

Financial Highlights First Quarter of FY2025

August 7, 2025

- My name is Toshiyuki Asano, and I am the General Manager of the Corporate Planning Division at the Fukuoka Financial Group.
- Thank you all for taking the time to join us today.
- For about the first 15 minutes of this presentation, I will provide an overview of our first-quarter financial results, and then we will move on to Q&A.
- My presentation will follow the Financial Highlights, First Quarter of FY2025 document.
- Please turn to page 1.

Executive Summary

Financial Results for First Quarter of FY2025 [Consolidated Results]

- **Consolidated core business profit was ¥33.7 billion (+¥5.9 billion year-on-year). This represents steady progress of 27.1% against the annual projection of ¥124.5 billion.**
 - » Core gross business profit increased by ¥9.1 billion year-on-year, driven by an increase in domestic net interest income from **interest on deposits and loans** and **revenue in the markets division**, as well as recording **revenue from external system sales related to Minna Bank**. Overhead expenses increased by ¥3.2 billion, primarily due to **an increase in base pay** and **DX-related growth investments**.
- **Consolidated net income was ¥22.8 billion (+¥1.9 billion year-on-year). This represents strong progress of 28.5% against the annual projection of ¥80.0 billion.**
 - » **Gains (losses) on securities** were at a **similar level to the previous year** at ¥1.4 billion. Credit cost increased by ¥3.0 billion year-on-year, due primarily to a **turnaround from the recovery of large loans (reversal of allowance for loan losses) in the previous year**. However, new bankruptcies and rating changes remained at a level similar to the previous year, and credit cost as a percentage of the annual projection of ¥16.9 billion remains low at 15.4%.
- **Average loan and deposit balances maintained an upward trend, and unrealized gains (losses) on securities (after considering hedges) improved by ¥19.0 billion compared to March 2025.**
 - » The **average loan balance** (excluding loans to Government, etc.) increased by ¥339.9 billion year-on-year (annual rate of +2.2%), and the **average balance of deposits, etc.** increased by ¥69.2 billion (annual rate of +0.3%). Both loans and deposits are **maintaining an upward trend**.
 - » **Unrealized gains (losses) on securities** (after considering hedges) **improved** to -¥0.3 billion, primarily due to an increase in unrealized gains from investment trusts and stocks, driven by factors such as rising stock prices.

- I will begin with a summary of the first quarter.
- We made steady progress in both consolidated core business profit and consolidated net income, achieving 27.1% and 28.5% of our annual projections, respectively.
- In terms of the scale of our business, both average loan and average deposit balances maintained an upward trend, and our unrealized gains (losses) on securities improved to virtually flat. Overall, it was a good quarter.
- I will now describe the results in greater detail.
- Please turn to page 3.

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Definitions of terms and figures used in this document

In cases where definitions are different from those listed below, details are stated on each page.

FFG consolidated	Consolidated financial results of Fukuoka Financial Group
Banks total	Simple sum of the non-consolidated figures of the Bank of Fukuoka, the Kumamoto Bank, the Juhachi-Shinwa Bank and the <u>Fukuoka Chuo Bank</u> (Note)
Group total	Banks total + FFG Securities
Related to Minna Bank	Total of Minna Bank and Zerobank Design Factory (ZDF)
Net income	Net income for the period (interim, quarter) for non-consolidated and banks combined
Consolidated net income	Net income for the period (interim, quarter) attributable to owners of the parent
Loans to Government, etc.	Total of loans to Government and Bank of Fukuoka loans to FFG

Note: About the figures of the Fukuoka Chuo Bank

- Business integration between the Company and the Fukuoka Chuo Bank took effect on October 1, 2023.
- Regarding the Fukuoka Chuo Bank, profit (loss) figures since the second half of FY2023 (six months) and balance figures since the business integration have been consolidated and combined after making necessary adjustments. **Figures before the end of September 2023 do not include figures for the Fukuoka Chuo Bank.**

Profit & Loss Summary

Profit & Loss

FFG consolidated (Unit: ¥ bil.)	2025/1Q	YoY chg.	2024/1Q	FY2025 projected*	Progress
Core gross business profit (*)	76.2	+9.1	67.2		
Overhead expenses (-)	42.5	+3.2	39.3		
Core business profit	33.7	+5.9	27.8	124.5	27.1%
Credit cost (-)	2.6	+3.0	-0.4	16.9	15.4%
Gains (losses) on securities	1.4	-0.6	2.0	8.0	17.6%
Gains (losses) on bonds	-0.4	-0.6	0.2		
Gains (losses) on stocks	1.8	-0.0	1.8		
Ordinary profit	32.6	+1.9	30.7	117.0	27.8%
Extraordinary profit (loss)	-0.0	+0.4	-0.4		
Consolidated net income	22.8	+1.9	20.9	80.0	28.5%
Banks total (Unit: ¥ bil.)	2025/1Q	YoY chg.	2024/1Q	FY2025 projected*	Progress
Core gross business profit (*)	65.6	+3.4	62.2		
Net interest income	58.6	+4.8	53.8		
Domestic	54.6	+4.2	50.4		
International	4.0	+0.5	3.4		
Non-interest income (excluding bond-related income)	7.0	-1.4	8.4		
Overhead expenses (-)	32.7	+2.0	30.7		
Core business profit	32.8	+1.4	31.5	139.0	23.6%
Ordinary profit	32.9	-2.5	35.5	136.0	24.2%
Net income	24.4	-1.3	25.8	100.4	24.4%
Credit cost (-)	1.3	+3.0	-1.7	11.0	12.0%

– Progressing as planned
(Fund revenue, etc. to be recorded in 2Q)

(1) Financial highlights (FFG consolidated)

1 Core business profit: ¥33.7 billion (YoY chg. +¥5.9 billion) [▶ See P4, 6](#)

[Progress against annual projection of ¥124.5 billion is 27.1%: Steady progress]

— Core gross business profit increased by ¥9.1 billion year-on-year, driven by buildup of net interest income (domestic) and recording of revenue from external system sales related to Minna Bank

— Overhead expenses increased by ¥3.2 billion year-on-year, primarily due to increases in base pay and system-related costs

2 Credit cost: ¥2.6 billion provision (YoY chg. +¥3.0 billion) [▶ See P11](#)

— Increased by ¥3.0 billion, primarily due to a shift from a reversal of allowance for loan losses in the previous year due to the recovery of large loans, etc. to a provision on a banks total basis

3 Gains (losses) on securities: ¥1.4 billion (YoY chg. -¥0.6 billion)

— Generally remained at the same level as FY2024 (2025/1Q gains (losses) on stocks was ¥1.8 billion: Cross-held shares +¥0.7 billion, pure investment etc. +¥1.1 billion)

4 Consolidated net income: ¥22.8 billion (YoY chg. +¥1.9 billion) [▶ See P5](#)

[Progress against annual projection of ¥80.0 billion is 28.5%: Steady progress]

