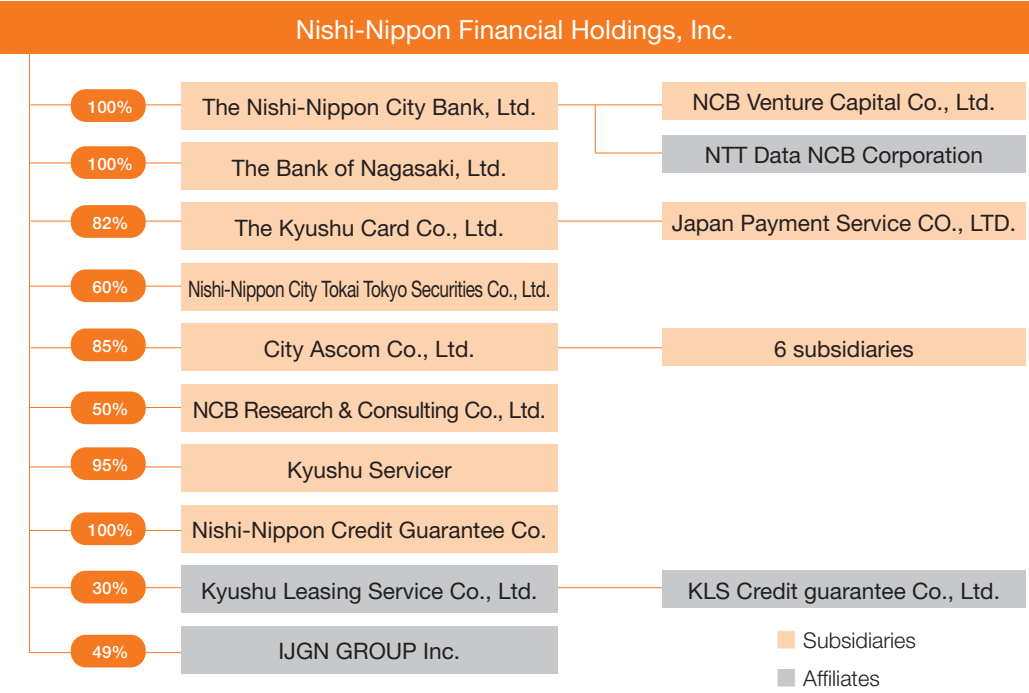
The NNFH Group historically has close links with major companies operating diverse businesses. We have built a system to meet the wide-ranging needs of customers by strengthening our cooperation with such closely affiliated companies, in addition to our subsidiaries and affiliates.



Outline of the Nishi-Nippon Financial Holdings Group

Group Structure

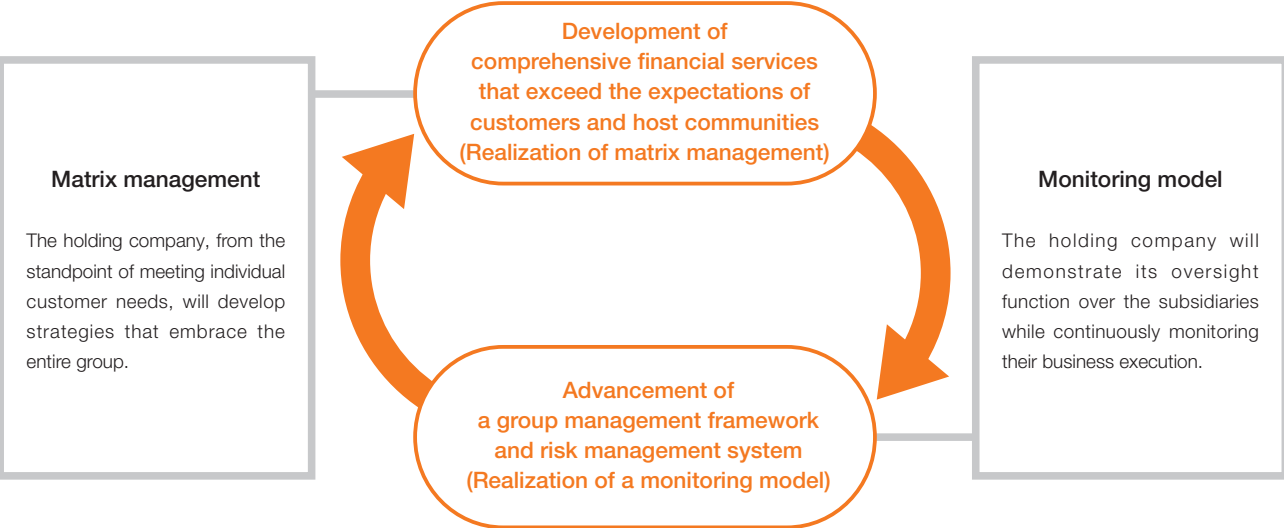
The NNFH Group has adopted a parallel structure whereby NNFH serves as a control tower to direct and guide each Group company while also assuming a bird's-eye perspective in order to oversee them across the board. We aim to further contribute to the local economy and maximize the Group's corporate value by enabling each Group company to fully demonstrate and leverage its distinctive attributes and strengths under the holding company structure.



* The percentage indicates the percentage of voting rights held (including indirect ownership by subsidiaries). (as of June 30, 2026)

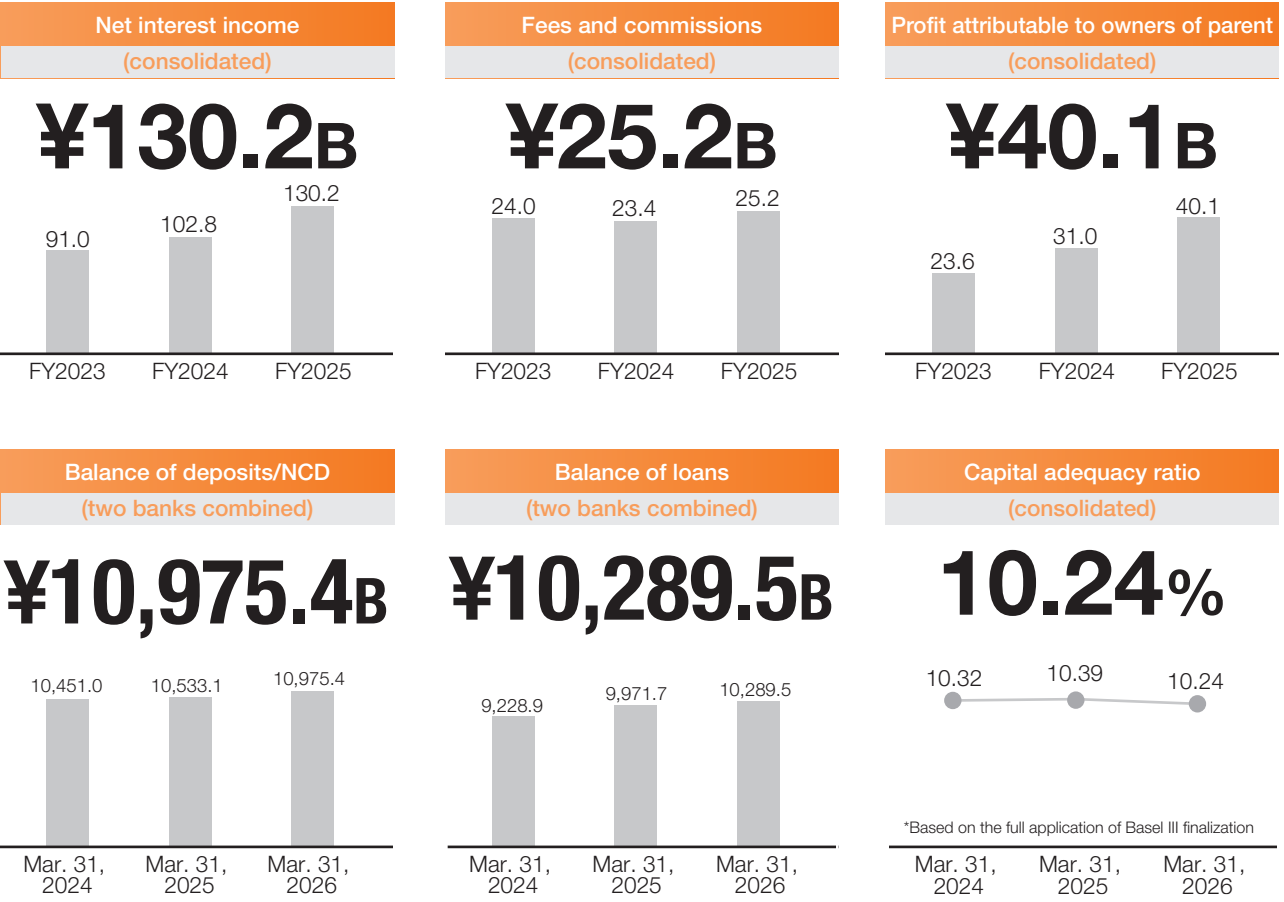
Group Management Strategy

Under the holding company structure, we are promoting two Group Management Strategies: "Development of comprehensive financial services that exceed the expectations of customers and host communities (Realization of matrix management)" and "Advancement of a group management framework and risk management system (Realization of a monitoring model)."

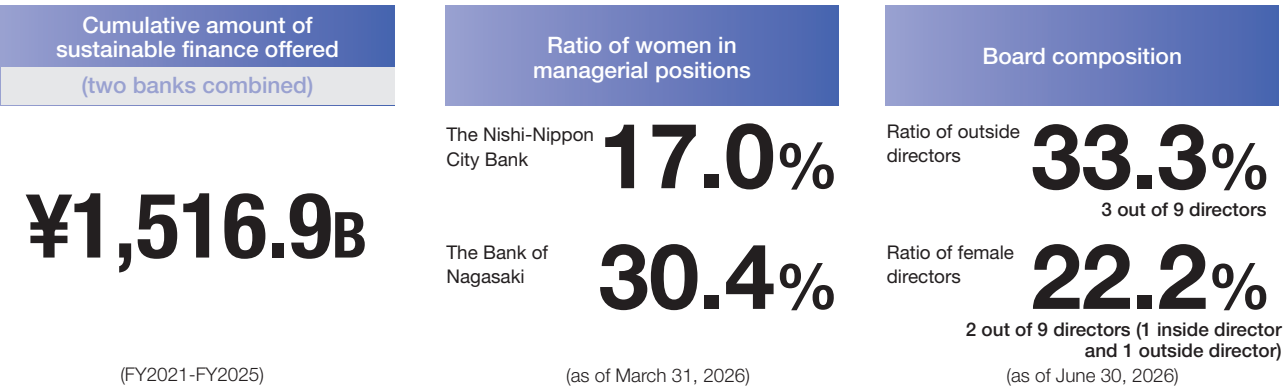


Financial/Non-Financial Highlights

Financial Highlights



Non-Financial Highlights



A Brief Sketch of Our Operating Base

Fukuoka and other areas in the Kyushu Region, where the NNFH Group mainly operates, enjoy a favorable market environment, with a strong economy, ongoing development projects in urban areas, a growing concentration of industries, particularly with regard to semiconductors, as well as robust inbound tourist demand.

Kyushu Region

Kyushu accounts for 10% of Japan's economy.

A robust economy second only to the three major metropolitan areas in size (national share)



Kyushu maintains close mutual relationships with fast-growing Asian countries.

Kyushu hosts a diverse range of industries.



Automobiles

Kyushu's share of national automobile production: **13%**



Agriculture

Kyushu's share of national agricultural production value: **19%**



Semiconductor

Kyushu's share of national IC production value: **49%**



Tourism

Kyushu's share of foreign nationals entering Japan: **13%**

Increasing capital expenditures for semiconductor-related facilities

Large-scale capital expenditures have been increasing in Kyushu to boost semiconductor production. Most notably, Taiwan Semiconductor Manufacturing Company Limited (TSMC), a global semiconductor manufacturer, established a subsidiary in Kumamoto Prefecture.

Investment:

Approximately ¥6.2 trillion

Knock-on effect:

Approximately ¥23.0 trillion

(Both figures are cumulative totals for 2021–2030)

Kyushu has a wealth of tourism resources.

The Nishi-Kyushu Shinkansen (between Takeo-onsen and Nagasaki) began service in 2022.

Fukuoka Prefecture

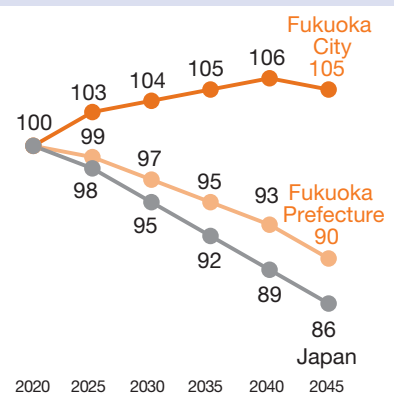
Fukuoka Prefecture accounts for over 40% of Kyushu's GDP and is home to 130,000 of the 340,000 SMEs in Kyushu.

Fukuoka City



Fukuoka's population growth is higher than the national trend.

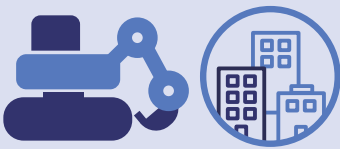
■ Population change with the 2020 population as 100



■ Ratio of young people in Fukuoka City*

Ranked **top** among 21 big cities (**17.6%**)

* Ratio of residents aged 15–29 to total residents



Ongoing redevelopment projects

Project Names

■ Tenjin Big Bang

(May 2016–Dec. 2026)

Construction investment effect

¥630.0 billion

Knock-on effect/year

¥1.9 trillion

■ Hakata Connected

(Dec. 2019–Dec. 2028)

Construction investment effect

¥260.0 billion

Knock-on effect/year

¥500.0 billion

■ Redevelopment of the former site of Kyushu University's Hakozaki Campus

(Apr. 2023–)

One of the biggest redevelopment projects in Japan

Approx. 50 ha



Highest startup rate among ordinance-designated cities (**4.9%**)

Third-party evaluation of Fukuoka City

Japan Power Cities 2025 (Mori Memorial Foundation)

Total ranking

(136 major cities excluding Tokyo's 23 wards)

3rd

Economy & Business **2nd**
Accessibility **3rd**
R&D **4th**

Kita-Kyushu City

The city's approach to create “harmony between industry and environment” has been met with great acclaim both in Japan and abroad.

Designated as an SDGs Model City by the OECD (2018)

Designated as an SDGs Future City and an Environmental Future City (2018)

18 cities and towns in the Kita-Kyushu metropolitan area have been designated as a “Decarbonization Leading Area” (2022).



Clusters of renewable energy-related industries, including solar and wind power generation

One of Japan's largest offshore wind farms (representing an investment of ¥170.0 billion) began operations off the coast of Hibikinada in March 2026.



*Compiled by NNFH based on the latest data available as of June 2026. (Sources: Ministry of Internal Affairs and Communications; Ministry of Agriculture, Forestry and Fisheries; Cabinet Office; Small and Medium Enterprise Agency; Immigration Services Agency; Kyushu Bureau of Economy, Trade and Industry; National Institute of Population and Social Security Research; Kyushu Economic Research Center; prefectural and local governments in Kyushu; and business operators' websites)

Strengths of the Nishi-Nippon Financial Holdings Group

Solid Customer Base

Number of main customers (as of March 31, 2026)

The Nishi-Nippon City Bank

23,161 companies

Since its foundation in October 2004, the Nishi-Nippon City Bank, the core subsidiary of NNFH, has continuously expanded its scale of operations. It now boasts total assets of ¥13,472.0 billion, a balance of deposits and negotiable certificates of deposit (NCD) of ¥10,682.6 billion, a balance of loans of ¥10,001.6 billion, and 23,161 main customers (as of March 31, 2026).

The Kyushu Card, on the other hand, offers services covering all major international credit card brands, thereby building one of the largest transaction bases among regional bank-affiliated credit card companies. It has 980 thousand card members, 63 thousand merchants, and a credit card transaction volume of ¥607.6 billion (as of March 31, 2026; the credit card transaction volume is for FY2025).

Financial Service for the Benefit of Local Communities

% of loans by area* (as of March 31, 2026)

The Nishi-Nippon City Bank

Kyushu

Fukuoka Prefecture

85.5%

75.3%

% of loans to SMEs, etc.* (as of March 31, 2026)

The Nishi-Nippon City Bank

78.1%

* Excluding loans to the Ministry of Finance

Under the belief that "Without regional development, there will be no growth of the Group", the NNFH Group remains committed to developing and supporting local businesses and industries.

The Nishi-Nippon City Bank preferentially caters to its host region, with approximately 90% of its borrowers based in the Kyushu Region and 80% in Fukuoka Prefecture.

Approximately 80% of its borrowers are SMEs or individuals, and the Nishi-Nippon City Bank makes a fair assessment of the feasibility of their businesses and growth potential and, if needed, suggests solutions and provides support.

DNA of Developing SMEs

Number/Amount of loans to support business launches (FY2025)

The Nishi-Nippon City Bank

3,562 cases / ¥211.7 billion

Recipients of the Excellent Executive Award (As of April 30, 2026)

The Nishi-Nippon City Bank

Total: 192 executives

Having started as a financial service catering exclusively to small- and medium-sized enterprises, the NNFH Group maintains the unaltered DNA of developing SMEs. The Nishi-Nippon City Bank remains committed to supporting business launches in a bid to create industries and jobs in the region. Listening carefully to the needs of many SMEs, including fledgling businesses, the bank offers finely tuned support. For FY2025, the bank's support was extended to 3,562 business launches, with the total amount of loans reaching ¥211.7 billion.

Since 1973, the bank has granted the Excellent Executive Award, via the Foundation for the Prize of Excellent Executive, to outstanding executives who have provided distinguished services to the development of the regional economy. A total of 192 executives have been commended thus far.

Global Network

The NNFH Group has built an extensive network that spans domestic and international locations.

In Japan, we maintain a network of sales locations for banking and brokerage services in Fukuoka/Kyushu, to offer services with a "human touch" that can only be done through physical channels. Meanwhile, we are keen to enhance convenience for customers by strengthening the functions of our digital channels: the Nishi-Nippon City Bank app, a smartphone app for retail customers and the NCB Business Station, a platform for corporate customers.

Overseas, we meet customers' needs for their business in Asia and elsewhere at the Nishi-Nippon City Bank's three overseas operations in Shanghai, Hong Kong, and Singapore and through collaboration with our partner institutions and experts in respective regions.

Japan (as of June 30, 2026)

The Nishi-Nippon City Bank

The Bank of Nagasaki

Nishi-Nippon City Tokai Tokyo Securities

158 locations* 20 locations* 11 outlets*

* The number does not include online branches and in-store branches.

Digital channels (as of March 31, 2026)

The Nishi-Nippon City Bank app

Total: 1.3 million registered accounts

Overseas hubs and partner institutions (as of June 30, 2026)

The Nishi-Nippon City Bank

Partner financial institutions

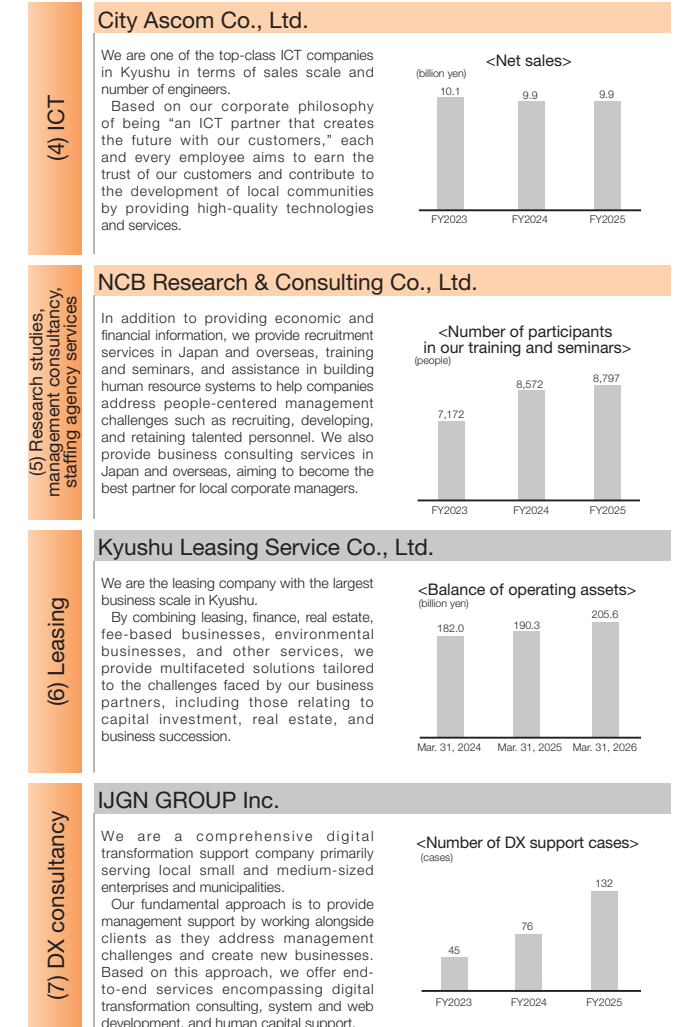
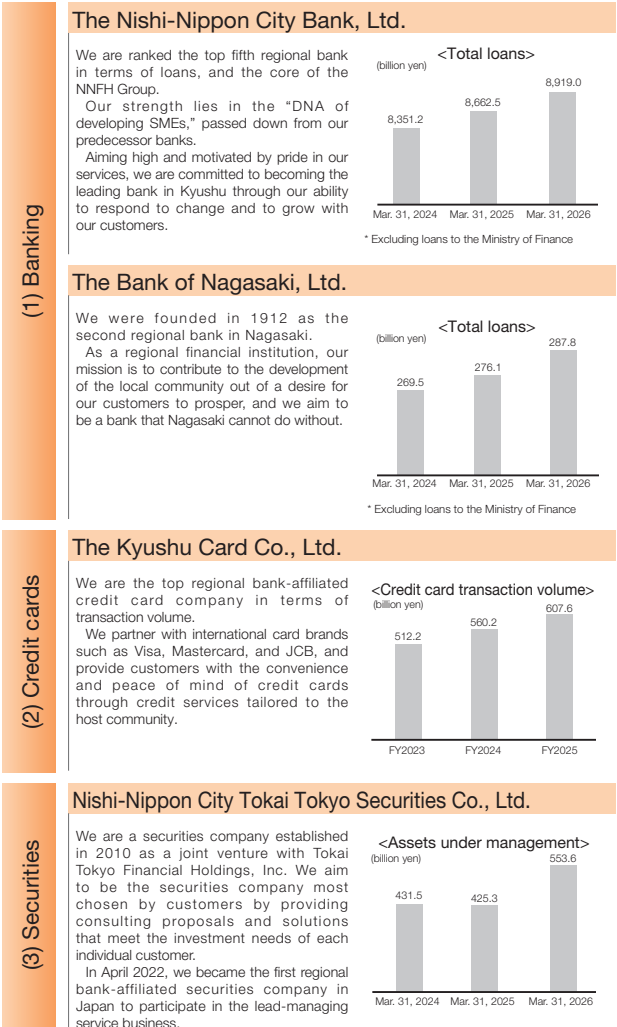
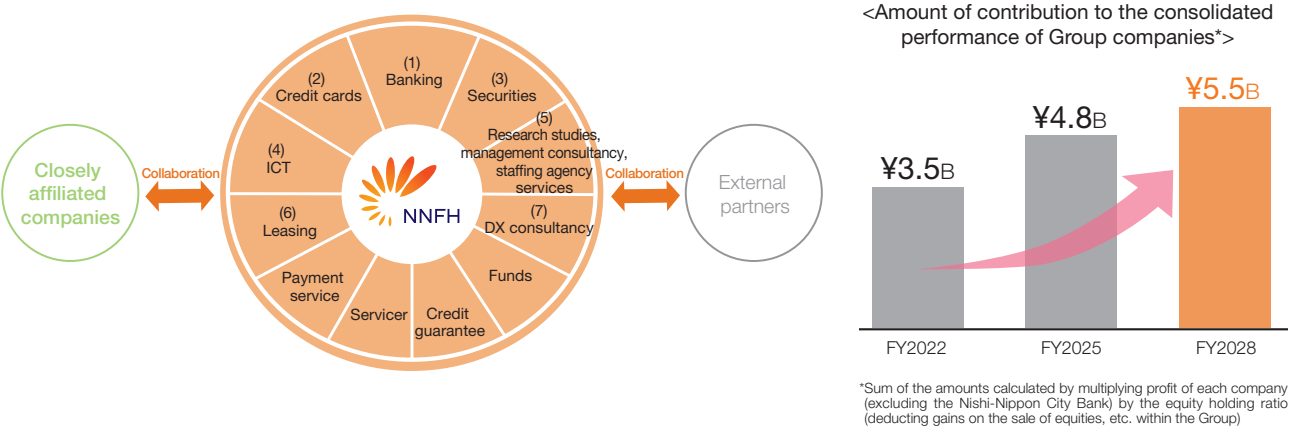
Partner institutions

3 representative offices 9 institutions 2 institutions

The Group's Collective Strengths

In October 2016, the NNFH Group shifted to a holding company structure consisting of a diverse range of distinctive subsidiaries, including banks, securities firms, and credit card companies, which are organized in parallel directly under the holding company, NNFH. By practicing matrix management to oversee the business activities of all Group companies in an integrated manner, the Group is evolving into a regional financial group offering diverse solution capabilities that extend beyond the scope of finance.

The Group enjoys close ties with a group of influential companies with a diverse array of businesses, which allow us to respond to a broad spectrum of customer needs through alliances with such closely affiliated companies, as well as our Group companies. We are also proactive in forming open and innovative partnerships and alliances with external companies, local governments, universities, and others, with a view toward providing diverse and advanced services and revitalizing the local economy.



Messages from Group Company Presidents

The NNFH Group is comprised of a diverse range of distinctive companies that provide a broad array of financial and non-financial solutions to meet the customers introduce their companies' distinctive features and initiatives.

increasingly diverse and sophisticated needs of our customers. In this section, the presidents of four subsidiaries that provide solutions directly to

The Kyushu Card



Representative Director and President

Soichi Kawamoto

Since our founding in Fukuoka in 1980, we have worked to help promote the use of credit cards, primarily throughout Kyushu.

We provide credit cards to retail and corporate customers, leveraging one of the region's largest business bases, built over many years, along with our diverse product capabilities. We also work to expand the network of merchants accepting cashless payments such as credit cards and two-dimensional barcodes.

In recent years, we have collaborated with the Nishi-Nippon City Bank to help companies transition to cashless payments by offering a variety of corporate credit cards.

Going forward, we aim to increase transaction volume in the corporate segment by promoting the adoption of corporate credit cards as an aspect of corporate digital transformation infrastructure and proposing B2B payment solutions. In the retail customer segment, we are strengthening collaboration with the Nishi-Nippon City Bank and plan to launch a new credit card.

While valuing what we have cultivated over many years, we will continue taking on new challenges as we work to provide services that help advance cashless payments.

Nishi-Nippon City Tokai Tokyo Securities



Representative Director and President

Toshihiko Sadano

To establish a management base that is resilient to changes in the market environment, we have made acquiring new customers and building recurring revenue through closer collaboration with the Nishi-Nippon City Bank our top priorities.

By receiving referrals from the bank of customers with substantial asset management needs, we have steadily enhanced our ability to provide the appropriate consulting services and products.

We have more than doubled the number of trading accounts over the previous MTBP from FY2023 to FY2025 by tailoring proposals to each customer's preferences and needs through bank-securities collaboration.

Under the MTBP launched this fiscal year, we will further advance our asset management-based business, through which we protect and grow customers' assets.

We will deepen our collaboration with the bank and strive company-wide to determine what truly serves our customers' best interests, with the aim of maximizing their benefits. Through these efforts, we will take our business to the next level and further advance customer-oriented management.

City Ascom



Representative Director and President

Masaru Ikeda

Since our founding in 1971, we have provided a broad range of ICT services, including system development, maintenance, and operation; accounting packages for educational corporations; AI and cloud solutions; security; and consulting services (through hands-on, ongoing support). Our extensive track record and advanced technological capabilities are highly regarded, enabling us to build lasting business relationships not only in Kyushu but also with major companies in the Tokyo metropolitan area.

Since joining the Nishi-Nippon Financial Holdings Group, we have strengthened collaboration with the Nishi-Nippon City Bank and other Group companies, and worked together to resolve the challenges faced by our business partners, improve operational efficiency, and revitalize host communities. We are also focusing on human resource development and stronger governance as we continue to strengthen the management base that underpins sustainable growth.

Going forward, we will shift even further toward high-value-added fields, including consultation-based support for the adoption of AI, cloud technologies, and cybersecurity measures. As an ICT partner creating the future with our customers, we will contribute to the development of society and local communities while pursuing sustainable value creation.

NCB Research & Consulting



Representative Director and President

Seiji Ino

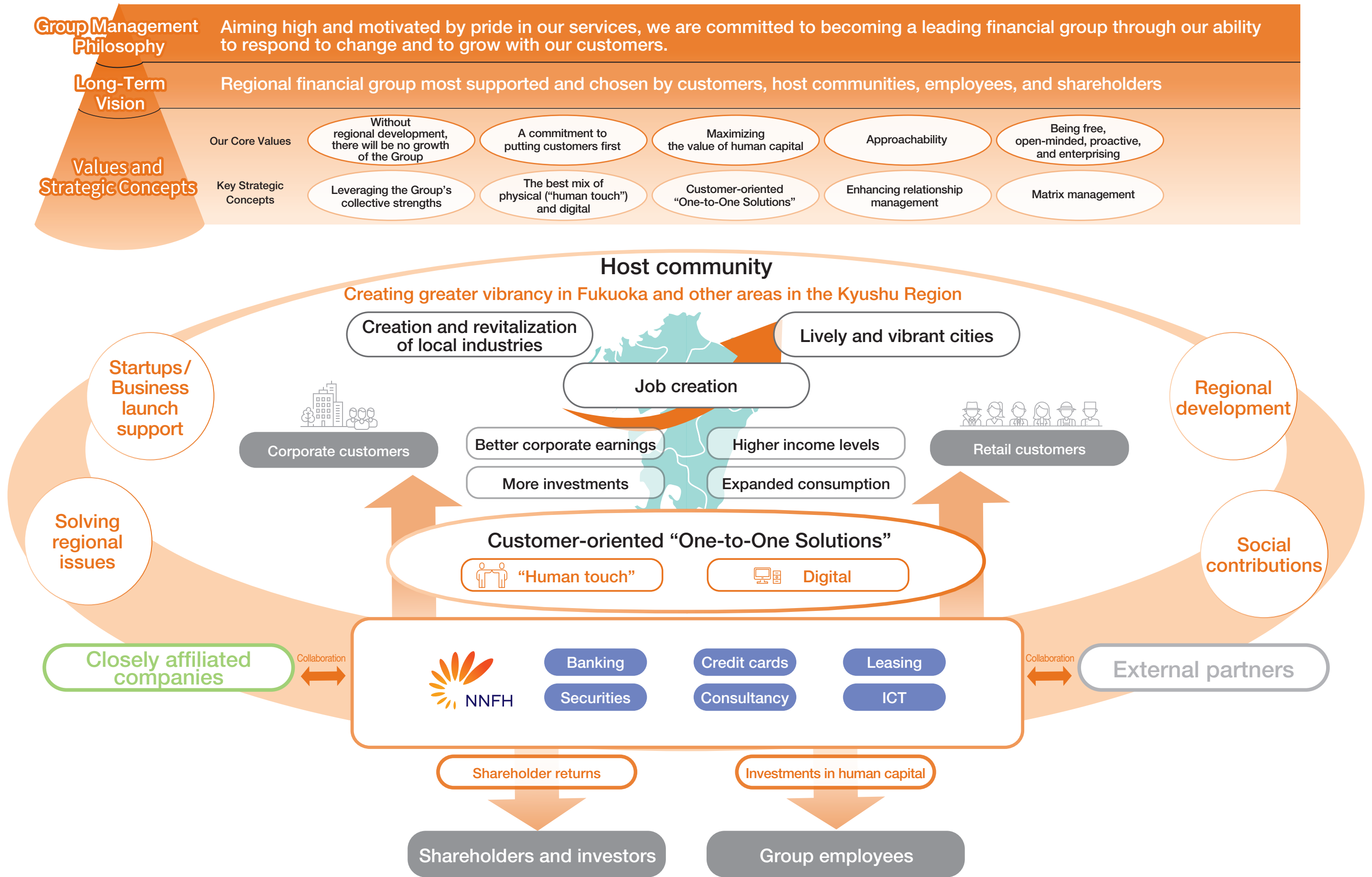
Our mission within the NNFH Group is to differentiate it from other financial groups by helping customers address people-related management challenges of attracting, developing, and retaining talented personnel.

With regard to talent acquisition, the staffing agency services we launched in 2019 are developing into one of our core businesses through the establishment of a tripartite collaborative framework involving our company, the Nishi-Nippon City Bank, and a leading recruitment firm. In terms of personnel development, with the proliferation of human capital management, our customized training services are performing strongly as we carefully identify each customer's requirements and provide the optimal program. With regard to retention, our services for reviewing and developing personnel systems, conducting employee surveys, and aiding in the improvement of employee engagement, as well as our compliance and various harassment prevention training programs, have been well received.

We are committed to contributing to our customers' growth and the development of the local community by further strengthening our ability to provide one-stop support for talent acquisition, development, and retention.

The NNFH Group's Purpose and Value Creation Process

Aiming high and motivated by pride in our services, the NNFH Group has adapted to the changing times and grown together with our customers and host communities. Going forward, we will continue to provide our extensive range of solutions through both human touch and digital channels to aid companies in achieving growth and individual customers in living more fulfilling lives. By creating and revitalizing local industries, generating employment, and bringing greater vibrancy to the region, we will achieve sustainable growth for both the local community and the NNFH Group.



Value Creation at NNFH

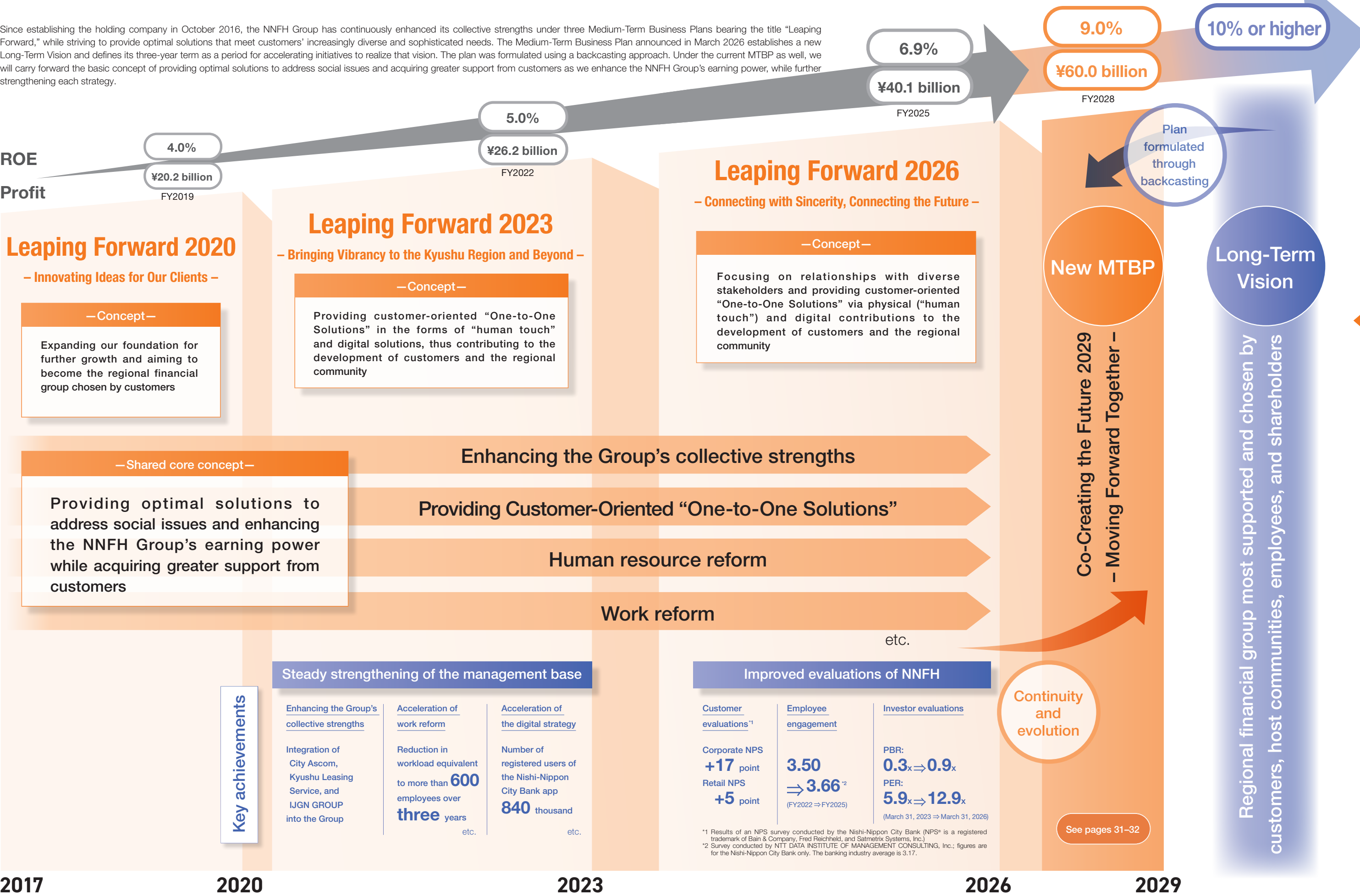
Growth Strategy

Management Base

Data

Evolution of the Medium-Term Business Plan

Since establishing the holding company in October 2016, the NNFH Group has continuously enhanced its collective strengths under three Medium-Term Business Plans bearing the title “Leaping Forward,” while striving to provide optimal solutions that meet customers’ increasingly diverse and sophisticated needs. The Medium-Term Business Plan announced in March 2026 establishes a new Long-Term Vision and defines its three-year term as a period for accelerating initiatives to realize that vision. The plan was formulated using a backcasting approach. Under the current MTBP as well, we will carry forward the basic concept of providing optimal solutions to address social issues and acquiring greater support from customers as we enhance the NNFH Group’s earning power, while further strengthening each strategy.



Initiatives for Sustainable Growth of the NNFH Group

Initiatives for Higher Corporate Value

During the previous MTBP period, NNFH recognized its low market valuation (including its share price and PBR) as one of its management challenges. In response, we implemented initiatives to enhance corporate value, including steadily executing MTBP measures and engaging with shareholders and investors, resulting in a significant improvement in market valuation.

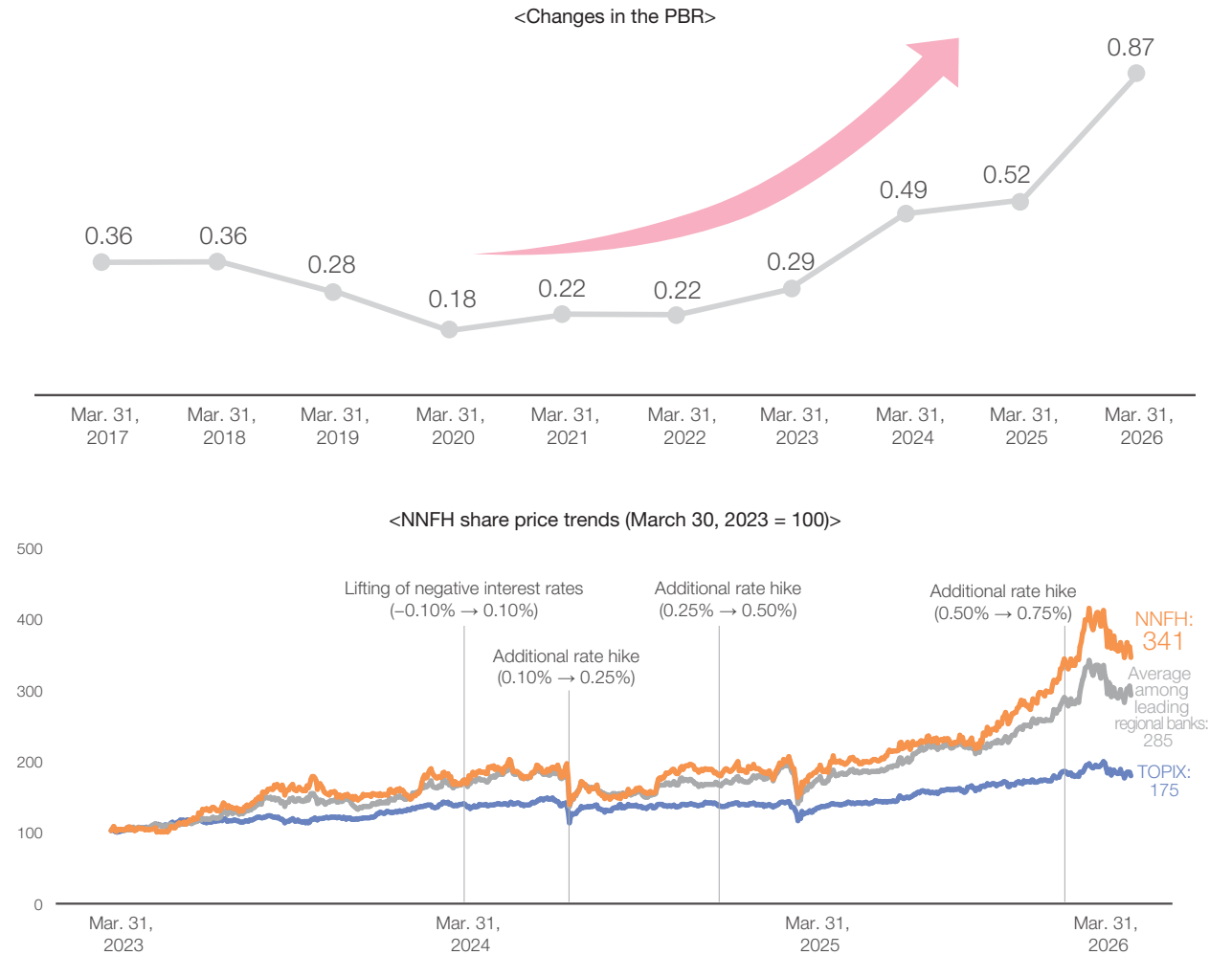
Under the current MTBP, we will continue and accelerate these efforts to further enhance corporate value (improve PBR).

[Target Management Index Results under the Previous MTBP]

	FY2022 Results	MTBP KPI	FY2025 Results		FY2022 Results	MTBP KPI	FY2025 Results
Profitability	Consolidated net income * Figures in parentheses indicate contributions made by Group companies other than the Nishi-Nippon City Bank. ¥26.2 billion (¥3.5 billion)	¥32.0 billion (¥5.0 billion)	¥40.1 billion (¥4.8 billion)	Efficiency	Consolidated core OHR	65.8%	Approx. 60%
	Consolidated ROE	4.97%	Approx. 6%		Consolidated capital adequacy ratio * Figures in parentheses are based on the full application of Basel III finalization.	12.10% (10.39%)	Mid-11% range (lower 10% range)
				Soundness			11.44% (10.24%)

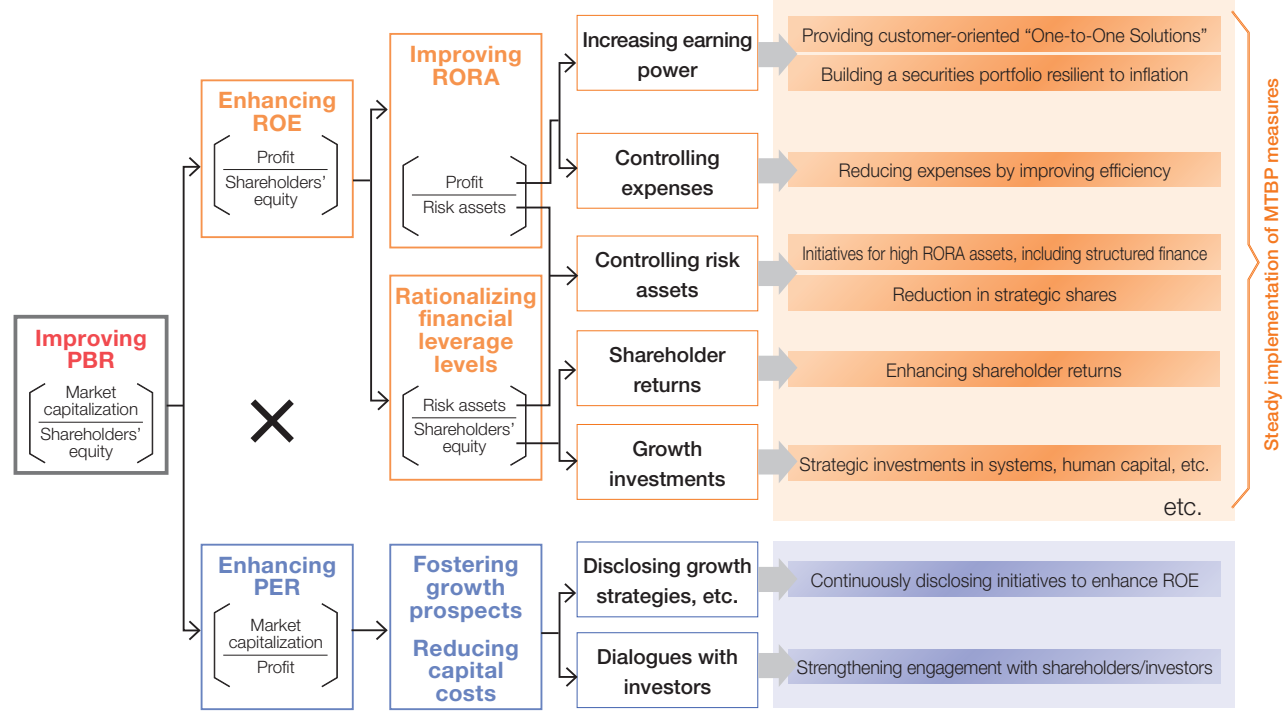
Current Analysis and Assessment of PBR

NNFH's PBR had remained at a very low level since its establishment in October 2016, but improved significantly to 0.87 times as of March 31, 2026, alongside the rise in its share price.