(2) Consolidation difference in bottom line

(Unit: ¥ bil.)	2025/1Q	YoY chg.	2024/1Q	Year-on-year change factors
Net income (banks total)	24.4	-1.3	25.8	[FFG non-consolidated: -¥0.6 billion]
FFG non-consolidated	-4.4	-0.6	-3.8	— Overhead expenses increased, such as base pay and system-related costs
Related to Minna Bank	2.0	+4.0	-1.9	[Related to Minna Bank +¥4.0 billion]
Subsidiary income	1.1	-0.1	1.1	— Recorded revenue from external system sales
Other consolidation adjustments	-0.3	+0.0	-0.3	[Subsidiary income -¥0.1 billion, Other consolidation adjustments +¥0.0 billion]
Consolidated net income	22.8	+1.9	20.9	— Generally remained at the same level as FY2024

(*) Core gross business profit = Gross business profit - Gains (losses) on bonds

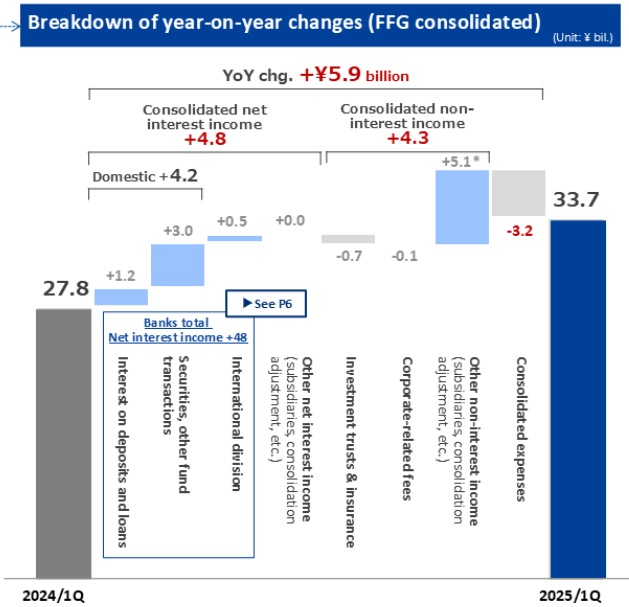
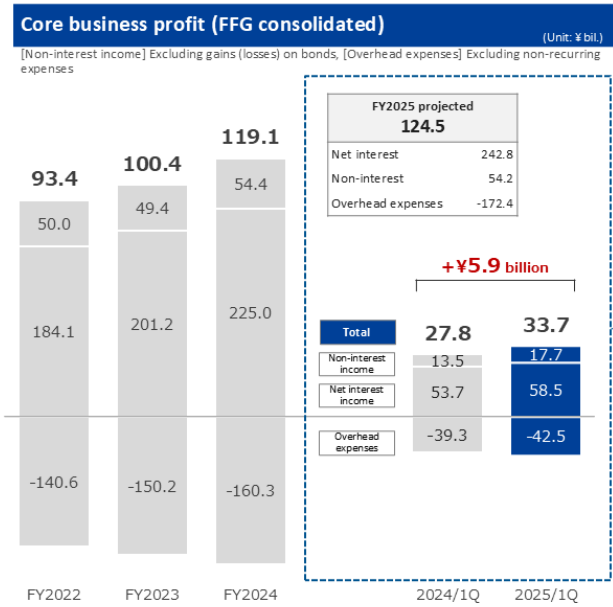
* Figures announced in the Financial Digest of May 12, 2025 and in the Investor Presentation of May 27, 2025

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- This slide shows a summary of our first-quarter profit and loss.
- Consolidated core business profit was 33.7 billion yen, an increase of 5.9 billion yen year-on-year. Despite an increase in overhead expenses due to factors such as a rise in base pay and growth investments related to digital transformation, the increase in profit was driven by higher interest on deposits and loans and higher revenue in the markets division, as well as by recording revenue from external system sales in our Minna Bank business.
- Credit costs rose by 3 billion yen, reflecting a rebound from last year's large reversals. With bankruptcies and borrower classifications stable, they represented only 15.4% of the full-year budget of 16.9 billion yen.
- Gains on securities totaled 1.4 billion yen, in line with the previous year. This included gains from the sale of cross-held shares.
- As a result, our consolidated net income was 22.8 billion yen, an increase of 1.9 billion yen year-on-year. This represents a progress rate of 28.5% against our annual projection of 80.0 billion yen.
- Furthermore, while the progress rate for core business profit on a banks total basis is slightly low at 23.6%, we consider this to be on track with our plan. This is because we expect interest on deposits and loans to increase toward the second half of the fiscal year. For instance, we expect the effects of the short-term prime rate increase for housing loans to start in July. It is also because revenue from credit-related funds will be recorded in the second and fourth quarters.
- Please turn to page 6.

Top Line (Consolidated Core Business Profit)

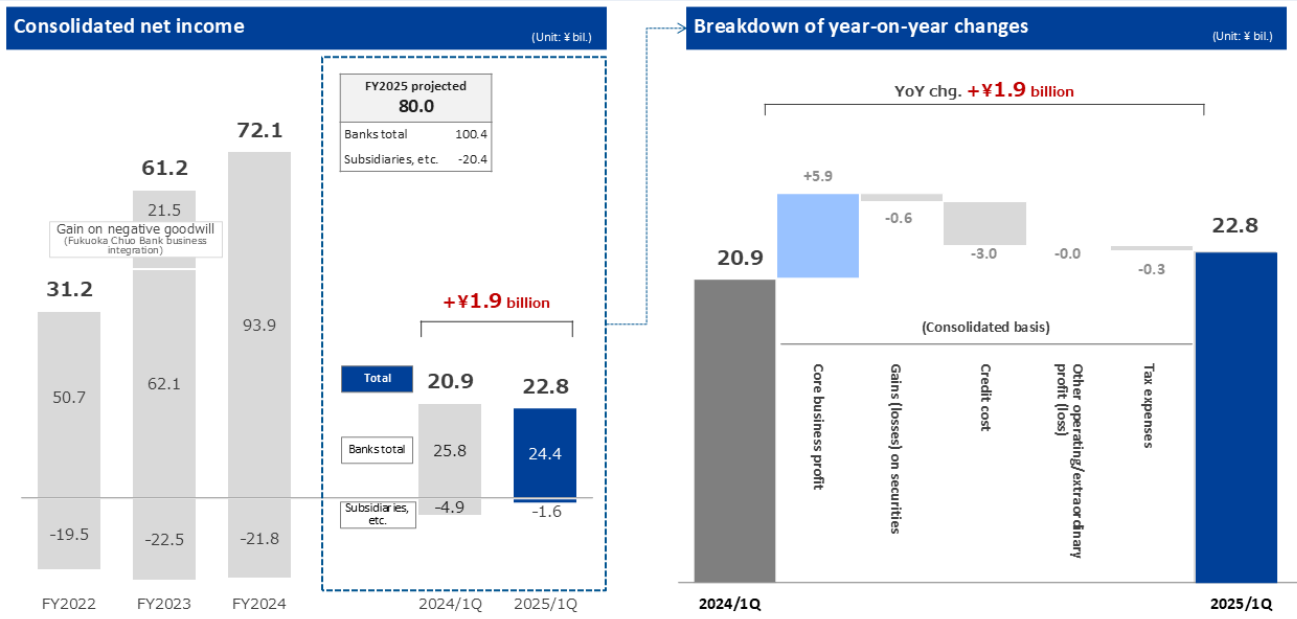
Profit & Loss



* Including revenue from external system sales related to Minna Bank

Bottom Line (Consolidated Net Income)