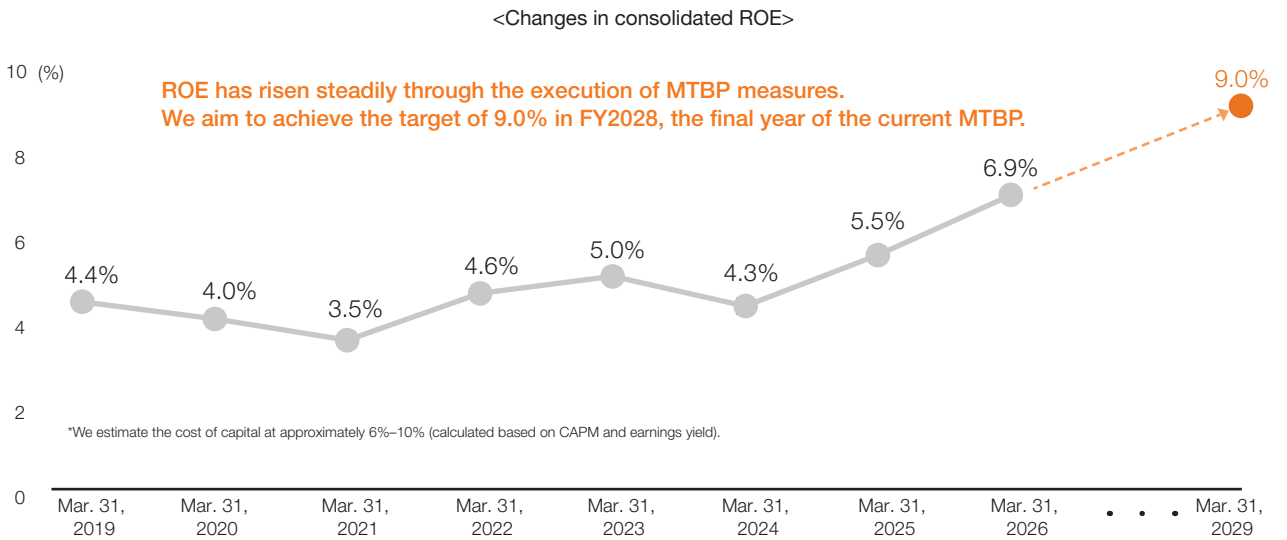
Direction of Initiatives for Improving PBR

We are aware that, to improve PBR, in addition to achieving a higher ROE by increasing the return on risk-weighted assets (RORA) and adjusting financial leverage to a proper level, we need to raise PER (e.g., foster growth expectations and reduce the cost of capital) by proactively disclosing these policies and the progress we are making.



Direction of initiatives for higher ROE

We will implement various measures to increase ROE by improving RORA by boosting earnings power through provision of the NNFH Group's diverse solutions, cutting expenses with higher operational efficiency, and holding more assets that will increase RORA, as well as adjusting financial leverage to an appropriate level through enhanced shareholder returns and strategic investment in systems. Through the steady execution of these measures, we aim to achieve consolidated ROE (based on net assets) of 9.0% in FY2028, the final year of the MTBP.

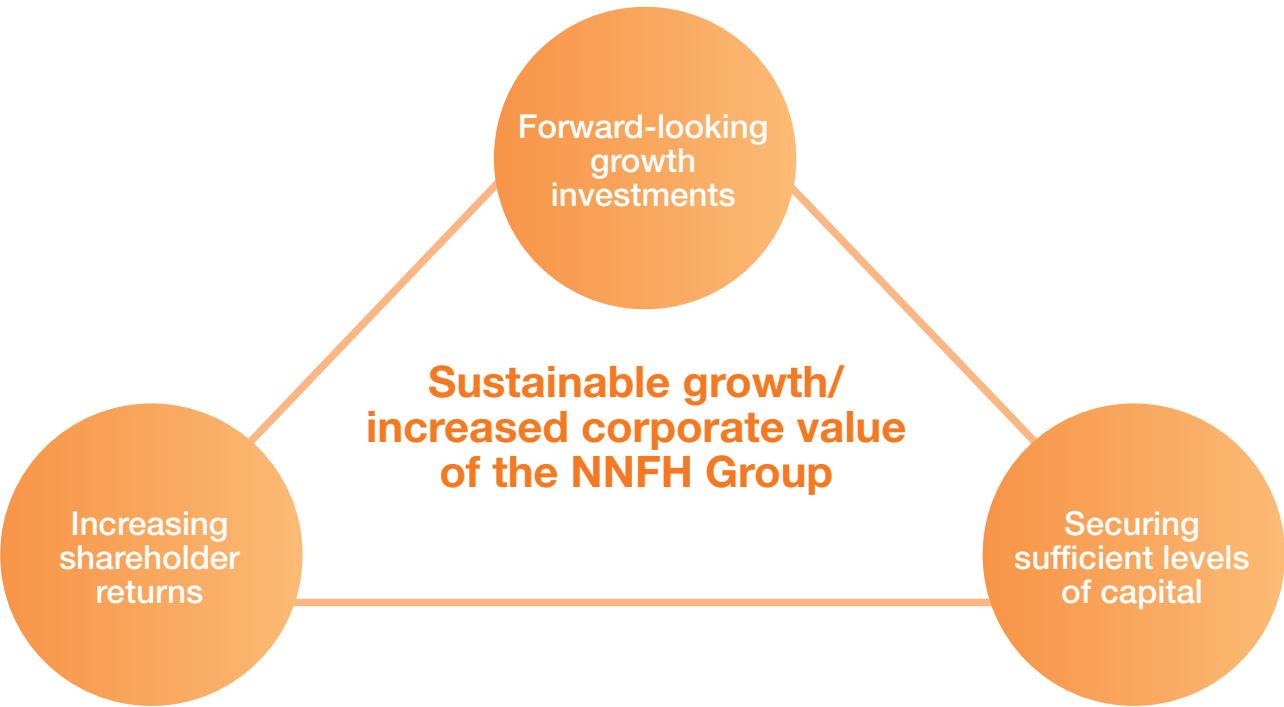


Direction of initiatives for a higher PER

To increase the PER, we will continuously disclose the NNFH Group's growth strategy and other relevant information to our broad stakeholders. At the same time, we will mitigate imbalances in the dissemination of information, foster growth expectations, and cut capital costs by engaging more with our shareholders and investors.

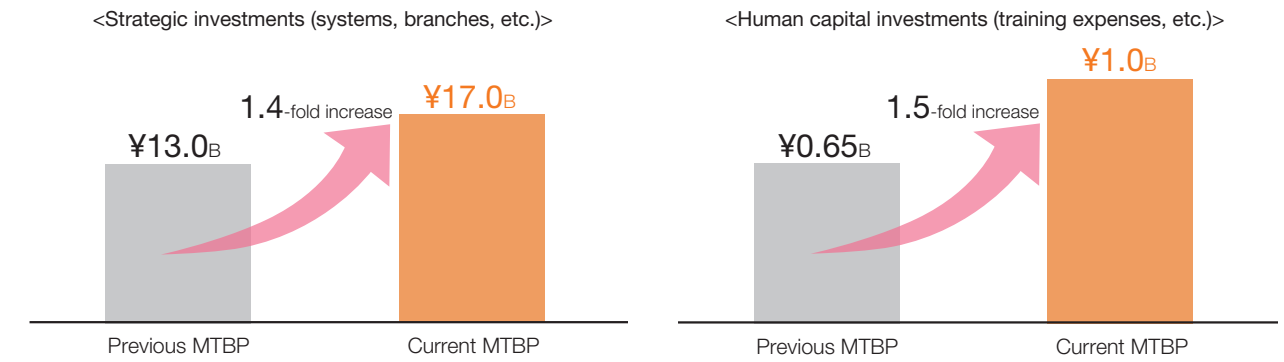
Capital Allocation

NNFH actively makes forward-looking growth investments while securing sufficient levels of capital for sustainable growth and improving the corporate value of the Group, and also enhances returns of profits to shareholders and investors.



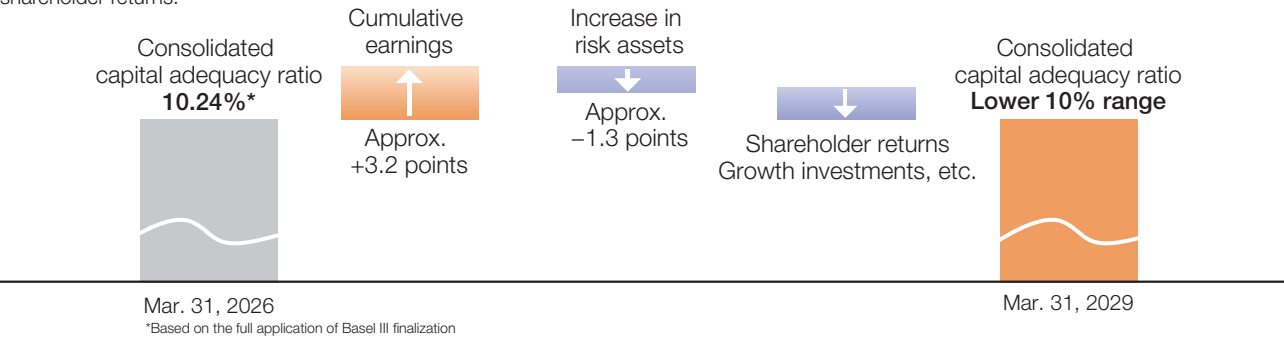
Increasing growth investments

We are increasing investments to enhance channel functionality and security and to improve employee skills and job satisfaction.



Consolidated capital adequacy ratio

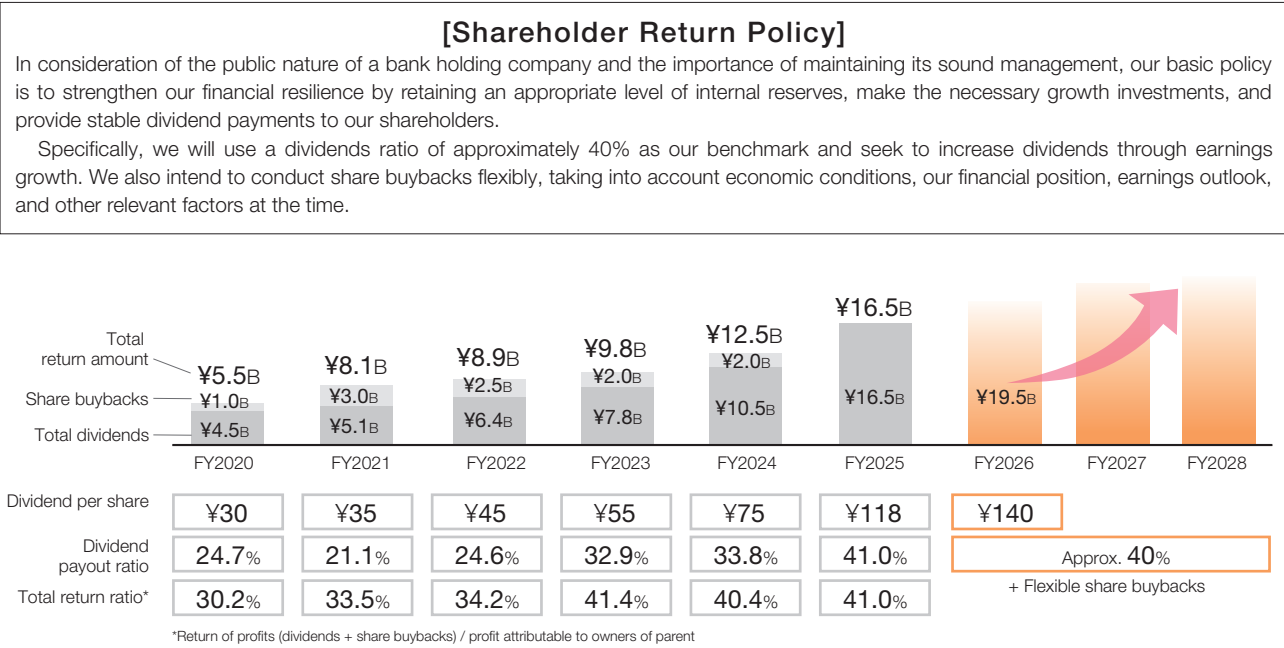
We are maintaining the capital adequacy ratio at approximately its current level while balancing earnings (retained earnings), risk assets, and shareholder returns.



Enhancing Shareholder Returns

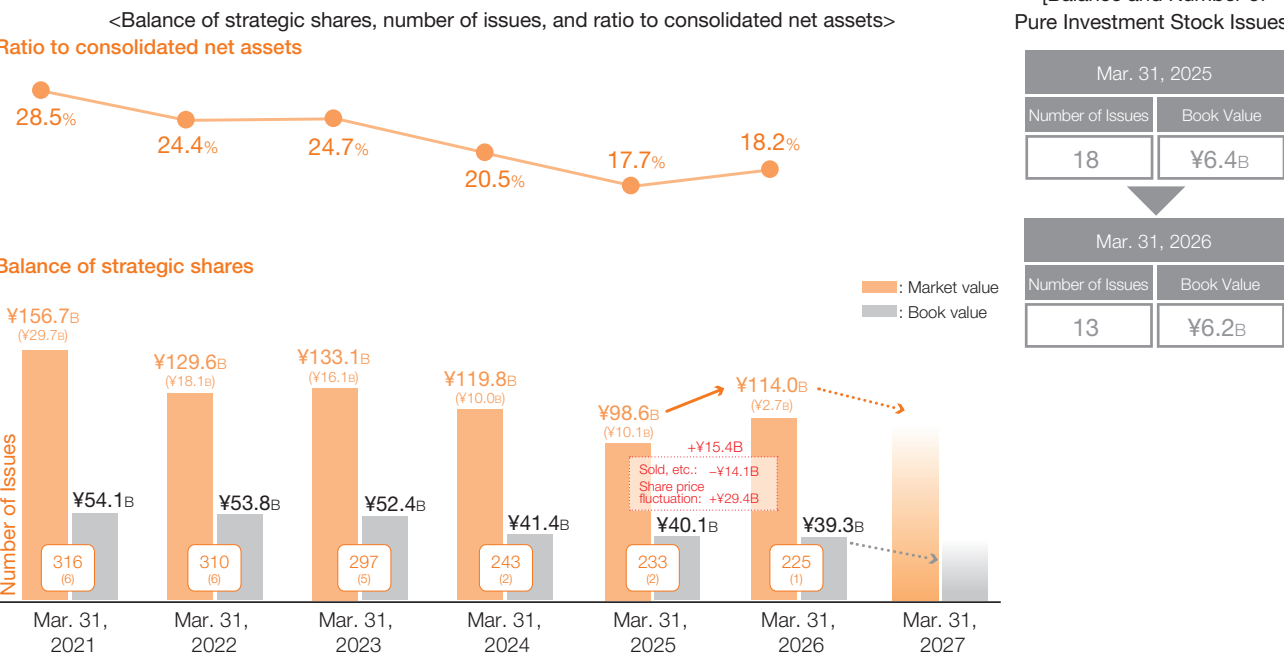
We revised our shareholder return policy when announcing the MTBP and enhanced returns to shareholders in light of the NNFH Group's strengthened management base and the earnings outlook for the MTBP period.

Specifically, we used a total return ratio of approximately 40% as the benchmark for shareholder returns. However, we have now changed this to a dividends ratio of approximately 40% and will seek to increase dividends through earnings growth. We also intend to conduct share buybacks flexibly, taking into account economic conditions, our financial position, earnings outlook, and other relevant factors at the time.



Reduction in Strategic Shares

As of March 31, 2026, strategic shares represented 18.2% of consolidated net assets. We will continue to periodically assess the appropriateness of holding each stock and consider ways to make further reductions.



* Figures are for the Nishi-Nippon City Bank, which has the largest balance of strategic shares in the NNFH Group.
* The figures in parentheses in the graph are the number of shares deemed to be held.

Communication with Shareholders and Investors



NNFH is engaged in the following to promote constructive dialogue with shareholders and investors.

1	Appointing responsible persons	A director in charge of the Corporate Planning Division is responsible for ensuring that constructive dialogue occurs at financial results briefings and other opportunities to engage with shareholders and investors, and for providing as many such opportunities as possible.
2	A framework for promoting constructive dialogue	Through cooperation with each division and Group company, the Corporate Planning Division develops a framework under which various management information is gathered, analyzed, and provided to shareholders and investors in an appropriate form.
3	Measures to promote opportunities for dialogue	As part of dialogues with shareholders and investors, financial results briefings and other events are organized.
4	Feedback of shareholders' opinions	Opinions presented in dialogues with shareholders and investors are appropriately conveyed to the management team by those participating in the dialogues.
5	Control of insider information	To manage important corporate information appropriately and prevent insider trading, we establish internal regulations and ensure that the regulations are thoroughly communicated internally. Matters not yet disclosed are excluded from investor handouts, and we refrain from commenting on matters that may be deemed material facts.

[IR Calendar]

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Financial results announcement, Financial Results releases		● Third-quarter financial settlement			● Full-year financial settlement			● First-quarter financial settlement			● Second-quarter financial settlement	
Securities report and quarterly reports submission						● Securities report					● Quarterly report	
Disclosure materials issuance		● Interim Disclosure Report						● Integrated Report (Disclosure Report)				
English disclosure materials issuance							● Mini Disclosure Report	Interim Mini Disclosure Report	●			
General Meeting of Shareholders									● FINANCIAL REPORT			
										● INTEGRATED REPORT		
Briefings for institutional investors and analysts, disclosure of briefing materials (including English translations)						● Full-year financial results briefing				Second-quarter financial results briefing	●	

General Shareholder’s Meeting

At our Annual General Meetings of Shareholders held every June, we strive to report our business performance to shareholders in the easiest-to-understand way possible, using videos and other tools. In addition, video recordings of General Meetings of Shareholders are available for later viewing by shareholders.

As a general rule, we send a convocation notice to shareholders well before the meeting and disclose it on the websites of NNFH and the stock exchanges prior to dispatch. For the convenience of international shareholders and other parties, we disclose an English version of the convocation notice alongside its Japanese original on the websites of stock exchanges and NNFH.

We also make it easy for our shareholders to exercise their voting rights by allowing them to vote on the internet or otherwise and participating in the electronic voting platform for institutional investors operated by ICJ, Inc.

The 10th Annual General Meeting of Shareholders held on June 26, 2026 was attended by 195 shareholders.

Dialogues with Investors

The NNFH Group engages in constructive dialogue with its investors to achieve sustainable growth and enhance its corporate value.

Dialogues with Institutional Investors and Analysts

We hold financial results briefings for institutional investors, analysts, and others, where the president makes a presentation following the announcement of our full-year and interim results. In addition, we actively organize small-group and one-on-one meetings to explain the NNFH Group’s performance overview and forecasts, management strategies, capital policies, and corporate governance, and to gather opinions from institutional investors, analysts, and other stakeholders.

Materials used at financial results briefings and other meetings, as well as key questions and answers, are available on the NNFH website.*

https://www.nnfh.co.jp/shareholder/ir/ir_presentations_eng/

* Key questions and answers from the financial results briefing for the fiscal year ended March 31, 2025 and subsequent briefings.

[FY2025 Results]

	Overview	Presenter	Participants
May 30, 2025	Financial results briefing for institutional investors (Tokyo/Online)	President	112
November 28, 2025	Financial results briefing for institutional investors (Tokyo/Online)	President	106
February 19, 2026	Small-group meeting (Tokyo/Online)	President	16
FY2025	One-on-one meetings (Target) Institutional investors (fund managers, analysts, ESG personnel, proxy voting personnel), sell-side analysts, etc.	President Director in charge of Corporate Planning Division General Manager of Corporate Planning Division	Number of meetings: 92

Examples of topics of interest to investors

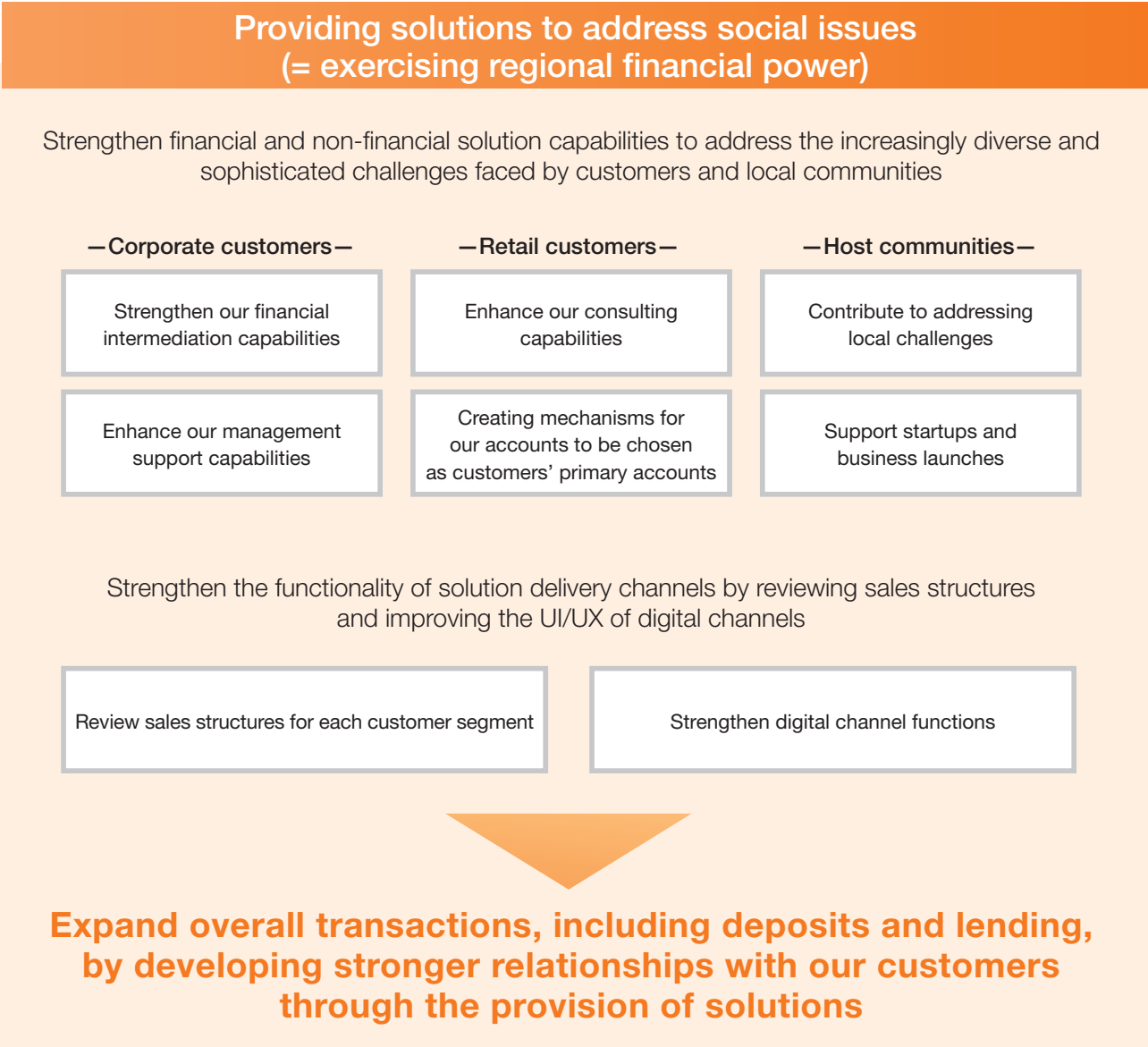
- Local business sentiment and funding demand in Fukuoka
 - Competitive environment and strategy for acquiring deposits
 - Securities investment policy
 - Future expense outlook
 - Credit cost outlook
 - Approach to shareholder returns
- Approach to reducing strategic shares
 - Medium- to long-term ROE targets
 - Board of Directors composition
 - Directors’ skill matrix
 - Director compensation

etc.

New Medium-Term Business Plan “Co-Creating the Future 2029 – Moving Forward Together –”

In response to the increasingly diverse and sophisticated challenges and needs faced by customers and host communities amid accelerating changes in the operating environment, we will enhance both our financial and non-financial solution capabilities and the channels through which we deliver these solutions. Building on this, we will expand overall transactions, including deposits and lending, by developing stronger relationships with our customers and earning greater support and trust.

Furthermore, to strengthen our management base, we will focus on initiatives such as enhancing the risk appetite framework, accelerating the use of AI, and strengthening human capital.



Basic Strategies and Priority Measures

Solving social issues	Basic strategy	1. Providing Customer-Oriented “One-to-One Solutions”
	Priority measures	(1) Providing solutions to corporate customers (2) Providing solutions to retail customers (3) Developing the optimal mix of physical and digital channels
	Basic strategy	2. Regional Development Strategy
Strengthening the management base	Priority measures	(1) Resolving regional issues and contributing to community development (2) Startup and business launch support
	Basic strategy	3. Strategy to Strengthen the Management Base
	Priority measures	(1) Enhancing the risk appetite framework (2) Business transformation through the use of AI (3) Strengthening human capital (4) Improving sustainability

Target Management Indices (Assumed policy interest rate: 1.0%)

Profitability		FY2025 results	FY2028 plan	Efficiency		FY2025 results	FY2028 plan
	Consolidated net income * Figures in parentheses indicate contributions made by Group companies other than the Nishi-Nippon City Bank.	¥40.1 billion (¥4.8 billion)	¥60.0 billion (¥5.5 billion)		Consolidated OHR * Excluding gains and losses on government bonds, other bonds, and on the cancellation of investment trusts.	58.7%	Lower 50% range
Soundness	Consolidated ROE	6.89%	Approx. 9%	Soundness	Consolidated capital adequacy ratio *Based on the full application of Basel III finalization	10.24%	Lower 10% range

Item	MTBP KPI FY2028
Business loans (average balance) [The Nishi-Nippon City Bank]	¥5.9 trillion
Corporate-related fees [The Nishi-Nippon City Bank]	Over ¥9.0 billion
Credit-related fees [The Nishi-Nippon City Bank]	¥4.0 billion
Assets under management (at term end)	¥1.9 trillion
Individual loan balance (average)	¥2.8 trillion
Number of customers with assets under management	260,000 accounts
Credit card transaction volume [The Kyushu Card]	¥700.0 billion
Consulting personnel (specialists)	200
Consulting personnel (core personnel)	800
DX personnel (specialists)	200
DX personnel (core personnel)	1,200
Planning personnel (specialists)	120

Item	MTBP KPI FY2028
Planning personnel (core personnel)	100
Percentage of women in managerial positions [The Nishi-Nippon City Bank]	Over 16.9%

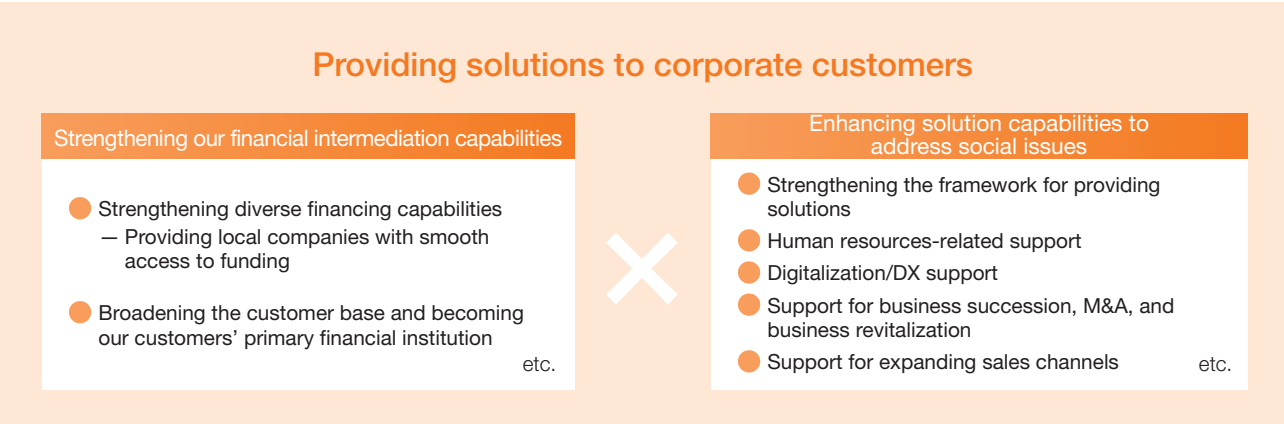
Item	MTBP KPI Cumulative total up to FY2028
Number of human resource-related support cases	2,000 cases
Number of digitalization and DX support cases	1,600 cases
Number of M&A support cases [The Nishi-Nippon City Bank]	120 cases
M&A support fees [The Nishi-Nippon City Bank]	¥2.4 billion
Trust-related fees [The Nishi-Nippon City Bank]	At least 1.3 times (the cumulative total of the previous MTBP period)
Number of start-up support cases [The Nishi-Nippon City Bank]	45,000 cases

Providing Customer-Oriented “One-to-One Solutions”

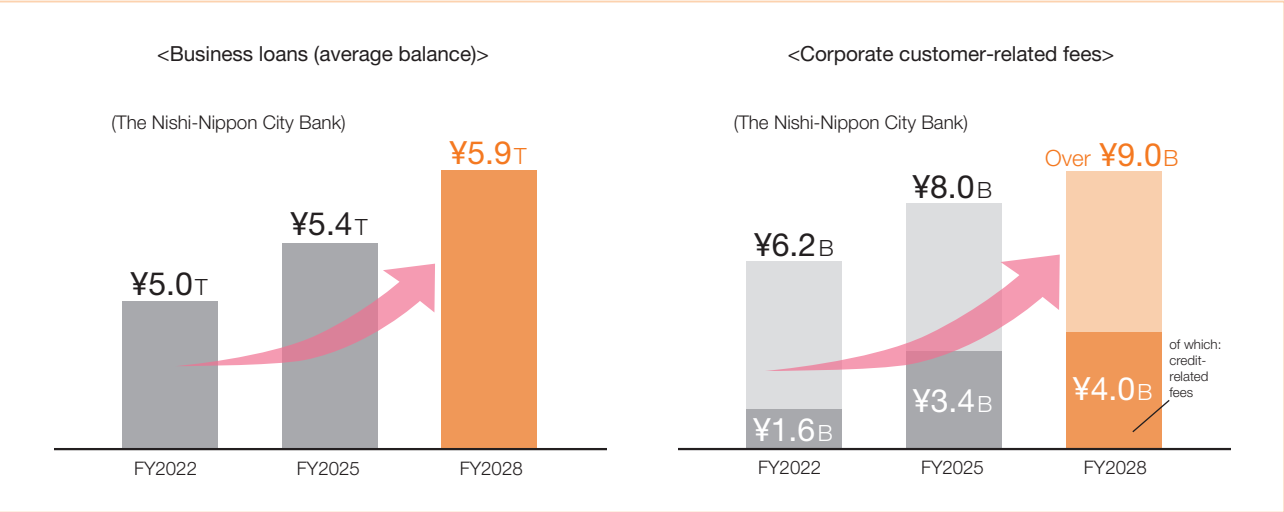
The idea of providing customer-oriented “One-to-One Solutions” represents a long-term undertaking dating back to the MTBP before last, “Leaping Forward 2023,” and the NNFH Group considers it a key concept.

Providing Solutions to Corporate Customers

Amid changes in the social and economic environment, the management challenges and needs of corporate customers are becoming increasingly diverse and sophisticated. By working together to provide financial and non-financial solutions tailored to each customer, the NNFH Group aims to become the most trusted partner in the host community.

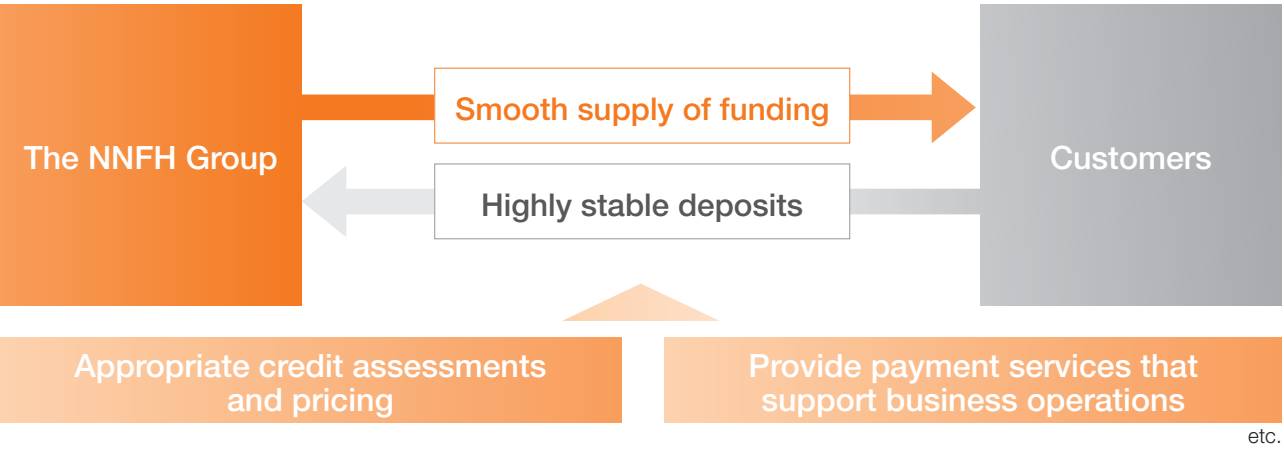


Expanding transactions overall



Strengthening Our Financial Intermediation Capabilities

A deep understanding of customers cultivated through day-to-day interactions is one of the strengths of a regional financial institution. Based on this understanding of our customers, the NNFH Group provides local companies with smooth access to funding. The Group also works to expand transactions overall, including highly stable deposits.



Providing financial intermediation to local companies

Providing local companies with smooth access to funding

Based on a deep understanding of customers cultivated through day-to-day interactions, the Nishi-Nippon City Bank and the Bank of Nagasaki focus on providing smooth access to funding while conducting appropriate credit assessments and pricing.

Strengthening diverse financing capabilities

Strengthening initiatives for structured finance

The Nishi-Nippon City Bank will roughly double the number of structured finance specialists compared with the previous MTBP and strengthen its involvement in MLBO, ship finance, and other areas to provide more diverse financing options.

Providing equity-type funding

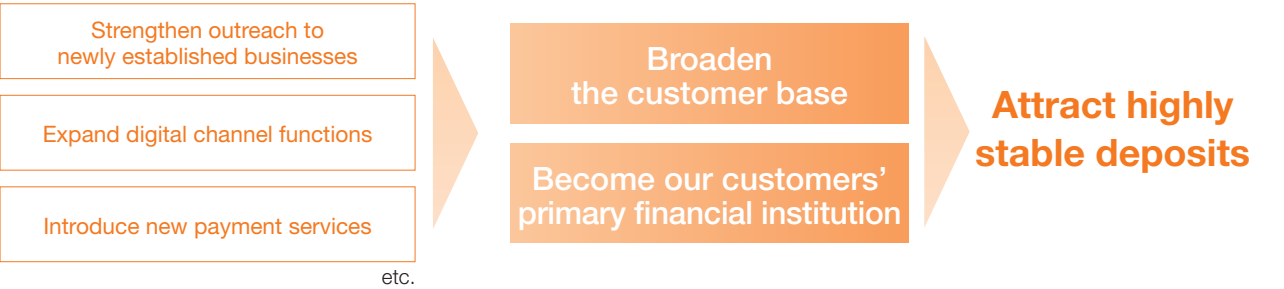
The Nishi-Nippon City Bank provides equity-type funding through funds tailored to the developmental stages and needs of companies.

[Funds for Different Developmental Stages of Businesses]

	Foundation	Growth	Maturity
Name	QB Fund No. 2	NCB Venture Fund No. 2	NCB Kyushu Revitalization Fund No. 3
Investment areas	University-launched ventures	Ventures	Growth and buyouts
Total fund size	¥7.0B	¥3.0B	¥4.0B

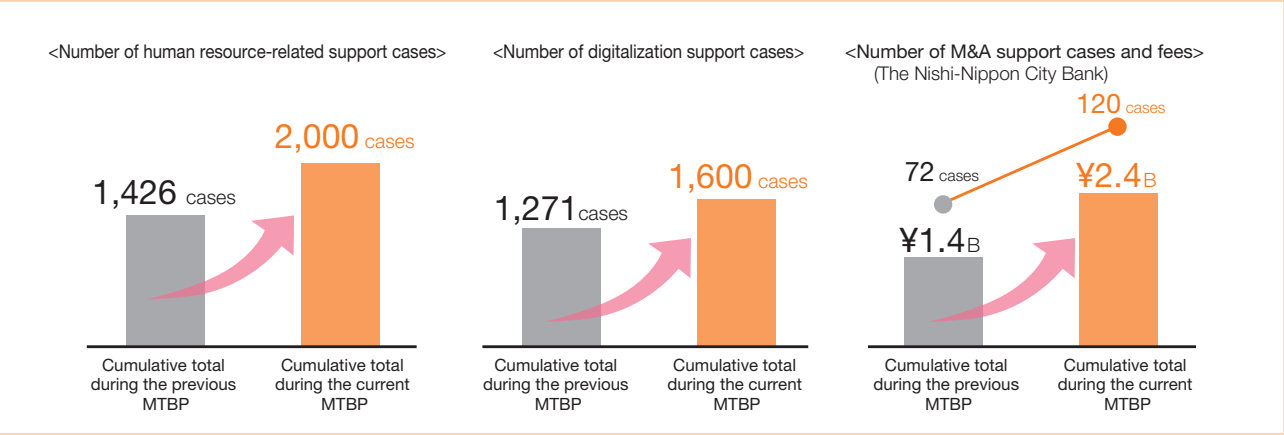
Broadening the customer base

The NNFH Group is working to broaden its customer base and become our customers’ primary financial institution by strengthening outreach to newly established companies and providing diverse payment services, with a focus on attracting highly stable deposits.



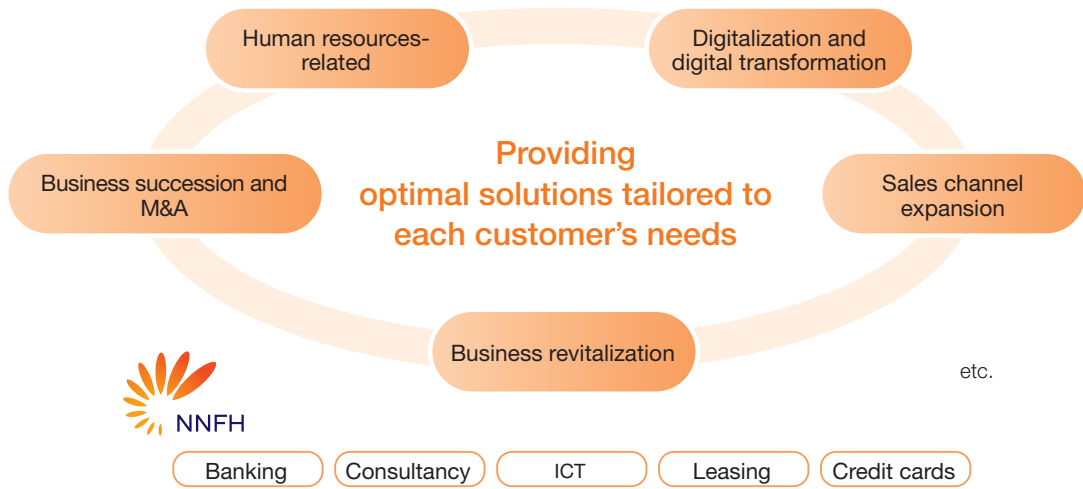
Providing Solutions to Address Social Issues

Against the backdrop of social changes such as increasingly severe labor shortages, difficulties in securing successors, and ongoing digitalization, the NNFH Group continues to enhance its solution capabilities to respond swiftly and comprehensively to customers’ financial and non-financial management challenges and needs. Going forward, we will provide customers with optimal solutions by leveraging the diverse capabilities of our Group companies, including human resource-related services, digitalization, and digital transformation support.



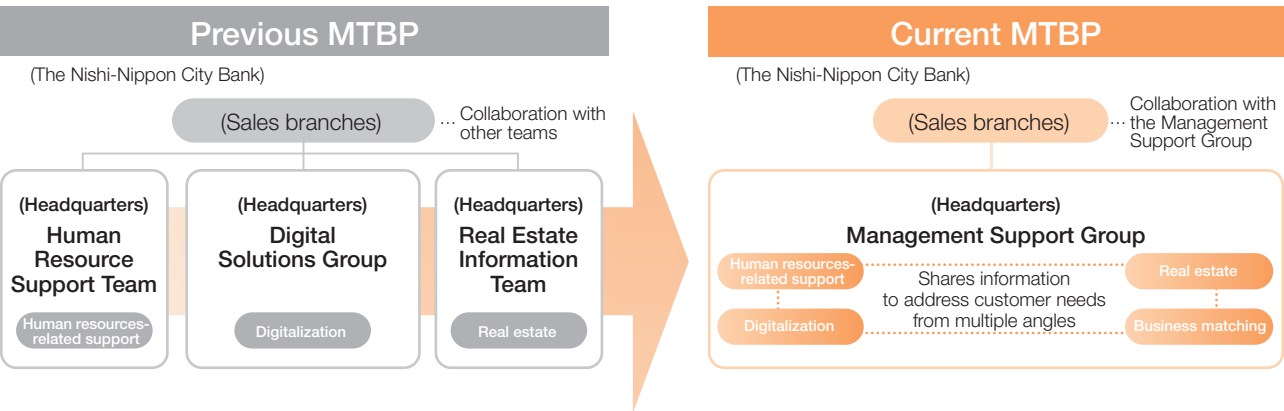
Strengthening capabilities in non-financial sectors

The NNFH Group strengthens its frameworks and capabilities in each business sector to provide optimal solutions tailored to each customer’s needs.



Strengthening our framework

The Nishi-Nippon City Bank has established a new Management Support Group at its headquarters to build a framework that enables us to respond promptly by sharing information on customers’ challenges and needs. The Management Support Group also includes personnel from City Ascom and IJGN GROUP, strengthening both the bank’s internal framework and collaboration across the Group.



Human resources-related support

Providing group-wide human resource-related solutions

The NNFH Group offers a wide range of human resource-related support services, including HR referrals and HR consulting. The Human Resource Support Team within the newly established Management Support Group at the Nishi-Nippon City Bank serves as a hub, providing each customer with the most suitable solution from among those offered by any Group company based on the customer’s specific challenges and needs.

The NNFH Group will further strengthen collaboration among Group companies and work as one to support our customers.