Profit & Loss



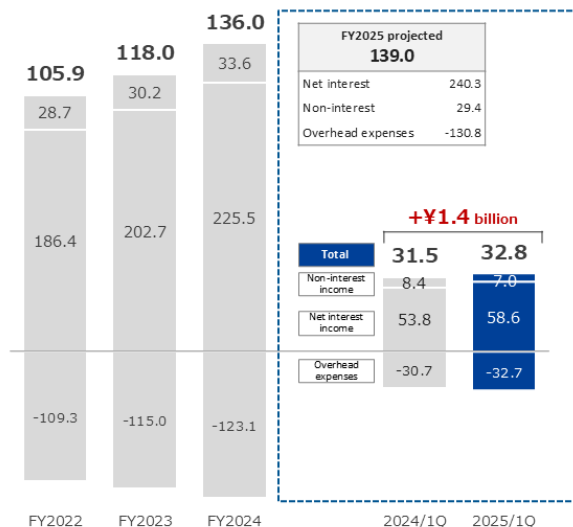
Core Business Profit (banks total)

Profit & Loss

Core business profit (banks total)

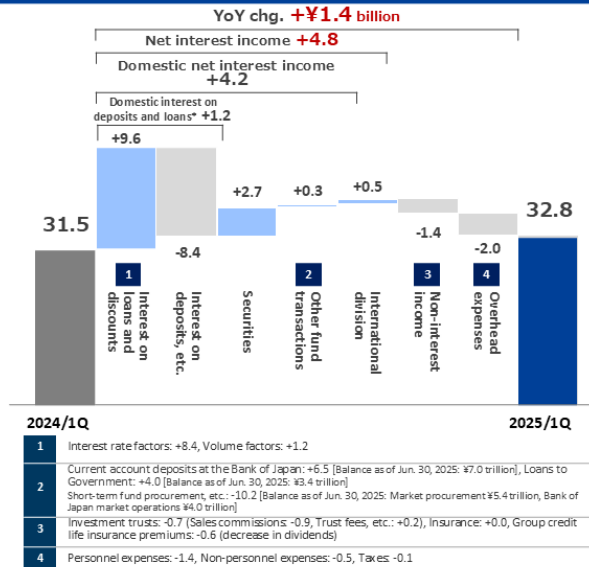
(Unit: ¥ bil.)

[Non-interest income] Excluding gains (losses) on bonds, [Overhead expenses] Excluding non-recurring expenses



Breakdown of year-on-year changes (banks total)

(Unit: ¥ bil.)



* Excluding interest on loans to Government, etc.

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- This slide shows our core business profit on a banks total basis.
- Please look at the year-on-year change factors on the right side of the slide.
- Interest on loans and discounts increased by 8.4 billion yen due to improved yields, and by 1.2 billion yen due to increased volume. The improvement in yields is as planned, and the increase in volume is slightly higher than planned.
- On the other hand, interest on deposits increased by 8.4 billion yen due to the impact of rising interest rates, so domestic interest on deposits and loans was +1.2 billion yen.
- Interest on securities increased by 2.7 billion yen, driven by an increase in the balance of domestic bonds and an improvement in bond yields compared to the same period last year.
- Regarding fund transactions, while interest from current account deposits at the Bank of Japan and loans to the Government increased due to rising interest rates, our market procurement (such as repurchase agreements) and interest swap payments also increased, so this figure is flat year-on-year.
- Non-interest income was -¥1.4 billion, due to a reactionary decline from strong investment trust sales in the previous fiscal year (which had been propelled by the start of the new NISA program), as well as a decrease in dividends from group credit life insurance.
- As for overhead expenses, they increased by ¥2.0 billion due in part to personnel expenses and growth investments, such as DX investments, but this is on track with our plan.
- Please turn to page 8.

Net Interest Income (banks total)

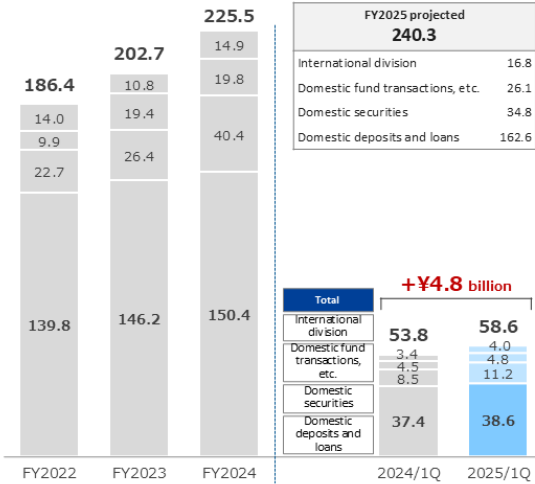
Profit & Loss

● Net interest income increased by ¥4.8 billion year-on-year. Domestically, the increase was ¥4.2 billion, mainly due to the increase in interest and dividends on securities and interest on deposits and loans reflecting higher interest rates. Internationally, the increase was ¥0.5 billion, driven mainly by a decrease in funding costs.

Net interest income (banks total)

(Unit: ¥ bil.)

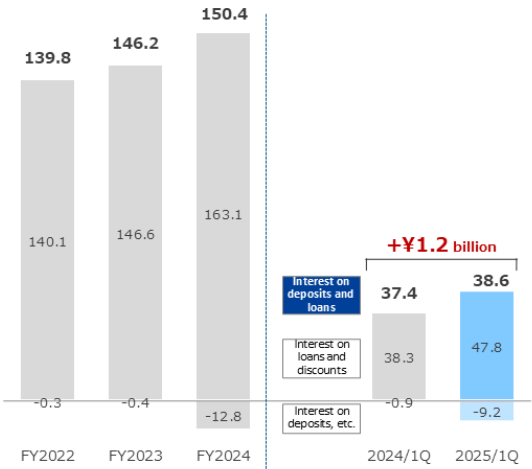
Domestic deposits and loans: Excluding loans to Government, etc.



Domestic interest on deposits and loans (banks total)

(Unit: ¥ bil.)

Interest on loans and discounts: Excluding loans to Government, etc.



Interest Rates on Domestic Loans

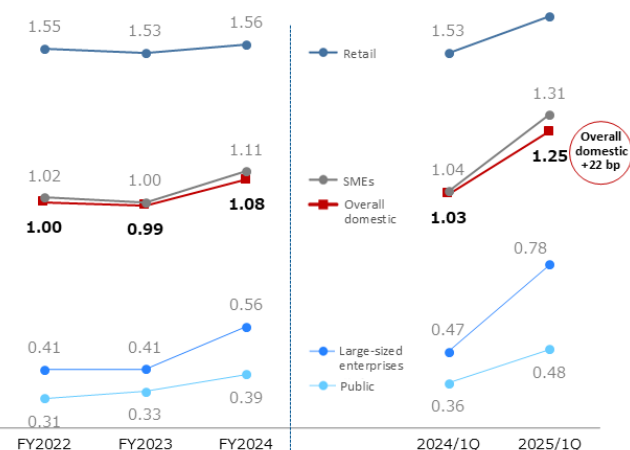
Profit & Loss

- Yield on loans increased across all segments. Overall domestic yield is 1.25%, an increase of 22 bp year-on-year. This absorbed the increase in yield on deposits, etc. (+16 bp year-on-year), with the deposit loan gross margin at 1.08%, an increase of 6 bp year-on-year.

Interest rates on domestic loans (banks total)

(Unit: %)

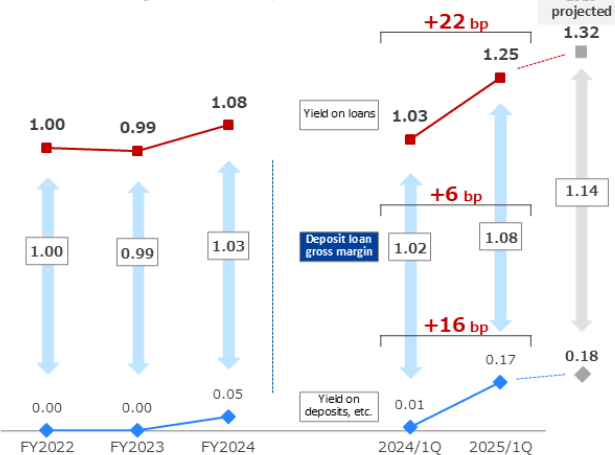
Yield on loans: Excluding loans to Government, etc.



Domestic deposit loan gross margin (banks total)

(Unit: %)

Yield on loans: Excluding loans to Government, etc.



- The left side of this slide shows interest rates on domestic loans.
- Overall, the yield on domestic loans improved by 22 basis points year-on-year.
- Looking at each segment, large-sized enterprises improved by 31 basis points, small- and middle-sized enterprises improved by 27 basis points, and retail improved by 13 basis points.
- The reason why the yield improvement for retail loans is more gradual compared to corporate loans is that the timing of the housing loan interest rate increases (December 2024, June 2025) that I mentioned earlier was later than the timing of the short-term prime rate increases (October 2024, March 2025).
- Of FFG's approximately ¥15 trillion in yen-denominated loans, fixed-rate loans account for a relatively large portion, at about 40%. As a result, the current extent of improvement in yields on loans is limited. However, the average term for our fixed-rate loans is about four years, so we expect a gradual improvement over the next several years.
- The right side of the slide shows our domestic deposit loan gross margin.
- As of the first quarter, yields on deposits have already begun to rise. We therefore expect the margin to expand as yields on loans improve in the future.
- Please turn to page 9.

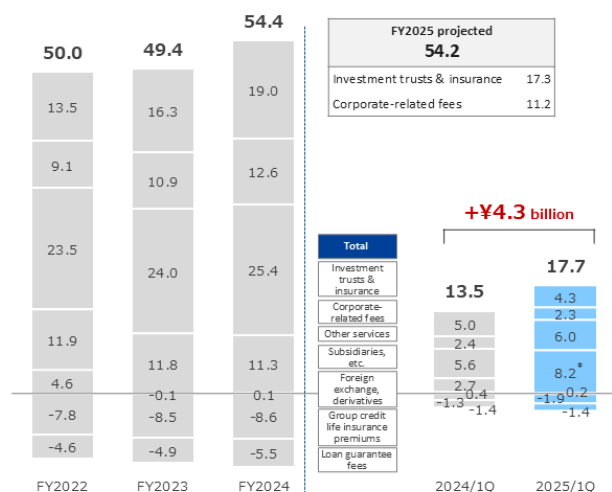
Consolidated Non-interest Income (excluding gains (losses) on bonds)

Profit & Loss

- Consolidated non-interest income increased by ¥4.3 billion year-on-year, driven primarily by the recording of revenue from external system sales (related to Minna Bank). Regarding investment trusts, while there was a decline in sales commissions from the strong performance of the previous fiscal year (already factored into the projected figure), trust fees increased due to the buildup of balances.

Non-interest income (FFG consolidated)

(Unit: ¥ bil.)



Breakdown of investment trust commissions and insurance fees (banks total)

(Unit: ¥ bil.)

	FY2022	FY2023	FY2024	2024/1Q	2025/1Q	YoY chg.
Total	13.5	16.3	19.0	5.0	4.3	
Sales commissions on investment trusts	4.0	5.7	6.9	2.0	1.1	-0.9
Investment trust fees	4.0	5.1	6.8	1.6	1.7	+0.2
Insurance fees	5.4	5.4	5.4	1.4	1.4	

Breakdown of corporate-related fees (banks total)

(Unit: ¥ bil.)

	FY2022	FY2023	FY2024	2024/1Q	2025/1Q
Total	9.1	10.9	12.6	2.4	2.3
Syndicated loans, structured finance	5.1	6.3	6.9	1.1	1.1
Consulting, business matching	0.4	0.5	1.0	0.2	0.1
M&A	0.4	0.6	1.0	0.2	0.0
Other (Corporate settlement fees, etc.)	3.2	3.5	3.8	1.0	1.1
FFG Succession Co., Ltd.* (M&A advisory services)	0.3	0.3	0.5	0.0	0.2

* Recorded revenue from external system sales related to Minna Bank

* Wholly owned subsidiary of FFG, established on April 1, 2022 (figures in table represent M&A fees)