HR referrals (Full-time employees, personnel with concurrent jobs, foreign nationals, etc.)	Temporary staffing (Outsourced services)	Training	HR consultancy
The Nishi-Nippon City Bank NCB Research & Consulting	City Career Service	NCB Research & Consulting	NCB Research & Consulting IJGN GROUP

Digitalization and digital transformation support

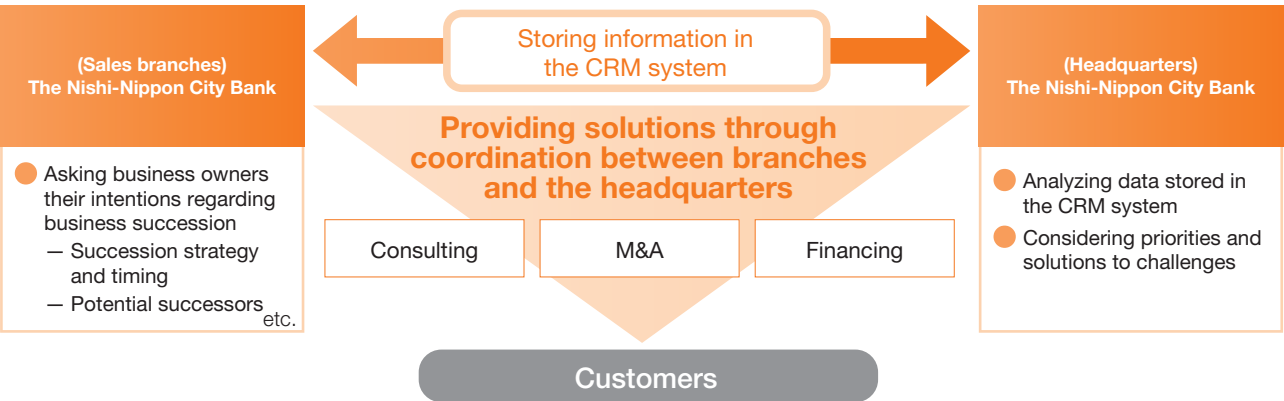
With City Ascom and IJGN GROUP joining the NNFH Group, our range of digitalization and digital transformation support solutions has expanded, and we are handling more support cases.



Providing optimal business succession solutions and strengthening our M&A support framework

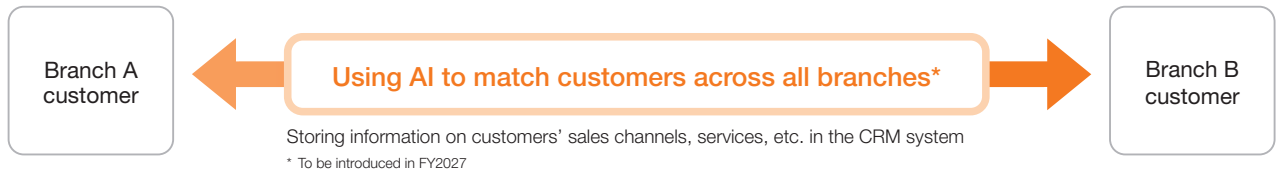
As the direct point of contact with customers, the Nishi-Nippon City Bank’s branch personnel listen carefully to each business owner’s intentions, and the headquarters and branches work together to support smooth business succession. Information gathered through these discussions is stored in the CRM system introduced in January 2026, which provides a framework for offering solutions at the appropriate time.

In response to the expanding market, the Nishi-Nippon City Bank is also increasing the number of M&A specialists and developing specialized personnel through external secondments and other measures.



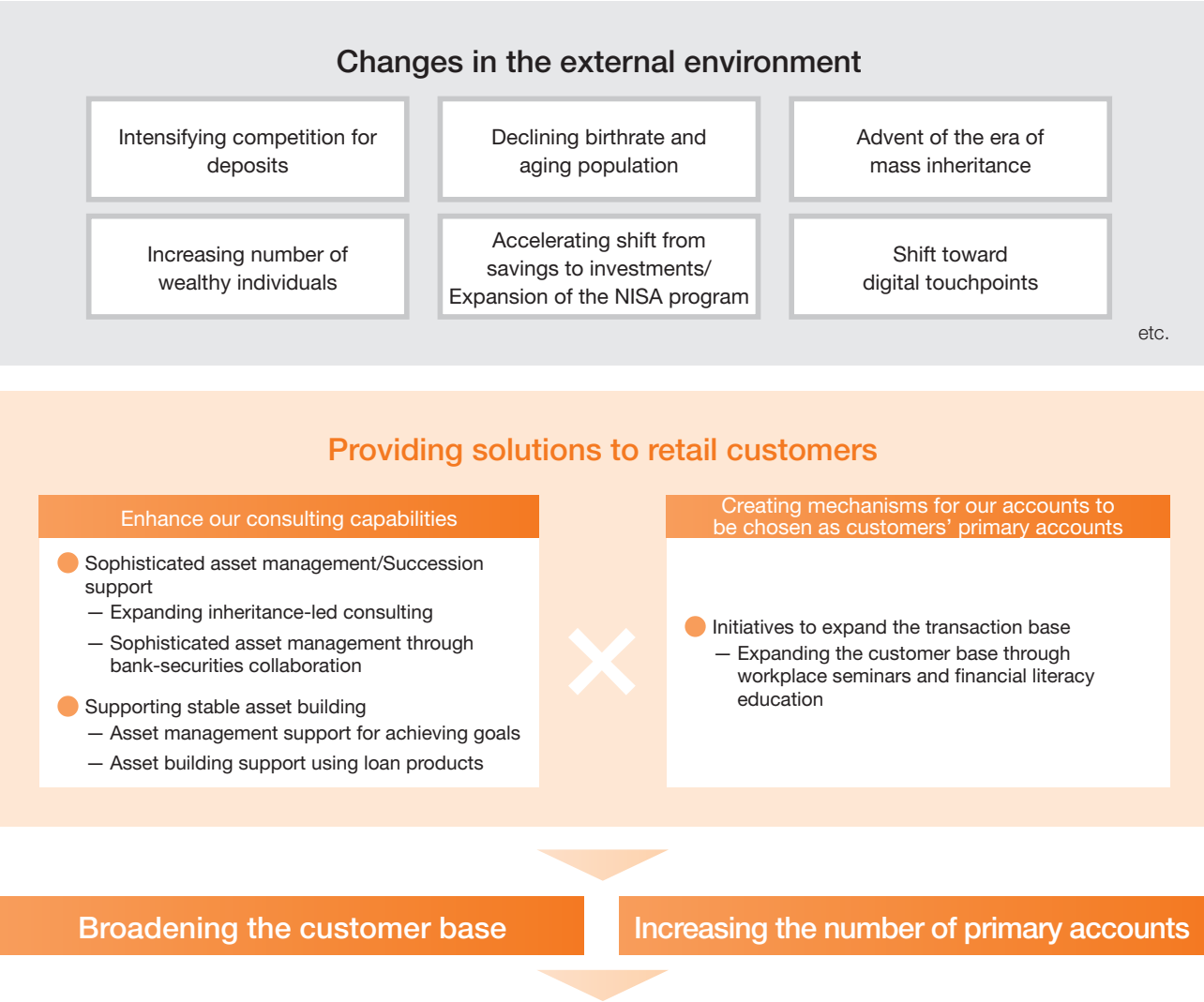
Support for expanding sales channels

The NNFH Group aids customers seeking further business growth in expanding their sales channels by organizing business meetings and providing business matching services. Going forward, we will continue holding a variety of business meetings and begin using AI to match business partners across our entire branch network based on customer sales channel information and other data accumulated at branches.

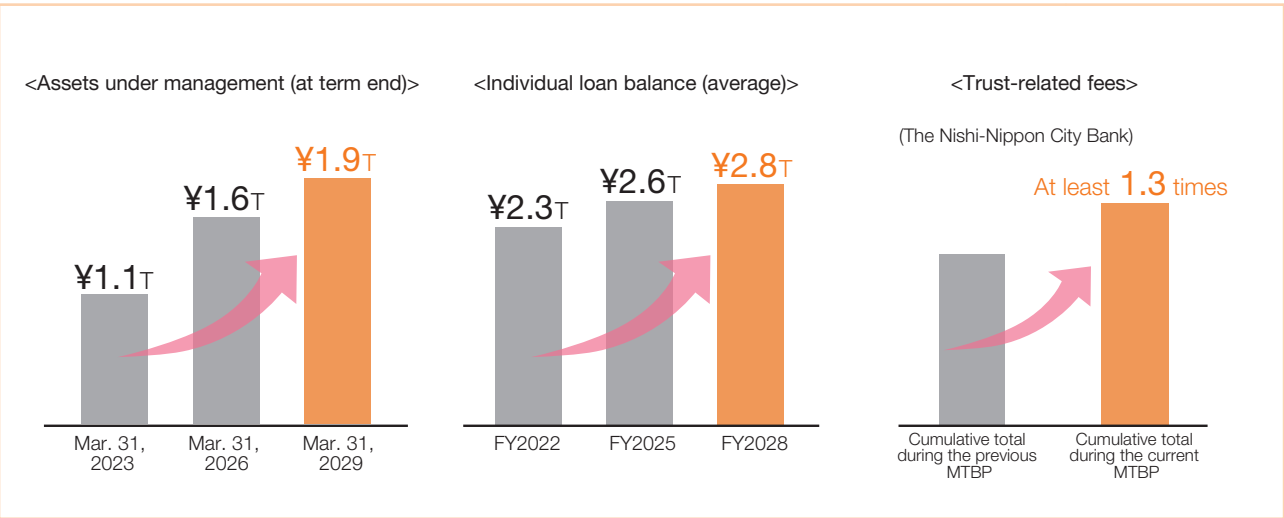


Providing Solutions to Retail Customers

As we ensure that our business operations remain customer-oriented, we will offer consulting services based on a comprehensive view of each customer's assets and liabilities and offer optimal solutions tailored to their life stage. We will also enhance the appeal of our accounts for everyday use through measures such as introducing new incentive programs, with the aim of becoming a partner that helps our customers live more fulfilling lives.



Expanding transactions overall

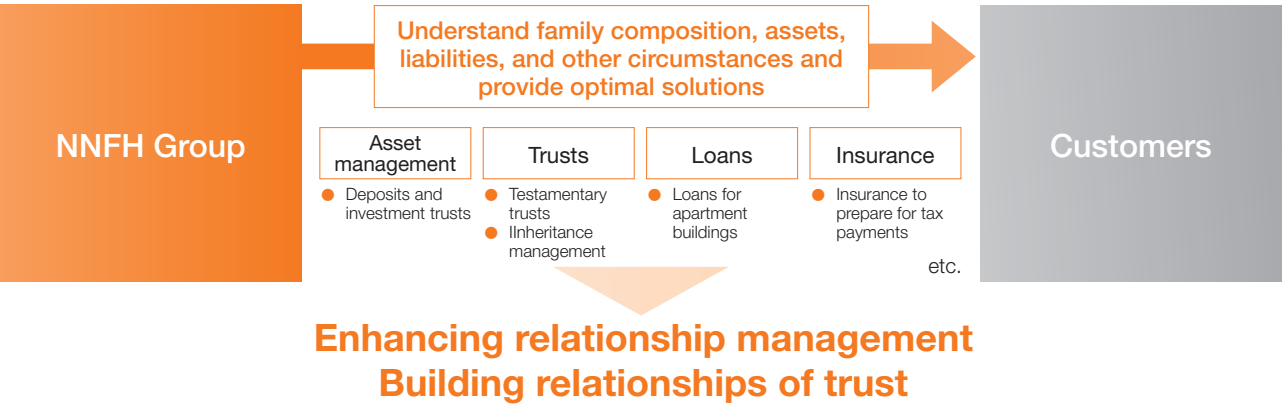


Enhancing Our Consulting Capabilities

The NNFH Group provides consulting services to a broad range of customers and works as a unified Group to offer optimal solutions tailored to each customer.

Sophisticated asset management/Succession support

Inheritance-led consulting
With the advent of the era of mass inheritance and other developments, the NNFH Group expects an increase in the number of customer consultations concerning inheritance and asset succession.
The NNFH Group's consultations begin by laying the groundwork for inheritance, gaining an understanding of each customer's family composition, assets, liabilities, and other circumstances to provide solutions tailored to each individual.



Providing sophisticated solutions through bank-securities collaboration
The NNFH Group strengthens mutual customer referrals through bank-securities collaboration. Nishi-Nippon City Tokai Tokyo Securities focuses on providing sophisticated asset management services not available from banks, while the Nishi-Nippon City Bank focuses on inheritance consulting. Working together, they support customers with both asset management and asset succession.



Column

Centralized asset information management services

In recent years, a wide variety of financial services have become readily accessible by smartphone. However, these services were not all available in an integrated manner, which gave rise to new social issues, including the complexity of management and the digital estate problem, in which a person's surviving family members are unable to gain a complete picture of the deceased's assets, leaving those assets unattended. To aid in addressing these social issues, the Nishi-Nippon City Bank began offering a new service within the Nishi-Nippon City Bank app in December 2025.

This is a free service that allows customers to centrally manage information on deposits and savings, stocks, insurance policies, real estate, and other assets within the Nishi-Nippon City Bank app. If a user passes away, a report prepared from the registered information can be mailed or provided at a branch to a family member designated in advance.

[Key Features]

Centralized management of asset information and other details within the app

Ability to designate one person with whom to share the information

Asset allocation simulations

Supporting stable asset building

Goal-driven asset management
Amid the accelerating shift from savings to investments and rising inflation, the asset building and asset management needs of retail customers are expected to continue growing. To meet these customer needs, the NNFH Group is working to provide customers with greater asset building and asset management support, such as by introducing new tools that take a goal-driven approach. In particular, the NNFH Group focuses on proposing long-term, diversified investment portfolios centered on tax-advantaged programs such as NISA and iDeCo.



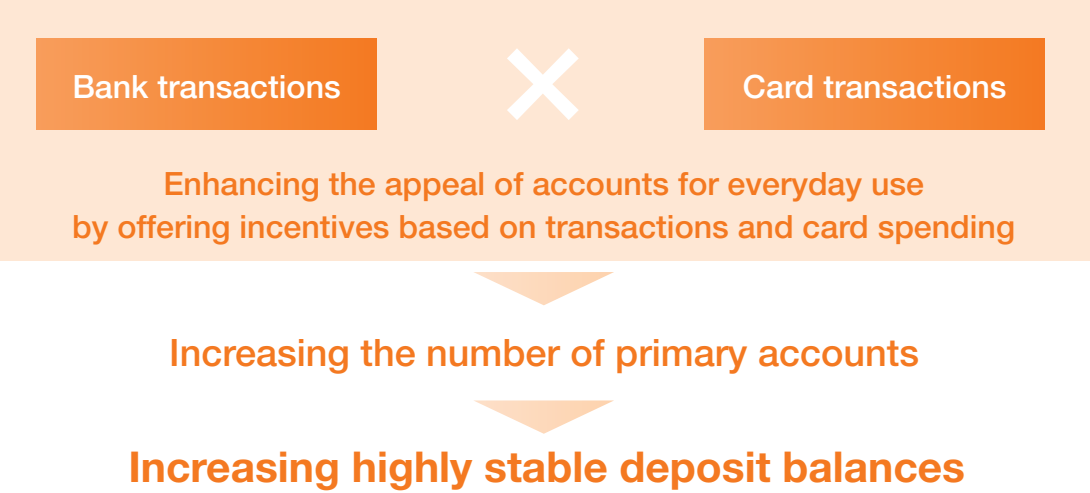
Bolstering lending capabilities
The Nishi-Nippon City Bank is bolstering its ability to provide various loans by opening three new specialized locations where customers can seek loan advice, enhancing digital channel functions, improving UI/UX, and other measures.

Creating Mechanisms for Our Accounts to Be Chosen as Customers’ Primary Accounts

The Nishi-Nippon City Bank is working to broaden its customer base and increase the number of customers that use it as their primary bank by holding workplace seminars for employees of corporate customers and sending lecturers to teach finance-related endowed courses at universities, including those with which the bank has industry-academia collaboration agreements. The bank also aims to expand core transactions, including new accounts, payroll and pension deposit accounts, and the use of accounts for card payments, through initiatives such as a new incentive program. Through these efforts, the bank will focus on attracting more highly stable deposits.

Initiatives to expand the transaction base

New incentive programs



Building a Framework for Customer-Oriented Business Conduct

Under the Group Management Philosophy, the NNFH Group rolls out comprehensive financial services that exceed the expectations of customers and host communities. To appropriately manage and build customers’ assets, the NNFH Group has built a framework for customer-oriented business conduct by establishing the Basic Policy for Management and Building of Customers’ Assets (Basic Policy on Fiduciary Duty). The NNFH Group has set objective and specific KPIs to assess the status of customer-oriented business conduct based on the basic policy. The status is disclosed regularly and reviewed as needed.
* The complete text of the basic policy and details of initiatives can be viewed on the NNFH corporate website.
<https://www.nnfh.co.jp/fiduciaryduty.html>

Basic Policy 1	Building a Framework for Customer-Oriented Business Conduct
Basic Policy 2	Offering Optimal Products and Services for Customers
Basic Policy 3	Providing Information to Customers in a Better Way

Key fiduciary duty initiatives of the NNFH Group

Compliance with laws, regulations, and other requirements and establishment of a sales management framework	The NNFH Group has established rules for the sale of financial products in compliance with applicable laws, regulations, and other requirements and communicates these rules to sales personnel through training and other guidance to ensure proper business conduct. The NNFH Group has also established a framework for verifying appropriate sales practices, including the headquarters Compliance Division monitoring records of meetings between sales personnel and customers.
Ensuring the effectiveness of product governance*	The Nishi-Nippon City Bank, the Bank of Nagasaki, and Nishi-Nippon City Tokai Tokyo Securities, which sell financial products, began providing sales data to asset management companies (product manufacturers) in December 2025. Based on the analytical results provided by these asset management companies, they review their sales frameworks and other arrangements as appropriate in order to serve the best interests of their customers. In addition, to meet the wide-ranging needs of its customers, the NNFH Group regularly reviews the products it offers, drawing on the expertise of multiple independent third-party organizations. * A framework for continuously monitoring and improving every stage of the product lifecycle, from planning and development through to sales, management, review, and discontinuation, in order to provide products and services aligned with customers’ needs and best interests
Initiatives to improve customer satisfaction	The Nishi-Nippon City Bank and Nishi-Nippon City Tokai Tokyo Securities regularly conduct surveys (NPS*) of customers holding asset management products. They continuously work to improve their products and services based on the opinions and requests received through these surveys and Customer Feedback Postcards. The NNFH Group also works to enhance the expertise of sales personnel by encouraging them to obtain relevant qualifications and providing training to ensure that customers receive the optimal products and services. The Group also strives to clearly explain the features, risks, fees, and other details of the products offered to customers, using materials that feature illustrations, graphs, and other visual aids. * A numerical measure of customers’ level of interest in a company’s brand, products, or representatives, based on how likely they are to recommend them to friends or family members
Improving convenience through a diverse range of touchpoints	The Nishi-Nippon City Bank and Nishi-Nippon City Tokai Tokyo Securities offer online transaction services that allow customers to open accounts and apply for various transactions anytime, anywhere. The Nishi-Nippon City Bank also offers insurance products that customers can apply for by mail or telephone, a robo-advisor that recommends products tailored to their needs, and a service for estimating public pension and other benefit payments. In addition, the Nishi-Nippon City Bank and the Bank of Nagasaki have also established a framework for serving customers who have difficulty visiting a branch on weekdays by offering consultations on weekends and holidays and operating consultation centers.
Contributing to the local economy	The NNFH Group has begun offering an investment trust that supports the Kyushu economy by investing in Kyushu-related stocks. Each year, a portion of the trust fees from this investment trust is donated to initiatives that help build Kyushu’s future, including industrial promotion, human resource development, and support for children.

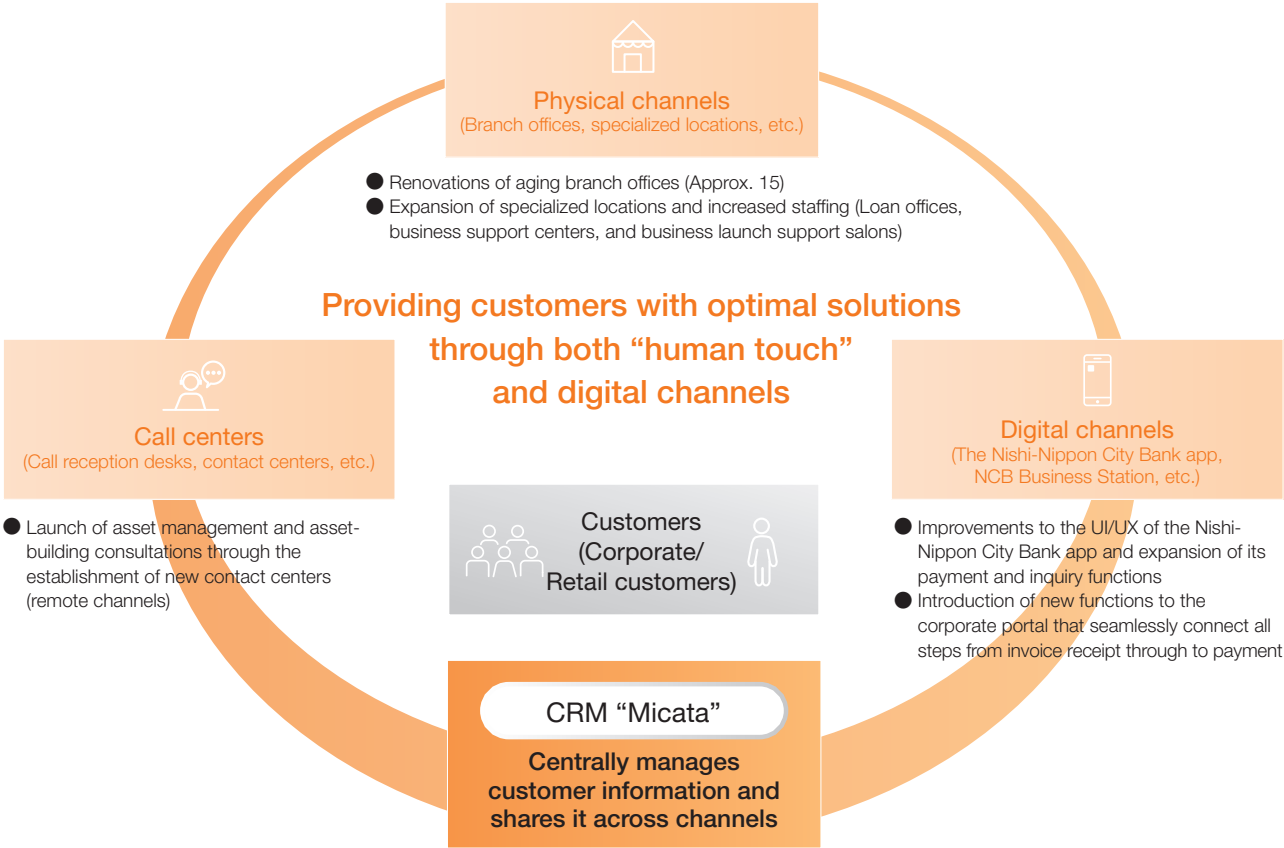
Developing the Optimal Mix of Physical and Digital Channels

The Nishi-Nippon City Bank provides customers with optimal solutions through both “human touch” and digital channels.

To meet customers’ consultation needs in areas such as inheritance, housing loans, and asset management through the “human touch,” one of our strengths, we renovate branches, expand specialized locations, and take other measures to enhance our physical channels.

For our digital channels, in response to customers’ ongoing shift toward digital services, we aim to improve UI/UX for both corporate and retail customers and to expand payment, inquiry, and other functions to further enhance convenience. We will also continue to use remote channels such as contact centers to establish touchpoints with customers who have previously been difficult to reach in person.

Furthermore, using CRM “Micata,” the customer management and sales support system introduced in January 2026, we centrally manage customer information and share it across channels to seamlessly provide optimal solutions tailored to each customer.



Establishing Sales Structures for Each Customer Segment

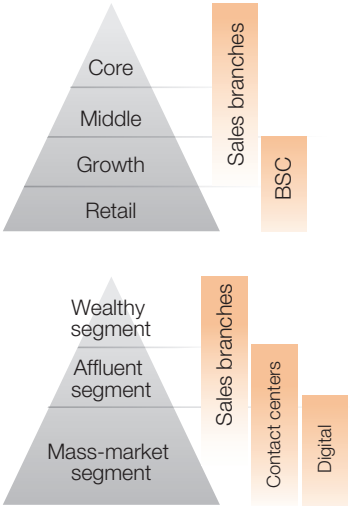
Corporate sales structure

To expand touchpoints and strengthen relationships with corporate customers, the Nishi-Nippon City Bank clarifies the respective roles of its sales branches and business support centers (BSCs), shifts the primary focus of its sales representatives toward consulting, and strengthens management of its relationships with customers.

Retail sales structure

To enhance consulting services for retail customers, the Nishi-Nippon City Bank clarifies the roles of its sales branches and expands its remote consulting services through contact centers* and other channels to establish touchpoints with more customers.

* Remote channels that make use of telephone calls, web-based services, and other means primarily to reach customers who have been difficult to contact through face-to-face sales activities (Scheduled for launch during FY2026)

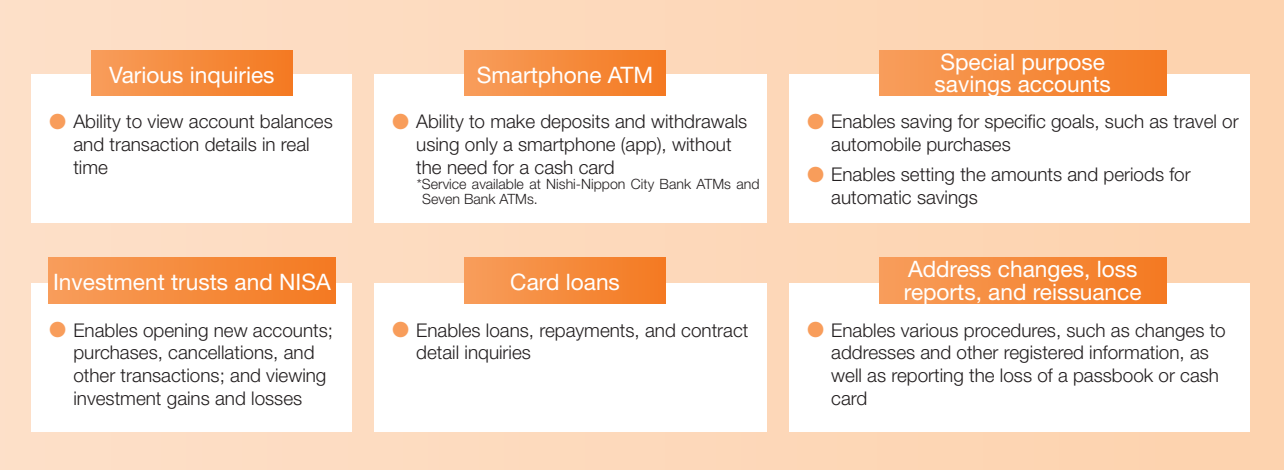


Digital Channels for Retail Customers

The Nishi-Nippon City Bank app

Since launching the Nishi-Nippon City Bank app in March 2015, the Nishi-Nippon City Bank has continued expanding its functions and services to enhance convenience for retail customers.

[Key Functions of the Nishi-Nippon City Bank App]



Opening of children’s accounts

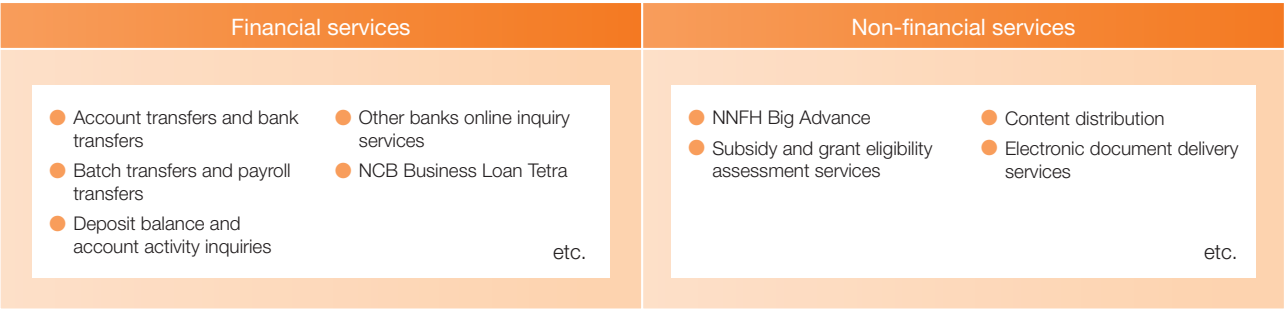
In May 2026, the Nishi-Nippon City Bank added a service to the Nishi-Nippon City Bank app that allows parents to open accounts for children under the age of 15 through the parent’s app to provide customers raising children with greater convenience. Information on the accounts opened, including balances and transaction details, can be centrally managed through the parent’s Nishi-Nippon City Bank app.

Digital Channels for Corporate Customers

NCB Business Station

The Nishi-Nippon City Bank introduced the NCB Business Station, a platform for corporate customers, in December 2020. Ever since, the bank has continuously expanded its functionality through services such as electronic document delivery and NCB Business Loan Tetra (online lending) to provide corporate customers with greater convenience.

[Key Functions of the NCB Business Station]



Addition of a digital passbook function

The Nishi-Nippon City Bank added the digital passbook function to NCB Business Station in March 2026. It is available to customers using the full NCB Business Direct (corporate internet banking) services, and enables them to view up to 10 years of transaction details online and download them in PDF or CSV format.

Launch of the NCB Business Station app

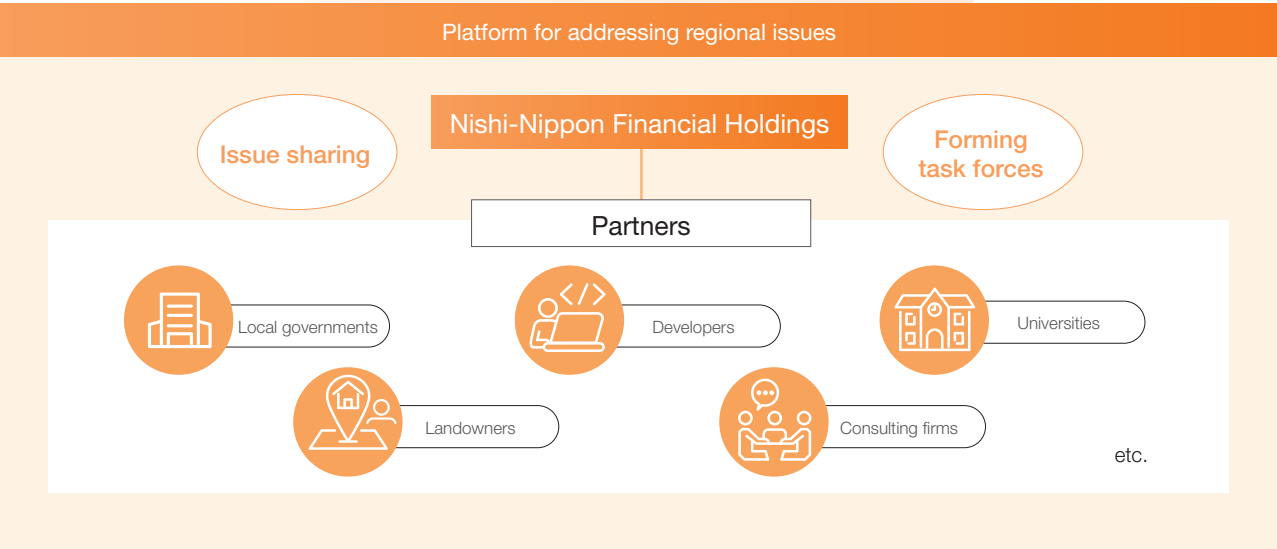
The Nishi-Nippon City Bank began offering the NCB Business Station app, a banking app for corporate customers and sole proprietors, in December 2025. Customers can use the app to check balances and transaction details for accounts at multiple financial institutions, including the Nishi-Nippon City Bank, and access bank transfers, account transfers, and other services by smartphone 24 hours a day.

Resolving Regional Issues and Contributing to Community Development

Based on the belief that “without regional development, there will be no growth of the Group,” the NNFH Group is committed to a variety of initiatives aimed at resolving local challenges and contributing to community development in partnership with local governments and other collaborators.

Initiatives to Resolve Local Challenges

The NNFH Group identifies local challenges and needs, and supports efforts to resolve them through proactive engagement with local governments.



- Building a Local Semiconductor Ecosystem

 - Matching semiconductor-related companies
 - Industry-academia collaboration

etc.
- Active involvement in regional development

 - Financial support
 - Business attraction consulting

etc.
- Initiatives to create vibrancy in the community

 - Planning and participating in events in collaboration with the community

etc.

Local Governments: Various Agreement Partners	Educational Institutions: Agreement Partners
Comprehensive agreement partners (14 local governments) ● Fukuoka Prefecture ● Tagawa City ● Fukutsu City ● Fukuchi Town ● TosuCity ● Itoshima City ● Nakagawa City ● Itoda Town ● Miyako Town ● Hita City ● Kurume City ● Nakama City ● Sue Town ● Karatsu City Individual agreement partners (9 local governments) ● Iizuka City ● Kama City ● Yanagawa City ● Itoshima City ● Kitakyushu City ● Keisen Town ● Ukiha City ● Munakata City ● Beppu City	Industry-university collaboration agreement partners (9 universities) ● Kyushu University ● Kyushu Sangyo University ● Seinan Gakuin University ● Nakamura Gakuen University and Nakamura Gakuen University Junior College ● Nishinippon Institute of Technology ● Fukuoka University ● Fukuoka Institute of Technoloo ● Kyushu Institute of Technology ● Kurume Institute of Technology

Individual agreement partners (9 local governments)

● Iizuka City

● Kama City

● Yanagawa City

● Itoshima City

● Kitakyushu City

● Keisen Town

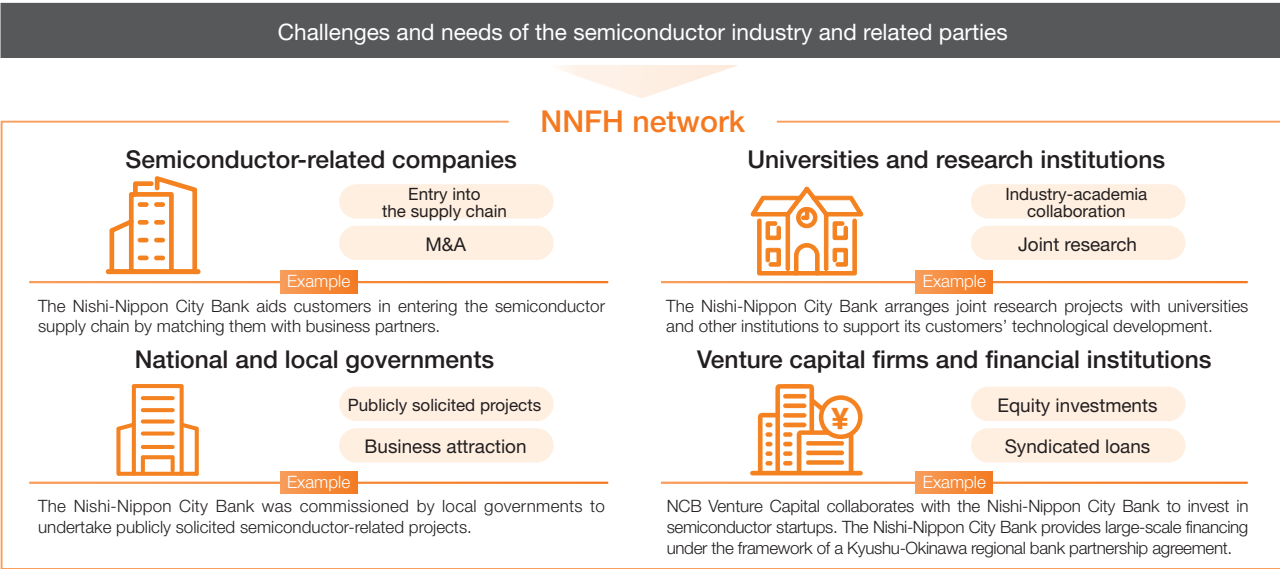
● Ukiha City

● Munakata City

● Beppu City

Building a Local Semiconductor Ecosystem

The Nishi-Nippon City Bank leverages the Group’s collective strengths and collaborates with external semiconductor-related organizations to support the business development of semiconductor-related companies through both financial and non-financial means, in order to contribute to the creation of a local semiconductor ecosystem.



Leveraging the NNFH Network to connect stakeholders in industry, government, academia, and finance to help build a semiconductor ecosystem

Addressing challenges and providing solutions

Active Involvement in Regional Development

Support for urban redevelopment (Hakata Connected, etc.)

The Nishi-Nippon City Bank participates in community development by providing financing to developers undertaking redevelopment projects, landowners, and companies moving into newly completed buildings, as well as by supporting efforts to attract businesses.

In addition, the completion and opening of the Nishi-Nippon City Building (see pages 47–48) are contributing to the goals of Hakata Connected by improving pedestrian circulation and transportation connectivity around Hakata Station. They are also helping revitalize the regional economy by attracting businesses and creating employment, thereby having a positive impact on sustainable urban development. Furthermore, together with the host community, we aim to promote urban development with a view to a sustainable future through environmentally conscious initiatives and other efforts.

Support for land readjustment projects, etc. around urban centers

The Nishi-Nippon City Bank collaborates with local governments, developers, landowners, and other stakeholders and engages in land readjustment projects aimed at developing new communities by providing financing, support for attracting businesses, and other services.

By providing business loans, supporting the capital investments of incoming companies, and providing residential loans, the Nishi-Nippon City Bank aims to help revitalize the region and create vibrancy.

Land readjustment project in Sandai, Shingu Town



Collaborating with Local Governments

Agreement with Munakata City on community development

Since 2024, the Nishi-Nippon City Bank has collaborated with Munakata City, continuously holding study sessions attended by representatives from the bank, the city, and other stakeholders on how to revitalize the area along Hinosato-dori Avenue. In March 2026, the bank entered into an issue-specific partnership agreement* with Munakata City to promote the future development of the area.

* Participating entities: Munakata City; Urban Renaissance Agency, an independent administrative agency; Yume Mart Kumamoto Co., Ltd.; Munakata Suikokai General Hospital, a social medical corporation; Hinosato District Community Management Council; and the Nishi-Nippon City Bank

Collaboration with Koga City on decarbonization

In May 2025, NCB Research & Consulting was commissioned to operate Koga City’s Decarbonization Management Support Platform and, as its secretariat, organizes seminars and provides members with consultation services.

In May 2026, the Nishi-Nippon City Bank also invested in a local energy company newly established by Koga City through a public-private partnership, in order to support the city’s efforts to achieve regional decarbonization and build a sustainable society.

Diverse Community Contribution Activities

The NNFH Group provides financial and economic education that helps raise financial literacy of local communities in collaboration with local governments, schools, and other entities. The Group also actively engages in community contribution activities, including recognition programs and cultural and artistic activities that could only be made possible by a regional financial group.

Financial literacy education

New Year Economic Lecture Series

The NNFH Group has held lectures on economic matters annually since January 2008 to share the latest financial and economic information that customers may find useful in steering their businesses or developing a business outlook for the new year. At the 19th seminar, the Nishi-Nippon City Bank's Deputy President Takeshi Kurihara and Special Advisor Isao Kubota delivered lectures. A total of 19 sessions have been held by the end of March 2026.



Financial literacy & asset building seminar

The Nishi-Nippon City Bank held a seminar on financial literacy and asset building targeting university students at Seinan Gakuin University in January 2026. The seminar provided information on the importance of understanding the economic environment when building assets and the use of AI and other technologies in banking operations.



Financial literacy education

Since August 2007, the Nishi-Nippon City Bank has supported financial literacy education by, for instance, organizing a series of workshops for local elementary school students each year to teach them the value and role of money. A total of 51 sessions were held between April 1, 2025 and March 31, 2026.

Dispatch of lecturers and on-site classes

Dispatch of lecturers to universities

The NNFH Group dispatches its officers and employees to local universities in order to support university students in learning practical financial knowledge. In FY2025, the Group offered lectures on banking theory at Kyushu Sangyo University, and held seminars on developing financial specialists at Seinan Gakuin University and on the financial industry at Fukuoka University.



Collaboration with universities

In November 2025, City Ascom entered into an agreement on industry-academia collaboration with Seinan Gakuin University to contribute to regional development and the advancement of academic research. In February 2026, City Ascom and the university jointly held the final presentation session for the on-campus presentation contest SYNAPSE (theme: Social Issues and Us—Problems Facing Society and the Significance of Academic Approaches).



Provision of learning materials

Production and provision of original materials

The Nishi-Nippon City Bank produces original materials for financial literacy education programs (for elementary and junior high school students). The materials are available on its website for view by the public.
https://www.ncbank.co.jp/corporate/chiiki_shakaikoken/literacy/

Support for improving ICT literacy in local communities

Programming classes for children

City Ascom offers programming classes for children at various workshop events held in Fukuoka with the aim of improving ICT literacy in the local communities. The company has held 6 classes by the end of March 2026.



Recognition programs

The Excellent Executive Award

Since January 1973, the Foundation for the Prize of Excellent Executive (Chairman: Isao Kubota) has commended excellent executives at SMEs who have made outstanding achievements in management and/or technology in the Kyushu Region and Yamaguchi Prefecture, thus contributing to the development of the regional economy. A total of 192 executives had been commended by the end of April 2026.



Asian Contribution Award/Asian Youth Award

In order to facilitate international mutual understanding, the Nishi-Nippon City Foundation (Chairman: Isao Kubota) has annually commended groups, individuals, elementary and junior high schools, and regional groups of children who are working toward the development of Asian countries and the international exchange among them. Recipients are selected from the Kyushu Region, Okinawa Prefecture, and Yamaguchi Prefecture, and receive either the Asian Contribution Award or the Asian Youth Award. By the end of March 2026, the Asian Contribution Award had been presented 27 times and the Asian Youth Award 21 times.



Cultural/Artistic activities

Japanese traditional culture “Kagura and Kamimai” (Dancing with the Gods of Japan)

To preserve and promote local culture, the Nishi-Nippon City Bank and the Nishi-Nippon City Foundation have co-hosted “Dancing with the Gods of Japan—Local Kagura and Kamimai” every year since November 2015. The event had been held 11 times by the end of March 2026.



NCB Music Festival

Since December 2014, the Nishi-Nippon City Bank and the Nishi-Nippon City Foundation have co-hosted the NCB Music Festival each year to bring energy to Fukuoka during the year-end season through music, inviting approximately 1,500 people to the event. This year-end music celebration had been held 11 times by the end of March 2026.



NCB Promenade Concert

In May 2019, the Nishi-Nippon City Bank began co-hosting the monthly NCB Promenade Concerts together with the Nishi-Nippon City Foundation to offer programs featuring local musicians spanning a variety of genres. The concerts had been held 76 times by the end of March 2026.



Community contribution activities by our officers and employees

Food drives

In an effort to support children in the region in leading healthy and fulfilling lives, the Nishi-Nippon City Bank and the Bank of Nagasaki commenced food drives in August 2021 and August 2022, respectively, donating surplus food from their households to children's cafeterias. A cumulative total of approximately 11 tons of food had been provided at roughly 130 locations, including headquarters and sales branches, by the end of March 2026.

In addition, City Ascom, Kyushu Servicer, and Nishi-Nippon Credit Guarantee have also participated in this initiative since July 2025.

Support for efforts to achieve the SDGs

Machi-1 Grand Prix (an original card game event to raise awareness of the SDGs)

The Nishi-Nippon City Bank and the Bank of Nagasaki hold Machi-1 Grand Prix, an event to raise awareness of the SDGs among students in grades 3 through 6 of elementary school. The event provides students with opportunities to learn about the SDGs in a fun way and to generate ideas using an original card game. It had been held five times in Fukuoka and four times in Nagasaki by the end of March 2026.

Workshop-style consulting service

The Nishi-Nippon City Bank and Kyushu Hakuhodo Inc. agreed on a business alliance, and in April 2021 launched a workshop-style consulting service, which supports companies who seek to create ideas for businesses that contribute to the achievement of the SDGs and regional revitalization and work out solutions to social issues.

Opening of the NISHI-NIPPON CITY BUILDING

In December 2019, the Nishi-Nippon City Bank announced plans to rebuild its headquarters building. Development proceeded with the aim of serving as a catalyst for Fukuoka City's Hakata Connected initiative. The building was completed in March 2026 and opened in July of the same year.