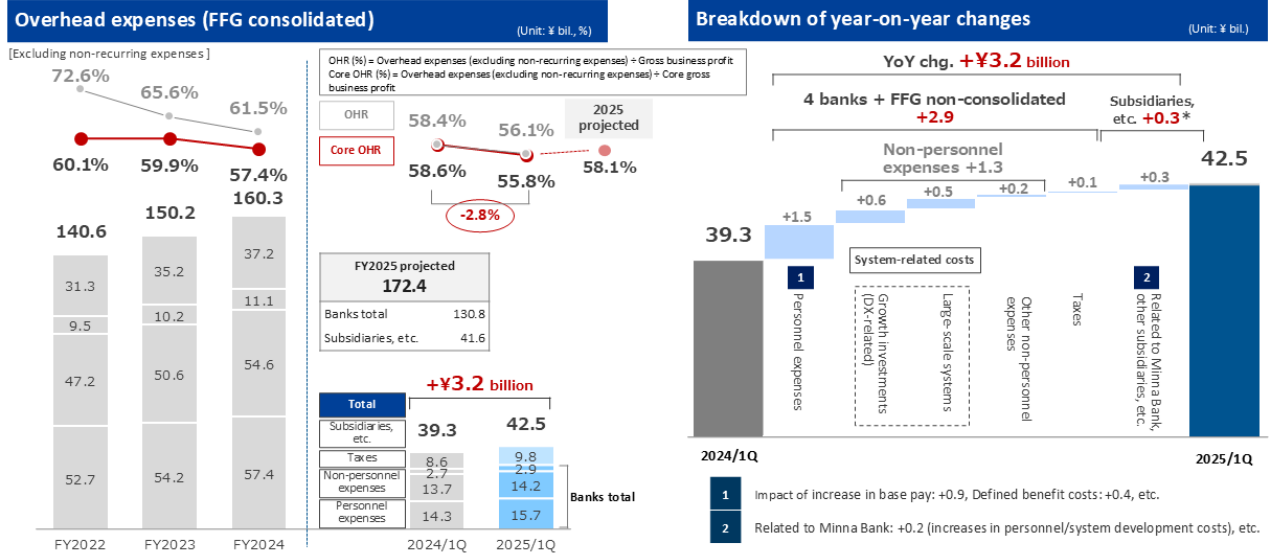
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- I will now explain the status of our non-interest income.
- Consolidated non-interest income increased by 4.3 billion yen year-on-year, in part as a result of recording revenue from external system sales from our Minna Bank business.
- Investment trust commissions and insurance fees decreased by 0.7 billion yen year-on-year.
- The decrease was due to a reactionary decline from record-high investment trust sales in the previous fiscal year.
- As for investment trusts, as shown in the table in the upper right, while sales commissions declined, trust fees increased due to the buildup of balances.
- In our evaluation, our investment trust business is performing well, with the Group's balance of investment trusts recently surpassing ¥1.4 trillion.
- As for corporate-related fees, progress is flat year-on-year.
- Starting this fiscal year, to strengthen our M&A business, we are consolidating the functions and personnel from each of our subsidiary banks into our affiliated company, FFG Succession.
- As a consequence, M&A-related revenue will be recorded under subsidiary income, not corporate-related fees, which is why we expect our corporate-related fees to decrease.
- Please turn to page 10.

Consolidated Expenses

Profit & Loss

- Consolidated expenses increased by ¥3.2 billion, driven primarily by personnel expenses (such as an increase in base pay) and system-related costs (such as DX-related growth investments and large-scale systems).
- Consolidated core OHR improved by 2.8% year-on-year to 55.8% due to an increase in core gross business profit.



YoY chg. +¥3.2 billion

4 banks + FFG non-consolidated

+2.9

Subsidiaries, etc.

+0.3*

Non-personnel expenses

+1.3

System-related costs

+0.6

+0.5

+0.2

+0.1

+0.3

Personnel expenses

+1.5

2024/1Q

39.3

2025/1Q

42.5

1

Impact of increase in base pay: +0.9, Defined benefit costs: +0.4, etc.

2

Related to Minna Bank: +0.2 (increases in personnel/system development costs), etc.

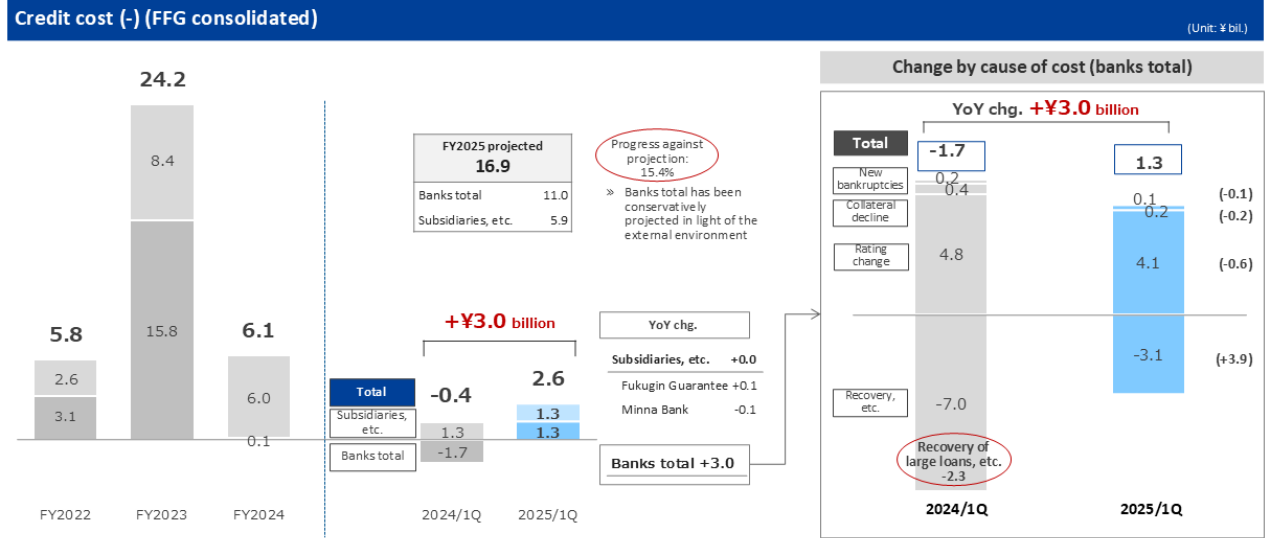
- Consolidated overhead expenses increased by 3.2 billion yen year-on-year. This was primarily due to an increase in personnel increases driven by a rise in base pay as well as an increase in system-related costs from DX-related growth investments and upgrades to our core systems.
- Our annual projection for consolidated overhead expenses is ¥172.4 billion, so our progress rate of about 25% is generally on track with our plan.
- Overhead expenses are on an upward trend due to DX-related investments and other growth investments, so we will continue to appropriately verify the effects of these investments and control our overhead expenses.
- It should be noted that, although overhead expenses have increased, our top-line profit has also grown, leading to a 2.8-point improvement in our core OHR year-on-year to 55.8%.
- Please turn to page 11.

* Excluding FFG non-consolidated

Consolidated Credit Cost

Profit & Loss

- Consolidated credit cost increased by ¥3.0 billion year-on-year. This was a counteraction to having recorded a reversal of allowance for loan losses in the previous year following the recovery of large loans, etc. on a banks total basis.
- With no significant changes in new bankruptcies or rating changes from the previous year, credit cost as a percentage of the annual projection is low at 15.4%.



- Credit cost increased by 3.0 billion yen year-on-year due to a turnaround from the recovery of large real estate non-recourse and LBO loans that occurred in the previous year.
- Our first-quarter credit cost represents a progress rate of about 15% against the annual projection, so they remain at a low level.
- However, given the continuing uncertainty over future prospects, such as U.S. tariff policy, we are maintaining our annual projection for credit cost.
- Please turn to page 12.

Loans

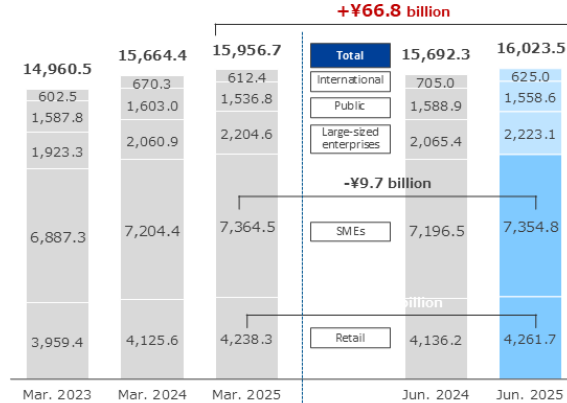
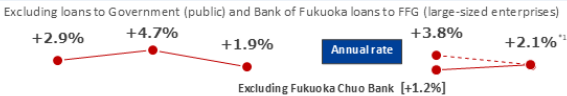
Assets and Liabilities, etc.

- On a banks total basis, the balance at end of period was ¥16,023.5 billion, and the average balance was ¥15,924.9 billion.
- Balance at end of period increased by ¥66.8 billion from March 2025 (annual rate +2.1%), and average balance increased by ¥339.9 billion year-on-year (annual rate +2.2%).

FY2025 projected	
Average balance	15,911.9
Annual rate	+1.0%

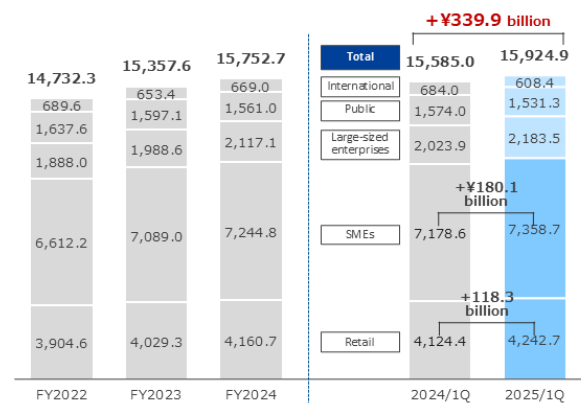
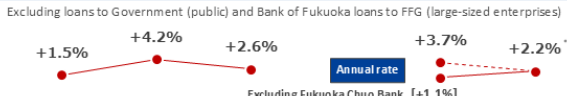
Balance at end of period (banks total)

(Unit: ¥ bil.)



Average balance (banks total)

(Unit: ¥ bil.)



*1 Annual rate by segment (Retail +3.0%, SMEs +2.2%, Large-sized enterprises +7.6%, Public -1.9%, International -11.4%)

*2 Annual rate by segment (Retail +2.9%, SMEs +2.5%, Large-sized enterprises +7.9%, Public -2.7%, International -11.0%)

- The graph on the right side shows our average loan balance. You can see that it is growing steadily at an annual rate of +2.2%.
- Below the graph on the right side, you can see the annual rates for each segment. Retail loans (a driver of our revenue) are progressing steadily at 2.9%, as are loans to small- and medium-sized enterprises at 2.5%. Furthermore, loans to large-sized enterprises grew at 7.9% due to an increase in our exposure to listed companies in Tokyo.
- On the other hand, loans to the public and international sectors have decreased because we are prioritizing profitability and cutting back on low-yield loans.
- Please turn to page 13.

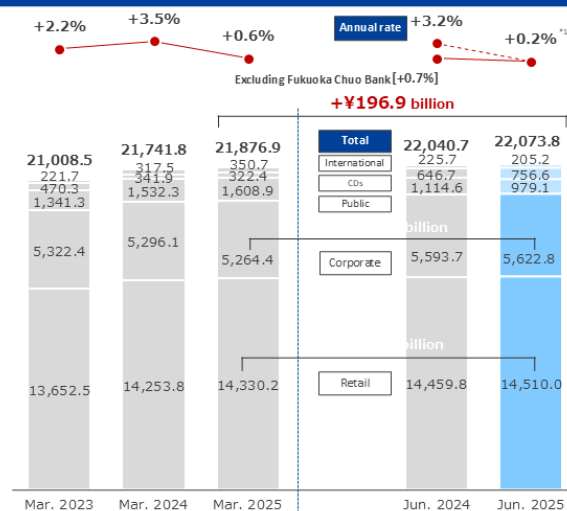
Deposits, etc. (including CDs)

Assets and Liabilities, etc.

- On a banks total basis, the balance at end of period was ¥22,073.8 billion, and the average balance was ¥21,786.3 billion.
- Balance at end of period increased by ¥196.9 billion from March 2025 (annual rate +0.2%), and average balance increased by ¥69.2 billion year-on-year (annual rate +0.3%).

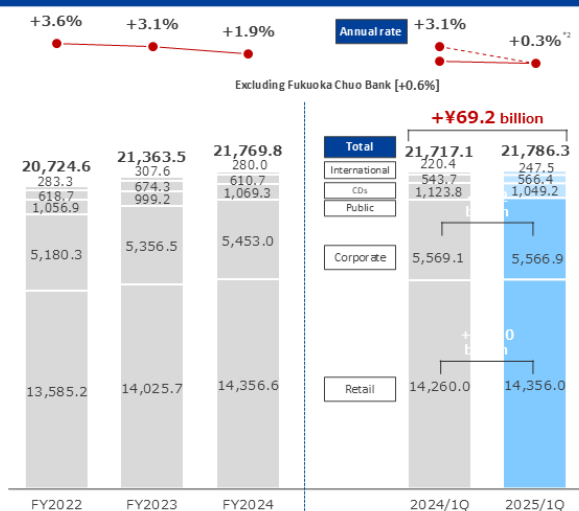
Balance at end of period (banks total)

(Unit: ¥ bil.)



Average balance (banks total)

(Unit: ¥ bil.)