The new headquarters building (NISHI-NIPPON CITY BUILDING) has 14 floors above ground and four basement levels, and is directly connected to Hakata Station via an underground passage. The second floor houses the head office business departments of the Nishi-Nippon City Bank and Nishi-Nippon City Tokai Tokyo Securities. Parts of the third through ninth floors accommodate the head office functions of NNFH, the Nishi-Nippon City Bank, and certain other NNFH Group companies, while the second basement level features NCB Hall, designed to promote cultural exchange within the region, alongside other facilities. The building is a mixed-use complex that also includes retail stores and other commercial spaces.

Core Features of the NISHI-NIPPON CITY BUILDING

The NISHI-NIPPON CITY BUILDING contributes to the community by enhancing convenience for users and providing employees with a more comfortable working environment. It is also designed to maintain its functions during disasters and reduce its environmental impact.



Environmental Performance of the NISHI-NIPPON CITY BUILDING

The NISHI-NIPPON CITY BUILDING actively incorporates advanced environmentally conscious technologies in order to set an environmental standard befitting its status as a landmark in front of Hakata Station.

Next-generation occupancy sensors have been installed on office floors and other areas. By providing comfortable levels of lighting, temperature, and ventilation only where and when needed, the building saves energy while ensuring comfort and reducing its environmental impact. The building's overall energy performance has also been enhanced through the effective use of water resources using a rainwater harvesting system, improvements to the performance of the building envelope, and other measures.

Furthermore, in line with the objectives of Fukuoka City's 10,000 Trees in the City Center Project*, the building creates green spaces through features such as bands of greenery along walls, greened columns, and benches that integrate plantings, while also helping to mitigate the urban heat island effect.

Through these efforts, the NISHI-NIPPON CITY BUILDING has been recognized as ZEB Ready and has obtained advanced environmental certifications (including preliminary certifications) in Japan and overseas (see page 55 for details).

* A Fukuoka City project that promotes tree planting and the greening of privately owned land together with residents and businesses over the course of the city center's redevelopment, with the aim of creating an attractive urban landscape and improving the urban environment.



The NISHI-NIPPON CITY BUILDING Logo

The building was given a name that calls to mind its role as the head office of the Nishi-Nippon City Bank while also being familiar and easy for local residents to remember.

The logo creates a memorable visual impression using a simple, direct art style to depict the building's distinctive architectural features, such as the serrated exterior walls and the opening on the ninth floor.

Stimulating Activity around Hakata Station through the NISHI-NIPPON CITY BUILDING

Taking advantage of its location in front of Hakata Station, the NISHI-NIPPON CITY BUILDING aims to become a new landmark beloved by the local community, serving both as a hub for pedestrian traffic that brings the vibrancy of the station area into the surrounding neighborhood and as a hub for interaction between people and the community.

A Plaza Open to the Community

The NISHI-NIPPON CITY BUILDING contains Connected Core*, a large-scale, multi-level plaza situated on the corner facing Hakata Station. Channeling the flow of people from Hakata Station through the plaza and into the surrounding area will help improve pedestrian circulation around the station and create greater vibrancy in the host community.

Going forward, we will continue working with organizations such as the Hakata Town Planning Promotion Council to make the plaza even more attractive by organizing events and other activities.

* The name of a set of public open spaces in the NISHI-NIPPON CITY BUILDING (approximately 500m² of above-ground space and 300m² of basement space).

A Multipurpose Hall

NCB Hall, on the second basement level of the NISHI-NIPPON CITY BUILDING, is designed to create emotionally moving experiences that resonate with the heart, and interactions that turn encounters into lasting connections.

NCB Hall is a multipurpose venue suitable for a wide range of uses, from classical concerts, traditional performing arts, and other cultural performances through to seminars, corporate briefings, and other business-related meetings.



Visitor-facing Spaces



Head office business department floor

This floor offers customers a comfortable environment with a spacious lobby, consultation booths with a relaxing ambiance, and a children's area where customers visiting with young children can feel at ease.

As an example of the building's contribution to the host community, the entrance also welcomes customers with rotating displays of artwork from the Nishi-Nippon City Bank's collection, selected in line with different themes and exhibition concepts.

NCB Business Launch Support Salon HAKATA

We have established NCB Business Launch Support Salon HAKATA, a specialized center that provides broad, comprehensive support for starting a business, including startup financing assistance and consultations on management challenges (see page 50).

Going forward, we will take advantage of the salon's prime location in front of Hakata Station, the busiest station in Kyushu by passenger traffic, to hold startup seminars, events for business founders, and other programs, providing a welcoming venue where customers can easily seek advice both before and after starting a business.

Interaction spaces/Collaboration spaces

Each floor features internal staircases connecting it with the floors above and below. Interaction spaces where employees can hold informal discussions and communicate with one another have been placed around these staircases, creating more opportunities for interaction between departments. Collaboration spaces have also been created in the corners of the building and alongside windows, with furnishings that facilitate informal meetings and encourage communication. We hope that these spaces will foster greater communication throughout the organization (see page 70).

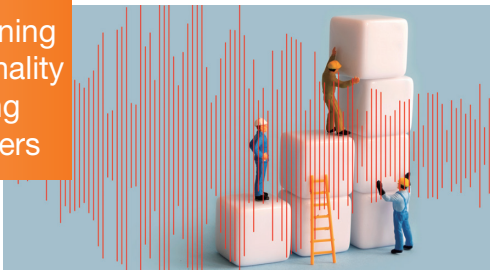
The NISHI-NIPPON CITY BUILDING incorporates a large-scale seismic isolation system and provides 1.5 times the level of earthquake resistance required by law. To prepare for disruptions to essential utilities during disasters, the building is also equipped with a generator capable of supplying emergency power for 72 hours. Even during an emergency, electricity can be supplied to private areas, including office and visitor spaces, and elevators, restrooms, and other facilities will also remain available for use.

In addition, business continuity planning (BCP) measures have been bolstered by being able to provide NCB Hall and other facilities for use as temporary accommodation for people unable to return home during a disaster as well as storage facilities for emergency supplies, to contribute to the resiliency of the community.

Comfortable Working Environments

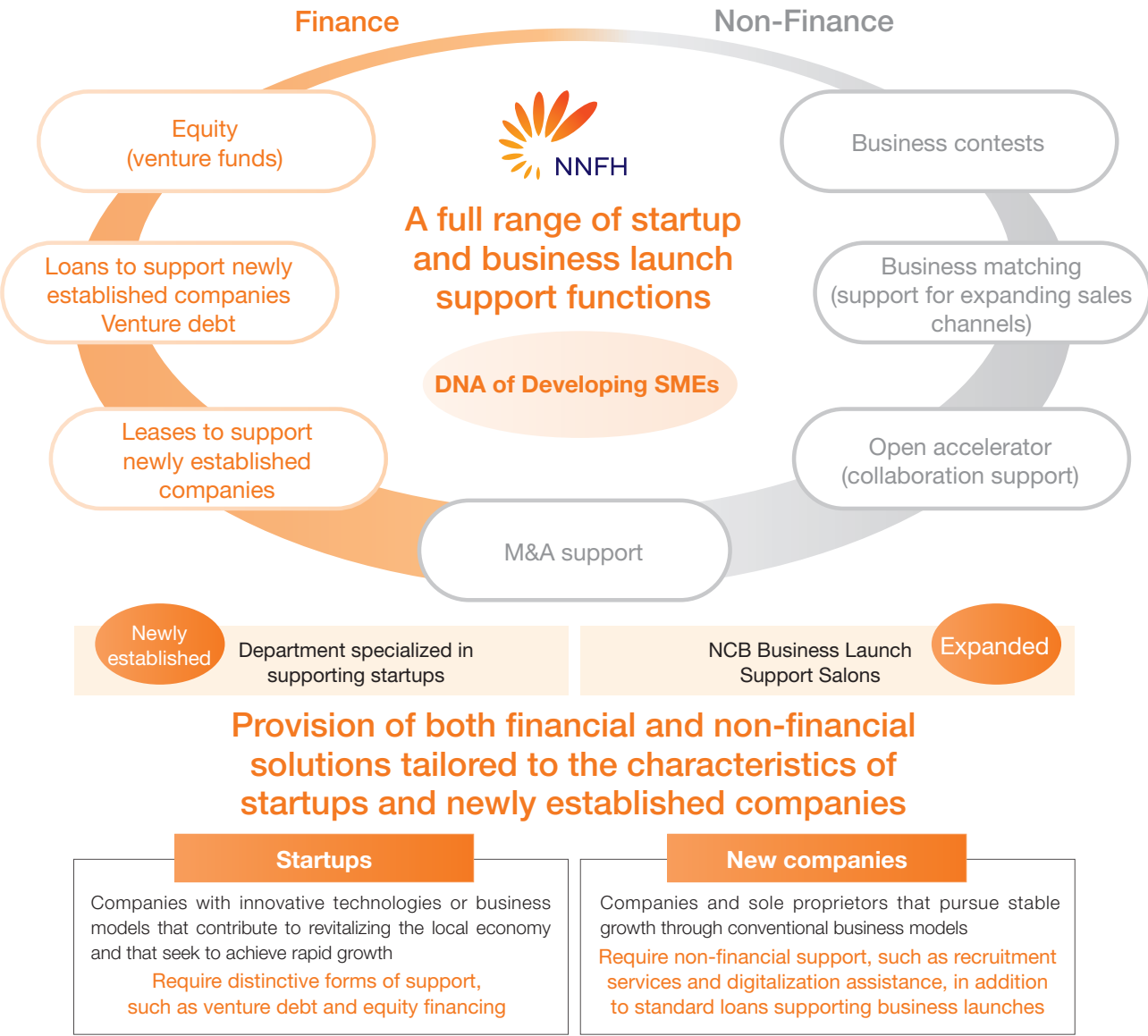


Maintaining Functionality during Disasters



Startup and Business Launch Support

The NNFH Group started as a financial institution specializing in financial services for SMEs. As the embodiment of our inherited “DNA of developing SMEs,” we actively contribute to the creation and revitalization of local industries and employment by supporting the growth of startups and newly established companies through both financial and non-financial solutions.



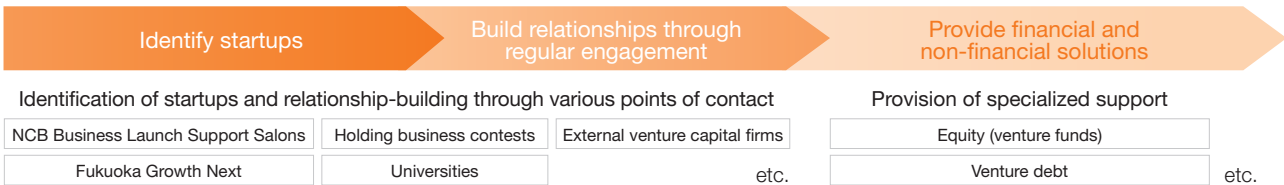
Startup Support

Strengthening the startup support framework

Establishment of a specialized department

In April 2026, the Nishi-Nippon City Bank established the department specialized in supporting startups to strengthen its framework for supporting startups. The department provides seamless support, from identifying promising startups through to providing financial and non-financial solutions, and supporting growth through collaboration. The department will also contribute to regional revitalization by bringing outstanding technologies from Tokyo-based startups and other businesses to local companies.

[Overview of Startup Support by the Department Specialized in Supporting Startups]



Identifying startups

Holding business contests

NNFH has held business contests since FY2020. This year's contest invited submissions based on the themes of “creating customer experiences and value through advanced technologies” and “overcoming challenges faced by local companies that support the region.” Ideas were solicited in two categories: the Idea Category, for business ideas that had not yet been launched and services still at the validation stage, and the Growth Category, for businesses that had already been launched.

In the final round of the 6th NNFH Business Contest: OPEN INNOVATION HUB, held in February 2026, two Idea Category teams and nine Growth Category teams selected from 153 entrants across Japan gave presentations. The following three teams received Top Prizes and an Award for Excellence.



Business Launch Support

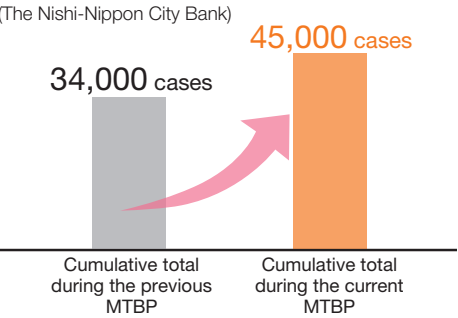
Increasing touch points with new companies

NCB Business Launch Support Salon

At the NCB Business Launch Support Salon in Fukuoka City and Kita-Kyushu City (opened in February 2016 and November 2017, respectively), the Nishi-Nippon City Bank offers consultation services on everything to do with starting a business, including support for pre-launch business plan formulation, financing at the time of business launch, post-launch management guidance/consultation, and organization of seminars. The salons also provide entrepreneurs with opportunities to network with their peers. Through these, the Nishi-Nippon City Bank has provided detailed, one-stop assistance in response to a wide range of inquiries related to starting a business. NCB Business Launch Support Salon HAKATA has also been established in the NISHI-NIPPON CITY BUILDING, which opened in July 2026, becoming the second such location in Fukuoka City.

Going forward, NCB Business Launch Support Salon HAKATA will take advantage of its prime location in front of Hakata Station to hold consultation sessions, networking events for business founders, and other events. It will provide a welcoming venue where customers can readily seek advice both before and after starting a business, as well as opportunities for founders to network with one another, while further increasing touch points with new companies.

<Number of business launch support cases*>



* Includes the number of consultations, executed loans, and cases involving collaboration with external organizations (all related to business launch support).

Financial support for new companies

Loans to support newly established companies

The NNFH Group actively provides financial support to customers who have recently started businesses through loans guaranteed by credit guarantee associations and other forms of financing.

To address a wide range of funding needs, the Group also offers products available to these customers, including the Nishi-Nippon City Bank's fully online NCB Business Loan and the Nagasaki Bank Business Loan offered by the Bank of Nagasaki.

Leases to support newly established companies

The Bank of Nagasaki, in cooperation with Kyushu Leasing Service, provides sole proprietors who are considering installing startup-related equipment with business launch leasing support.

Sustainability Initiative

With the firm belief that “without regional development, there will be no growth of the Group,” the NNFH Group has long been actively engaged in a wide range of community contribution activities while addressing regional challenges through support for business launches, environmental financing, and other initiatives.

The NNFH Group considers addressing sustainability issues an important part of its management strategy and intends to achieve sustainability for both the community and the Group itself by promoting sustainability initiatives distinctive to a regional financial group.

Group Management Philosophy

Aiming high and motivated by pride in our services, we are committed to becoming a leading financial group through our ability to respond to change and to grow with our customers.

The Nishi-Nippon Financial Holdings Group Sustainability Declaration

Guided by the Group Management Philosophy, we at the NNFH Group aim to develop the regional economy and enhance our corporate value, while at the same time contributing to the realization of a sustainable society.

Group Human Rights Policy

We, the Nishi-Nippon Financial Holdings Group, will respect the human rights of our customers, officers, employees, and other stakeholders based on the Group Management Philosophy and the Group Sustainability Declaration.

The Nishi-Nippon Financial Holdings Group Health and Productivity Management Declaration

To realize the Group Management Philosophy and the Nishi-Nippon Financial Holdings Group Sustainability Declaration, we the Nishi-Nippon Financial Holdings Group maintain and enhance the health of our officers and clerks, who are our customers’ partners.

NNFH’s Priority SDGs



Target Amount of Sustainable Finance

Total ¥ **2.0** trillion from FY2021 to FY2030

CO₂ Emissions Reduction Target

Achieve **carbon neutrality** by FY2030

* Covers Scope 1 and Scope 2 emissions.

Priority Themes in Sustainability Management

The NNFH Group seeks to enhance the sustainability of both the host community and the Group through measures that address each of its priority themes. In addition, the priority themes and individual measures are reviewed as necessary.

Priority Theme	Primary Measures	Priority Themes	Primary Measures
Climate Change and Nature-related Initiatives	● Approach to TCFD and TNFD ● Carbon neutrality initiatives ● Provision of solutions to customers' business challenges (hands-on support for corporate customers) ● Initiatives for sustainable finance etc.	Initiatives to Resolve Local Challenges	● Building a local semiconductor ecosystem ● Active involvement in regional development ● Collaborating with local governments etc.
Strengthening Human Capital	● Further development of strategic human resources ● Career development ● Environmental improvement ● Strengthening internal branding ● Promotion of diversity & inclusion ● Promotion of health and productivity management etc.	Diverse Community Contribution Activities	● Financial literacy education ● Support for improving ICT literacy in local communities ● Recognition programs ● Cultural/Artistic activities ● Initiatives by officers and employees to contribute to the local community ● Support for efforts to achieve the SDGs etc.
Respecting Human Rights	● Formulation of the Group Human Rights Policy ● Education and training ● Reporting and consultation hotlines etc.	Efforts to Create Industries and Jobs in the Region	● Strengthening the startup support framework ● Identification of startups ● Increasing touch points with new companies ● Financial support for new companies etc.

Achieving sustainability for the host community and the NNFH Group itself

Management Structure for Sustainability

NNFH discusses the NNFH Group’s policies and important matters concerning sustainability at the Sustainability Committee chaired by the company’s President, monitors the status of its sustainability activities, and provides advice. Discussions at the Sustainability Committee are reflected in the Group’s management strategies and risk management measures after deliberations and decision-making by the Executive Committee, and are also reported to the Board of Directors. The Board of Directors appropriately monitors the matters reported to it.

Day-to-day sustainability operations are centrally supervised by the Sustainability Promotion Office within the Corporate Planning Division, which monitors the status of initiatives undertaken by Group companies and follows up on the measures.

Sustainability Management Structure		Overview of sustainability committee	
Board of Directors		Chairperson	President
Report	Supervise	Members	3 Directors and 7 Executive Officers appointed by the President
Executive Committee		Meeting frequency	In principle, once every six months (two meetings were held in FY2025)
Sustainability Committee		Roles	Discuss the Group’s policies and important matters related to sustainability, monitor the status of the Group’s sustainability efforts, and provide advice, etc.
Discuss/Report	Manage/Guide	Main agenda items (FY2025)	• Sustainability-related matters disclosed in NNFH’s securities report • Approach to TCFD and TNFD • Future direction of sustainability initiatives • GHG emissions status • Status of sustainable finance initiatives
Specialized Organization Responsible for Promoting Sustainability, Corporate Planning Division (Secretariat of the Sustainability Committee)			
Group companies			
Cooperate			

Climate Change and Nature-related Initiatives

In recent years, countries around the world have been facing a range of environmental issues, including rising temperatures, droughts, and the degradation of forest ecosystems. In Fukuoka and other areas in the Kyushu Region, the core region of the NNFH Group, record-breaking torrential rains have also caused severe disasters. Addressing climate change and nature-related challenges has therefore become a critical step in realizing sustainable local communities.

In April 2021, NNFH announced its support for the TCFD* recommendations and has since disclosed information in line with these and other recommendations while supporting its customers' efforts to address climate change and nature-related challenges.

* Task Force on Climate-related Financial Disclosures (TCFD): a task force established by the Financial Stability Board (FSB) to encourage companies to disclose climate-related financial information that will help investors make appropriate investment decisions

Governance

NNFH discusses policies and important matters concerning climate change and nature-related challenges at the Sustainability Committee chaired by the company's President, monitors the status of its activities, and provides advice (see page 52 for details).

Strategies

In its Group Sustainability Declaration, the NNFH Group states that it aims to develop the regional economy and enhance its corporate value while contributing to the realization of a sustainable society. The Group has also identified addressing climate change and nature-related challenges as a priority issue in its management strategies and deploys a variety of measures based on the risks and opportunities thereof.

Risks associated with climate change

NNFH recognizes major risks associated with climate change as follows.

		Description of risks	Timeline*	Risk category
Transition risks	Tightening of environmental regulations	Losses generated by changes in policies/regulations, such as introduction of a carbon tax and tightening of greenhouse gas (GHG) emissions regulations, on the part of investees/borrowers	Medium to long term	Credit risk
	Development of innovative technologies	Degradation of asset value and/or loss generated on the part of investees/borrowers due to technological innovation and rapid structural changes associated with the transition to a carbon neutral society	Medium to long term	Credit risk
	Reputation changes	Loss of the NNFH Group's corporate value due to discrepancies between the Group's responses to climate change and stakeholders' expectations	Short to long term	Operational risk (Reputational risk)
Physical risks	Wind and flood damage due to typhoons, torrential rains, etc.	Damage to the NNFH Group' sales offices	Short to long term	Operational risk (Tangible asset risk)
		Degradation of the value of assets pledged by investees/borrowers	Short to long term	Credit risk
		Loss generated by the shutdown of operations by investees/borrowers	Short to long term	Credit risk
		Confusion in the financial market due to serious/extensive damage	Short to long term	Market risk
	Temperature variation and rising sea levels	Impact on business activities, etc. of the NNFH Group and its investees/borrowers brought on by the chronic climate change such as temperature variation and changes in weather patterns	Long term	Credit risk Operational risk (Tangible asset risk)

* Short-term: less than 3 years; medium-term: 3 to 10 years; long-term: more than 10 years.

Scenario analysis

NNFH conducts analysis based on multiple future scenarios and estimates potential risks with a focus on the Nishi-Nippon City Bank, which is deemed most susceptible to the impact of climate change risks if they materialize. These analyses and calculations use certain assumptions about potential natural catastrophes and the objects of the analyses.

In the analyses conducted for the following objects using the methods and scenarios below, NNFH has concluded that both transition and physical risks will have a limited impact on the Group's financial conditions. We will continue expanding the objects of our scenario analyses and upgrading our analysis methods.

	Transition risks	Physical risks
Object of analysis	Electricity, oil & gas, coal, railway transportation, trucking service, automobiles & parts, air cargo transportation, air passenger transportation, shipping, metal & mining sectors	Degradation of the value of domestic collateral held for business loans due to flood damage and deterioration of borrowers' financial conditions due to business suspension
Analysis methods	Analyze the impact that changes in the market environment and a rise in carbon prices from the introduction of carbon taxes might have on corporate earnings	Based on a hazard map, calculate the amount of damage to collaterals due to floods and the rate of decrease in net sales due to business suspension
Scenarios used	1.5°C scenario of the International Energy Agency (IEA) and 1.5°C scenario of the Network for Greening the Financial System (NGFS)	2°C/4°C scenarios of the Intergovernmental Panel on Climate Change (IPCC)
Analysis results	Additional credit costs that may be incurred by 2050 Cumulative total: ¥36.0 billion to ¥ 73.0 billion	Additional credit costs that may be incurred by 2050 Up to ¥8.0 billion to ¥9.0 billion on a single-year basis

Carbon-related assets

The ratio of carbon-related assets, based on the definition in the TCFD Recommendations Annex (revised 2021), to the total credit balance of the Nishi-Nippon City Bank is 33.73%.

Energy	Transportation	Materials and buildings	Agriculture, food, and forestry product	Total
2.15%	3.75%	26.25%	1.58%	33.73%

* Selected and compiled based on the Bank of Japan's industry classifications.
* The term "energy" excludes renewable energy power generation projects.
* Calculated based on the total value of loans and bills discounted as well as acceptances and guarantees (excluding open commitment lines) as of March 31, 2026.

Opportunities related to climate change

NNFH recognizes the following key opportunities related to climate change, and provides both financial and non-financial solutions to aid our customers in addressing climate change, including the transition to a decarbonized society.

Description of opportunities		Timeline*
Products and services	An increase in sustainable finance demand accompanying the transition to a decarbonized society	Short to long term
	An increase in consulting services related to supporting the visualization and reduction of GHG emissions accompanying the transition to a decarbonized society	Short to long term
	An increase in demand for financing for infrastructure investments to prepare for intensifying natural disasters	Short to long term
Resource efficiency	Reduced operating costs through resource conservation, energy efficiency, and other measures at the NNFH Group's business facilities, etc.	Short to long term

* Short-term: less than 3 years; medium-term: 3 to 10 years; long-term: more than 10 years.

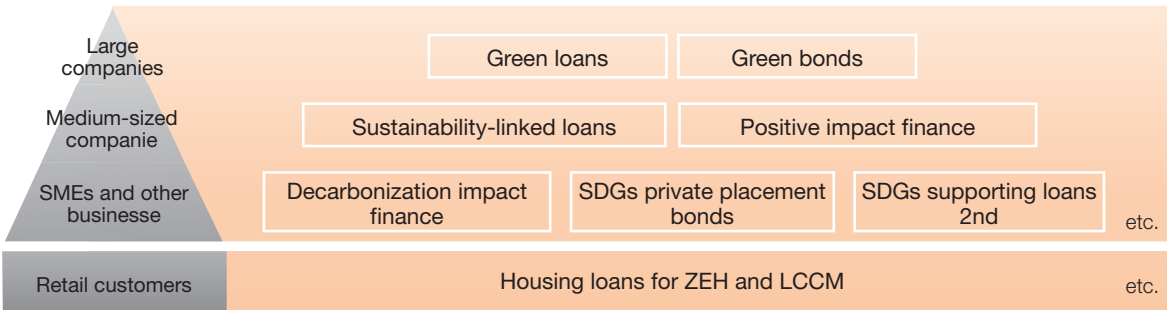
Provision of solutions to customers' business challenges (hands-on support for corporate customers)

The NNFH Group collects and shares information on sustainability issues and initiatives through dialogue with customers, and provides a wide range of both financial and non-financial solutions in line with our customers' management challenges and needs.



Providing sustainable finance tailored to each customer

The Nishi-Nippon City Bank and the Bank of Nagasaki support customers' sustainability initiatives by providing financing solutions best suited to their needs.



[Examples of Sustainable Finance Products]

Positive impact finance

Loans based on a comprehensive analysis of the environmental, social, and economic impacts of customers' business activities and that support initiatives to increase positive impacts and mitigate or reduce negative impacts

Housing loans for ZEH and LCCM

Housing loans offering preferential interest rates for ZEH homes¹ and LCCM homes²

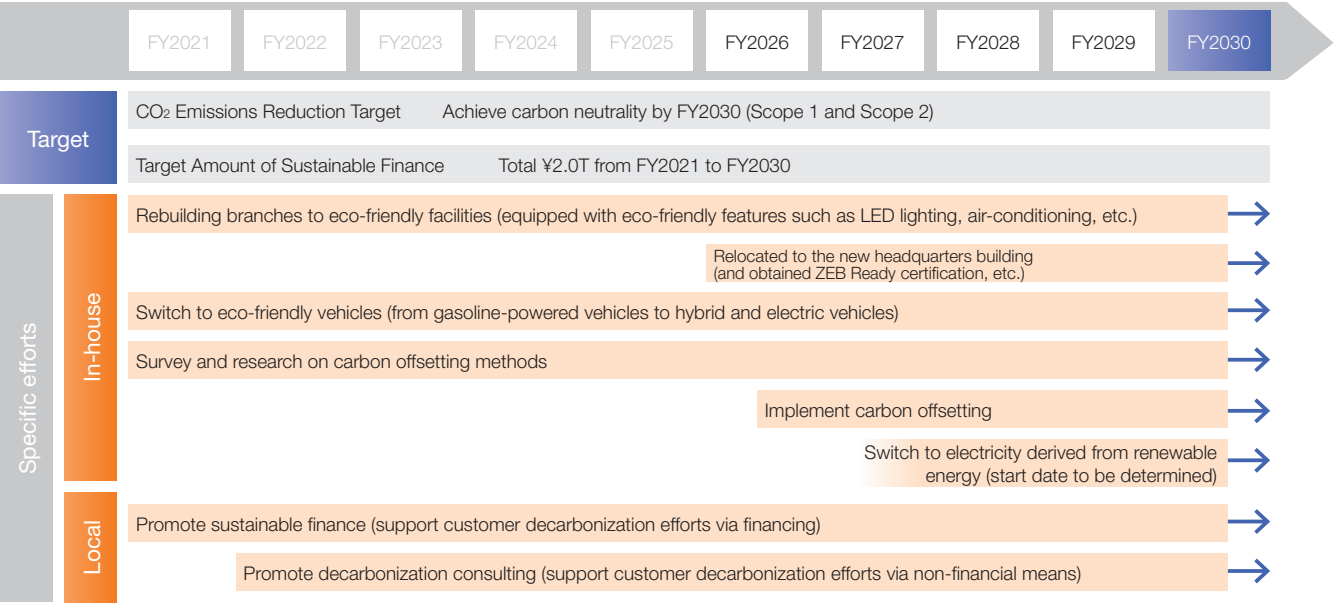
¹ Homes with annual primary energy consumption of net zero or less.
² Homes with net-negative CO₂ emissions throughout their entire life cycle, from construction to disposal

Investment in SDGs bonds

As part of its investment activities designed to ameliorate environmental and social challenges, the Nishi-Nippon City Bank invests in various SDGs bonds such as green bonds and social bonds. In FY2025, the bank invested ¥37.3 billion.

Roadmap toward carbon neutrality

To address climate change-related risks and opportunities, NNFH has established the Group's CO₂ emissions reduction target of achieving carbon neutrality by FY2030 (Scope 1 and Scope 2) and is working to reduce CO₂ emissions while endeavoring to assess CO₂ emissions generated through our business activities. In addition, we define financing that helps build a sustainable society as sustainable finance and have set a goal of providing a cumulative total value of ¥2.0 trillion in sustainable finance between FY2021 and FY2030. To achieve this goal, we have been supporting our customers' efforts to resolve environmental and social challenges, including their responses to climate change.



Initiatives to achieve carbon neutrality in-house

Rebuilding branches as eco-friendly facilities

The Nishi-Nippon City Bank is rebuilding its branches to equip them with eco-friendly features, such as solar power generation, rainwater utilization, LED lighting, and energy-efficient air conditioning (41 branches rebuilt as of March 31, 2026). The Oita Branch, which reopened following renovations in FY2025, was recognized as Nearly ZEB, while the Saga Branch was recognized as ZEB Ready.



The NISHI-NIPPON CITY BUILDING, the Nishi-Nippon City Bank's new headquarters building that opened in July 2026, also actively incorporates advanced environmentally conscious technologies.

Next-generation occupancy sensors have been installed on office floors and other areas, and occupancy data is used to automatically control lighting, air conditioning, and outdoor air intake to conserve energy. In addition, the building's overall energy performance has been enhanced through the effective use of water resources via a rainwater harvesting system, improvements to the performance of the building envelope through Low-E double glazing¹ and thicker insulation, and other measures.

Through these efforts, the building has obtained seven² advanced environmental certifications in all, including ZEB Ready, in Japan and overseas (including preliminary certifications).

¹ High-performance glass that combines thermal in-sulation with solar shading by applying a Low-E coating to the interior surface of multi-pane glass windows to reduce heat transfer. Low-E double glazing is used for all window glass panes.

² (1) BELS ZEB Ready Certification; (2) Preliminary Gold-rank WELL Certification (WELL Core); (3) Preliminary Gold-rank LEED Certification; (4) Pre-liminary 5-Ring Plan Certification under DBJ Green Building Certification; (5) CASBEE Fukuoka S Rank Certification; (6) S Rank Certification under the CASBEE-Wellness Office Evaluation; and (7) 5 Rings under CASBEE SDGs (self-assessment)

Switching to eco-friendly vehicles

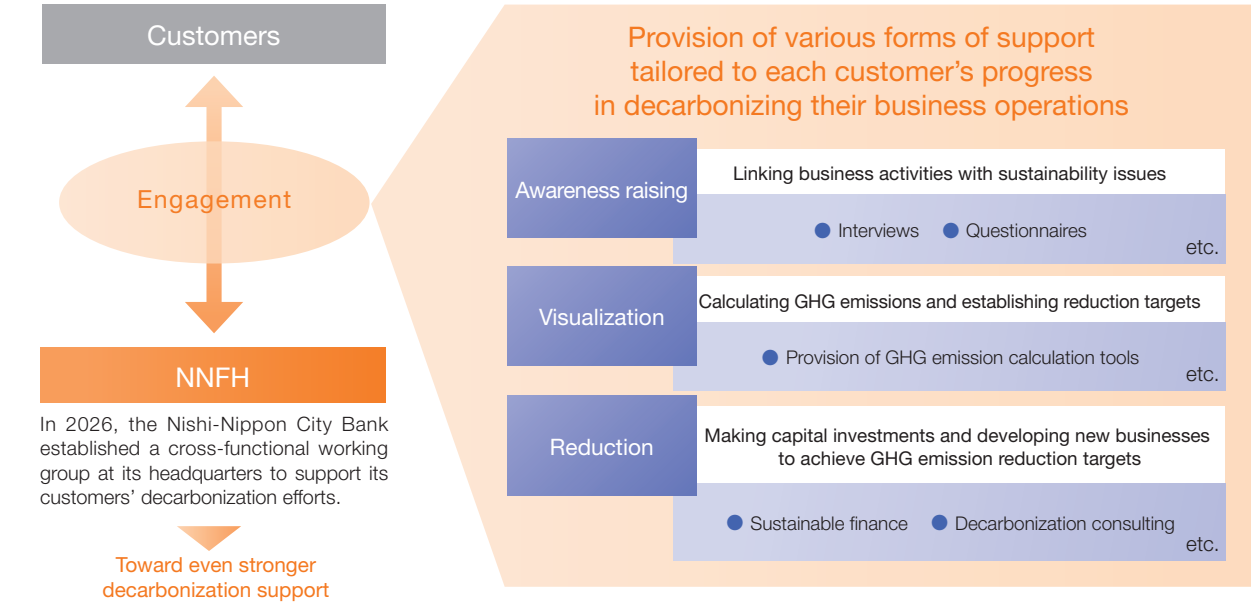
The Nishi-Nippon City Bank has been switching its business vehicles to hybrids and EVs (a total of 324 hybrids and EVs as of March 31, 2026).

The bank has also installed EV charging facilities in the parking areas at its business locations (12 locations as of March 31, 2026), some of which are available to non-employees as well.

Initiatives to aid the community and customers in achieving carbon neutrality

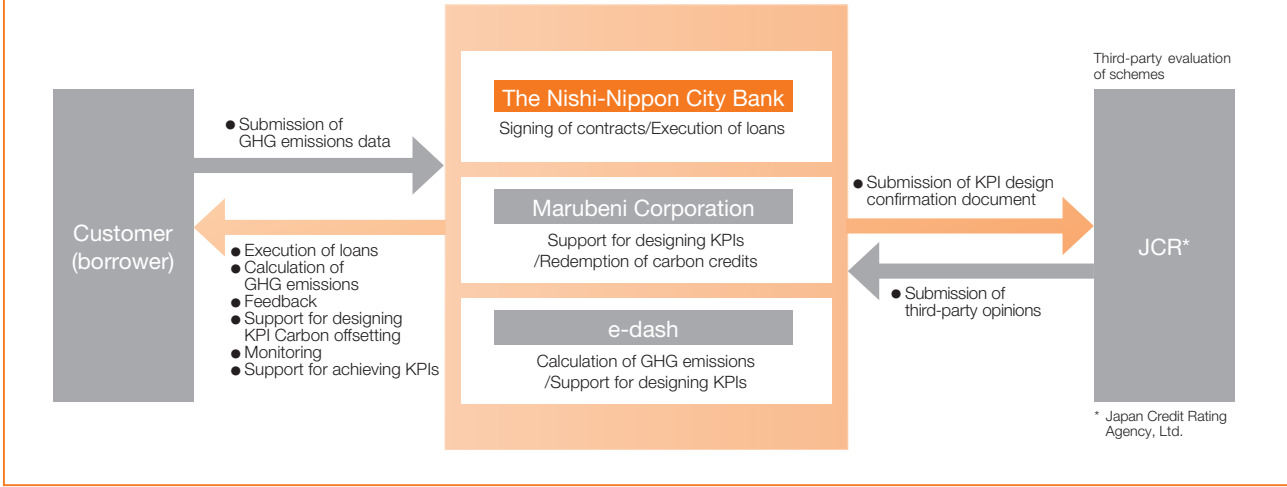
The NNFH Group engages in dialogue with customers and supports their decarbonization efforts through both financial and non-financial solutions, progressing through the stages of awareness raising, visualization, and reduction in accordance with each customer's decarbonization status.

[Stages of Engagement toward Decarbonization]



Sustainable finance providing seamless support for visualizing and reducing GHG emissions

The Nishi-Nippon City Bank has handled Forestrike, an impact finance product to facilitate decarbonization, which the bank developed jointly with Marubeni Corporation and e-dash Co., Ltd. This loan product aims to meet the needs of clients who have concerns and problems in achieving decarbonization by providing hands-on support in visualizing GHG emissions, designing and achieving KPIs, and undertaking voluntary carbon offsetting.



The NNFH Group also works with local governments and other organizations on various initiatives to promote regional decarbonization.

[Examples of Collaboration]

- Collaboration with Koga City on decarbonization (see page 44 for details)
 - Selected by the Ministry of the Environment as a Decarbonization Leading Area together with Fukuoka City
 - Participation in regional environmental councils and committees
 - Promotion of regional sustainability under the framework of a Kyushu-Okinawa regional bank partnership agreement
- etc.

Risks associated with nature

All corporate activities are understood to rely on eco-system services derived from natural capital—the Earth’s stock of natural resources, both biological and non-biological—and regional industries are recognized as closely interdependent with the natural capital of their local areas.

NNFH understands the importance of protecting regional natural capital in realizing a sustainable regional economy. In collaboration with an external consulting firm, NNFH analyzes the relationship between natural capital and the business activities of recipients of investments and loans from the Nishi-Nippon City Bank, NNFH’s core subsidiary, in line with the TNFD LEAP approach.

Analysis of dependencies and impacts on nature

We selected 12 sectors that account for a large share of the Nishi-Nippon City Bank’s total credit balance, and analyzed the dependencies and impacts that the business activities of these sectors have on nature using the ENCORE¹ tool. To clarify the position of each sector within the bank’s portfolio, we also assessed the scale of these dependencies and impacts relative to the size of each sector’s credit balance².

The analyses confirmed that many sectors have a high degree³ of dependence on ecosystem services related to water supply, water purification, and flood mitigation. They also identified sectors with significant impacts, including disturbances (noise, light, etc.), air pollutant emissions, and toxic pollutant emissions into water and soil. We also found that sectors in the low- and medium-credit-balance groups tend to have relatively high levels of dependencies and impacts on nature.

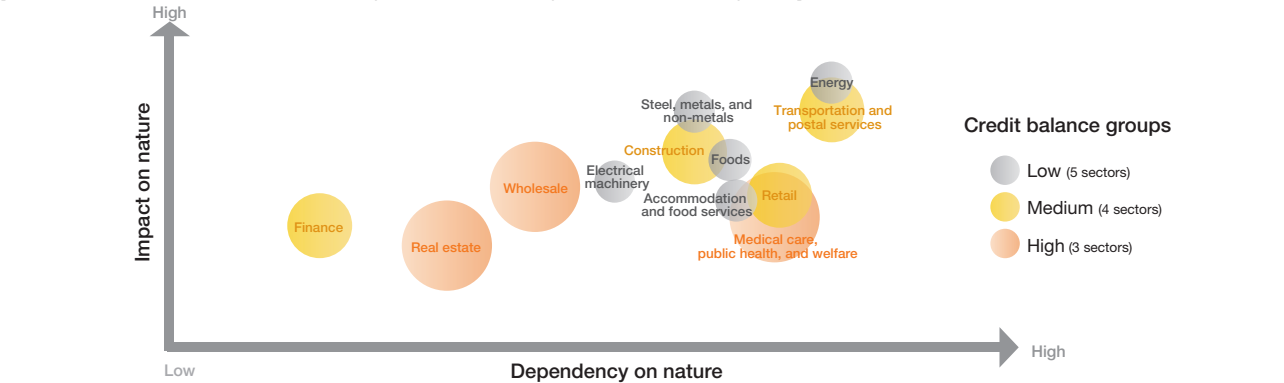
[Heat Map of Dependencies and Impacts on Natural Capital]

Dependencies		Water-related services and flood mitigation							Pollution mitigation and atmosphere-related services				Culture and welfare			
Sector name	Credit balance	Water supply	Water purification	Flow volume	Rainfall patterns	Flood mitigation	Storms and gales	Solid waste purification	Soil	Air purification	Climate regulation	Noise	Recreation	Visual amenities	Education and science	Spiritual and symbolic value
Foods	L	H	VH	H	-	M	M	M	L	VL	VL	-	-	-	-	-
Steel, metals, and non-metals	L	H	M	H	M	M	M	L	M	M	VL	VL	-	-	-	-
Construction	M	M	M	M	VH	M	M	VL	H	VL	M	VL	-	-	-	-
Energy	L	VH	M	VH	M	VH	M	M	VH	VL	M	VL	-	-	-	-
Transportation and postal services	M	L	M	M	VH	H	H	-	H	M	M	VL	VH	VH	-	-
Wholesale	H	M	-	M	VL	M	L	-	L	-	VL	VL	-	-	-	-
Retail	M	M	-	H	VL	VH	H	-	M	L	VL	-	VH	VH	-	-
Finance	M	VL	-	VL	-	VL	VL	-	VL	-	VL	-	-	-	-	-
Real estate	H	VL	-	VL	-	VL	L	-	M	VL	VL	VL	-	VH	-	-
Accommodation and food services	L	M	VH	L	M	VL	L	M	L	VL	M	M	VH	VH	VH	VH
Medical care, public health, and welfare	H	M	VH	H	-	H	H	M	L	VL	VL	VL	-	VH	VH	VH
Electrical machinery	L	M	M	M	M	M	M	V	L	VL	VL	VL	-	-	-	-

Impacts		Disturbances (noise, light, etc.)	Area of freshwater use	Emissions of GHG	Area of seabed use	Emissions of non-GHG air pollutants	Other biotic resource extraction	Generation and release of solid waste	Area of land use	Emissions of toxic pollutants to water and soil	Volume of water use	Introduction of invasive species
Sector name	Credit balance											
Foods	L	M	-	M	-	M	M	M	L	M	M	-
Steel, metals, and non-metals	L	VH	-	H	-	H	-	M	L	VH	M	-
Construction	M	VH	M	H	M	L	-	M	L	H	L	L
Energy	L	VH	H	VH	M	VH	-	H	M	VH	M	-
Transportation and postal services	M	VH	M	H	M	VH	-	M	M	M	M	VH
Wholesale	H	L	-	M	-	L	-	VL	L	L	M	VH
Retail	M	VL	-	M	-	M	-	L	L	M	M	-
Finance	M	L	-	L	-	VL	-	VL	M	L	L	-
Real estate	H	L	-	VL	-	VL	-	VL	L	L	L	-
Accommodation and food services	L	L	L	L	-	L	-	M	L	L	L	M
Medical care, public health, and welfare	H	L	-	VL	-	L	-	M	L	L	L	L
Electrical machinery	L	M	-	L	-	L	-	L	L	H	M	-

¹ A tool used by financial institutions to evaluate the degree of dependency of their investees and borrowers on natural capital and the impact thereof.
² Sectors are classified into three groups (low, medium, and high) according to their share of the total credit balance.
³ ENCORE assesses dependency and impact on a five-point scale (VL = Very Low, L = Low, M = Medium, H = High, VH = Very High), with H and VH regarded as high levels.

[Bubble Chart of Credit Balance, and Dependencies and Impacts on Natural Capital⁴⁻⁵]



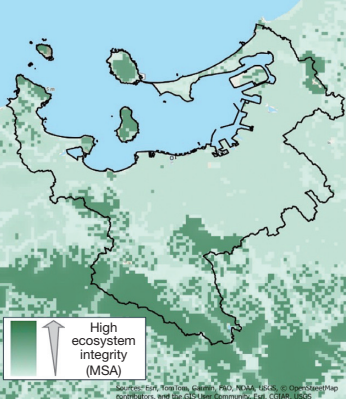
⁴ Created by converting ENCORE’s five-level ratings into scores from 1 to 5 (VL = 1, L = 2, M = 3, H = 4, and VH = 5). In assessing dependencies, cultural services with limited direct interaction with ecosystems (see “Culture and welfare” under dependencies) were weighted at 50%.
⁵ The size of each circle reflects the amount of credit balance in the corresponding credit balance group.

Analysis of geographic risks

Geographic risks in Fukuoka City, where many of the Nishi-Nippon City Bank’s investees and borrowers operate, were analyzed from three perspectives: “the importance of biodiversity,” “ecosystem integrity,” and “physical water risk.”

In terms of “the importance of biodiversity,” the analysis found that Fukuoka City contains many areas that are important to conserve, including protected areas. In terms of “ecosystem integrity,” it found that many of the original ecosystems remain, and that due care is required when conducting business activities. In terms of “physical water risk,” the analysis also found that droughts, floods, and similar risks warrant a certain degree of attention.

Illustration of “Ecosystem Integrity” Analysis in Fukuoka City³



[Overview of Analysis]

Using the TNFD’s approach to sensitive locations¹, recommended datasets, and other sources as references, the following items were analyzed² for Fukuoka City.

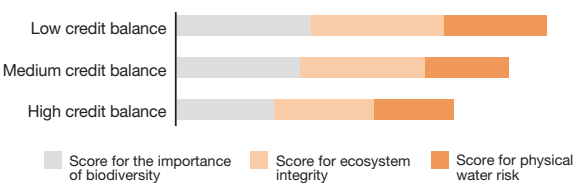
- The importance of biodiversity: Protected areas and Key Biodiversity Areas (KBA)
- Ecosystem integrity: Mean Species Abundance (MSA) and Ecoregion Intactness Index (ErII)
- Physical water risk: Baseline water stress, river flood risk, and comprehensive water quality index

¹ Areas that are ecologically important or highly vulnerable and where the impacts and risks of business activities are likely to materialize
² The following data sources were used in the analysis:
• Protected areas and KBAs: Global Forest Watch
• MSA: GLOBIO
• ErII: Beyer, H. L. et al. (2020)
• Baseline water stress and river flood risk: Aqueduct (WRI)
• Comprehensive water quality index: WWF Water Risk Filter (WWF)
³ An illustration of the MSA analysis for ecosystem integrity, one of the perspectives examined. The map was created using ArcGIS. Fukuoka City boundary data was sourced from the National Land Numerical Information.

Analysis combining dependencies and impacts on nature with geographic risks

Investees and borrowers were classified into three credit balance groups (low, medium, and high) to analyze how their dependencies and impacts on nature relate to geographic risks. Their dependencies and impacts on nature, together with the geographic risks in Fukuoka City, were then scored from three perspectives: “the importance of biodiversity,” “ecosystem integrity,” and “physical water risk.” The analysis found that those in the low-credit-balance group had higher scores, indicating a stronger relationship with nature.

[Nature-related Scores by Credit Balance Group]



Based on these analyses, NNFH recognizes the major nature-related risks as follows.

		Description of risks	Timeline*	Risk category
Transition risks	Stricter regulations on pollution control and other measures to enhance biodiversity conservation	Decline in the performance of investees and borrowers due to the occurrence and increase of new regulatory compliance costs	Medium to long term	Credit risk
	Strengthening of water-related regulations	Decline in the performance of investees and borrowers due to the occurrence and increase of new regulatory compliance costs	Medium to long term	Credit risk
Physical risks	Typhoons, torrential rains, and other wind- and water-related disasters; earthquakes; tsunamis, etc.	Disruption of financial markets caused by severe and widespread damage (including increased management costs for repairs and equipment, and rising demand for strengthened disaster countermeasures in water infrastructure)	Short to long term	Market risk
	Degradation of wetlands and forests, water pollution, abnormal decreases in rainfall, etc.	Decline in the performance of investee and borrower companies due to restrictions or reductions in water use	Medium to long term	Credit risk

* Short-term: less than 3 years; medium-term: 3 to 10 years; long-term: more than 10 years.
* Risks similar to those listed under Risks Associated with Climate Change (see page 53) are omitted here.

Opportunities associated with nature

Based on the results of analyses, NNFH recognizes that supporting the ecosystem conservation initiatives of its investees and borrowers through sustainable finance and other approaches contributes to the enhancement of regional natural capital.

NNFH recognizes the following key opportunities associated with nature.

Description of opportunities		Timeline*
Products, services, and technology	Increased investment and financing opportunities in line with the rising demand for green bonds and other funding	Short to long term
	Increased investment and financing opportunities accompanying rising demand for products and services addressing water-related challenges (water conservation, leak prevention, flood control, etc.)	Short to long term
	Increased investment and financing opportunities in new technologies driven by advances in efficient and circular water resource utilization, as well as technologies for water conservation and drought prevention	Short to long term
Ecosystem protection, restoration, and regeneration	New investment and financing opportunities through the expansion of new markets for nature-based solutions and ecosystem-based disaster prevention and mitigation	Medium to long term

* Short-term: less than 3 years; medium-term: 3 to 10 years; long-term: more than 10 years.
* Opportunities similar to those listed under Opportu-nities Associated with Climate Change (see page 54) are omitted here.

Risk Management

NNFH has identified sustainability-related risks as one of its top risks (see page 86 for details), based on considerations of both impact and likelihood.

NNFH conducts climate change scenario analyses to identify and assess risks, and the results have shown that both transition risks and physical risks arising from climate change may affect the Group's business operations and financial condition. With regard to nature-related issues, we are deepening our analyses of the relationship between natural capital and the business activities of our investees and borrowers.

We have also established policies and are taking appropriate measures for investment and financing in specific sectors with a high potential to cause significant environmental or social impact.

We will continue working to strengthen our framework for managing sustainability-related risks.

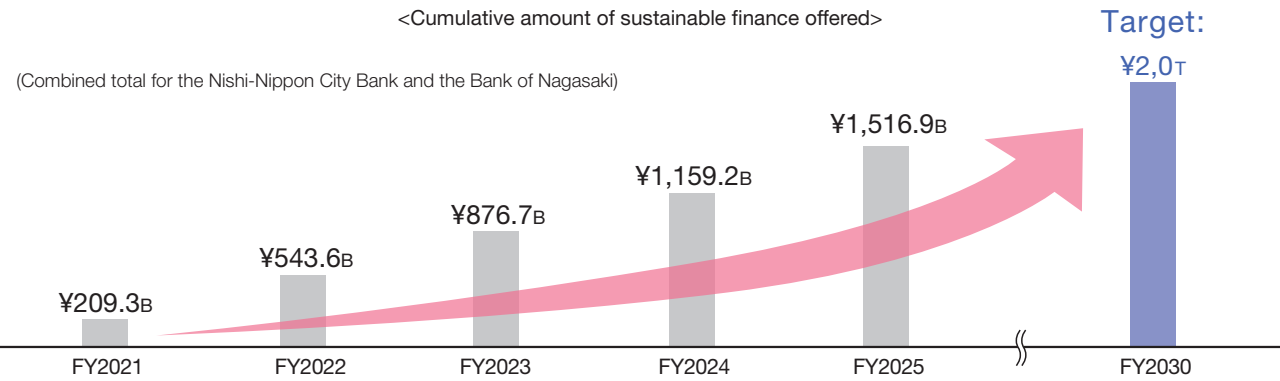
[Policies on Investment in and Lending to Specific Sectors, Etc.]

1. Coal-fired power generation	We will not, in principle, offer investments or funds whose application is the construction of new coal-fired power plants or the expansion of existing coal-fired power plants. Should we consider offering one as an exception, we will make the most careful decision for each proposed project individually after taking into account energy policies and situations of host countries, power generation efficiency, impacts on the environment and society, etc.
2. Deforestation business	When we consider offering investments or funds to projects that involve deforestation, we will make the most careful decision individually after taking into account the acquisition status of international certifications, impacts on biodiversity and ecosystems, environmental and societal considerations, etc.
3. Development of palm oil farms	When we consider offering investments or funds to projects that develop palm oil farms, we will make the most careful decision individually after taking into account the acquisition status of international certifications, impacts on biodiversity and ecosystems, environmental and societal considerations, etc.
4. Production of cluster bombs and other inhumane weapons	We will not offer investments or funds to projects whose involvement in the production of cluster bombs and other weapons we consider to be inhumane, regardless of their intended purpose.
5. Infringement of human rights	We will not offer investments or funds to projects that involve human trafficking, child labor, forced labor, and other human rights violations, regardless of their intended purpose.

Metrics and Targets

The amount of sustainable finance extended

NNFH sets up “sustainable finance,” a new category of financing service designed to realize a sustainable society by way of funding environmental projects, supporting startups, etc., with its target amount being a total of ¥2.0 trillion from FY2021 to FY2030. We aim to achieve the target by assisting customers in resolving their environmental and social challenges including addressing climate change.



* Cumulative execution amount from FY2021 through to each fiscal year-end.

[Scope of Sustainable Finance]

Main investment/loan targets and products	
● Renewable energy generation business	● Capital investments that contribute to carbon emissions reduction and decarbonization
● Startup support	● Regional revitalization
● Medical care and welfare services	● Educational services
● Agriculture, forestry and fishery	● SDGs private placement bonds
● Sustainability-linked loans	● Positive impact finance
● Green bonds	● Social bonds
● Sustainability bonds	etc.

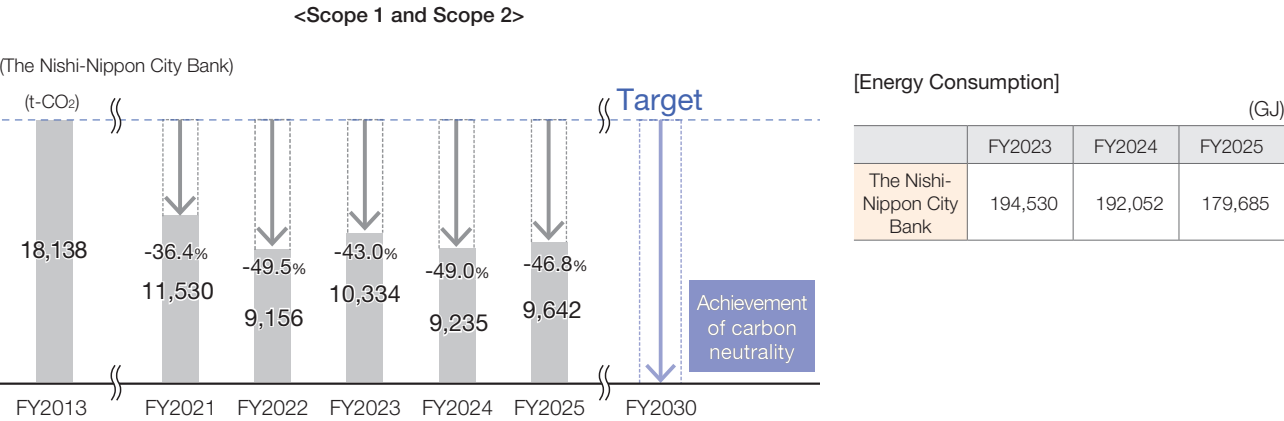
[Amount of Investments and Loans that Aid in Addressing Climate Change]

	FY2021	FY2022	FY2023	FY2024	FY2025
The Nishi-Nippon City Bank	15,303	60,864	73,796	79,341	89,333
The Bank of Nagasaki	175	7	300	1,120	305
Total	15,479	60,871	74,096	80,461	89,639

GHG emissions

Scope 1 and Scope 2

The NNFH Group drew up its CO₂ emissions reduction target of “achieving carbon neutrality (in Scope 1 and Scope 2) by FY2030.” In order to achieve this target, we monitor CO₂ emissions from business activities and implement concrete initiatives that reduce CO₂ emissions.



* Results based on the standards applied to periodic reports under the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy.

Scope 3 category 15

Calculations for Scope 3 Category 15 (Investment and Financing) emissions for FY2025 at the Nishi-Nippon City Bank and the Bank of Nagasaki showed that the GHG emissions of applicable accounts came to roughly 2.17 million t-CO₂e, with a weighted average data quality score of about 3.2.

We will continue working to reduce Scope 3 Category 15 emissions and improve the data quality score through engagement with customers.

[Scope 3 Category 15 (Combined Total for the Nishi-Nippon City Bank and the Bank of Nagasaki)]

Sector		Emissions
Energy	Oil/Gas	50,218
	Coal	1,253
	Electricity/Utilities	556,035
Transportation	Air freight	1,147
	Passenger air transport	8,468
	Marine transport	154,272
	Rail transport	20,348
	Truck transport	180,127
	Automobiles/parts	27,210
Materials/Buildings	Metals/mining	192,031
	Chemicals	174,255
	Building materials	58,754
	Capital goods	85,982
	Real estate management/development	45,912
Agriculture/Food/Forest products	Beverages	2,184
	Agriculture	16,872
	Processed foods/Processed meats	67,207
Others	Paper making/Forestry products	43,764
	Others	489,374
Total		2,175,420

[Method and Scope of Calculations]
Calculations were conducted using C-Turtle® FE in accordance with the PCAF Standard. Actual values were applied for accounts with disclosure information available from CDP data, sustainability reports, and other sources. Estimates were used for all other accounts.
The calculations covered all business loans at the Nishi-Nippon City Bank and the Bank of Nagasaki (excluding accounts for which the necessary data was unavailable). Loans to the relevant borrowers totaled ¥5,418.7 billion in FY2025, representing 97.9% of all business loans.
The GHG emissions of the applicable accounts represent the combined total of Scope 1 and Scope 2 emissions.

[Participation in Environmental Initiatives]

PFA21 Principles for Financial Action for the 21st Century
(The Nishi-Nippon City Bank)

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
(Nishi-Nippon Financial Holdings)

GX League
(Nishi-Nippon Financial Holdings)

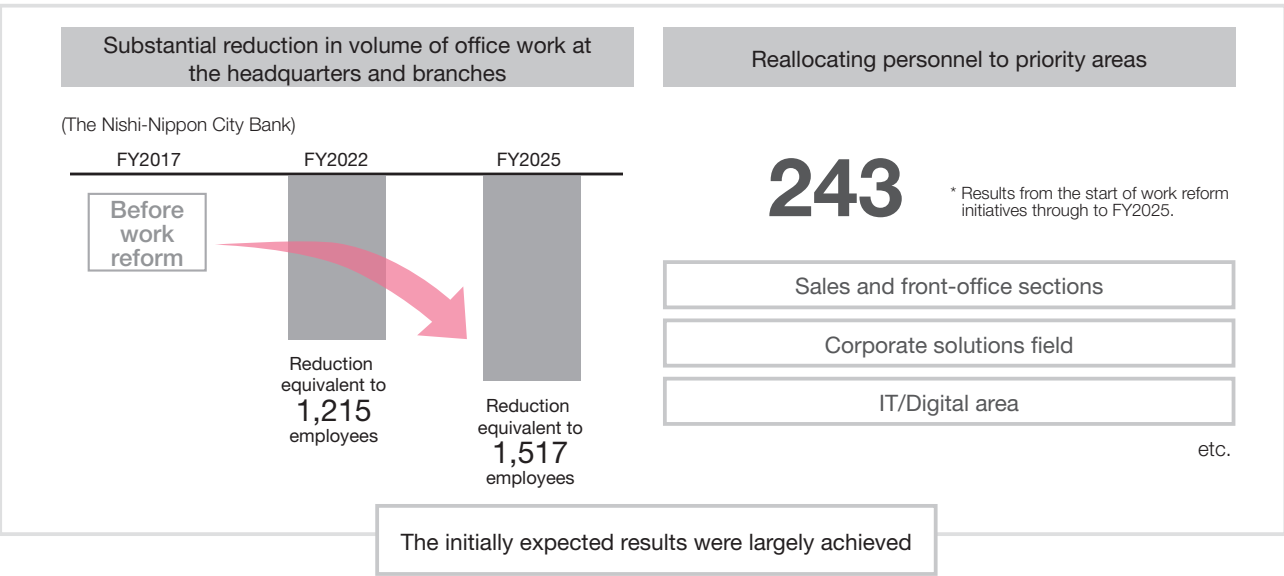
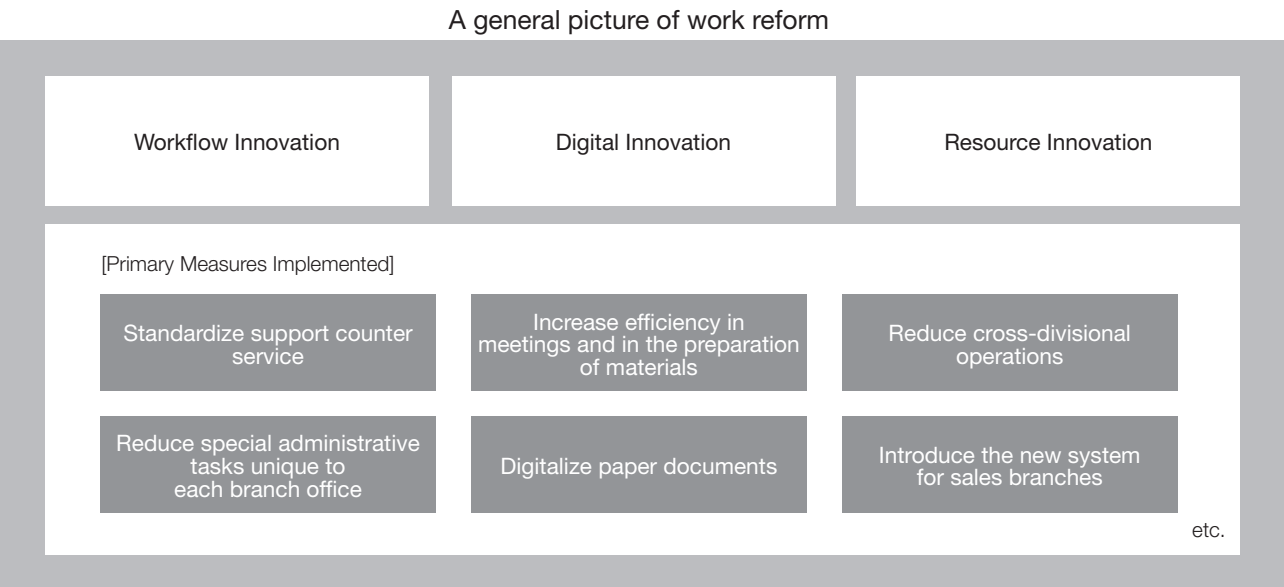
Business Transformation through the Use of AI

In April 2018, the Nishi-Nippon City Bank launched its work reform initiative, centered on workflow innovation, digital innovation, and resource innovation. This initiative went beyond merely reducing administrative workloads and expenses to bring about an organization-wide qualitative transformation on a scale arguably unprecedented in the bank's history.

With the work reform initiative having largely delivered its initially anticipated benefits, the bank is now shifting the focus of its activities toward improving productivity through the use of AI and other measures.

Work Reform Initiatives to Date

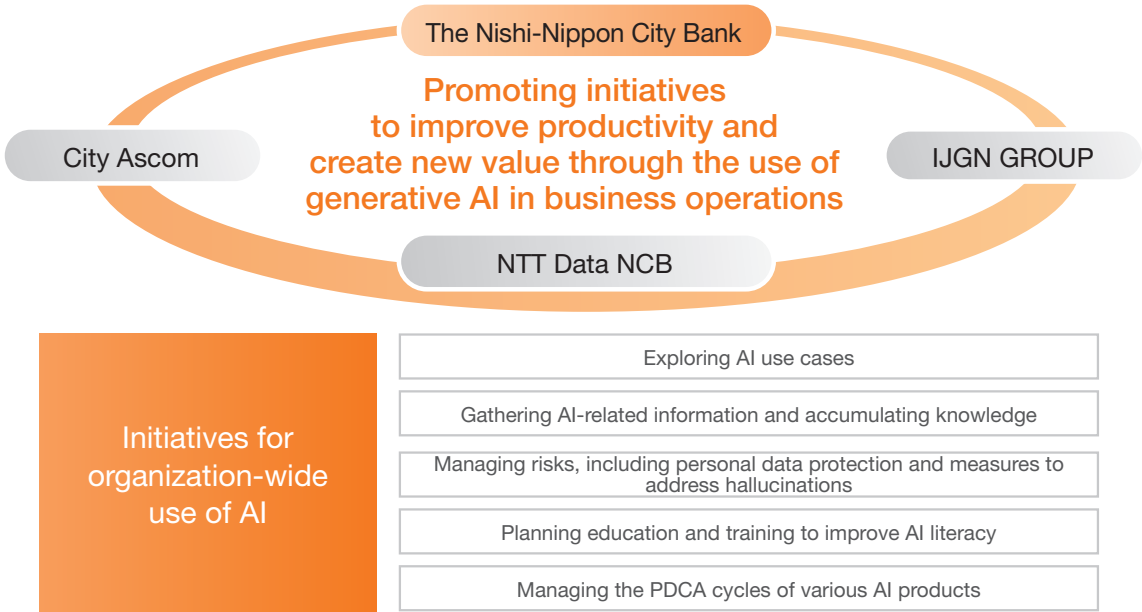
Through its work reform initiatives, the Nishi-Nippon City Bank significantly revised its operations and reallocated resources, reducing the volume of work at the head office and branches equivalent to about 1,500 employees so that personnel made available through improved efficiency could be redeployed to priority areas.



A shift in focus toward productivity improvements through the use of AI, etc.

Promoting the Group-wide Use of AI

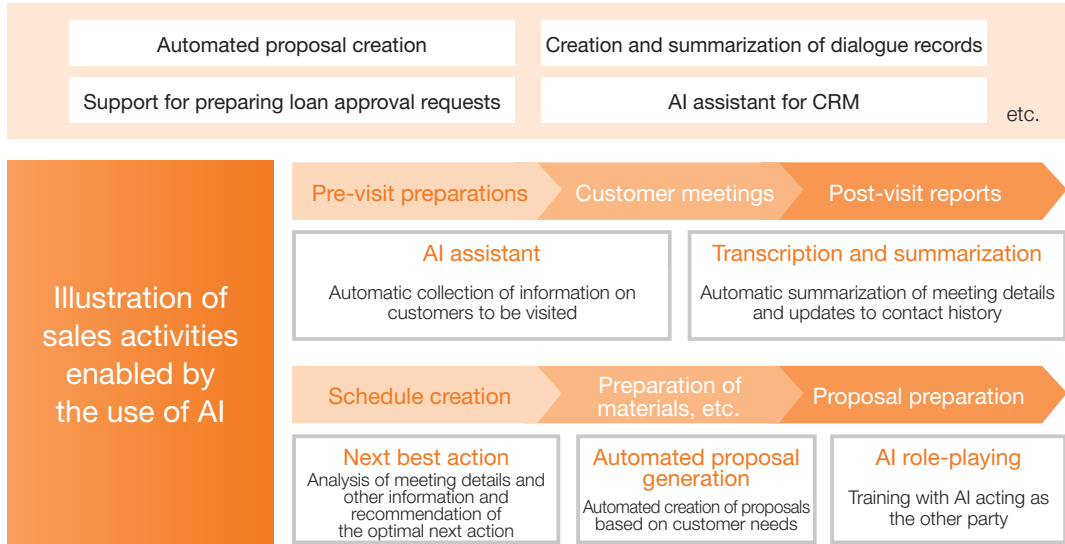
The NNFH Group is working together to promote the use of generative AI in its operations to reduce workloads and enhance sophistication, with the aim of improving productivity across the Group by reallocating the personnel this frees up to priority areas.



Advancing sales activities and productivity through the use of AI at the Nishi-Nippon City Bank

Use of AI at sales branches

The Nishi-Nippon City Bank aims to create more time for dialogue with customers and enhance the quality of its proposals by using AI in sales activities and other operations.



Use of AI at the headquarters

In addition to using AI to reduce workloads, the Nishi-Nippon City Bank reviews its operational workflows to improve efficiency across a wide range of areas.



Streamline 200,000 hours of work annually (equivalent to 100 or more employees) by FY2028

Reallocate resources to priority areas to improve productivity

Strengthening Human Capital

The NNFH Group recognizes its responsibility to address the issues of local customers, achieve sustainable growth of the NNFH Group, and realize employee well-being, and is working to implement a human capital strategy aligned with its management strategy.

Under the new Medium-Term Business Plan (MTBP), “Co-Creating the Future 2029 - Moving Forward Together -,” the Group has positioned strengthening human capital as a priority measure under its basic Strategy to Strengthen the Management Base and supports the growth of each employee through both learning and career development.

Learning support

The Nishi-Nippon City Bank provides special training programs for new hires lasting one year, designed to equip employees with the knowledge and skills required of bank employees; job class-specific and duty-specific training programs; and programs to develop strategic personnel (consulting, digital transformation, planning, and other specialized personnel) with the aim of enhancing expertise. Under the current MTBP, these development programs have been organized under the NCB Academy framework to strategically develop human capital.

Career development support

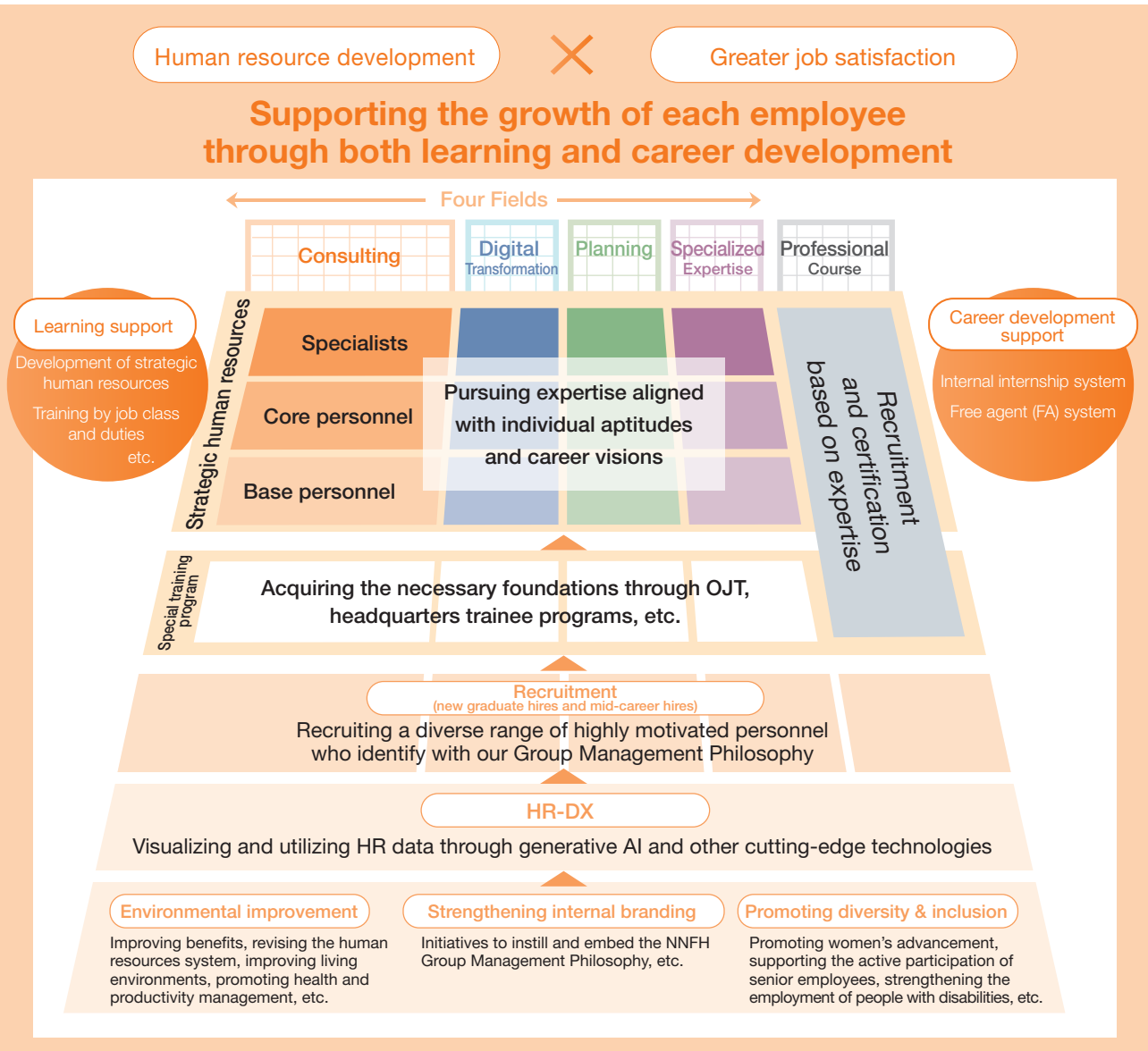
The Nishi-Nippon City Bank helps employees realize their desired careers through initiatives such as its internal internship program and free agent (FA) system. In FY2026, the bank also plans to revise its human resources system, including establishing a Master Career Course and a Professional Course and introducing an optional defined contribution (DC) plan, in order to create an environment in which a diverse range of personnel are able to demonstrate their strengths and continue to grow.

Regional financial group most supported and chosen by customers, host communities, employees, and shareholders

Addressing the issues of local customers

Sustainable growth of the NNFH Group

Realization of employee well-being



Human Resource Development

New graduates and mid-career hires

The NNFH Group offers five-day internships and Open Company programs to deepen participants' understanding of the Group, in line with its belief that realizing its management strategy requires securing highly motivated, diverse personnel who identify with the Group Management Philosophy.

Through these initiatives, the NNFH Group hired a total of 314 new graduates in FY2026. Of these, the Nishi-Nippon City Bank hired 259 new graduates, including 32 high school graduates. The bank has also been strengthening its mid-career recruitment efforts since FY2018, and hired 35 mid-career employees in FY2025 (April 2025 to March 2026).

Number of new graduate hires (joining in April 2026)

(The Nishi-Nippon City Bank)

259

Career-track positions: 177;
Regional career-track positions: 19;
Region-specific clerical positions: 63
(of which 32 are high school graduates)

(The Bank of Nagasaki)	(Nishi-Nippon City Tokai Tokyo Securities)	(The Kyushu Card)	(City Ascom)
16	6	5	28

Number of mid-career hires (cumulative total for FY2025)

(The Nishi-Nippon City Bank)

35

The following professionals are on staff, including mid-career hires (as of March 31, 2026)

Attorneys	Certified public accountants	Tax accountant	Licensed social insurance consultants
3	2	1	10 etc.

Popular employer rankings

(The Nishi-Nippon City Bank)

Most desirable employers ranking (Career-tasu, Inc.) **3rd**

Regional ranking (Kyushu/Okinawa)

Most popular employers ranking (Mynavi Corporation and Nikkei Inc.) **6th**

Regional ranking (Kyushu/Okinawa)

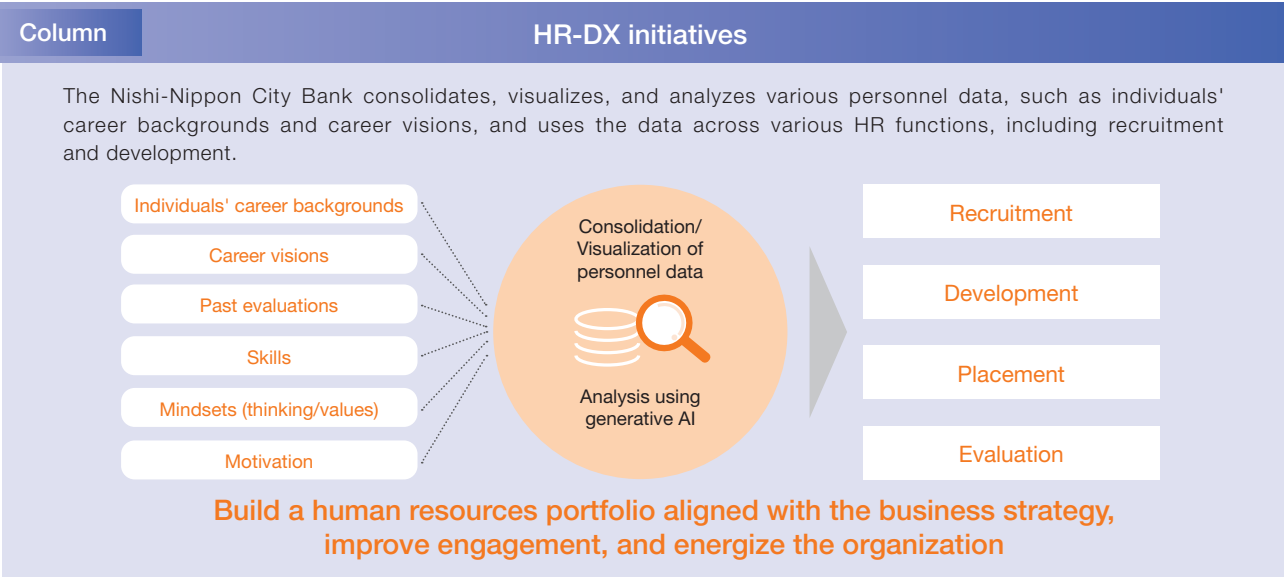
Industry ranking (Banking/Securities) **9th**

Nationwide

Official Instagram account for new graduate recruitment

(The Nishi-Nippon City Bank)

An official Instagram account for new graduate recruitment is operated as part of efforts to strengthen recruitment activities.



Further development of strategic human resources

The NNFH Group defines highly specialized human resources in each field as “strategic human resources” (consulting, digital transformation, planning, and specialized personnel). We systematically develop such human resources to build the human resource portfolio needed to execute our business strategy by encouraging employees to obtain advanced qualifications and dispatching personnel to external organizations, among other efforts.

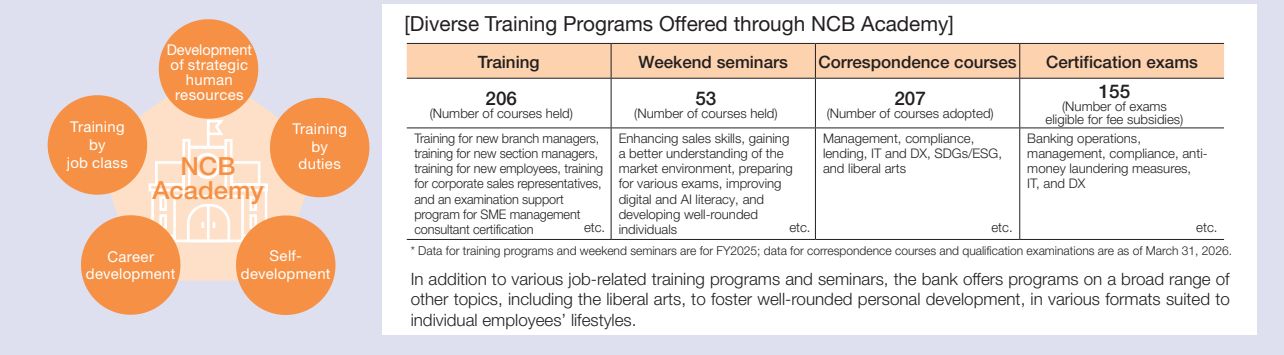
[Our Approach to Strategic Human Resources]



Column NCB Academy (support for learning and career development)

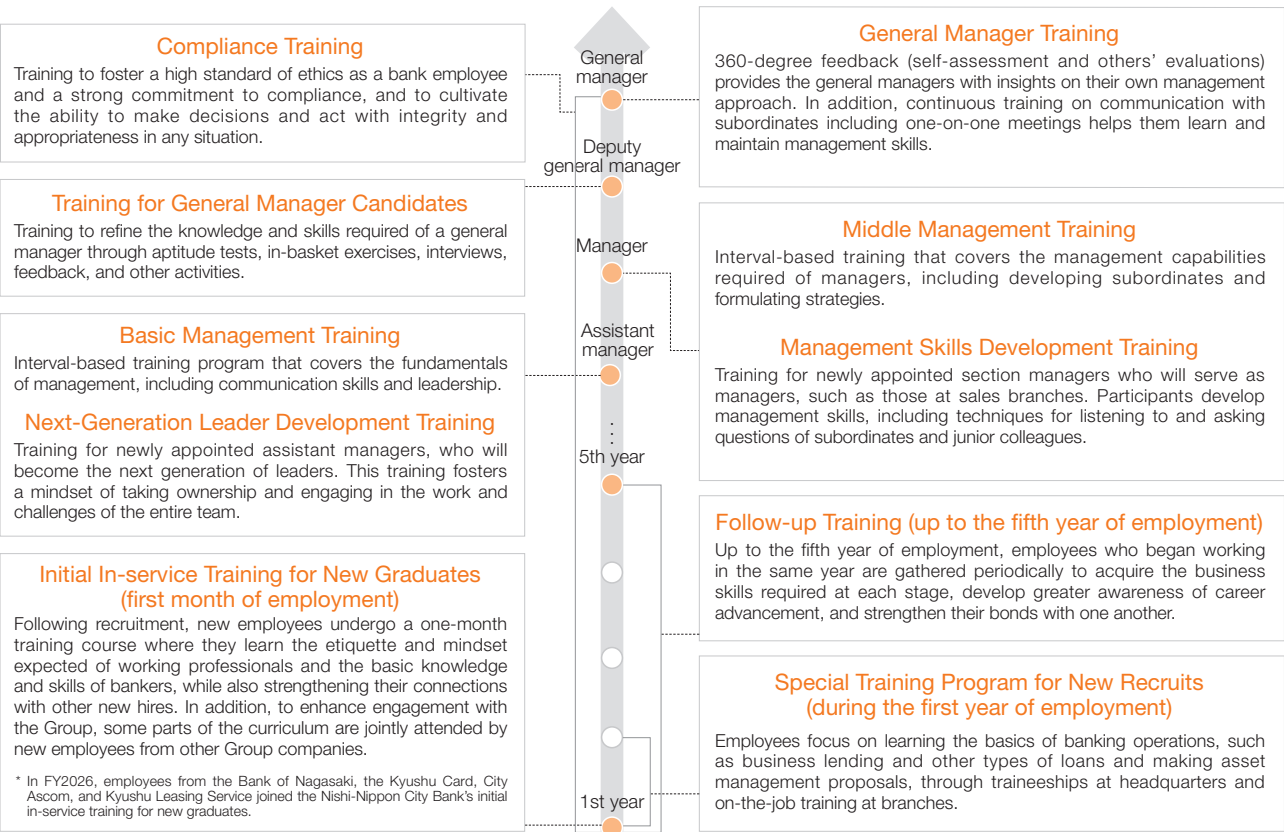
The Nishi-Nippon City Bank has developed a wide range of training programs, including job-class-specific training such as the special training program for new hires and duty-specific training, as well as support for self-development through qualification acquisition and weekend seminars.

Under the current MTBP, the bank has organized these extensive programs under the NCB Academy and will continue to recommend training courses and qualification examinations in line with each employee’s career goals.



Job-class training framework

The Nishi-Nippon City Bank provides seamless training by job class in accordance with the roles required in each position, from new graduates through to management personnel (general managers).



Duty-specific training framework

The Nishi-Nippon City Bank strongly supports the growth of each and every employee through training for various duties, including outside sales, retail customer sales, over-the-counter services, and headquarters operations.

Outside sales representatives	Retail customer sales representatives and over-the-counter clerks	Headquarters personnel
Employees acquire a broad range of knowledge and skills required to provide consulting services to corporate and sole-proprietor customers, including business lending and business succession, as well as methods of supporting customers’ digital transformation initiatives, which are becoming increasingly important as digital technologies advance.	Employees acquire a broad range of knowledge and skills required to provide consulting services to retail customers, including asset building, asset management, inheritance, and various types of loans.	Through training programs both within and outside the bank, employees acquire a broad range of knowledge and skills required by each headquarters department, including logical thinking, marketing, planning, and IT-related expertise.

Self-development

Support for qualification acquisition

The NNFH Group offers various exam support programs for employees seeking advanced qualifications, including tuition subsidies at specialized schools and other institutions. The Group is also strengthening its digital transformation and IT-related training programs to keep pace with rapid technological innovations and evolving business models.



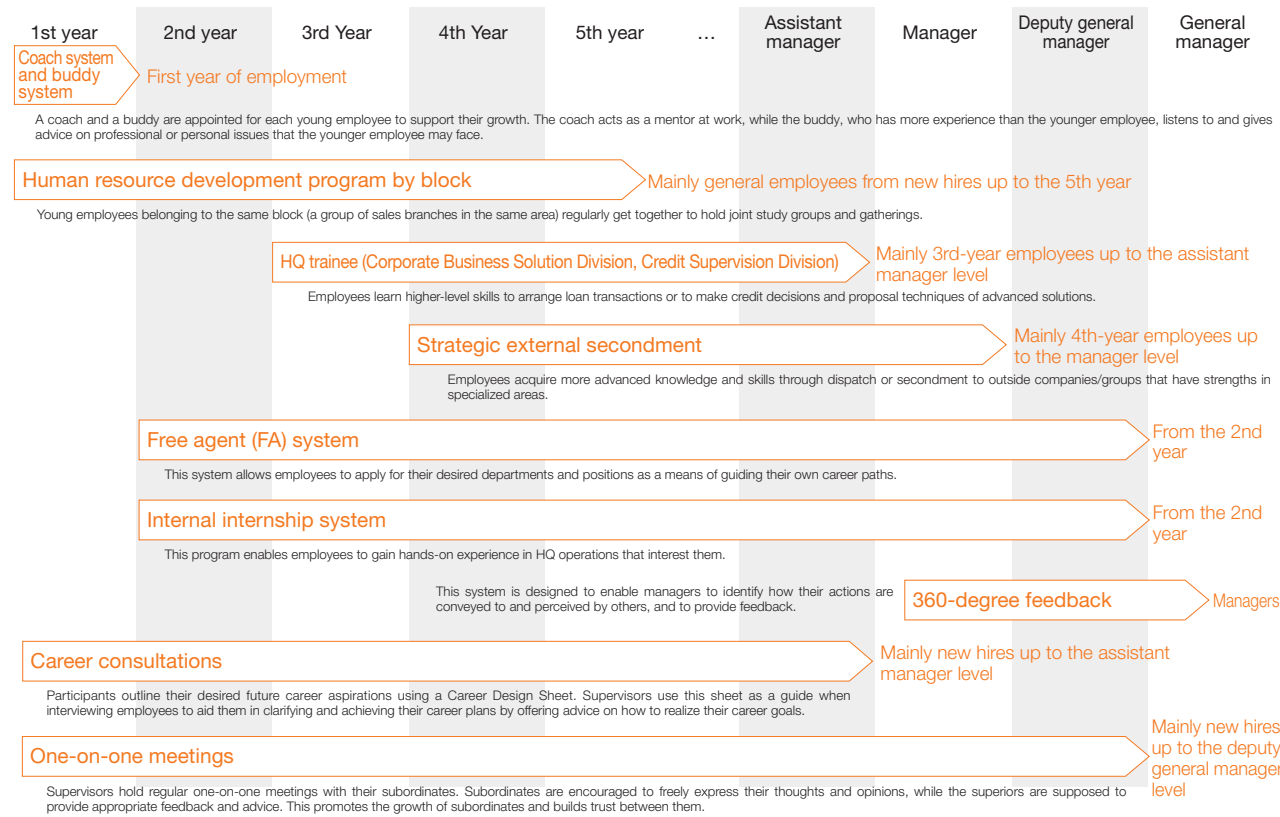
External training

The NNFH Group makes active use of external training opportunities to develop personnel capable of formulating and implementing initiatives from a Group-wide perspective, transcending organizational boundaries, with the aim of further developing the Group.



Career development

Believing that the growth of diverse individuals will lead to the growth of the NNFH Group, the Nishi-Nippon City Bank offers systems and opportunities that help each employee realize their career vision.



Career development through reskilling

The NNFH Group supports employees in realizing their career visions. To promote the early adoption of CRM “Micata,” a customer relationship management and sales support system introduced in January 2026, the Nishi-Nippon City Bank invited applications for CRM Ambassadors, a position responsible for supporting sales branches and operating the system. Five employees were selected. Although none of the five had previous experience with digital-related duties, they acquired the skills required for their roles by obtaining professional qualifications and developing digital skills through external reskilling programs and other efforts. They now support the operation of CRM “Micata.”

Comments from a CRM Ambassador

Q. Why did you apply to become a CRM Ambassador?

A. After gaining a general understanding of banking operations, I was unsure how I should continue to grow in my career. At the time, I remember being very drawn to the catchphrase used in recruiting CRM Ambassadors: “Would you like to take on a new career challenge?” I also felt that communicating information to others was one of my strengths, so I became convinced that this challenge would allow me to pursue a new career path and put my strengths to use, and I decided to apply.

Q. What aspects of your role do you find rewarding?

A. I find it rewarding to feel every day that my work is helping frontline employees, whether by serving as an instructor for study sessions and group training programs for bank employees or by making system changes in response to requests from sales branches.

Q. What is your career vision for the future?

A. As CRM “Micata” has only recently been launched, my current goal is to further enhance my skills so that I can respond even more quickly to requests from sales branches. Looking ahead, I intend to work toward AI-related qualifications so that I can make full use of the AI-driven features scheduled for implementation, and I hope to continue growing as a leader in digital promotion.

Ms. Kawazu, Digital Strategy Division

Career development program “NC-Win”

The NNFH Group operates “NC-Win,” a program designed to help employees at the manager and assistant manager levels, primarily women, realize who they aspire to become in line with their career visions and aptitudes. The program includes regular meetings for exchanging views, to which external instructors and employees in more senior positions are invited, as well as study groups that provide participants with project management experience.