*1 Annual rate by segment (Retail +0.3%, Corporate +0.5%, Public -12.2%, CDs +17.0%, International -9.1%)

*2 Annual rate by segment (Retail +0.7%, Corporate -0.0%, Public -6.6%, CDs +4.2%, International +12.3%)

13

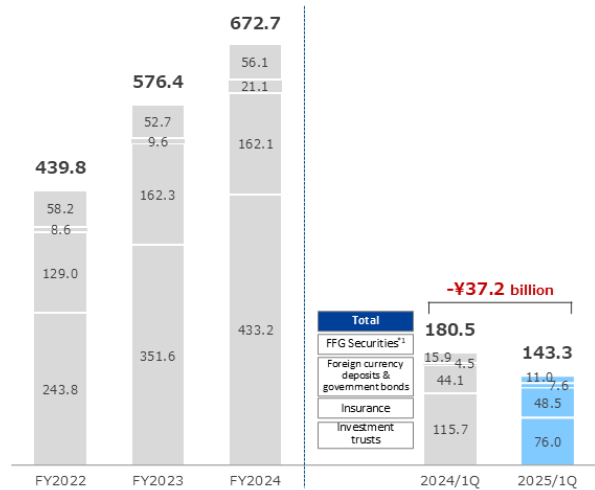
- This slide shows our deposits.
- The graph on the right shows our average deposit balance. The annual rate is progressing as planned, but has slowed slightly from 0.6% in the same period last year to 0.3%.
- There are several reasons for this slowdown in growth. Retail deposits have shifted to asset management products, such as the new NISA program, and there has been an increase in personal spending due to the higher cost of living.
- The balance of corporate deposits has decreased slightly due to the impact of rising personnel expenses from wage increases and soaring raw material prices.
- And the balance of public deposits is decreasing because we are reducing our involvement in tenders from a profitability perspective due to intensifying interest rate competition.
- Overall, since our priority is on deposit profitability, we are not focused on acquiring deposits through high-interest products. Instead, our strategy is to secure highly stable deposits by strengthening our infrastructure for salary transfers and settlements, and by adding new features to our banking app to improve convenience.
- As for time deposits, our policy is to ensure overall profitability by designing products that are combined with other transactions, such as our “NISA time deposit” and “inheritance time deposit” products.
- Please turn to page 15.

Asset Management Products

Assets and Liabilities, etc.

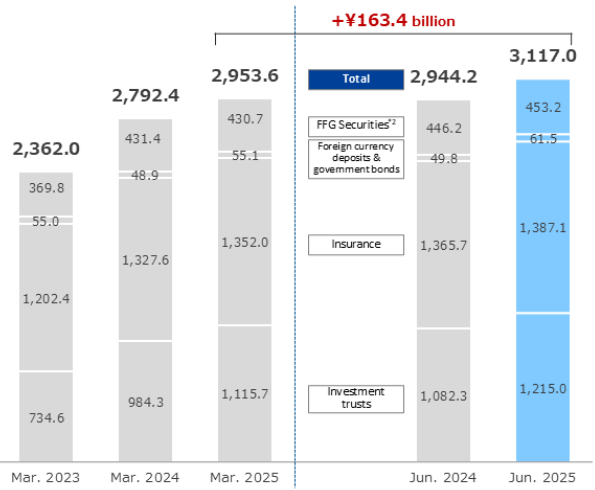
- Although sales of investment trusts decreased from the strong performance of the previous fiscal year, sales of insurance increased, primarily in yen-denominated products.
- The balance of assets under management for individual customers continued to grow steadily, up ¥163.4 billion from March 2025.

Asset management product sales (Group total) (Unit: ¥ bil.)



*1 Total sales of investment trusts and bonds

Balance of assets under management for individual customers (Group total) (Unit: ¥ bil.)



*2 Total balance of investment trusts, stocks and bonds for individual customers

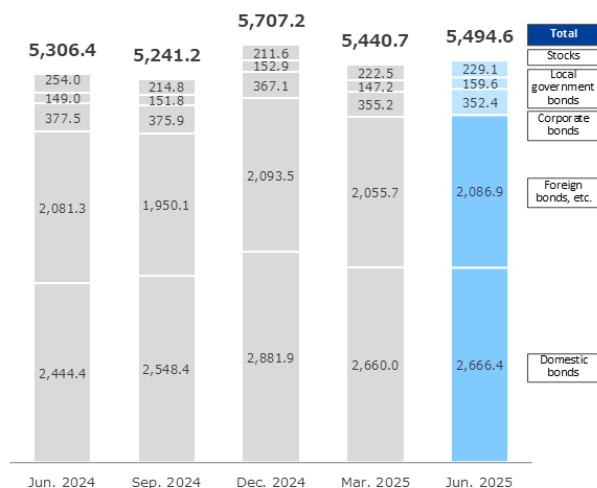
Securities

Assets and Liabilities, etc.

- Unrealized gains (losses), after considering hedges, improved to roughly flat at -¥0.3 billion, due to factors such as rising stock prices.
- For domestic bonds, FFG is proceeding with investments cautiously while keeping a close eye on interest rate trends, with the duration remaining about 2 years.

Balance at end of period (FFG consolidated)

(Unit: ¥ bil.)



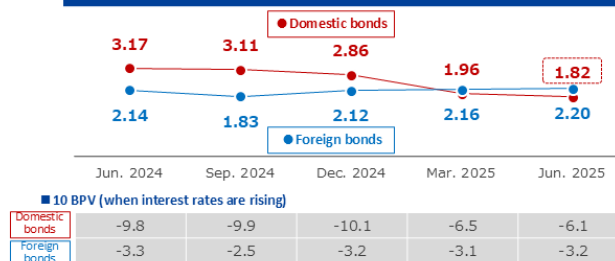
Unrealized gains (losses) (FFG consolidated)

(Unit: ¥ bil.)

	Jun. 2024	Sep. 2024	Dec. 2024	Mar. 2025	Jun. 2025
Total (before hedges)	-42.4	+15.8	-64.1	-117.7	-91.8
Domestic bonds	-171.9	-124.8	-165.4	-223.0	-218.3
Foreign bonds	-44.4	-8.9	-44.0	-27.8	-29.8
Total (after hedges)	+46.1	+52.3	+22.4	-19.3	-0.3
Domestic bonds	-114.6	-95.6	-111.7	-147.6	-149.2
Foreign bonds	-13.1	-1.7	-11.1	-4.8	-7.4

Bond duration, 10 BPV (banks total)*

(Unit: Years, ¥ bil.)