Major achievements in human resource development

Training expenses

Total training expenses (FY2025)
(The Nishi-Nippon City Bank)

¥270 million
(¥189 million in FY2024)

Average training expenses per person* (FY2025)
(The Nishi-Nippon City Bank)

¥79,000
(¥56,000 in FY2024)

Financial industry average
¥36,000
(FY2024 results)
(Source: Ministry of Health, Labour and Welfare Basic Survey on Human Resource Development)

* Including expenses for IT systems related to HR development and expenses for voluntary professional development seminars (financial incentives for those who obtained professional qualifications)

Training hours

Total training hours (FY2025)
(The Nishi-Nippon City Bank)

226 thousand hours in total
(237 thousand hours in total in FY2024)

Average training hours per person (FY2025)
(The Nishi-Nippon City Bank)

66.1 hours in total
(71.0 hours in total in FY2024)

Financial industry average
29.6 hours
(FY2024 results)
(Source: Ministry of Health, Labour and Welfare Basic Survey on Human Resource Development)

Number of participants in training and voluntary professional development seminars (FY2025)
(The Nishi-Nippon City Bank)

18,008 in total
(19,104 in total in FY2024)

Number of career support menu users* (FY2025)
(The Nishi-Nippon City Bank)

263
(280 in FY2024)

* Includes the FA system, internal internships, and exam support programs for various advanced qualifications

Number of IT Passport holders (as of March 31, 2026)
(The Nishi-Nippon City Bank, City Ascorm, NTT Data NCB, and IJGN GROUP)

1,489
(1,266 as of March 31, 2025)

Number of employees with advanced qualifications* (as of March 31, 2026)
(The Nishi-Nippon City Bank, the Bank of Nagasaki, and Nishi-Nippon City Tokai Tokyo Securities)

466
(449 as of March 31, 2025)

* Includes qualifications related to licensed professions and 1st-grade Certified Skilled Professionals of Financial Planning certification.

Greater Job Satisfaction

Environmental improvement

The NNFH Group places a high priority on boosting employee engagement and is creating a workplace environment in which employees can work with energy and vitality by improving benefits and upgrading branch and residential environments. Through these initiatives, the Group seeks to attract and retain talent.

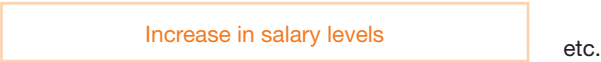
Revision of the human resources system

Ever since its launch in 2004, the Nishi-Nippon City Bank has operated a human resources system largely based on job type, founded on the principle of compensation based on position rather than seniority. While valuing the ways of operating it has established over the years, the bank plans to revise the system in FY2026 in response to recent changes in the operating environment, with a focus on creating an environment in which senior personnel can make greater use of their capabilities and professional personnel can play a more active role.



Improvement in compensation

The NNFH Group reviews benefits, including wage levels, as appropriate in light of changes in social and market conditions, such as rising prices.



Improvements to residential environments

The Nishi-Nippon City Bank provides dormitories for single employees and company housing in various locations. To promote interaction, particularly among younger employees, and enhance job satisfaction, the bank continues to systematically improve residential environments to match employees' needs and lifestyles, while also helping to reduce the burden of housing costs.

Private room in a dormitory for single employees

Communication space in a dormitory for single employees

The Nishi-Nippon City Bank's Kokoro-kan

This facility is designed to develop well-rounded individuals. It is one of the leading human capital development facilities among all regional banks, combining training facilities, dormitories for single employees, a gymnasium, and cultural facilities.

Improvements to branch environments

The Nishi-Nippon City Bank renovated eight branches in FY2025. In addition, the Oita Branch relocated and reopened in FY2025, followed by the Tojinmachi Branch in FY2026. Going forward, the bank also plans to rebuild the Komine Branch in the spring of 2027, among other projects.

At new branches, the bank is improving consultation areas to provide advice more closely tailored to each customer's needs while also creating a more comfortable working environment for employees.

Tosu Branch

Renovated in February 2026

Oita Branch (consulting area)

Relocated and reopened in March 2026

Improvements to consultation areas

The bank has installed private consultation booths and desks that can flexibly accommodate both face-to-face and side-by-side consultations, creating an environment in which customers feel more at ease asking for advice and employees can work more comfortably.

Combining operational efficiency with smoother communication enables the bank to provide higher-quality consulting proposals.

Column Enhanced working environment at the NISHI-NIPPON CITY BUILDING

The NISHI-NIPPON CITY BUILDING, the Nishi-Nippon City Bank's new headquarters building, which opened in July 2026, provides an enhanced working environment that helps increase employees' sense of job satisfaction and engagement.

Office floors

The building is designed with bright, open office spaces, and employees are able to work at any desk they wish. This enables them to work in a variety of ways depending on the task at hand, from focused individual work to group discussions.



Cafe & Dining

A wide variety of seating options, including tables, counters, and sofas, are provided to create spaces for employee communication. In addition, the menu has been expanded to include a wide selection of health-conscious dishes.



Interaction spaces

Spaces that facilitate communication with employees from other departments are provided on each floor.



Knowledge sharing space

This space offers access to more than 550 books, newspapers, and other publications for research and acquiring knowledge.



Strengthening internal branding

The Nishi-Nippon City Bank is strengthening its internal branding so that all employees recognize, understand, identify with, and implement the Group Management Philosophy, while enabling a diverse range of personnel to approach their work with a sense of satisfaction and pride. As part of these efforts, the bank works to embed the Management Philosophy through branch communication.

Branch communication

All officers, including the president, visit sales branches to provide opportunities to share the history of the NNFH Group and the origin of its philosophy. Through dialogue with management, employees deepen their understanding of the Group's philosophy and values.

NCB Partner's Story

Numerous historical accounts and anecdotes from relationships with customers are presented to embody the "DNA of developing SMEs" that the Nishi-Nippon City Bank has preserved throughout its history. The content is primarily used in branch communication.

Each and every employee embodies the brand as the Group strives to become the regional financial group most supported and chosen by customers

Promoting Diversity & Inclusion

The NNFH Group works to create a vibrant organization that embraces diverse perspectives to enhance its corporate value over the medium- to long-term.

The Group is enhancing the support systems necessary to enable employees from diverse backgrounds to work with peace of mind, including work-life balance support systems beyond statutory requirements and initiatives encouraging male employees to take childcare leave.

Promoting the active participation of diverse personnel

Since beginning to actively empower its female employees in 2008, the Nishi-Nippon City Bank has appointed female employees to sales and managerial positions, among other efforts to empower them. As a result, the ratio of women in managerial positions rose to 17.0% as of March 31, 2026. The Bank of Nagasaki is likewise working to empower female employees, and its ratio of women in managerial positions stands at 30.4%.

The target of raising the percentage of male employees who take childcare leave to at least 50% was set in 2016. Even since, the rate has continued to rise and now exceeds 100%. As a general rule, male employees are required to take at least 10 days of childcare leave.

Ratio of women in managerial positions

(The Nishi-Nippon City Bank)

Mar. 31, 2008 Mar. 31, 2026

1.6% ▶ 17.0%

(Ref.) The ratio of female employees among candidates for managerial positions
Manager 25.5%(excluding those in the section manager class)
Assistant manager 63.8%

Number of female officers (as of June 30, 2026)

(Nishi-Nippon Financial Holdings) (The Nishi-Nippon City Bank)

Directors: **2** (Inside Director: 1; Outside Director: 1) Executive Officer: **1** (inside) Director: **1** (inside)

[Work and Child Rearing Balance Support System]

Shorter working hours:
Until a child starts 4th grade

Childcare leave:
Until a child's 4th birthday

* In addition to the above, telecommuting, staggered working hours, and other arrangements are also available.
(Ref.) Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members/Shorter working hours: Until a child's 3rd birthday; Childcare leave: Until a child's 1st birthday

Seminar for employees on childcare leave



[Work and Nursing Care Balance Support System]

Nursing care leave
Up to 3 times, for a total of up to 365 days

Nursing care time off
For a total of up to 5 days

* In addition to the above, shorter working hours, telecommuting, staggered working hours, and other arrangements are also available.
(Ref.) Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members/Nursing care leave: Up to 3 times, for a total of up to 93 days; Nursing care time off: For a total of up to 5 days

Percentage of male employees that took childcare leave

(The Nishi-Nippon City Bank)

FY2016 FY2025

12.9% ▶ 111.9%

Promotion of health and productivity management

The NNFH Group promotes health and productivity management based on the understanding that promoting employees' mental and physical health and creating workplaces with greater job satisfaction will lead to better services for customers.

In addition, under the leadership of the president and the officer in charge of the Human Resources Division, the Nishi-Nippon City Bank has established a Health Management Promotion Council, bringing together the Human Resources Division, Health Insurance Union, Employee Union, industrial physicians, and public health nurses to formulate, implement, evaluate, and improve measures to maintain and promote the health of employees.

The Nishi-Nippon Financial Holdings Group Health and Productivity Management Declaration

To realize the Group Management Philosophy and the Nishi-Nippon Financial Holdings Group Sustainability Declaration, we the Nishi-Nippon Financial Holdings Group maintain and enhance the health of our officers and clerks, who are our customers' partners.

We actively support the mental and physical well-being of our employees and their families.

We are committed to fostering a workplace environment where each individual can work with energy and vitality.

We provide services, etc. to contribute to building healthy and vibrant communities.

[Promoting Health and Productivity Management at the Nishi-Nippon City Bank]

The bank implements a variety of initiatives to create a comfortable work environment and support the mental and physical health of its employees.

Encouraging follow-up medical examinations

The bank encourages employees to undergo follow-up medical examinations to facilitate the early detection and treatment of illnesses.

Appointing work-life balance support coordinators

The bank is establishing a framework to provide employees with appropriate support so that they can continue working while receiving treatment if they become ill.

Providing e-learning opportunities

The bank provides e-learning courses on topics such as improving lifestyle habits, women's health, and mental health care. Approximately 4,500 employees completed courses in FY2025.

Improving lifestyle habits through diet

To support employees in improving their lifestyle habits, the bank provides meals supervised by a registered dietitian at dormitories for single employees, training facilities, and other locations.

Ratio of employees receiving health checkups (as of March 31, 2026)

100%

Ratio of employees receiving follow-up medical examinations (as of May 31, 2026)

94.9%

Ratio of employees receiving stress checks (as of March 31, 2026)

96.5%

Column

External evaluations related to human capital and diversity

As a company that supports child-rearing under the Act on Advancement of Measures to Support Raising Next-Generation Children, the bank obtained Platinum Kurumin Certification in recognition of its higher-level support for work-life balance, after receiving Kurumin Certification. (March 2025)



(The Nishi-Nippon City Bank)

Five consecutive years

Received three stars in the Nikkei Sustainable Comprehensive Survey 2025: Smart Work Management Edition, which identifies advanced companies trying to create a productivity revolution through workstyle reforms (November 2025)



(Nishi-Nippon Financial Holdings)

Four consecutive years

Certified as a Health & Productivity Management Outstanding Organization (large enterprise category) (March 2026)



(The Nishi-Nippon City Bank)

The bank has obtained Eruboshi certification from the Minister of Health, Labour and Welfare for its excellent implementation of initiatives to promote women's participation and advancement in the workplace under the Act on the Promotion of Women's Active Engagement in Professional Life. (October 2024)

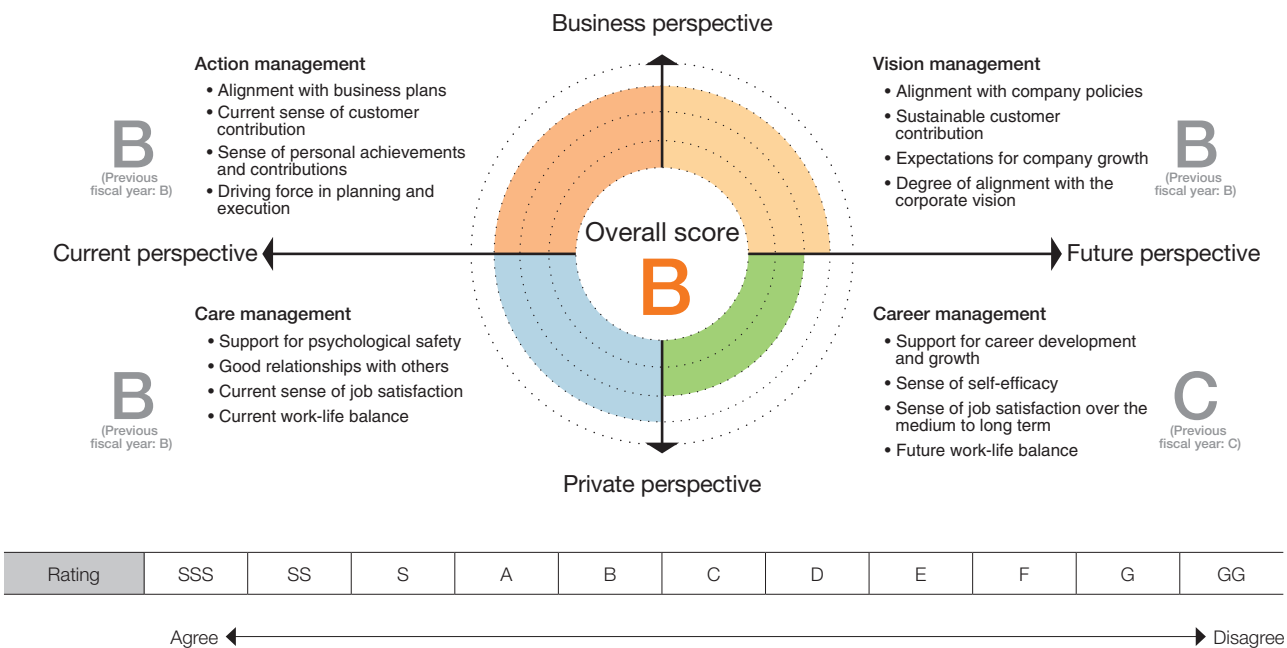


(The Nishi-Nippon City Bank)

Improving Engagement

Creating an environment that gives employees job satisfaction and allows them to perform their duties with a sense of pride is important to ensure that they fully utilize their capabilities and achieve our management strategies.

The NNFH Group is committed to creating a highly autonomous workplace that provides both psychological safety and a sense of purpose, which form the basis of a vigorous and diverse organizational culture. We also implement measures to improve employee engagement based on the visualization and analysis of the organization's status, using an engagement survey (Potential Cloud) offered by IJGN GROUP.



Respecting Human Rights



With the globalization of economic activities, corporate activities’ impact on the global environment and human rights has become greater in recent years. As a result, calls for companies to protect and respect human rights are mounting rapidly. Since the formulation of the National Action Plan on Business and Human Rights in 2020 in Japan, the government has set forth various guidelines and urged companies to take action. As a result, corporate activities on such initiatives are gaining traction.

In light of such rising social demands, the NNFH Group has strengthened its efforts to respect human rights, including establishing the Group Human Rights Policy.

Key Initiatives on Respecting Human Rights

NNFH established the Group Human Rights Policy* in January 2024 after receiving input from external experts, discussions by the Sustainability Committee, a resolution by the Executive Committee, and a report to the Board of Directors. The policy states that we will strive to fulfill the responsibility of respecting human rights in all our business activities and respect international human rights standards such as the International Bill of Human Rights.

We have also established Policies on Investment in and Lending to Specific Sectors, Etc. for our investees and borrowers, covering sectors and other areas with a high potential of significant environmental or social impact. Under these policies, we prohibit investment in and financing for businesses identified as being involved in human trafficking, child labor, forced labor, or other human rights violations.

Based on these policies, we will continue to pursue initiatives to identify, prevent, and mitigate adverse effects on human rights.

* The full text of the Group Human Rights Policy is available on the NNFH website.
<https://www.nnfh.co.jp/sdgs/>

Education and Training

Human rights awareness training

The Nishi-Nippon City Bank and the Bank of Nagasaki provide human rights awareness education and training, including e-learning on “Business and Human Rights” for all officers and employees and training on “Companies and Issues of Human Rights/Discriminated-against Communities” for younger employees and general managers.

The NNFH Group will implement and expand education and training to deepen correct knowledge and understanding of human rights on an ongoing basis.

Training for preventing harassment

The Nishi-Nippon City Bank and the Bank of Nagasaki regularly provide e-learning and study sessions for all employees to prevent harassment. The banks also provide managers at their headquarters and sales branches with training on how to handle reports of harassment and make company-wide efforts to prevent harassment and to respond appropriately.

Relief Measures

Reporting and consultation hotlines

The NNFH Group has internal reporting hotlines set up at NNFH and external law firms through which employees can directly report or consult about compliance-related inappropriate behavior, harassment, and HR and labor issues without going through the companies they belong to. The hotlines also accept anonymous reports. In addition, we have a support desk for receiving complaints, opinions, and requests from external parties (see page 90 for details).

Considerations for All Customers

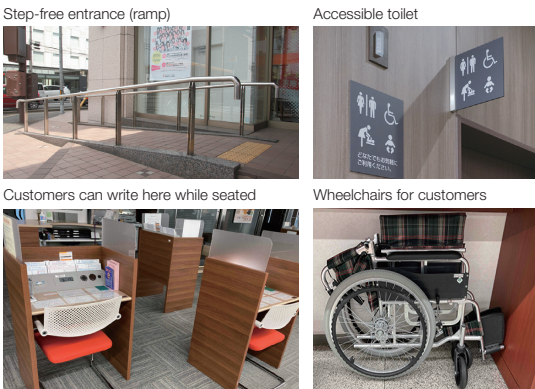
The NNFH Group is working to enhance its facilities and services and train officers and employees so that all customers, including the elderly and people with disabilities, can use them with peace of mind.

Making Branches More Accessible

The NNFH Group proactively incorporates universal design/barrier-free facilities that are easy to use for all customers and installs various communication aids, such as writing boards and communication boards, at its operating sites.

When rebuilding or renovating branches, we strive to make them more convenient for customers by improving customer flow, such as by installing ATMs closer to parking lots.

In addition, the Nishi-Nippon City Bank provides wheelchairs for customer use at all sales branches.



Serving visually-challenged customers

Employees at the Nishi-Nippon City Bank and the Bank of Nagasaki write and read for visually challenged customers as needed when they do business in person. The two banks have also renewed ATMs in and outside their branches to accommodate visually challenged customers (equipped with a handset-style controls).

In addition, the Nishi-Nippon City Bank mails braille documents free of charge.



Serving customers with hearing or speaking difficulties

The Nishi-Nippon City Bank and the Bank of Nagasaki provide a telephone relay service* as public infrastructure to improve convenience for customers with hearing or speaking difficulties.

* A service in which an operator translates conversations between a person with hearing or speaking difficulties and a person without such difficulties using sign language/writing and audio via telephone.

Education and Raising Awareness

The Nishi-Nippon City Bank has created and distributed the Universal Manners Handbook to enable all employees to provide considerate and appropriate service to every customer. The handbook explains how to serve customers according to the nature of their disabilities, including visual, hearing, and physical disabilities, as well as how to assist elderly people and people with disabilities when disasters such as earthquakes occur.

In addition, we provide e-learning and other training programs for all employees to deepen their understanding of the need for reasonable accommodation. At the same time, we provide customer service training that covers universal service practices, wheelchair operation, simulated experiences of aging, practical role-playing exercises, and other topics. We also work to assign employees who have completed training to every sales branch.

Furthermore, ever since FY2011, we have been continuously working to increase the number of employees participating in the Dementia Supporter Training Course to enhance our ability to assist individuals with dementia and their families.

The Nishi-Nippon City Bank and the Bank of Nagasaki conduct training to help new employees obtain Universal Manners Certification Level 3, enabling them to learn the basics of interacting with people, including the elderly and individuals with disabilities.



Roundtable Discussion with Outside Directors



Outside Director

Chiharu Kubo

Outside Director

Hiroshi Fujioka

Outside Director

Sachiko Miyamoto

As the new Medium-Term Business Plan (MTBP), “Co-Creating the Future 2029,” gets underway, three outside directors of Nishi-Nippon Financial Holdings shared their assessments of the previous MTBP and their expectations for the new plan.

Q. What are your assessments of the previous MTBP, “Leaping Forward 2026 - Connecting with Sincerity, Connecting the Future -”?

Fujioka Through “Leaping Forward 2026,” the NNFH Group communicated the direction of its management to customers, employees, and investors while also fostering a shared sense of purpose among employees.

The Group steadily implemented a range of initiatives and achieved the targets for all four of its key KPIs.

Looking at each KPI individually, although the figures themselves were not the ultimate objective, I believe the results reflected in each are highly significant.

For instance, the Net Promoter Score (NPS®), an important measure of customer evaluation, has improved significantly among both corporate and retail customers. Furthermore, with regard to employee engagement, the Group has worked to improve employment conditions by reviewing not only starting salaries but also wage levels across the workforce, work arrangements, and working styles. External surveys also indicate that our employee engagement has reached a level well above the banking industry average.

From the perspective of investors, the Group achieved its targets for both consolidated net income and consolidated return on equity (ROE). The price-to-earnings ratio (PER) also improved significantly, which we view as a sign of growing expectations for the Group’s future prospects. Together with the increase in ROE, the price-to-book ratio (PBR) also improved significantly.

Through “Leaping Forward 2026,” the Group has earned high praise from customers, and has increasingly become an organization in which employees can work with energy and vitality. These developments have led to results that also seem well received by investors.

Kubo I also view the improvements across all KPIs very positively. Early in the plan, there was a period when employee turnover slightly increased, and the number of new hires was somewhat lower. When visiting branches and hearing directly from frontline employees, I made a point of listening with these issues in mind as well. I believe the significant increase in employee

engagement since that time reflects the results of a wide range of creative initiatives, including improvements in compensation and other employment conditions, as well as efforts to improve communication with supervisors. I also feel that harassment issues have been handled appropriately, and believe that “Leaping Forward 2026” was implemented smoothly despite the extremely challenging business environment.

Miyamoto Under “Leaping Forward 2026,” the Group set the goal of enhancing earnings power while gaining greater support from customers. I am relieved that, as

a result of our efforts to achieve this, evaluations from corporate and retail customers have improved, which is an area I had regarded as the Group’s greatest challenge since my appointment. I believe the Group deserves credit for laying the groundwork for the next stage. The NNFH Group has developed into a financial group with banks at its core to meet the diverse needs of customers, and began discussions at an early stage in anticipation of the return of positive interest rates in Japan, even though an ultra-low interest rate policy was still in place when “Leaping Forward 2026” was formulated.

Q. What did you prioritize when formulating the new MTBP, “Co-Creating the Future 2029 - Moving Forward Together -”?

Fujioka In formulating the new MTBP “Co-Creating the Future 2029,” we adopted a new approach by first defining what the Group aims to become over the long term and then developing the plan through backcasting from that vision. I see this as highly significant, as this approach gave us an opportunity to consider the Group’s future while anticipating the changes the Group and the local community may experience.

Of course, when implementing specific measures, it will be necessary to have grounded discussions on each individual item and work through them step by step. However, as a prerequisite for those discussions, I believe it was an extremely valuable process for everyone involved, including management, to engage in discussions from a shared perspective of looking ahead and thinking about the future. I understand that, in formulating the plan, a working group comprising NNFH Group employees, including younger employees, also held discussions. I found it particularly meaningful that the opinions and perspectives of younger employees, who will play central roles in the Group’s future, were successfully reflected in the plan.

Kubo I also highly value the use of backcasting in formulating the plan. When I was conducting research at a U.S. university, I was deeply impressed by advice I received: rather than limiting one’s thinking to what can be done with the facilities currently available, one

should first develop an excellent plan and then secure the resources needed to realize it. I believe that an excellent approach was taken with this plan. The desired future state and philosophy were first clearly defined, and then deliberations were conducted to determine what can be done now to realize them.

Miyamoto I believe that applying the backcasting approach made it possible to reaffirm the DNA the Group has had since its founding as a community-based financial institution and to clearly define a vision for the future aligned with that DNA and the Group’s other strengths. If all employees share this vision and carry out their duties with it in mind, it will likely generate various synergies, increasing the likelihood of its realization.



Q. When formulating “Co-Creating the Future 2029,” were you able to have sufficient dialogue with management?

Miyamoto To develop “Co-Creating the Future 2029,” I had ongoing discussions not only with top management

but also with officers and senior executives from relevant departments over the course of more than a year. I

Roundtable Discussion with Outside Directors

participated in these business-focused discussions as a research professional and, from a broad, overarching perspective, provided advice on the various bottom-up measures, taking into account the Company's overall direction and the balance among its various initiatives. In addition, the discussions placed strong emphasis on how the Group is perceived by customers, in terms of

what can be done to gain their further trust and goodwill. **Kubo** It is extremely important for people to be able to speak freely and communicate without reservation, and I believe the Group does very well in this respect. When attending meetings of the Board of Directors, I also feel that, even as someone from outside, I am able to freely express my views.

Q. What do you expect from implementing “Co-Creating the Future 2029”?

Miyamoto Under the basic strategy of “Providing Customer-Oriented ‘One-to-One Solutions,’” the Group aims to be chosen by customers as their partner by meeting their needs and being of service to them. The Group's position is that customers come first, and I find it commendable that this approach is consistently maintained.

Digital technologies are also advancing rapidly in the world, and naturally, making effective use of them has become increasingly important. Against this backdrop, an important perspective is to make things easier for customers by using digital technologies more effectively on our side, behind the scenes, without requiring customers to be particularly conscious of them. I also believe that as society becomes increasingly digitalized, the relative value of physical branches and the so-called “human touch” will conversely increase and gain renewed recognition. It is also important to devise the best mix, with due attention to both, alongside various labor-saving initiatives.

Kubo “Co-Creating the Future 2029” clearly sets out all the necessary elements, including the Group's vision,

its strategies, management indicators, and quantitative plans. Personally, I believe we have developed a truly outstanding plan. Going forward, the extent to which everyone can develop a shared understanding and take ownership of the plan will be of great importance. I will pay close attention to whether employees have a firm, shared understanding.

Miyamoto I believe that the plan is well-grounded, and I hope the Group will continue to implement it steadily. I hope these efforts will further improve evaluations from both corporate and retail customers.

Fujioka Both retail and corporate customers are important to the Group, and how their respective needs are met is an issue of utmost importance.

For retail customers, each and every interaction, whether through ATM and smartphone services or service at branch counters, helps build their trust. While “Co-Creating the Future 2029” uses the term “solutions,” I get the feeling that this is based on an awareness of the need for the bank to diligently build on its basic operations, including yen deposits, which lie at the heart of commercial banking.

Meanwhile, for corporate customers, the Group's ability to provide financial intermediation plays a major role. In particular, extending credit is an important function of a bank. The Group traces its origins to a mutual loan company. The Group has a history of identifying small businesses and companies with growth potential, moving forward together with them, and providing a wide range of services. I believe the Group should continue to uphold its role in supporting startups and growing companies. I also believe we should once again appreciate the importance of having Fukuoka, a growing economic region, as the Group's home market.

More and more efforts are being made to support companies in going public. Although there have not yet been many cases, Nishi-Nippon City Tokai Tokyo Securities has begun assisting companies with their IPOs, while the bank itself supports companies seeking to go public by providing both financing and expertise.

While some companies seek to go public, some also choose management buyouts as a means of becoming independent from capital markets. I believe the Group will also be able to support customers in such situations by applying its knowledge and ingenuity.

Another important topic is business succession. This is a challenge for companies, but it is also closely related to

the personal circumstances of business operators. That is why it is so important to provide business operators and companies with comprehensive support, from both a corporate and retail perspective. I believe it will become increasingly necessary to work closely with customers and offer advice that helps them make appropriate and well-reasoned decisions.

Q. What do you expect from NNFH going forward?

Miyamoto Competition in the financial services market continues to intensify as online banks and companies from various other industries enter the market alongside traditional banks.

To realize the long-term vision of becoming the “regional financial group most supported and chosen by customers, host communities, employees, and shareholders,” I believe it will be important to gain the further trust and goodwill of customers. I have emphasized this ever since I became a director.

I hope the Group will gain further trust and goodwill by listening carefully to their feedback, and by creating and refining a virtuous cycle in which customer needs serve as the starting point for the Group's responses.

Kubo I believe that “Co-Creating the Future 2029” truly embodies the meaning expressed by the logos of NNFH and the Nishi-Nippon City Bank. The NNFH logo uses the motif of the “Sun,” the energy which creates our future, and the vibrant image of “Wings.” The radiating wings are also said to symbolize the infinite future. I understand that the Nishi-Nippon City Bank logo embodies its aspiration to grow together with its customers, shareholders, and society, share in their joy, and blossom as a bank deeply rooted in the community. Whenever I see either of them, I am struck by what excellent logos they are. I find “Co-Creating the Future 2029” to be every bit as outstanding. As we proceed, I will pay close attention to how employees embrace the plan and work together toward the same goal.

Fujioka Regarding management indicators, I believe it is necessary to continue emphasizing consolidated net income and consolidated ROE while also closely monitoring the consolidated overhead ratio (OHR) and consolidated capital adequacy ratio. Consolidated OHR is an important indicator of the Group's efficiency and earnings power. It is important to pursue digital transformation to enhance customer convenience and increase the sophistication of financial services, while also improving operational efficiency to lower the OHR. The consolidated capital adequacy ratio remains an



important indicator for maintaining financial soundness.

Kyushu, the Group's home market, and Fukuoka in particular offer an abundance of growth opportunities. We continue to see new developments, including urban development initiatives such as Tenjin Big Bang and Hakata Connected, as well as the expansion of semiconductor-related industries. As a regional bank, it is important to accurately identify these changes and provide support through both financial and non-financial means.

Going forward, to enhance corporate value over the medium to long term, the Group as a whole will also need to broaden its range of businesses to expand earnings opportunities. In addition to traditional financial functions, it will be of great importance to expand even into non-financial business domains to the extent permitted under the Banking Act.

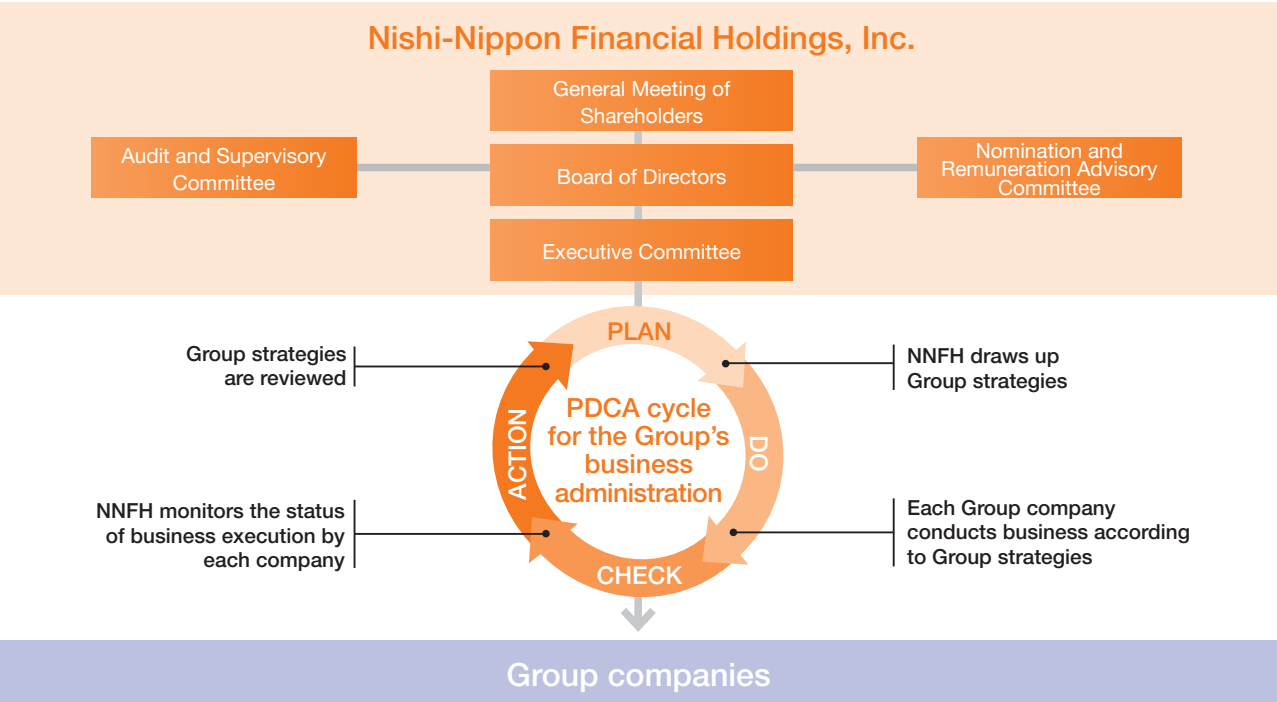
The critical factor will be whether this expansion benefits customers and the regional economy and, as a result, strengthens the Group's earnings power and financial foundation. I hope that the Group will flexibly consider initiatives that benefit the region, unconstrained by the boundaries between industries, and translate them into growth for the Group as a whole.



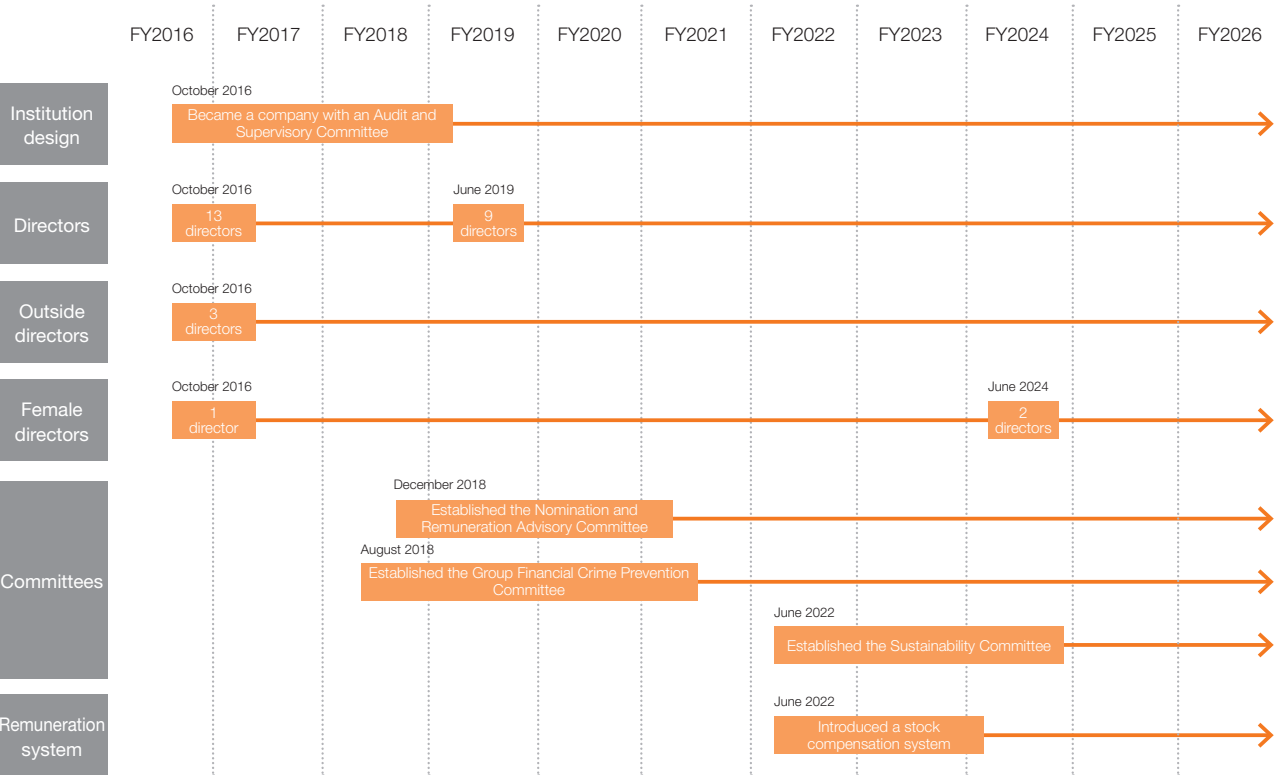
Corporate Governance

At the NNFH Group, enhancement of corporate governance is deemed to be a managerial issue of prime importance. Accordingly, every possible effort is being made to “enhance the soundness and transparency of management,” “accelerate decision-making,” and “perform duties smoothly.”

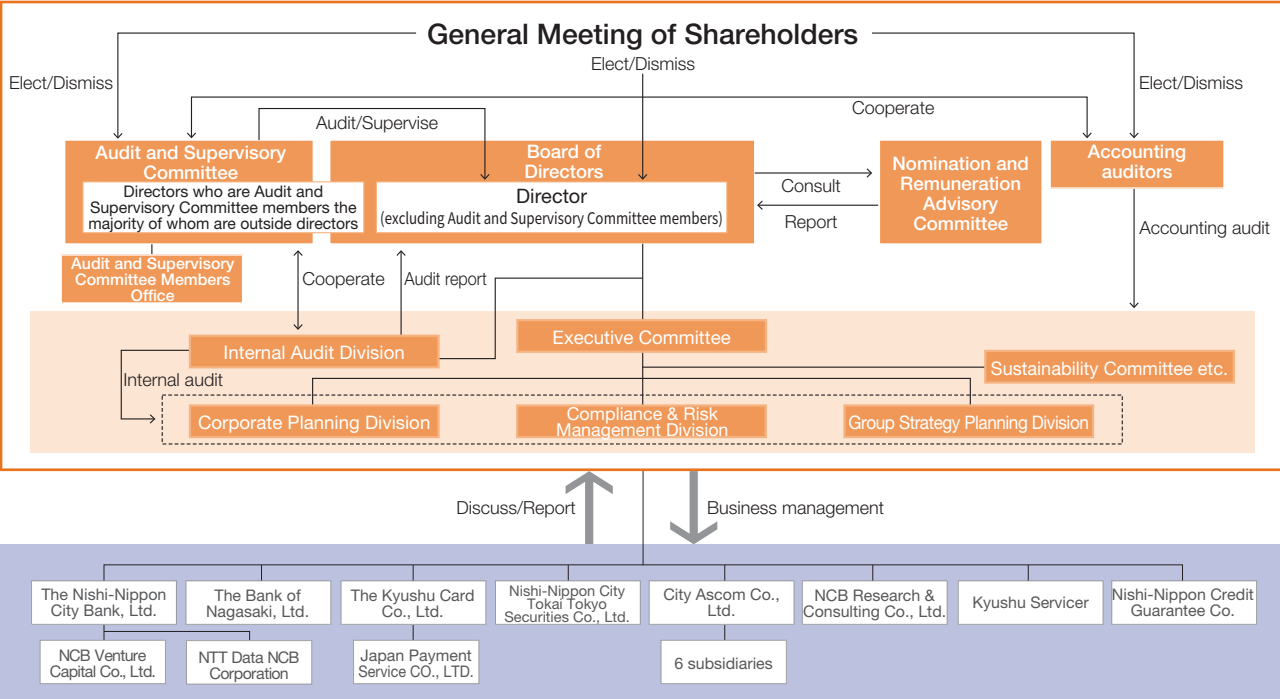
By establishing an Audit and Supervisory Committee under NNFH, we not only enhance corporate governance, but we have also built a system for prompt and efficient decision-making by delegating authority over performance of important duties. With NNFH specializing in management oversight and Group companies focusing on the promotion of day-to-day duties, we maintain an advanced level of business administration for the Group.



[Efforts to Strengthen Corporate Governance]



[Overview of the Corporate Governance Structure]



Descriptions of the Organs of the Company

Board of Directors

Comprised of nine directors (including four directors who are Audit and Supervisory Committee members, as of June 30, 2026), the Board of Directors of NNFH makes decisions about the performance of important duties concerning the Group’s management and oversees the performance of the duties by directors.

NNFH has elected three independent outside directors (as of June 30, 2026) in order to ensure that independent and objective perspectives augment the highly effective management oversight function by the Board of Directors. To adapt to rapid changes in the operating environment and clearly determine responsibilities of directors in attaining business results for each fiscal year, the term of office for directors (excluding those who are Audit and Supervisory Committee members) shall be one year, thus keeping the Board of Directors actively engaged.

In addition, by introducing the executive officer system, we have separated management decision-making and oversight from the administration of business operations in order to enhance the oversight function and promote rapid decision-making. The Board of Directors meets once a month, in principle. The Board of Directors held a total of 13 meetings in FY2025.

In FY2025, the Board of Directors mainly discussed the current MTBP, annual policies, the operational status of internal control systems, capital policy (the Shareholder Returns Policy, etc.), and the status of business execution.

[Members of Board of Directors (as of June 30, 2026) and their attendance at FY2025 meetings]

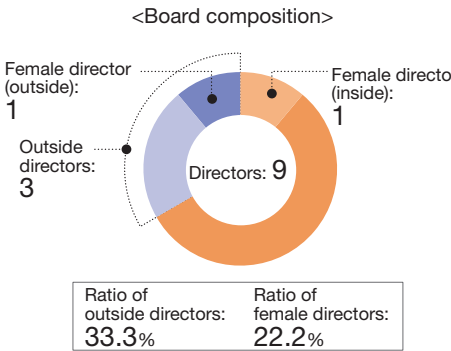
Name	Position	Attendance (13 meetings in total)	Notes
Hiromichi Tanigawa	Chairman (Representative Director)	13	Chairperson
Hideyuki Murakami	President (Representative Director)	13	
Hiroyuki Takeo	Director	13	
Takeshi Kurihara	Director	— *	
Takashige Honda	Director	13	
Tomoko Ito	Director (Audit and Supervisory Committee Member)	13	
Hiroshi Fujioka	Director (Audit and Supervisory Committee Member)	13	Independent Outside Director
Chiharu Kubo	Director (Audit and Supervisory Committee Member)	13	Independent Outside Director
Sachiko Miyamoto	Director (Audit and Supervisory Committee Member)	13	Independent Outside Director

* Newly appointed as director on June 26, 2026.

[Attendance of Retired Directors at Meetings Held in FY2025]

Name	Position*	Attendance (13 meetings in total)	Notes
Hiroyuki Irie	Director	13	

* Position held at the time of retirement.



Audit and Supervisory Committee

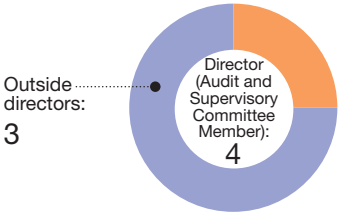
Comprised of four directors who are Audit and Supervisory Committee members (including three outside directors, as of June 30, 2026), the Audit and Supervisory Committee audits the performance of the duties by directors and compiles audit reports. Audit and Supervisory Committee members shall, in accordance with an audit plan drawn up by the Audit and Supervisory Committee, attend important meetings, inspect important documents, and investigate the status of the operations and the financial status of NNFH, in order to audit the performance of the duties by directors.

The Audit and Supervisory Committee is also partially responsible for overseeing directors by electing directors (excluding those who are Audit and Supervisory Committee members) and stating opinions on the remunerations to directors. The Audit and Supervisory Committee meets at least once every three months, in principle.

[Members of the Audit and Supervisory Committee and their Attendance at FY2025 Meetings (as of June 30, 2026)]

Name	Position	Attendance (9 meetings in total)	Notes
Tomoko Ito	Director (Audit and Supervisory Committee Member)	9	Full-time, Chairperson
Hiroshi Fujioka	Director (Audit and Supervisory Committee Member)	9	Independent Outside Director
Chiharu Kubo	Director (Audit and Supervisory Committee Member)	9	Independent Outside Director
Sachiko Miyamoto	Director (Audit and Supervisory Committee Member)	9	Independent Outside Director

<Composition of the Audit and Supervisory Committee>



Nomination and Remuneration Advisory Committee

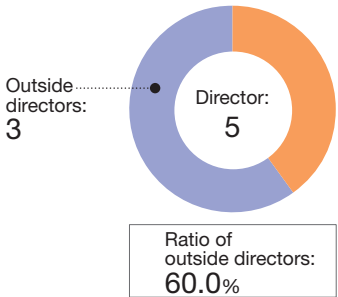
The Nomination and Remuneration Advisory Committee consists of five directors (including three outside directors, as of June 30, 2026), ensuring independence as the majority are outside directors. The committee was established with a view toward ensuring objectivity, timeliness, and transparency concerning the election and dismissal of representative directors and senior management members (directors with special titles), assuring objectivity and transparency concerning remunerations for directors, and developing successors in a systematic manner. The committee meets at least once each year.

The Committee met in February and May 2026 and discussed matters relating to the election and dismissal of the representative directors and senior management members (directors with special titles), executive compensation, and potential successors to the position of CEO.

[Members of the Nomination and Remuneration Advisory Committee (as of June 30, 2026)]

Name	Position	Notes
Hiromichi Tanigawa	Chairman (Representative Director)	Chairman
Hideyuki Murakami	President (Representative Director)	
Hiroshi Fujioka	Director (Audit and Supervisory Committee Member)	Independent Outside Director
Chiharu Kubo	Director (Audit and Supervisory Committee Member)	Independent Outside Director
Sachiko Miyamoto	Director (Audit and Supervisory Committee Member)	Independent Outside Director

<Composition of the Nomination and Remuneration Advisory Committee>



Executive Committee

Comprised of the president, three directors and seven executive officers appointed by the president (as of June 30, 2026), the Executive Committee deliberates on and makes decisions on important matters concerning management in accordance with management policies determined by the Board of Directors. One full-time Audit and Supervisory Committee member is invited to the Executive Committee meeting to provide pertinent advice. The Executive Committee meets whenever necessary.

Sustainability Committee

Comprised of the president, three directors and seven executive officers appointed by the president (as of June 30, 2026), the Sustainability Committee discusses policies and other important matters pertaining to the Group's sustainability, collects information on the status of initiatives, and provides advice. In principle, the Sustainability Committee meets once every six months.

Group Financial Crime Prevention Committee

Comprised of the president, three directors and seven executive officers appointed by the president (as of June 30, 2026), the Group Financial Crime Prevention Committee discusses policies relating to group-wide measures against money laundering and terrorism financing (hereinafter, "anti-money laundering measures, etc."), collects information on the status of anti-money laundering measures, etc. by Group companies, and provides advice. In principle, the Group Financial Crime Prevention Committee meets once every six months.

Status of Internal Audit, Audit by the Audit and Supervisory Committee, and Accounting Audit

Internal audit

NNFH has established the Internal Audit Division, which conducts internal audits independent of all operations divisions and has 38 members as of March 31, 2026. The Internal Audit Division, in accordance with the Internal Audit Regulations, verifies and assesses the adequacy and effectiveness of internal control systems of the NNFH Group, including a compliance structure and a risk management structure, suggests improvements to address problems, etc. to audited divisions, and reports audit findings, etc. to the Board of Directors and Audit and Supervisory Committee (members) every month. By exchanging information with accounting auditors, the division ensures that internal audits are conducted both objectively and efficiently.

Audit by the Audit and Supervisory Committee

The Audit and Supervisory Committee comprises four members, including three outside directors and one full-time director. Every member of the Audit and Supervisory Committee has considerable knowledge of finance and accounting through many years of hands-on experience, etc.

The Audit and Supervisory Committee audits the performance of directors' duties by receiving reports from directors and others on the status of the execution of their duties and the development and operation of the internal control system, and by attending important meetings, reviewing important approval documents, and investigating the status of business operations and assets, in accordance with the audit policy and allocation of duties established by the Audit and Supervisory Committee. The Audit and Supervisory Committee also verifies the appropriateness of the methods and findings of audits conducted by accounting auditors by having them report on the status of business execution and by observing audits conducted by accounting auditors.

Accounting audit

NNFH's accounting audits are performed by certified accountants affiliated with Ernst & Young ShinNihon LLC.

Appointment of Directors

Policy and procedures for nomination of candidates for directors

For the Board of Directors to effectively fulfill its roles and responsibilities, we believe it important to ensure that its members have a diverse range of knowledge, experience, skills, career backgrounds, and ages, on top of knowledge of the business and challenges of the NNFH Group. Our basic policy is to ensure that the Board of Directors is well balanced overall by appointing those with diverse expertise and backgrounds as candidates for outside directors.

From this perspective, we appoint those well-versed in the NNFH Group's business and challenges as candidates for inside directors. We also ensure the objectivity and transparency of the decision-making process through the exercise by each Audit and Supervisory Committee member of the voting rights he/she holds as a director at Board of Directors meetings, and through the Audit and Supervisory Committee's statutory right to express its opinion at the General Meeting of Shareholders on the appointment, dismissal, and remuneration of directors who are not Audit and Supervisory Committee members.

Our articles of incorporation prescribe that the number of directors should be no more than twenty and that the number of directors who are Audit and Supervisory Committee members should be three or more. Accordingly, we have appointed nine directors, four of whom are Audit and Supervisory Committee members (as of June 30, 2026).

Policy and procedures for appointment/dismissal of senior management

Our Board of Directors appoints a representative director and senior management members (directors with special titles) after taking into consideration reports by the Advisory Committee and, if any representative director or member of senior management (director with a special title) meets the removal criteria established by the Board of Directors, the Board deliberates on his/her removal. This ensures objective, timely, and transparent procedures for appointment/removal of senior management members (directors with special titles).

Skill matrix

NNFH has identified corporate management, finance and economy, financial affairs and accounting, legal affairs and risk management, IT and digital, human resource and diversity, and regional revitalization and regional sales as seven key areas of expertise that members of the Board of Directors should possess. Shown on the matrix below are the areas of specialty we expect from each member of the Board of Directors.

Name	Position	Attribute	Specialty						
			Corporate management	Finance and economy	Financial affairs and accounting	Legal affairs and risk management	IT and digital	Human resource and diversity	Regional revitalization and regional sales
Hiromichi Tanigawa	Chairman (Representative Director)		●	●	●	●		●	●
Hideyuki Murakami	President (Representative Director)		●	●	●	●	●	●	●
Hiroyuki Takeo	Director		●	●	●				●
Takeshi Kurihara	Director		●	●	●	●			●
Takashige Honda	Director			●	●	●	●		●
Tomoko Ito	Director (Audit and Supervisory Committee Member)			●	●	●	●		●
Hiroshi Fujioka	Director (Audit and Supervisory Committee Member)	Outside Independent		●	●	●			
Chiharu Kubo	Director (Audit and Supervisory Committee Member)	Outside Independent	●		●	●		●	
Sachiko Miyamoto	Director (Audit and Supervisory Committee Member)	Outside Independent		●	●	●	●	●	

* The above areas of specialty do not represent all of the knowledge and experience that directors possess.

Independence standards for outside directors

We determine the independence of our outside directors based on whether or not we can expect them to proactively offer suggestions and raise questions on the NNFH Group's business challenges, assuming that the independence standards stipulated by the Tokyo Stock Exchange, Inc. (hereinafter "TSE") are fulfilled.

For instance, we take special care to determine if the independence of a person who has any of the following relationships with the Group is compromised because of such relationships, and disclose to shareholders the relationships between the Group and said person to the extent necessary.

1	A person who was an executing person of NNFH or any of its subsidiaries
2	A person for whom NNFH or any of its subsidiaries is his/her major counterparty ^{*1} (If he/she belongs to a company, an executing person of said company now or in the past)
3	A major counterparty of NNFH or any of its subsidiaries ^{*2} (If he/she belongs to a company, an executing person of said company now or in the past)
4	A person who is a consultant, accounting professional or legal professional who has received a large amount of money or other compensation ^{*3} , excluding remuneration for directors from NNFH or any of its subsidiaries, within the last three years (If he/she belongs to a company or other form of organization, an executing person of said company or organization now or in the past)
5	A person who is a major shareholder ^{*4} of NNFH (If he/she belongs to a company, an executing person of said company)
6	A person who has kinship status with a person outlined in 1-5 above
7	An executing person of a company where an officer or an employee of NNFH or any of its subsidiaries is an outside officer
8	An executing person of a company or other form of organization who has received a large sum of donations ^{*5} from NNFH or any of its subsidiaries within the last three years

^{*1} A counterparty that has received 2% or more of its consolidated net sales in the latest fiscal year from NNFH or any of its subsidiaries
^{*2} A counterparty from which NNFH or any of its subsidiaries have received 2% or more of their consolidated gross operating profit in the latest fiscal year
^{*3} A total of 30 million yen or more in cash or other property over the last three years
^{*4} A shareholder who holds 10% or more of the shares outstanding
^{*5} A donation of 15 million yen or more in total received over the past three years

Grounds for the election of outside directors

Name	Position	Attribute	Reasons
Hiroshi Fujioka	Director (Audit and Supervisory Committee Member)	Independent Outside Director	Given his long years of practical experience in fiscal and monetary administration and broad insights into fiscal and monetary matters, Mr. Fujioka is expected to contribute to enhancing our Board's monitoring function and has thus been elected as an outside director serving as an Audit and Supervisory Committee member. In addition, Mr. Fujioka does not meet any of the criteria prescribed by TSE as grounds for potential conflicts of interest with general shareholders. We have therefore determined that Mr. Fujioka is in a highly independent position and have thus designated him as an independent director.
Chiharu Kubo	Director (Audit and Supervisory Committee Member)	Independent Outside Director	Given his specialist knowledge as a doctor and university professor and his extensive experience and comprehensive insights as a manager of a university through his positions such as former Director of Kyushu University Hospital and former President of Kyushu University, Mr. Kubo is expected to contribute to enhancing our Board's monitoring function and has thus been elected as NNFH's outside director who is also an Audit and Supervisory Committee Member. In addition, Mr. Kubo does not meet any of the criteria prescribed by TSE as grounds for potential conflicts of interest with general shareholders. We have therefore determined that Mr. Kubo is in a highly independent position and have thus designated him as an independent director.
Sachiko Miyamoto	Director (Audit and Supervisory Committee Member)	Independent Outside Director	Ms. Miyamoto has been continuously working in the field of research related to Japanese and overseas financial and capital markets for the last 30 years in her capacity as a corporate analyst, investment strategist, and macroeconomist. With her specialized knowledge of corporate analysis and financial analysis, Ms. Miyamoto is expected to contribute to enhancing our Board's monitoring function and has thus been elected as NNFH's outside director who is also an Audit and Supervisory Committee Member. In addition, Ms. Miyamoto does not meet any of the criteria prescribed by TSE as grounds for potential conflicts of interest with general shareholders. We have therefore determined that Ms. Miyamoto is in a highly independent position and have thus designated him as an independent director.

Support for Outside Directors

We make it a rule to fully explain the business, financial position, organization, and other matters of the NNFH Group to our outside directors upon assuming their positions. In addition, we endeavor to create an environment that allows our outside directors to effectively fulfill their roles and responsibilities by, for instance, providing briefings on the agenda items of Board meetings before the meetings take place, explaining the Group's operations, and arranging on-site inspections.

We also appoint full-time Audit and Supervisory Committee members, who support outside Audit and Supervisory Committee members, and we have established the Audit and Supervisory Committee Members Office, which is directly managed by the Audit and Supervisory Committee. Full-time staff of the Office assist all Audit and Supervisory Committee members, including outside members, and the Audit and Supervisory Committee in performing their duties.

Analysis and Evaluation of Board Effectiveness

Every year, we analyze and evaluate the effectiveness of our Board of Directors at the board meeting.
At the board meeting held in June 2026, we analyzed and evaluated the effectiveness of our Board of Directors based on the findings of a self-evaluation questionnaire distributed to all directors, and verified that effectiveness is largely ensured.

Evaluation items
• Board of Directors composition: Number of directors and number and proportion of outside directors, ensuring the necessary skills and diversity, etc. • Board of Directors operation: Frequency of board meetings, content and volume of board materials, time available for advance review, time spent on deliberations, active expression of opinions, volume of agenda items submitted, etc. • Board of Directors agenda: Status of discussions and oversight concerning medium- to long-term strategies and business plans, compliance and risk management frameworks, etc. • Framework supporting the Board of Directors: Opportunities for directors to request additional information, provision of training opportunities suited to directors, opportunities for directors on the Audit and Supervisory Committee to obtain information, etc.

In FY2025, during the formulation of the MTBP commencing in FY2026, the Group established a new long-term vision of becoming the “regional financial group most supported and chosen by customers, host communities, employees, and shareholders” and held multiple discussions on its strategic direction for realizing this vision. Constructive exchanges of views took place on a broad range of key topics, centered primarily on corporate and retail sales strategies, digital transformation and the use of AI, human capital development and employee engagement, capital allocation, and the shareholder returns policy. This has enhanced discussions on medium- to long-term strategies.

To continue improving the effectiveness of the Board of Directors, we will ensure that board materials are provided in advance, further clarify the key points for discussion, and take other measures to deepen deliberations on important agenda items.

Training Policy of Directors

We offer and arrange opportunities for our directors to acquire and update the knowledge and information needed to properly perform their roles and responsibilities as directors. We also cover expenses related to these opportunities, which include participation in seminars organized by outside organizations and lectures given by outside speakers.

We provide a thorough briefing on the Group's business, finance, organization, and so on, to those who are newly appointed as our outside directors. In addition, we endeavor to create an environment that allows our outside directors to effectively fulfill their roles and responsibilities by, for instance, providing briefings on the agenda items of Board meetings before the meetings take place, explaining the Group's operations, and arranging on-site inspections.

Directors’ Remuneration System

Policy and procedures for decisions on the content of remuneration, etc. of individual directors

We established the Advisory Committee, the majority of whose members are outside directors of the company, in order to enhance the objectivity and transparency of decisions on remuneration, etc. of directors (excluding directors who are Audit and Supervisory Committee members).

Remuneration of directors (excluding directors who are Audit and Supervisory Committee members) shall comprise the monthly fixed-amount remuneration, and the stock-based remuneration, which is provided with the aim of incentivizing directors to improve corporate value over the medium to long term, and the total amount of the remuneration, etc. shall be no more than 300 million yen per year, which was approved at the general shareholders’ meeting held on June 29, 2022.

- i) Fixed-amount remuneration (cash remuneration)
The amount of the remuneration, etc. for each individual director (excluding directors who are Audit and Supervisory Committee members) shall be determined according to the duty of the director by a resolution of the Board of Directors and in consideration of reports from the Advisory Committee, and shall be paid on a monthly basis.
- ii) Stock-based remuneration (non-cash remuneration)
With respect to the stock-based remuneration, each individual director (excluding directors who are Audit and Supervisory Committee members) shall, at a designated time of each fiscal year, be granted points determined according to the duty of the director (with one point corresponding to one share) based on the Director Stock Benefit Regulations established by NNFH and shall, at the time of retirement, be provided with the number of shares of NNFH's common stock (hereinafter “Company Shares”) that corresponds to the cumulative number of those points granted to the director (if the director retires at the expiration of his or her term of office, 30% of those Company Shares shall be replaced by the amount of cash that is equivalent to the market value of that 30% of those Company Shares). The stock-based remuneration shall be determined so as to account for approximately 10% of the total amount of the remuneration, etc., which is the sum of the fixed-amount remuneration (cash remuneration) and the stock-based remuneration.

The Advisory Committee held in February 2026 discussed remuneration for directors (excluding directors who are Audit and Supervisory Committee members).

Remuneration for directors who are also Audit and Supervisory Committee members is determined based on discussions among the Audit and Supervisory Committee members.

Risk Management

The NNFH Group's business environment continues to undergo significant changes against a backdrop of increasingly diversified and advanced customer needs due to factors such as accelerated digitization and a heightened awareness of sustainability. Under these circumstances, risk management is becoming increasingly important in ensuring stable earnings and a sound management base as a regional financial group.

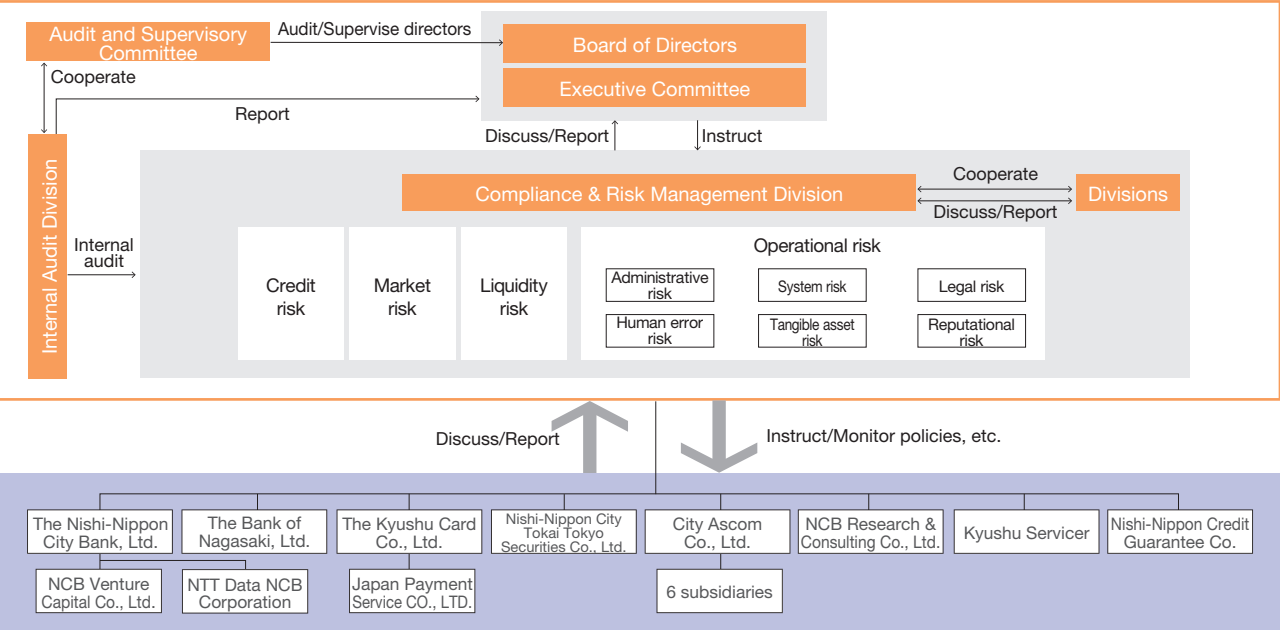
The Group positions risk management as a key priority in management. Accordingly, we make concerted efforts to advance our risk management structure in accordance with our Basic Policy on Risk Management, which is the Group's highest-level policy on risk management and serves as a set of shared norms for the Group.

The policy is reviewed as necessary after confirming the effectiveness of the policy formulation process, with any revisions determined by the Board of Directors.

Risk Management System

At NNFH, the Compliance & Risk Management Division centrally manages risk for the entire Group, and the officer in charge of the division regularly reports to the Board of Directors on the status of risks. Management then discusses the reported risks and issues instructions for improvement. In addition, the Internal Audit Division, which is independent of all operational divisions, assesses the adequacy and effectiveness of Group companies' risk management structures through internal audits.

Each Group company establishes a consultative body, such as an ALM Committee or an Operational Risk Committee, to periodically discuss and assess matters concerning risk management.



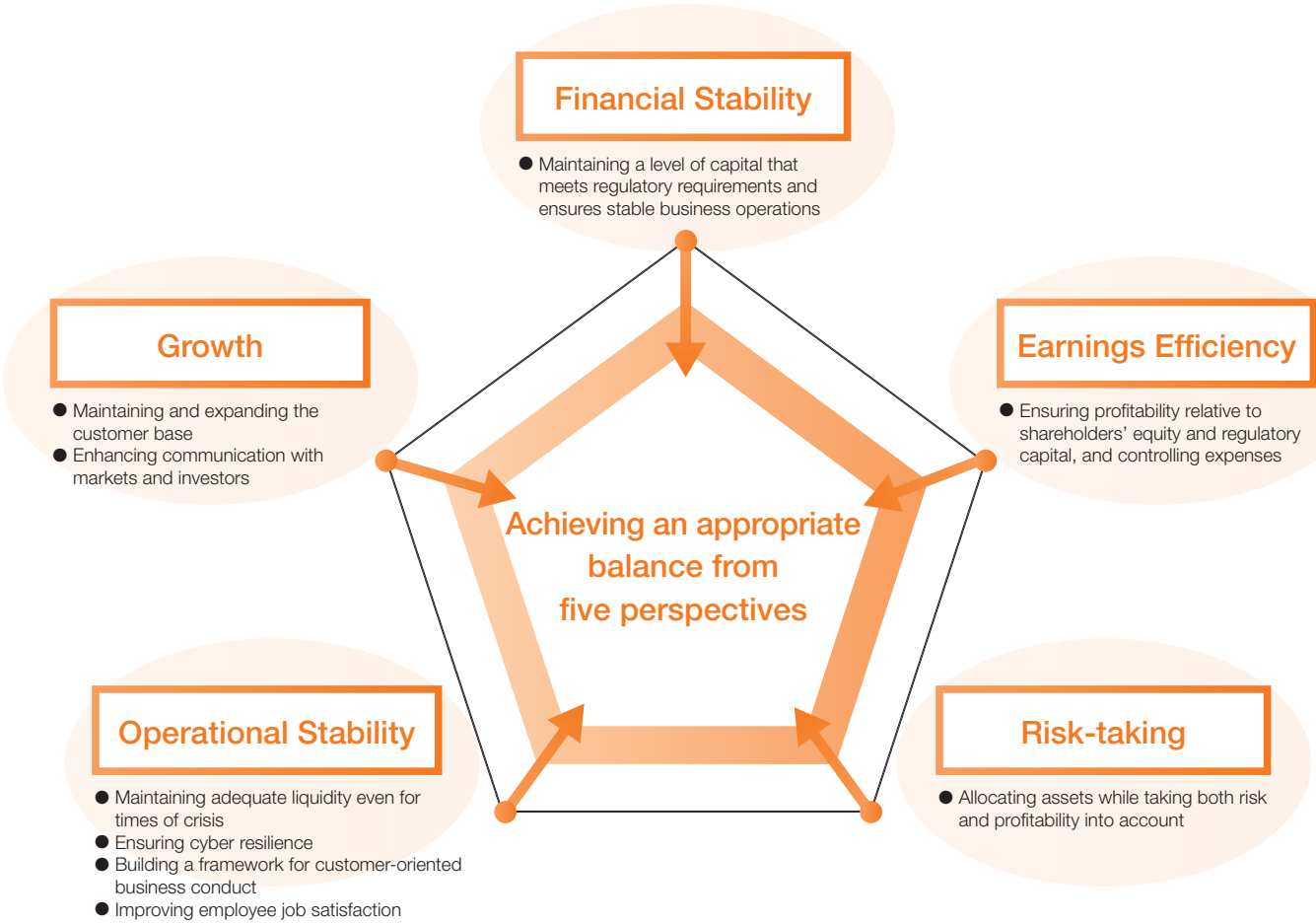
Risk management by category

The NNFH Group categorizes the risks we face into credit risks, market risks, liquidity risks, and operational risks, and has established management policies for each category as a means of strengthening our management framework.

Credit risk	The risk of loss resulting from a reduction or complete loss of the value of assets due to a deterioration in the financial situation of borrowers or other factors. The Group quantitatively assesses and manages credit risk on a group-wide basis.
Market risk	The risk of loss due to fluctuations in the value of assets/liabilities in response to movements in interest rates, foreign exchange rates, stock prices, and other parameters, and a loss due to fluctuations in earnings generated from such assets/liabilities. The Group works to secure stable earnings while controlling risk through setting limits and other measures.
Liquidity risk	The risk of loss due to a difficulty in securing necessary funds or being obliged to procure funds at an interest rate significantly higher than usual because of a timing mismatch between fund operations and funding or an unexpected outflow of funds. The Group works to maintain the soundness of its assets, ensure market liquidity, and stabilize cash flows.
Operational risk	The risk of loss due to inappropriate administrative operations, system deficiencies, legal violations, natural disasters, or other factors. We classify operational risks into six categories: 1. Administrative risk, 2. System risk, 3. Legal risk, 4. Human error risk, 5. Tangible asset risk, and 6. Reputational risk. Our Compliance & Risk Management Division monitors and manages the operational risks faced by the Group as a whole, while working to manage risks proactively and minimize the impact of any risks that may materialize.

Risk Appetite Framework

Under the Risk Appetite Framework (RAF), the Group strives to secure a robust management base for the future by achieving an appropriate earnings-risk balance from the five perspectives of financial stability, earnings efficiency, risk-taking, operational stability, and growth, and by meeting the evolving expectations of stakeholders as the internal and external environments change.



Top risks

We designate events relating to our business operations that are highly significant in terms of impact and likelihood as top risks. Through top risk management, we work to enhance risk communication within the Group and to strengthen risk management by implementing measures aimed at risk mitigation.

Top risks	Examples of risk events
Global economic downturn and financial market instability	• The global economic downturn, driven by the materialization of geopolitical risks, may affect Kyushu's economy, worsening client business conditions and increasing credit costs. • Financial market instability may result in deterioration in the valuation gains and losses on securities held by the Group.
Regional population decline	• The customer base may shrink due to a larger-than-expected population outflow from the Kyushu region. • Difficulty in securing personnel may force reductions in business offerings and branch networks, shrinking the revenue base.
Changes in industrial structure driven by digitalization	• With the advancement of digitalization and the wider use of AI and other technologies, competitiveness may decline due to inferior customer convenience or cost efficiency compared to competitors and new market entrants.
Increased dependence on third parties	• System failures at third parties may put business continuity at risk. • Inadequate third-party management may result in customer information leaks, undermining credibility.
Rising cybersecurity threats	• Cyberattacks targeting the Group or third parties may put business continuity at risk. • Customer information leaks may occur, undermining credibility.
Occurrence of compliance- or conduct-related risk events	• Violations of laws or regulations or inappropriate behavior of employees may cause harm to customers, undermining credibility. • Insufficient anti-money laundering measures, etc. may undermine credibility.
Delays in sustainability initiatives	• Inadequate responses to sustainability may erode corporate value.
Occurrence of major earthquakes, floods, and other disasters	• Business operations may be suspended due to damage to employees, facilities, or systems. • Major disasters may deteriorate the performance of business partners, increasing credit costs.

Risk register

We have established a risk register to proactively identify significant risks and to strengthen risk ownership among all Group companies. Specifically, through close communication between the Compliance & Risk Management Division and each Group company, we identify risks based on our awareness of internal and external environments. We then assess these risks and verify the effectiveness of control measures.

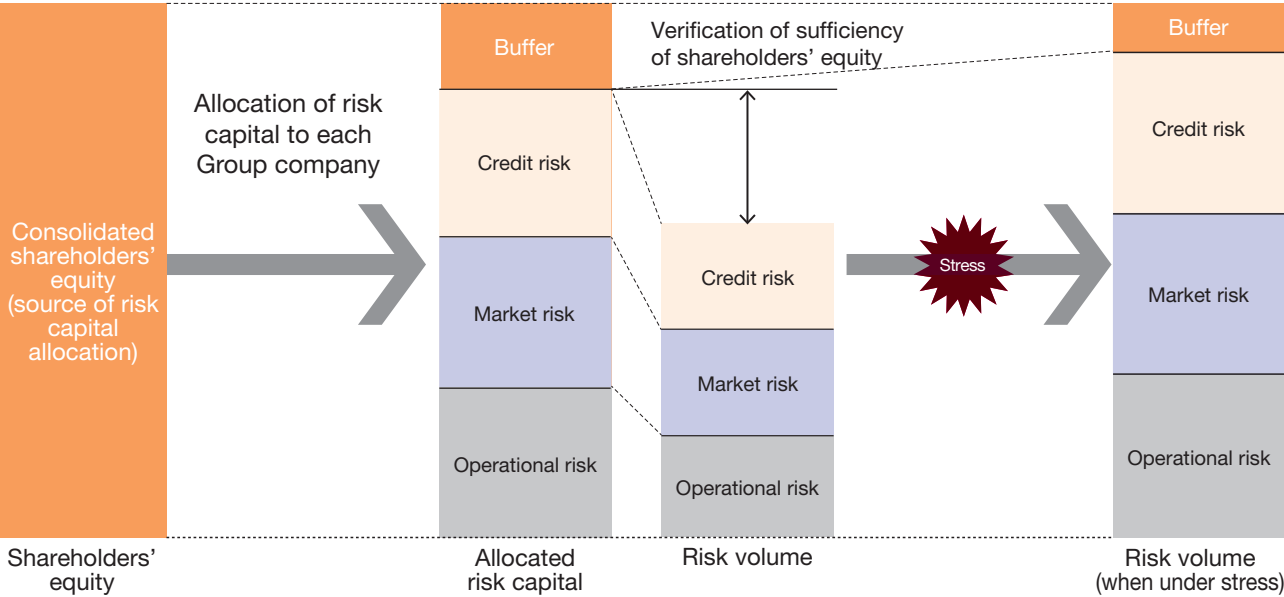
Allocating risk capital

Based on the RAF, we use consolidated shareholders' equity to allocate risk capital to each Group company in each category of credit risk, market risk, and operational risk. We also monitor the quantity of risk and earnings results at each Group company to ensure that risk is taken appropriately through the use of the allocated risk capital.

Stress tests

Amid the changing economic and market environments, the NNFH Group uses stress tests when drawing up its business plans and allocating risk capital.

In conducting stress tests, we create stress scenarios for the entire Group, considering rapid economic downturns experienced in the past and potential future risks, and estimate risk volume and earnings in the event that those risks materialize. The results of the stress tests are used to verify the impact of stress events on our capital adequacy ratio, sufficiency of our shareholders' equity, and appropriateness of our risk-taking activities.



Crisis Management

NNFH has established Business Continuity Regulations as the basic policy for establishing a framework to maintain the minimum level of operations necessary to sustain the functions of the financial system in the event of a large-scale disaster, system failure, or other unforeseen contingency. In compliance with these Regulations, all Group companies have established business continuity plans (BCPs) and are working to improve the effectiveness of their business continuity frameworks by conducting various training sessions.

Our response to natural disasters

The NNFH Group assesses the risks of natural disasters such as earthquakes, tsunamis, typhoons, and floods for each location and uses the results to strengthen facilities, stockpile emergency food and other supplies, and conduct regular safety drills and other measures to ensure business continuity in the event of a natural disaster.

Our response to system failures, etc.

The NNFH Group is actively working to enhance safety measures for its systems and backup systems so that every possible precaution is taken to maintain safe, uninterrupted operations. In addition, we conduct safety drills regularly to ensure business continuity in the event of system failures, cyberattacks, and similar incidents.

Cybersecurity Efforts

Cybersecurity management structure

Proper and smooth operation of computer systems is essential to maintaining the stability of the financial system, a critical part of infrastructure, and providing customers with high-quality services. Fully recognizing this, the NNFH Group works to strengthen its cybersecurity management framework.

To address increasingly sophisticated and severe cyberattacks, the Compliance & Risk Management Division and the Nishi-Nippon City Bank Cybersecurity Incident Response Team (NCB-CSIRT) work together to collect, analyze, and investigate threat intelligence related to cyberattacks. Once threat intelligence has been obtained or identified, the personnel in charge promptly coordinate with Group companies to prevent or minimize damage through early response.

In addition, the Group makes full use of external expertise to establish a framework that enables prompt response by incorporating multilayered technical measures, such as detection systems and intrusion prevention measures, and by establishing 24/7 monitoring by the Security Operations Center (SOC¹). The Nishi-Nippon City Bank is working to reinforce its cybersecurity functions. These include the introduction of BIM² to counter phishing emails and the implementation of measures to improve vulnerability management at all Group companies using ASM³.

Furthermore, we perform internal and external audits on our cybersecurity management framework to enhance our management capabilities.

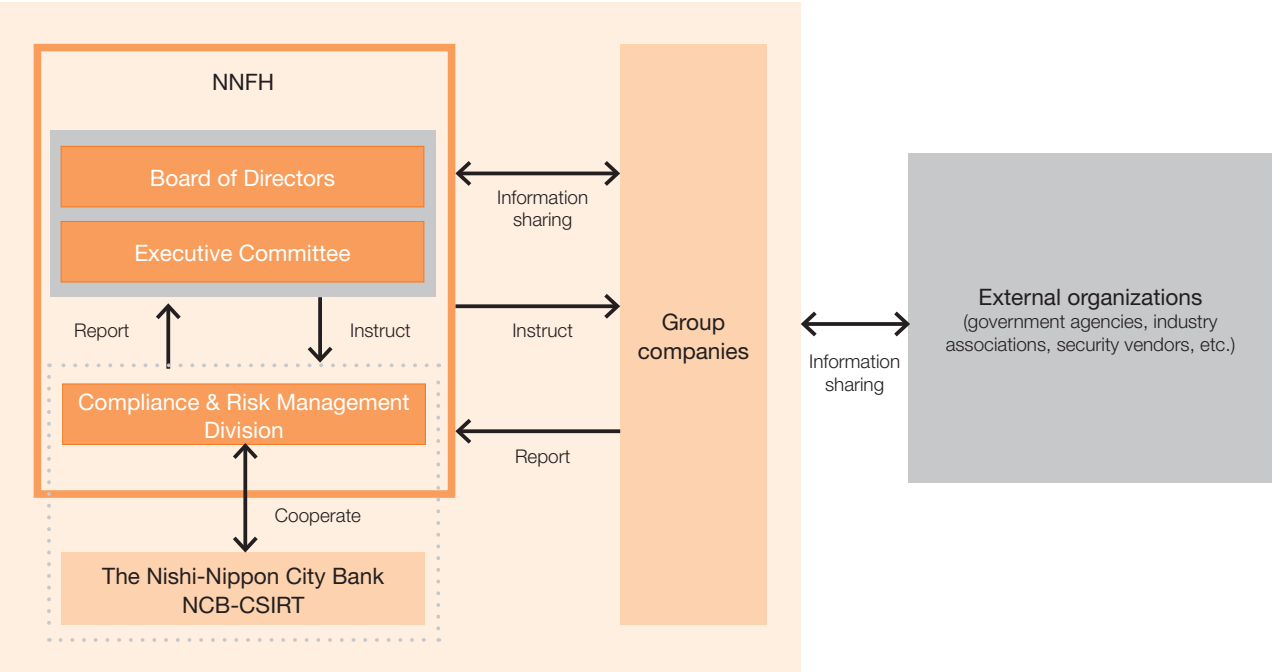
We will continue these efforts and upgrade our cybersecurity management framework under the leadership of the management team to address the threats posed by increasingly sophisticated cyberattacks.

¹ An organization that monitors networks and servers to detect cyberattacks and conduct correlation analyses.
² A technology that displays the sender's brand logo in emails received by customers.
³ A service that provides continuous visualization of vulnerabilities in websites and other systems.

Incident response

In the event of a cyberattack, the Compliance & Risk Management Division and NCB-CSIRT take the lead within the NNFH Group and promptly share information. Depending on the circumstances, a response headquarters is also established under the guidance of the management team to take immediate action against the cyberattack.

In addition to collecting threat intelligence on a daily basis and investigating and responding to attacks when detected, the Compliance & Risk Management Division and NCB-CSIRT are working to continuously improve the effectiveness of the incident response system in preparation for emergencies. These efforts include actively participating in training sessions organized by the Financial Services Agency, the Financials ISAC Japan, and the National Center of Incident Readiness and Strategy for Cybersecurity (NISC), as well as regularly conducting management-led cyberattack response training.



Education and raising awareness

To improve overall security literacy among our officers and employees, the NNFH Group provides ongoing educational and awareness-raising activities, including e-learning-style cybersecurity training offered to all of our employees, warnings based on domestic and international cyberattacks, training on the handling of suspicious emails, and sharing information on the latest security incidents.

Compliance

The NNFH Group positions compliance as one of its key management priorities and has established the Basic Policy for Compliance as a common rule for the Group. Based on this policy, the Group has established compliance-related rules and management frameworks and steadily puts them into practice. The policy is reviewed as necessary, with any revisions determined by the Board of Directors.

Recognizing that a compliance framework is a key foundation for building trusting relationships with local communities and business partners, we are endeavoring to cultivate a corporate culture that emphasizes compliance. As part of such efforts, the Group's management has communicated its commitment to compliance to all employees.

Compliance Management Structure

In NNFH, the director in charge of the Compliance & Risk Management Division is responsible for compliance and supervises matters pertaining to the Group's compliance with laws and regulations. The Compliance & Risk Management Division, which centrally manages compliance-related matters, regularly monitors the status of compliance initiatives within the NNFH Group and strives to ensure their effectiveness by issuing instructions for improvement when necessary. In addition, the director in charge of the Compliance & Risk Management Division periodically provides reports on the status of compliance initiatives to the Board of Directors and the Board monitors Group companies based on such reports.

In the event of misconduct such as fraud, embezzlement, or any event that could constitute such misconduct, we take action such as conducting an investigation to clarify what has occurred in accordance with our rules on the handling of misconduct. We also provide a report to the Board of Directors and others as needed.

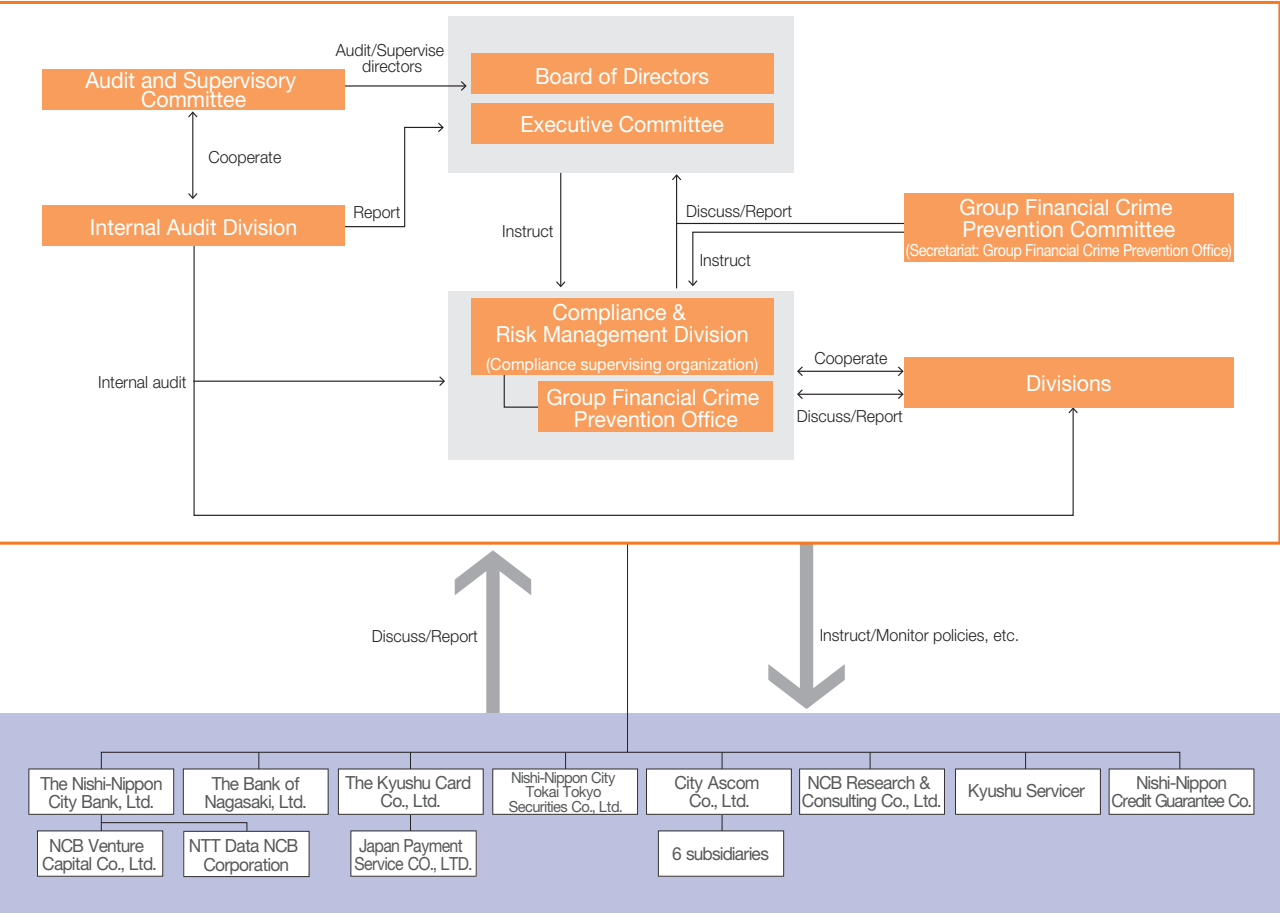
In the NNFH Group, each Group company periodically holds meetings of its compliance committee. A compliance committee consists of the respective company's Board members and conducts concrete and substantive discussions and evaluations regarding the progress of the compliance program and important management issues related to compliance to improve and enhance their compliance and risk management framework.

Compliance Program

We prepare a compliance program each fiscal year as a plan for practicing compliance in accordance with the NNFH Group's Basic Policy for Compliance based on the status of compliance initiatives in the previous fiscal year and an assessment of the compliance risks each Group company is exposed to.

Education and raising awareness among officers and employees

The NNFH Group endeavors to raise awareness on compliance among its officers and employees through actions such as sending messages on compliance from the President and others on a periodical basis and conducting regular workshops on compliance open to all employees.



Severing Relations with Antisocial Forces

Strongly recognizing its social responsibility, the NNFH Group is working to prevent relationships with antisocial forces that threaten the order and security of civil society.

In concrete terms, we designate a department that deals with antisocial forces and, through cooperation with police, lawyers, and other external professional bodies, firmly decline undue claims and interventions from antisocial forces, involving the entire organization in doing so. Also, we include a clause in various application forms and contracts of the Group to eliminate organized crime groups and other antisocial forces, thereby preventing transactions with such groups and severing any relationships with them.

Whistleblowing System

In consideration of the purpose of the Whistleblower Protection Act, the NNFH Group has established Whistleblowing Regulations which stipulate the protection of whistleblowers and the duty of confidentiality of personnel who receive reports from whistleblowers, among other matters. In addition, the Group has created a whistleblowing desk at each Group company. These actions are designed to ensure early detection and correction of acts in violation of relevant laws and regulations (fraud, embezzlement, breach of trust, and other misconduct), harassment cases, and personnel and labor issues within the Group and to strengthen compliance-oriented business management. We have also established whistleblowing desks in NNFH and external law firms that are directly accessible to the employees of all Group companies, where they can submit reports or seek consultations without any involvement from the company they belong to. The desks also accept reports from anonymous whistleblowers.

Upon receiving reports, we investigate what has occurred and correct the identified problems in accordance with the Whistleblowing Regulations. In addition, after corrective measures have been completed, the whistleblower is generally notified of the outcome.

Furthermore, we are making efforts to advertise the system by placing posters about whistleblowing desks and other relevant information in each section, distributing portable cards bearing similar information to all officers and employees, and regularly sharing information about the system through internal media to enhance the effectiveness of the system.

Initiatives to Prevent Bribery and Corruption

To prevent bribery and corruption, the NNFH Group has established its own compliance rules for prohibiting bribery, illegal political donations, and purchases of event tickets for political parties, any other collusive relationships with politicians and government officials, as well as entertaining and gift-giving that go beyond appropriate social norms. The Group provides training and other opportunities for its officers and employees to understand these rules to prevent bribery and corruption.

Framework for Customer Protection

For the sake of customer protection, enhanced convenience, and facilitation of financing, the NNFH Group makes constant efforts to establish a framework for customer protection by, for example, providing explanations to customers, responding to consultation and complaints from customers, managing customer information, supervising third-parties to whom it outsources part of its operations, and appropriately managing conflicts of interest that may arise from transactions with customers.

In addition, to develop a framework for using customer information appropriately in accordance with laws and regulations and managing it safely, we have established and published the Privacy Policy.

<https://www.nnfh.co.jp/policy.html>

Initiatives for the Financial ADR System

When a customer has a dispute with a financial institution that they find difficult to resolve, no matter how much they consult with each other, they can avail themselves of the financial alternative dispute resolution* (ADR) system. Upon application by a customer or a financial institution, banking business dispute resolution organizations and dispute resolution organizations that have been designated by the government for ensuring neutrality will attempt to solve complaints and problems.

* A procedure for bringing about a flexible solution to daily troubles through the involvement of a neutral and fair third-party, rather than by a court.

Measures against Money Laundering and Terrorism Financing

Given the increasing threats of nuclear weapons, missiles, and terrorist attacks worldwide, preventing the financing of criminals and terrorist organizations and enforcing appropriate sanctions based on laws and regulations have become issues for Japan and the international community to address together. This has made measures to prevent money laundering and other crimes more important than ever.