* After considering hedges; including marketable securities held to maturity

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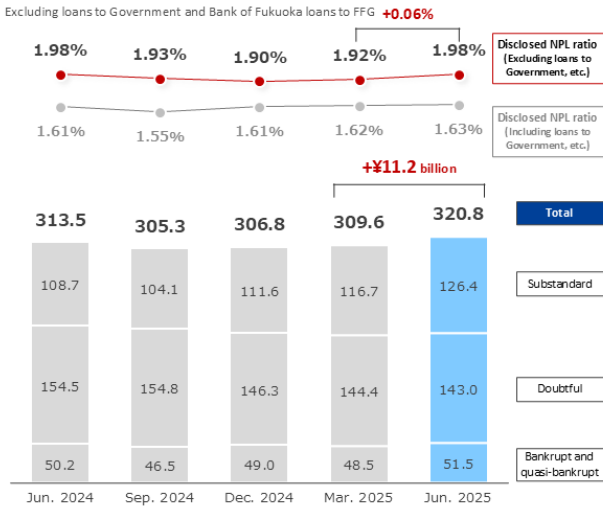
- This slide shows the status of our securities investment.
- In the first quarter, with interest rate hikes expected, we cut back our investments in domestic bonds. The duration of our domestic bonds was shortened to less than two years, and the 10 BPV was reduced to -¥6.0 billion.
- Our policy is to cautiously restore interest rate risk, while assessing the distance to the terminal rate of 1%, which we view as our main scenario.
- For foreign bonds, given that interest rates are expected to decline in the future, we will focus our investments on floating-rate bonds while also cautiously investing in fixed-rate bonds.
- As for unrealized gains (losses), after considering hedges, our unrealized gains (losses) on securities improved to almost flat at a loss of ¥0.3 billion as of the end of June 2025. This was due to controlling interest rate risk on domestic bond investments and rising stock prices.
- Please turn to page 17.

NPLs Disclosed under the FRL, Reserve for Possible Loan Losses

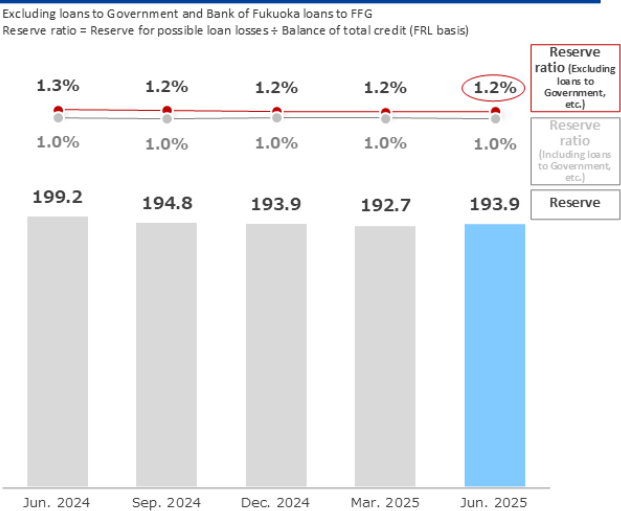
Assets and Liabilities, etc.

- The disclosed NPL ratio remains below 2%, indicating that the quality of the loan portfolio is high and stable.
- The level of reserve for possible loan losses as a percentage of all loans (reserve ratio) has remained high at around 1.2%.

Balance and ratio of disclosed NPLs under the FRL (FFG consolidated)



Reserve and reserve ratio (FFG consolidated)



Minna Bank

Minna Bank

- Number of accounts continues to increase steadily. Deposits were flat from March 2025 at ¥33.1 billion.
- Loans and cover increased by ¥2.5 billion from March 2025 to ¥27.7 billion. Disclosed NPL ratio decreased by 0.48 points from March 2025 to 4.85%.

Profit & loss summary (related to Minna Bank*) (Unit: ¥ bil.)

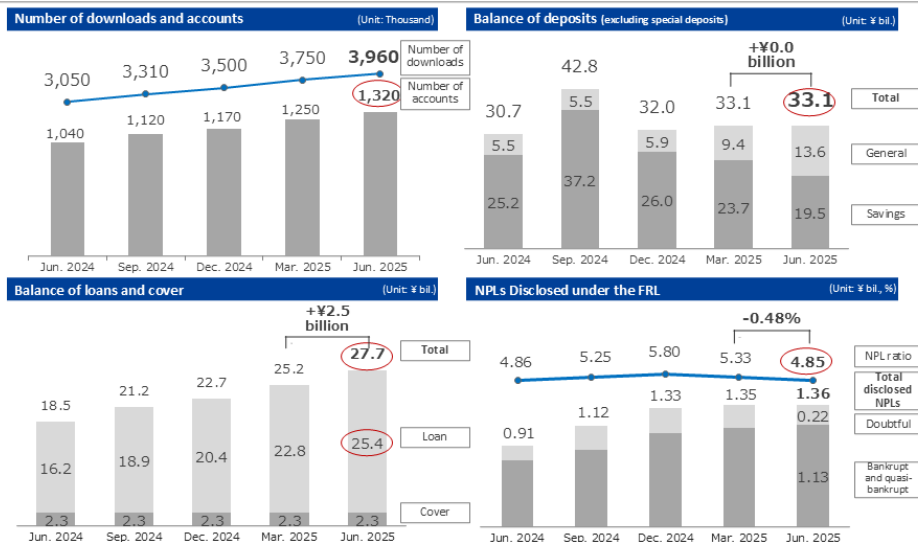
2025/1Q results	2025/1Q	YoY chg.	2024/1Q
Gross business profit	6.1	+5.7	0.4
Net interest income	0.8	+0.3	0.4
Interest on loans and discounts	0.8	+0.3	0.5
Non-interest income (excl. gains (losses) on bonds)	5.3	+5.4	-0.0
Overhead expenses (-)	2.8	+0.2	2.6
Core business profit	3.3	+5.5	-2.2
Ordinary profit	2.9	+5.6	-2.6
Net income	2.0	+4.0	-1.9
Credit cost (-)	0.3	-0.1	0.4

(Reference)

FY2025 earnings projections	FY2025 projection	YoY chg.	FY2024 results
Net income	* -5.0	+3.8	-8.8
Credit cost (-)	1.7	+0.2	1.5

* Including revenue from external system sales

Target indicators, etc.	FY2025 projected
Number of accounts	2,000,000
Balance of loans	¥38 billion



(*) Total of Minna Bank and Zerobank Design Factory (after eliminating internal transactions between the two).

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- Finally, I will talk about our Minna Bank business.
- Although the consolidated net income related to Minna Bank for the first quarter was 2.0 billion yen due to recording revenue from external system sales to MUFG Bank, we are projecting a loss for the year of 5.0 billion yen.
- The number of accounts continues to trend upwards, reaching 1.32 million as of the end of June 2025.
- The balance of loans is also continuing to grow, reaching 25.4 billion yen as of the end of June 2025. This is progressing according to our initial plan of achieving 38.0 billion yen in FY2025.
- Our disclosed NPL ratio is also trending downward.
- Our total balance of deposits is ¥33.1 billion, which is flat compared to the end of March 2025. However, given that the balance of general deposits, which are used for everyday payments, has increased from ¥9.4 billion to ¥13.6 billion, this indicates that we are succeeding in acquiring highly stable deposits rather than one-time deposits from campaigns.
- To achieve profitability by FY2027, we are focusing on business collaborations with partner companies that have nationwide customer bases, enhancing the functions of Minna Bank, and expanding loan revenue.
- Regarding business collaboration with partners that have a large customer base, we are currently in discussions with them.
- I apologize that I cannot provide a specific progress update at this time, but we plan to provide further information after the news release.
- This concludes my presentation.

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our communities through advanced ideas



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