Recognizing that restraining financial crimes through Anti-Money Laundering Measures is a shared global challenge, the NNFH Group positions it as one of its important management challenges and complies with relevant laws and ordinances including the Act on Prevention of Transfer of Criminal Proceeds and the Foreign Exchange and Foreign Trade Act. In addition, we have established a basic policy to combat money laundering and terrorism financing in accordance with the guidelines provided by the Financial Services Agency, and the entire Group is working to build an advanced management framework.

https://www.nnfh.co.jp/money_laundering.html

Basic Policy for Measures against Money Laundering and Terrorism Financing (excerpts)

1. Organizational structure
- The NNFH Group conducts Group-wide risk assessments and establishes the necessary framework for sharing information within the Group to ensure the effectiveness of Anti-Money Laundering Measures.
2. Initiatives for reducing risks
- To implement effective Anti-Money Laundering Measures, the NNFH Group identifies and assesses the risks it is exposed to in an appropriate manner at appropriate times and takes measures to reduce such risks based on the risk-based approach.
3. Transaction policy
- The NNFH Group implements control measures commensurate with the risks associated with each customer or transaction. The Group also conducts ongoing management to ensure that the relevant information remains up to date.
4. Reporting suspicious transactions and dealing with parties subject to asset freezes
- If a suspicious transaction is identified, the NNFH Group reports it to the relevant authorities in a timely and appropriate manner in accordance with applicable laws and regulations.
5. Prevention of financial crime
- The NNFH Group recognizes that organized crime, including bank transfer fraud, unauthorized withdrawals from deposit accounts, and other crimes involving the misuse of financial institution services, threaten confidence in the financial system. Accordingly, the Group establishes frameworks to prevent such financial crimes from occurring or spreading.
6. Management of correspondent banking relationships
- In accordance with applicable laws and regulations, the NNFH Group collects and assesses information on its correspondent banking relationships and manages them appropriately according to the risks identified.
7. Training and education of officers and employees
- The NNFH Group provides officers and employees with the necessary and appropriate training and education for their respective roles and strives to maintain and enhance their expertise and suitability.
8. Verification of compliance
- The NNFH Group verifies the implementation status of its measures to prevent money laundering and other related activities and continuously improves its framework based on the results.

Building a management framework

The NNFH Group's management team has appointed the director in charge of the Compliance & Risk Management Division as the person responsible for overseeing the Group's Anti-Money Laundering Measures based on the recognition of the importance of such measures. The officer in charge takes a leading role in the Group's Anti-Money Laundering Measures and ensures that the Group's officers and employees understand and practice the Group's Anti-Money Laundering Measures to enhance the Group's management framework.

In addition, the Group has built a centralized management framework designating a section in charge of Anti-Money Laundering Measures which develops and manages the Group's policy for cross-organization actions.

Production and review of risk assessment reports

To implement effective Anti-Money Laundering Measures, the NNFH Group identifies and assesses the risks it is exposed to in an appropriate manner at appropriate times and takes measures to reduce such risks based on the risk-based approach.

For this purpose, the Group identifies and assesses risks related to the products and services it offers and produces a Risk Assessment Report outlining measures to mitigate these risks. The Group revises the report at least once a year.

Training and education of officers and employees

The NNFH Group provides necessary training and education to all its officers and employees to make them understand that implementing Anti-Money Laundering Measures is a duty of every person engaging in financial transactions and to urge them to act for the safety of customers' transactions.

Ensuring Compliance (with laws, regulations, etc.)

The NNFH Group's Basic Policy for Compliance states that the Group will remain mindful of its social responsibility and public mission; establish unwavering trust through sound business operations; strictly comply with laws and regulations, social norms, and Group rules; and execute corporate activities with integrity and fairness. All employees work together to put this policy into practice.

We once again offer our deepest apologies to our customers and all others affected for the considerable inconvenience and concern caused by the inappropriate filming in the workplace and subsequent posting on social media by an employee of the Nishi-Nippon City Bank, our subsidiary, as announced on April 30 and May 12, 2026.

Financial institutions perform critically important functions, including daily payment, deposit, and lending services, on a foundation of customer trust. The proper management of customer information is fundamental to that trust, and we take this matter extremely seriously.

In response to this incident, the management team reviewed the relevant facts and underlying causes, and based on the findings, we announced measures to prevent recurrence on June 23, 2026.

Going forward, all officers and employees will rigorously implement these measures and work to regain the trust of our customers and all other stakeholders.

Financial Information

Nishi-Nippon Financial Holdings Consolidated Financial Settlement Summary

Results Summary

	(Million yen)				
	FY2021	FY2022	FY2023	FY2024	FY2025
Ordinary income	138,484	160,448	185,595	196,415	246,860
Gross operating profit	121,640	108,159	109,814	122,325	131,877
Net interest income	97,373	93,741	91,008	102,845	130,233
Fees and commissions	20,932	21,114	24,019	23,430	25,236
Trading income	1,919	1,369	1,036	589	446
Other operating income	1,415	(8,066)	(6,250)	(4,540)	(24,038)
of which net gains (losses) related to bonds	955	(10,431)	(10,787)	(8,098)	(26,419)
Expenses	78,076	78,039	80,226	82,897	86,990
Net business profits	43,563	30,119	29,588	39,428	44,886
Gains (losses) on equity securities	(909)	2,235	15,311	12,102	20,912
Cost of credit	4,030	3,949	6,649	5,831	7,535
Other extraordinary gains (losses)	(754)	5,270	(2,640)	(162)	520
Ordinary profit	37,868	33,677	35,609	45,537	58,784
Extraordinary profit (loss)	(714)	434	(754)	(520)	(637)
Income taxes	12,342	7,500	10,648	13,500	17,449
Profit attributable to non-controlling interests	575	368	630	533	581
Profit attributable to owners of parent	24,236	26,242	23,576	30,982	40,116

Balance Sheet Summary

	(Million yen)				
	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2025	Mar. 31, 2026
Assets					
Cash and due from banks	2,614,747	1,946,575	2,200,594	1,674,158	1,391,537
Loans and bills discounted	8,470,861	8,955,399	9,178,238	9,921,416	10,239,342
Securities	1,773,344	1,792,650	1,803,150	1,691,673	1,913,570
Total assets	13,128,988	12,986,441	13,483,062	13,582,451	13,852,267
Liabilities					
Deposits	9,570,343	9,791,772	10,177,203	10,082,666	10,499,829
Negotiable certificates of deposit	264,293	167,423	247,711	424,274	445,651
Total liabilities	12,597,181	12,445,737	12,896,997	13,024,320	13,224,829
Net assets					
Shareholders' equity	470,919	489,728	503,609	524,256	551,717
Of which retained earnings	305,318	326,720	342,608	365,262	392,718
Accumulated other comprehensive income	52,332	41,355	72,272	23,312	65,199
Non-controlling interests	8,555	9,620	10,183	10,561	10,521
Total net assets	531,806	540,704	586,065	558,130	627,438
Total liabilities and net assets	13,128,988	12,986,441	13,483,062	13,582,451	13,852,267

Nishi-Nippon Financial Holdings Summary of Consolidated Financial Statements

Consolidated Balance Sheet Summary

	(Million yen)	
	Mar. 31, 2025	Mar. 31, 2026
Assets		
Cash and due from banks	1,674,158	1,391,537
Monetary claims bought	49,426	50,992
Money held in trust	11,691	11,680
Securities	1,691,673	1,913,570
Loans and bills discounted	9,921,416	10,239,342
Foreign exchanges	7,942	8,355
Other assets	93,818	57,341
Tangible fixed assets	115,006	147,013
Buildings, net	29,766	61,485
Land	75,146	74,941
Leased assets, net	294	267
Construction in progress	320	245
Other tangible fixed assets	9,478	10,073
Intangible fixed assets	6,263	7,723
Software	5,811	7,334
Other intangible fixed assets	452	388
Retirement benefit assets	25,185	51,743
Deferred tax assets	14,434	3,351
Customers' liabilities for acceptances and guarantees	14,125	14,419
Allowance for loan losses	(42,132)	(44,249)
Allowance for investment losses	(557)	(555)
Total assets	13,582,451	13,852,267

	Mar. 31, 2025	Mar. 31, 2026
Liabilities and net assets		
Deposits	10,082,666	10,499,829
Negotiable certificates of deposit	424,274	445,651
Call money and bills sold	24,670	51,164
Payables under repurchase agreements	221,418	199,756
Cash collateral received for securities lent	107,480	481,116
Borrowed money	1,978,725	1,332,318
Foreign exchanges	546	694
Borrowed money from trust account	7,721	9,320
Other liabilities	142,662	170,727
Provision for share-based remuneration for directors	10	15
Retirement benefit liability	1,771	1,677
Provision for retirement benefits for directors (and other officers)	208	273
Provision for reimbursement of deposits	245	145
Provision for contingent losses	1,231	1,636
Reserves under special laws	20	20
Deferred tax liabilities	1,570	1,094
Deferred tax liabilities for land revaluation	14,972	14,964
Acceptances and guarantees	14,125	14,419
Total liabilities	13,024,320	13,224,829
Capital stock	50,000	50,000
Capital surplus	116,515	116,527
Retained earnings	365,262	392,718
Treasury stock	(7,521)	(7,527)
Total shareholders' equity	524,256	551,717
Valuation difference on available-for-sale securities	(3,550)	21,874
Deferred gains or losses on hedges	86	3
Revaluation reserve for land	29,159	29,272
Remeasurements of defined benefit plans	(2,382)	14,049
Total accumulated other comprehensive income	23,312	65,199
Non-controlling interests	10,561	10,521
Total net assets	558,130	627,438
Total liabilities and net assets	13,582,451	13,852,267

Consolidated Statement of Income

	(Million yen)	
	FY2024	FY2025
Ordinary income	196,415	246,860
Interest income	130,597	171,699
Interest on loans and discounts	93,553	122,170
Interest and dividends on securities	30,001	39,057
Interest on call loans and bills bought	183	706
Interest on deposits with banks	5,179	8,015
Other interest income	1,678	1,748
Trust fees	12	52
Fees and commissions	37,629	40,322
Trading income	589	446
Other operating income	11,864	10,871
Other ordinary income	15,722	23,469
Recoveries of written-off claims	972	543
Other	14,749	22,926
Ordinary expenses	150,877	188,076
Interest expenses	27,759	41,490
Interest on deposits	6,609	21,249
Interest on negotiable certificates of deposit	790	2,624
Interest on call money and bills sold	2,096	2,643
Interest expenses on securities sold under repurchase agreements	12,251	9,363
Interest expenses on cash collateral received for securities lent	143	1,073
Interest on borrowings	1,482	1,991
Other interest expenses	4,385	2,545
Fees and commissions payments	14,211	15,138
Other ordinary expenses	16,404	34,909
General and administrative expenses	84,103	87,121
Other ordinary expenses	8,399	9,416
Provision of allowance for loan losses	4,398	6,430
Other	4,000	2,986
Ordinary profit	45,537	58,784
Extraordinary income	68	53
Gain on disposition of fixed assets	68	53
Extraordinary losses	589	691
Losses on disposition of fixed assets	502	613
Impairment losses	66	64
Other	20	12
Profit before income taxes	45,016	58,146
Income taxes - current	12,076	25,927
Income taxes - deferred	1,424	(8,478)
Total income taxes	13,500	17,449
Profit	31,515	40,697
Profit attributable to non-controlling interests	533	581
Profit attributable to owners of parent	30,982	40,116

Consolidated Statement of Comprehensive Income

	(Million yen)	
	FY2024	FY2025
Profit	31,515	40,697
Other comprehensive income	(48,765)	41,666
Valuation difference on available-for-sale securities	(46,712)	25,280
Deferred gains or losses on hedges	(624)	(83)
Revaluation reserve for land	(421)	-
Retirement benefits liability adjustments	(988)	16,437
Share of other comprehensive income of affiliates accounted for by the equity method	(17)	31
Comprehensive income	(17,250)	82,364
(Breakdown)		
Comprehensive income attributable to owners of parent	(17,880)	81,889
Comprehensive income attributable to non-controlling interests	630	474

The Nishi-Nippon City Bank, Ltd. Summary of Financial Statements

Non-Consolidated Balance Sheet		
(Million yen)		
Assets	Mar. 31, 2025	Mar. 31, 2026
Cash and due from banks	1,608,546	1,332,012
Call loans	45,000	60,000
Money held in trust	11,691	11,680
Securities	1,652,704	1,854,020
Loans and bills discounted	9,695,529	10,001,656
Foreign exchanges	7,942	8,355
Other assets	78,733	43,188
Tangible fixed assets	109,221	141,050
Buildings, net	28,492	60,076
Land	71,330	71,124
Leased assets, net	97	81
Construction in progress	257	245
Other tangible fixed assets	9,044	9,522
Intangible fixed assets	5,797	7,260
Software	5,471	6,946
Other intangible fixed assets	325	314
Prepaid pension cost	28,625	31,253
Deferred tax assets	11,044	7,770
Customers' liabilities for acceptances and guarantees	12,596	12,987
Allowance for loan losses	(37,289)	(38,793)
Allowance for investment losses	(436)	(439)
Total assets	13,229,705	13,472,003
Liabilities and net assets	Mar. 31, 2025	Mar. 31, 2026
Deposits	9,827,503	10,239,080
Negotiable certificates of deposit	422,444	443,601
Call money	24,670	51,164
Payables under repurchase agreements	221,418	199,756
Cash collateral received for securities lent	107,480	481,116
Borrowed money	1,971,625	1,328,303
Foreign exchanges	546	694
Borrowed money from trust account	7,721	9,320
Other liabilities	99,238	123,728
Reserve for employee retirement benefits	200	212
Provision for reimbursement of deposits	227	132
Provision for contingent losses	1,179	1,215
Deferred tax liabilities for land revaluation	14,722	14,713
Acceptances and guarantees	12,596	12,987
Total liabilities	12,711,574	12,906,030
Capital stock	85,745	85,745
Capital surplus	85,684	85,684
Retained earnings	325,382	347,837
Total shareholders' equity	496,812	519,267
Valuation difference on available-for-sale securities	(7,927)	17,429
Deferred gains or losses on hedges	86	3
Revaluation reserve for land	29,159	29,272
Total valuation and translation adjustments	21,318	46,705
Total net assets	518,130	565,973
Total liabilities and net assets	13,229,705	13,472,003

Non-Consolidated Statement of Income		
(Million yen)		
	FY2024	FY2025
Ordinary income	168,511	217,676
Interest income	124,354	164,559
Interest on loans and discounts	89,688	117,819
Interest and dividends on securities	29,357	38,320
Interest on call loans	207	706
Interest on deposits with banks	5,051	7,661
Other interest income	50	50
Trust fees	12	52
Fees and commissions	27,817	29,771
Fees and commissions on domestic and foreign exchanges received	7,222	7,508
Other	20,595	22,262
Trading income	9	13
Gains on trading account securities transactions	9	13
Other operating income	2,122	1,503
Gains on foreign exchange transactions	1,111	987
Gains on sale of bonds	17	516
Gains on financial derivative products	993	-
Other ordinary income	14,193	21,775
Recoveries of written-off claims	967	534
Gains on sale of stock and other securities	12,444	20,441
Gains on money held in trust	16	20
Other	764	778
Ordinary expenses	129,562	166,449
Interest expenses	27,539	40,909
Interest on deposits	6,400	20,678
Interest on negotiable certificates of deposit	790	2,623
Interest on call money and bills sold	2,096	2,643
Interest expenses on securities sold under repurchase agreements	12,251	9,363
Interest expenses on cash collateral received for securities lent	143	1,073
Interest on borrowings	1,479	1,987
Other interest expenses	4,378	2,539
Fees and commissions payments	17,046	18,417
Fees and commissions on domestic and foreign exchanges	1,021	1,097
Other	16,025	17,320
Other ordinary expenses	8,115	27,019
Losses on sale of bonds	7,858	26,514
Losses on redemption of bonds	256	415
Financial derivative product expenses	-	89
General and administrative expenses	70,256	72,723
Other ordinary expenses	6,603	7,379
Provision of allowance for loan losses	4,615	5,820
Losses on write-offs of claims	253	158
Losses on sale of stock and other securities	451	20
Losses on devaluation of stock and other securities	0	8
Losses on money held in trust	6	18
Other	1,277	1,353
Ordinary profit	38,948	51,226
Extraordinary income	56	49
Gain on disposition of fixed assets	56	49
Extraordinary losses	493	676
Losses on disposition of fixed assets	489	611
Impairment losses	4	64
Profit before income taxes	38,511	50,599
Income taxes - current	10,106	23,519
Income taxes - deferred	1,363	(8,357)
Total income taxes	11,469	15,162
Profit	27,042	35,437

The Bank of Nagasaki, Ltd. Summary of Financial Statements

Non-Consolidated Balance Sheet		
(Million yen)		
Assets	Mar. 31, 2025	Mar. 31, 2026
Cash and due from banks	62,091	53,906
Securities	12,302	32,610
Loans and bills discounted	276,179	287,881
Other assets	1,898	638
Tangible fixed assets	4,286	4,375
Buildings, net	415	478
Land	3,506	3,506
Leased assets, net	144	151
Construction in progress	37	-
Other tangible fixed assets	182	238
Intangible fixed assets	164	149
Software	146	129
Other intangible fixed assets	18	19
Prepaid pension cost	144	180
Customers' liabilities for acceptances and guarantees	9	8
Allowance for loan losses	(191)	(138)
Allowance for investment losses	(42)	(42)
Total assets	356,843	379,568
Liabilities and net assets	Mar. 31, 2025	Mar. 31, 2026
Deposits	281,352	290,708
Negotiable certificates of deposit	1,880	2,100
Call money	45,000	60,000
Borrowed money	6,400	3,400
Other liabilities	1,848	2,213
Reserve for employee retirement benefits	9	13
Provision for retirement benefits for directors (and other officers)	90	108
Provision for reimbursement of deposits	17	12
Provision for contingent losses	52	53
Deferred tax liabilities	123	263
Deferred tax liabilities for land revaluation	503	503
Acceptances and guarantees	9	8
Total liabilities	337,287	359,384
Capital stock	7,621	7,621
Capital surplus	5,963	5,963
Retained earnings	4,279	4,690
Total shareholders' equity	17,865	18,276
Valuation difference on available-for-sale securities	598	815
Revaluation reserve for land	1,091	1,091
Total valuation and translation adjustments	1,689	1,907
Total net assets	19,555	20,183
Total liabilities and net assets	356,843	379,568

Non-Consolidated Statement of Income		
(Million yen)		
	FY2024	FY2025
Ordinary income	5,148	6,031
Interest income	4,204	5,184
Interest on loans and discounts	3,620	4,314
Interest and dividends on securities	462	543
Interest on deposits with banks	121	326
Other interest income	-	0
Fees and commissions	820	779
Fees and commissions on domestic and foreign exchanges received	84	83
Other	735	696
Other ordinary income	123	67
Reversal of reserve for possible loan losses	99	48
Recoveries of written-off claims	0	0
Other	23	18
Ordinary expenses	4,635	5,219
Interest expenses	252	633
Interest on deposits	228	628
Interest on negotiable certificates of deposit	0	5
Interest on call money and bills sold	23	-
Interest on borrowings	0	-
Fees and commissions payments	1,171	1,134
Fees and commissions on domestic and foreign exchanges	6	6
Other	1,164	1,127
Other ordinary expenses	-	1
Losses on redemption of bonds	-	1
General and administrative expenses	3,134	3,434
Other ordinary expenses	77	15
Losses on write-offs of claims	1	1
Other	75	13
Ordinary profit	513	812
Extraordinary income	11	-
Gain on disposition of fixed assets	11	-
Extraordinary losses	115	13
Losses on disposition of fixed assets	3	0
Impairment losses	93	-
Other	18	12
Profit before income taxes	409	799
Income taxes - current	61	209
Income taxes - deferred	3	40
Total income taxes	64	250
Profit	345	549

Non-Financial Data (ESG Data)

Social
Diversity, etc.

Item	Unit	The Nishi-Nippon City Bank			The Bank of Nagasaki		
		FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Number of employees (full-time employees, non-permanent employees, and part-time employees)	persons	4,934	4,933	4,969	251	256	263
Ratio of female employees [all employees]	%	55.8	55.8	56.1	49.0	50.0	49.4
Average age [full-time employees]	years old	40.9	40.3	39.3	38.7	38.1	38.0
Average length of service [male full-time employees]	years	14.2	13.3	12.8	18.3	17.1	17.0
Average length of service [female full-time employees]	years	13.3	12.6	12.0	15.1	15.0	14.1
Gender wage gap [all workers] ^{*1}	%	44.0	46.8	47.7	63.2	63.5	64.3
Permanent employees	%	65.5	67.1	65.5	75.1	78.2	82.4
Part-time and fixed-period employees	%	48.8	47.9	51.2	51.1	47.6	51.5
Non-managerial positions (manager or below)	%	70.8	74.1	74.4	84.6	89.3	94.7
Non-managerial positions (assistant manager or below)	%	82.4	84.5	84.1	86.7	90.3	94.3
Number of hires (new graduates + mid-career hires) [full-time employees]	persons	192	271	328	10	13	17
Number of female hires [full-time employees]	persons	80	123	172	4	5	5
Total number of new graduate hires [full-time employees]	persons	164	227	293	10	10	15
Number of female new graduate hires [full-time employees]	persons	75	109	160	4	4	4
Total number of mid-career hires [full-time employees]	persons	28	44	35	0	3	2
Number of female mid-career hires [full-time employees]	persons	5	14	12	0	1	1
Ratio of managerial positions ^{*2} among all workers	%	18.6	18.7	18.9	25.4	25.5	26.2
Ratio of women in managerial positions ^{*2}	%	13.4	15.4	17.0	26.6	24.6	30.4
Ratio of women in positions of manager ^{*3} or above	%	15.6	18.1	19.5	31.7	32.1	31.0
Ratio of women in positions of assistant manager ^{*4} or above	%	30.2	32.8	35.2	37.6	36.5	36.1
Usage ratio of childcare leave (male employees) [all employees] ^{*5}	%	102.7	101.9	111.9	—	50.0	33.3
Usage ratio of childcare leave (female employees) [all employees] ^{*5}	%	109.8	108.1	109.4	100.0	83.3	—

*1 The ratio of the average wage of female workers to the average wage of male workers.
*2 The positions of section manager and above calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life.
*3 Those in positions similar to section manager, such as manager.
*4 Those in positions immediately below manager.
*5 The ratio of male workers who have used childcare leave (in the relevant fiscal year) to the total number of male workers whose spouse gave birth (in the relevant fiscal year). If there is no male worker whose spouse gave birth (denominator), "-" is written.
*6 The ratio of female workers who have used childcare leave (in the relevant fiscal year) to the total number of female workers who gave birth (in the relevant fiscal year). If there is no female worker who gave birth (denominator), "-" is written.

Engagement

Item	Unit	The Nishi-Nippon City Bank			The Bank of Nagasaki		
		FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Employee Survey ^{*7} (Sense of growth)	—	B (61.9 pt)	B (64.4 pt)	B (65.3 pt)	—	C (57.2 pt)	B (60.9 pt)
Employee Survey ^{*7} (Sense of pride and satisfaction in working at the bank)	—	B (64.6 pt)	B (67.9 pt)	B (69.0 pt)	—	C (52.5 pt)	C (58.0 pt)

*7 Employee surveys were conducted using the Engagement Survey provided by IJGN GROUP. Results are expressed using an eleven-grade scale, from "SSS" to "GG," based on scores ranging from 100 to 0 points in 10-point increments. As the Bank of Nagasaki began conducting the survey in FY2024, "-" is written for FY2023.

Human Resource Development

Item	Unit	The Nishi-Nippon City Bank			The Bank of Nagasaki		
		FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Annual training expenses ^{*8}	Million yen	185	189	270	14	20	24
Annual training hours [full-time employees]	Hours	203,492	236,813	226,165	7,999	7,967	10,342
Average training hours per person [full-time employees]	Hours	61.7	71.0	66.1	44.2	45.5	58.8
Number of participants in training (total number) [all employees]	persons	11,819	13,263	12,557	1,381	1,227	1,058

*8 Includes IT expenses related to HR development and expenses for self-education (incentives for passing examinations).

Health and Productivity Management

Item	Unit	The Nishi-Nippon City Bank			The Bank of Nagasaki		
		FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Number of occupational accidents	Cases	41	36	26	1	3	5
Ratio of employees receiving health checkups ^{*9}	%	100.0	100.0	100.0	100.0	100.0	100.0
Ratio of employees receiving stress checks	%	97.5	97.3	96.5	89.9	92.5	91.9

*9 Includes those who received comprehensive medical examinations.

Environment
GHG Emissions^{*1}

Item	Unit	The Nishi-Nippon City Bank			Nishi-Nippon Financial Holdings (consolidated) ^{*2}	
		FY2023	FY2024	FY2025	FY2024	FY2025
Scope 1 GHG emissions [*]	t-CO ₂	482	563	538	1,488	1,484
Scope 2 GHG emissions [*]	t-CO ₂	9,851	8,671	9,103	9,932	10,661
Total GHG emissions (Scopes 1 and 2)	t-CO ₂	10,334	9,235	9,642	11,421	12,145
Scope 3 GHG emissions ^{*3}	t-CO ₂ e	1,942,877	2,465,053	2,234,351	Not measured	Not measured
Category 1 (purchased goods and services)	t-CO ₂ e	34,236	37,010	38,716	Not measured	Not measured
Category 2 (capital goods)	t-CO ₂ e	10,525	11,023	72,501	Not measured	Not measured
Category 3 (fuel and energy-related activities not included in Scope 1 or Scope 2)	t-CO ₂ e	1,822	1,855	1,774	Not measured	Not measured
Category 4 (upstream transportation and distribution)	t-CO ₂ e	2,509	2,586	2,215	Not measured	Not measured
Category 5 (waste generated in operations)	t-CO ₂	5	5	5	Not measured	Not measured
Category 6 (business travel)	t-CO ₂	411	414	425	Not measured	Not measured
Category 7 (employee commuting)	t-CO ₂	2,107	2,093	2,278	Not measured	Not measured
Category 8 (upstream leased assets)	t-CO ₂	*4	*4	*4	Not measured	Not measured
Category 9 (downstream transportation and distribution)	t-CO ₂				Not measured	Not measured
Category 10 (processing of sold products)	t-CO ₂				Not measured	Not measured
Category 11 (use of sold products)	t-CO ₂				Not measured	Not measured
Category 12 (end-of-life treatment of sold products)	t-CO ₂				Not measured	Not measured
Category 13 (downstream leased assets)	t-CO ₂	1,891,258	2,410,062	2,116,433	Not measured	Not measured
Category 14 (franchises)	t-CO ₂				Not measured	Not measured
Category 15 (investments) ^{*5}	t-CO ₂ e				Not measured	2,175,420
Total GHG emissions (Scope 1, 2 and 3)	t-CO ₂ e	1,953,211	2,474,289	2,243,993	Not measured	Not measured
Energy consumption	GJ	194,530	192,052	179,685	Not measured	Not measured

*1 Any figure below 1 is rounded down for GHG emissions.
*2 Calculations cover NNFH and its consolidated subsidiaries.
*3 Scope 1 and 2 results for the Nishi-Nippon City Bank are based on the standards applied to periodic reports under the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy. Scope 1 and 2 results for NNFH (consolidated) and Scope 3 results for the Nishi-Nippon City Bank are calculated using C-Turtle® FE in accordance with the GHG Protocol.
*4 Due to the nature of our business, Scope 3 emissions in Categories 8 to14 are not applicable.
*5 Please refer to page 60 for the methods and targets for calculating Scope 3 emissions in Category 15.

Eco-friendly Branches and Vehicles

Item	Unit	The Nishi-Nippon City Bank		
		FY2023	FY2024	FY2025
Eco-friendly branches ^{*6}	Branches	28	28	41
Eco-friendly vehicles (total of hybrid and electric vehicles)	Vehicles	168	262	324

*6 Branches equipped with eco-friendly features such as solar power generation, rainwater utilization, LED lighting, and energy-saving air conditioning.

Governance
Board Composition

Item	Unit	Nishi-Nippon Financial Holdings		
		FY2023	FY2024	FY2025
Number of directors	persons	9	9	9
Number of outside directors	persons	3	3	3
Number of female directors	persons	1 (outside)	2 (1 inside director and 1 outside director)	2 (1 inside director and 1 outside director)

Profile of Nishi-Nippon Financial Holdings

Name: Nishi-Nippon Financial Holdings, Inc.	
▶ Location	1-1, Hakata-ekimae 3-chome, Hakata-ku, Fukuoka 812-0011, Japan
▶ Business	Management and operation of banks and other companies that NNFH may have as subsidiaries under the Banking Act and any all businesses incidental or related thereto.
▶ Capital	50 billion yen
▶ Date of establishment	October 3, 2016
▶ Fiscal year end	March 31
▶ Stock exchange	Tokyo Stock Exchange Prime Market and Fukuoka Stock Exchange Main Board
▶ Share-trading unit	100 shares
▶ Credit Ratings	R&I: A+ (Stable) JCR: A+ (Stable)

(As of March 31, 2026)

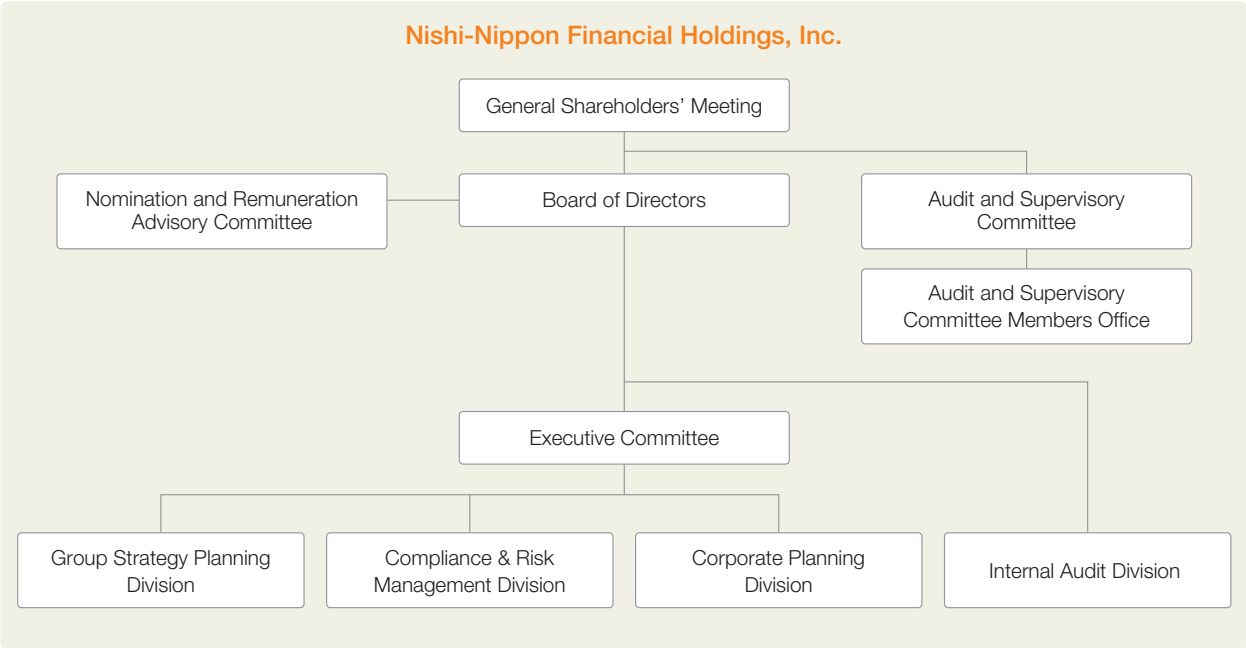
Major Shareholders (Common Stock)

Name	Number of shares held (Unit: 1,000 shares) (Note 1)	Ratio of shares held to total number of shares issued (excluding treasury stock) (%) (Note 2)
The Master Trust Bank of Japan, Ltd. (Trust Account)	17,768	12.74
Custody Bank of Japan, Ltd. (Trust Account)	13,179	9.45
Aso Corporation	3,064	2.19
Nippon Life Insurance Company	2,780	1.99
Meiji Yasuda Life Insurance Company	2,765	1.98
JA Mitsui Leasing, Ltd.	2,017	1.44
STATE STREET BANK AND TRUST COMPANY 505223	2,008	1.44
DFA INTL SMALL CAP VALUE PORTFOLIO	1,992	1.42
Sumitomo Life Insurance Company	1,959	1.40
TOYOKAIJIKOGYO Co., Ltd	1,934	1.38
Total	49,470	35.48

(As of March 31, 2026)

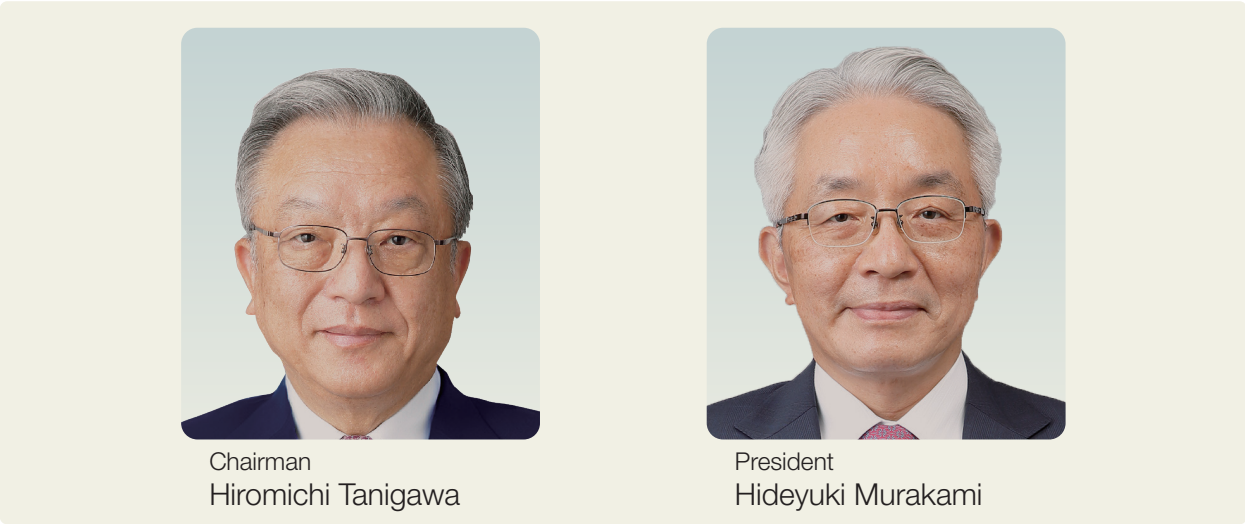
Notes: 1. In addition to the above, there are 6,972 thousand shares of treasury stock (4.76% of the total number of shares issued) in the name of Nishi-Nippon Financial Holdings, Inc.
2. Treasury stock not counted within the total number of issued shares does not include the 114 thousand shares in NNFH held in trust accounts related to the Board Benefit Trust (BBT).

Organization Chart



(As of June 30, 2026)

Directors

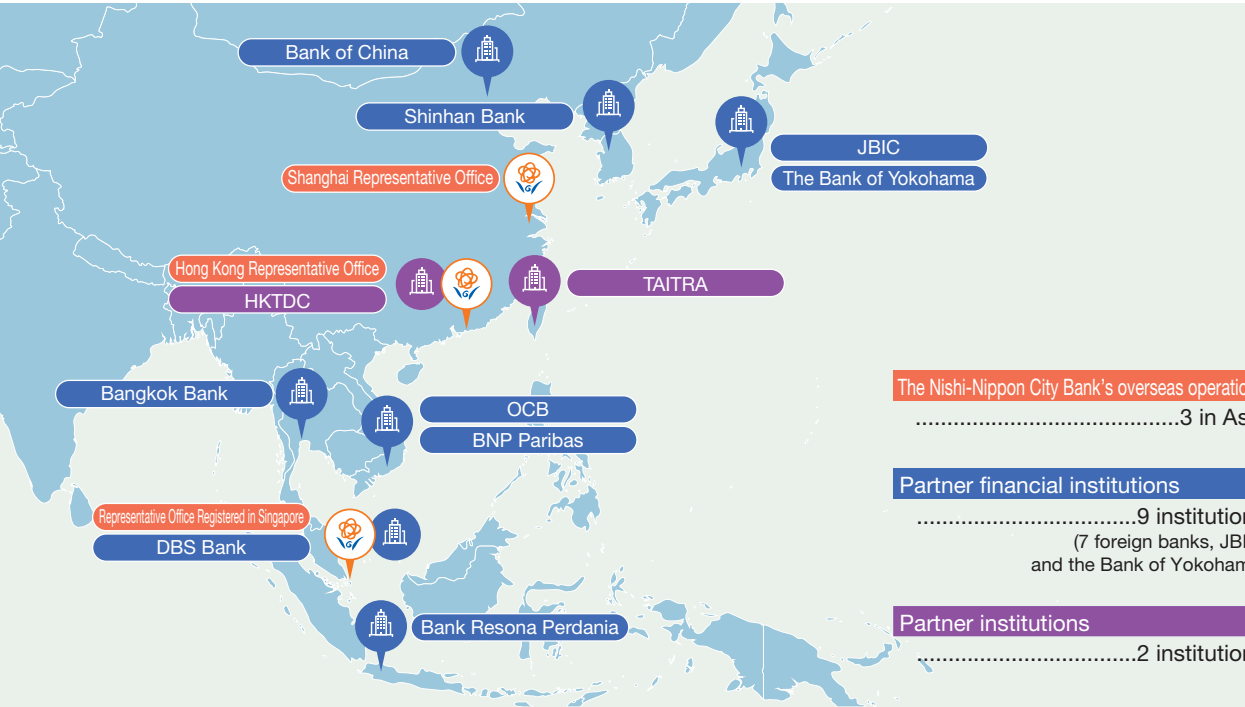


Chairman	Hiromichi Tanigawa
President	Hideyuki Murakami
Directors	Hiroyuki Takeo Takeshi Kurihara Takashige Honda
Directors (Audit and Supervisory Committee Members)	Tomoko Ito Hiroshi Fujioka (outside) Chiharu Kubo (outside) Sachiko Miyamoto (outside)

(As of June 30, 2026)

* Directors (Audit and Supervisory Committee Members) Hiroshi Fujioka, Chiharu Kubo, and Sachiko Miyamoto are outside directors as prescribed in Article 2 (xv) of the Companies Act of Japan.
* The name of Director (Audit and Supervisory Committee Member) Ms. Sachiko Miyamoto on the family register is Sachiko Miki.

Broad Area Coverage by Our Overseas Bases and Partner Institutions



(As of June 30, 2026)

* The Nishi-Nippon City Bank concluded Basic Agreement for Overseas Business Support Services with the Bank of Yokohama in September 2016.

Outline of Banking Subsidiaries

Name: The Nishi-Nippon City Bank, Ltd.	
▶ Business	Banking
▶ Established	December 1, 1944
▶ Headquarters	1-1, Hakata-ekimae 3-chome, Hakata-ku, Fukuoka 812-0011, Japan
▶ Number of Employees	3,423
▶ Number of Domestic Offices	176
▶ Number of Correspondent Banks	74
▶ Parent Company	Nishi-Nippon Financial Holdings, Inc. (NNFH's share of voting rights 100%)

(As of March 31, 2026)

Directors

Chairman	Hiromichi Tanigawa
President	Hideyuki Murakami
Deputy Presidents	Hiroyuki TakeoTakeshi KuriharaTakashige Honda
Executive Directors	Kenichi OzakiKeitaro YajiHiroyuki Izumihara
Managing Directors	Yasuhiko TogawaMami KominatoNarutaka ShiratsuchiHidenori IwaoKazuyuki Inoue
Directors (Audit and Supervisory Committee Members)	Makoto UchitomiMichiaki Uriu (outside)Yukinori Michinaga (outside)

* Directors (Audit and Supervisory Committee Members) Michiaki Uriu and Yukinori Michinaga are outside directors as prescribed in Article 2 (xv) of the Companies Act of Japan.

Name: The Bank of Nagasaki, Ltd.	
▶ Business	Banking
▶ Established	November 11, 1912
▶ Headquarters	3-14, Sakaemachi, Nagasaki 850-8666, Japan
▶ Number of Employees	198
▶ Number of Domestic Offices	24
▶ Parent Company	Nishi-Nippon Financial Holdings, Inc. (NNFH's share of voting rights 100%)

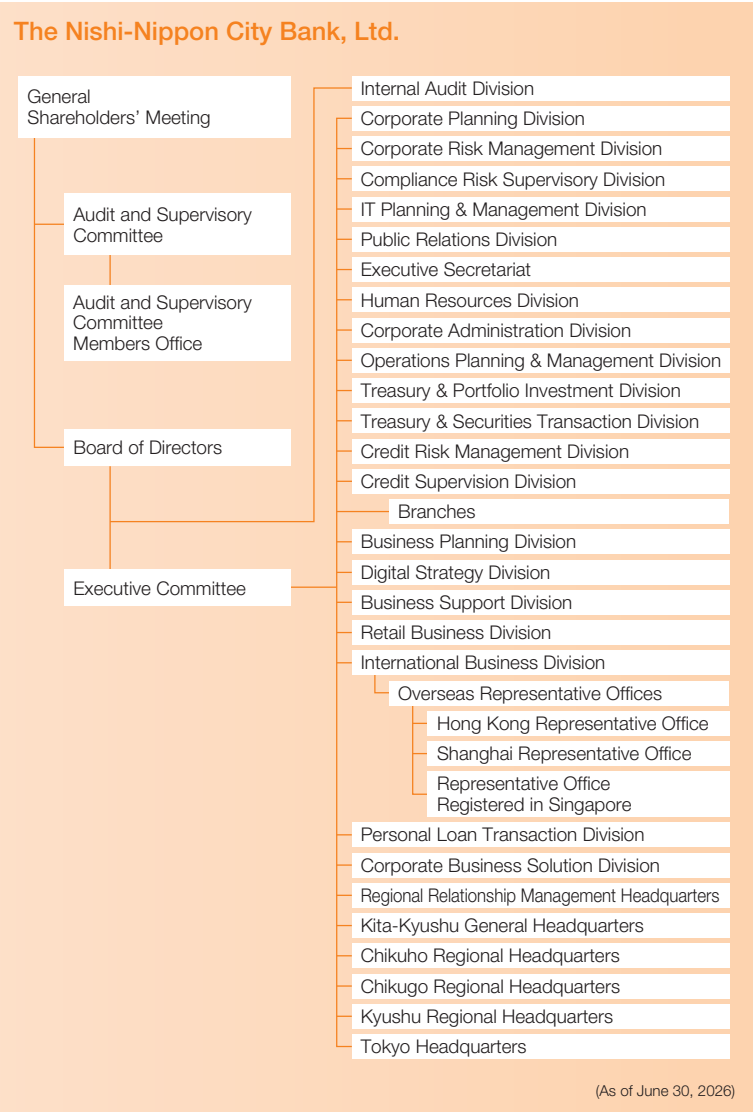
(As of March 31, 2026)

Directors and Audit and Supervisory Board Members

President	Ryutaro Kaichi
Managing Directors	Kiyotaka ImamuraHiroshi AkiyamaHiroji Mochida
Directors	Yoshiaki WatanabeTakashige Honda
Audit and Supervisory Board Members	Kenji MiyataJunichi Sakaguchi (outside)Kenji Morimoto (outside)

* Audit and Supervisory Board Members Junichi Sakaguchi and Kenji Morimoto are outside Audit and Supervisory Board Members as prescribed in Article 2 (xvi) of the Companies Act of Japan.

Organization Chart of Banking Subsidiaries



International Network of
The Nishi-Nippon City Bank, Ltd.

INTERNATIONAL BUSINESS
DIVISION

1-1, Hakata-ekimae 3-chome,
Hakata-ku, Fukuoka 812-0011, Japan
Phone: +81-92-476-2481
SWIFT: NISIJPJTFKK
Fax: +81-92-476-2491

TREASURY & PORTFOLIO
INVESTMENT DIVISION

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103-0027, Japan
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SWIFT: NISIJPJT
Fax: +81-3-3273-2255

TREASURY & SECURITIES
TRANSACTION DIVISION

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Fax: +81-92-441-6106

HONG KONG REPRESENTATIVE
OFFICE

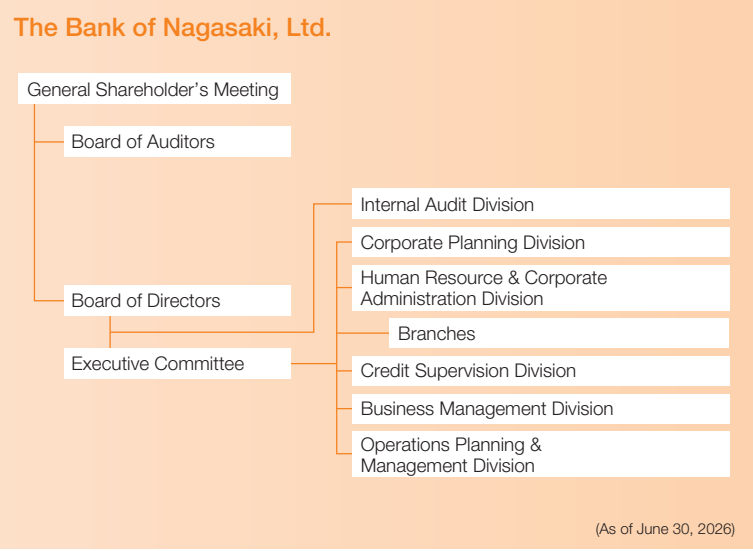
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Fax: +852-2845-9264

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