Shikoku Bank

Published: July 2025
General Planning Division, The Shikoku Bank, Ltd.
1-1-1 Minamiharimaya-cho, Kochi-shi, Kochi 780-8605, Japan
Phone: +81-88-823-2111
https://www.shikokubank.co.jp/

2025
Integrated Report

Beyond the Future

The Shikoku Bank, Ltd.

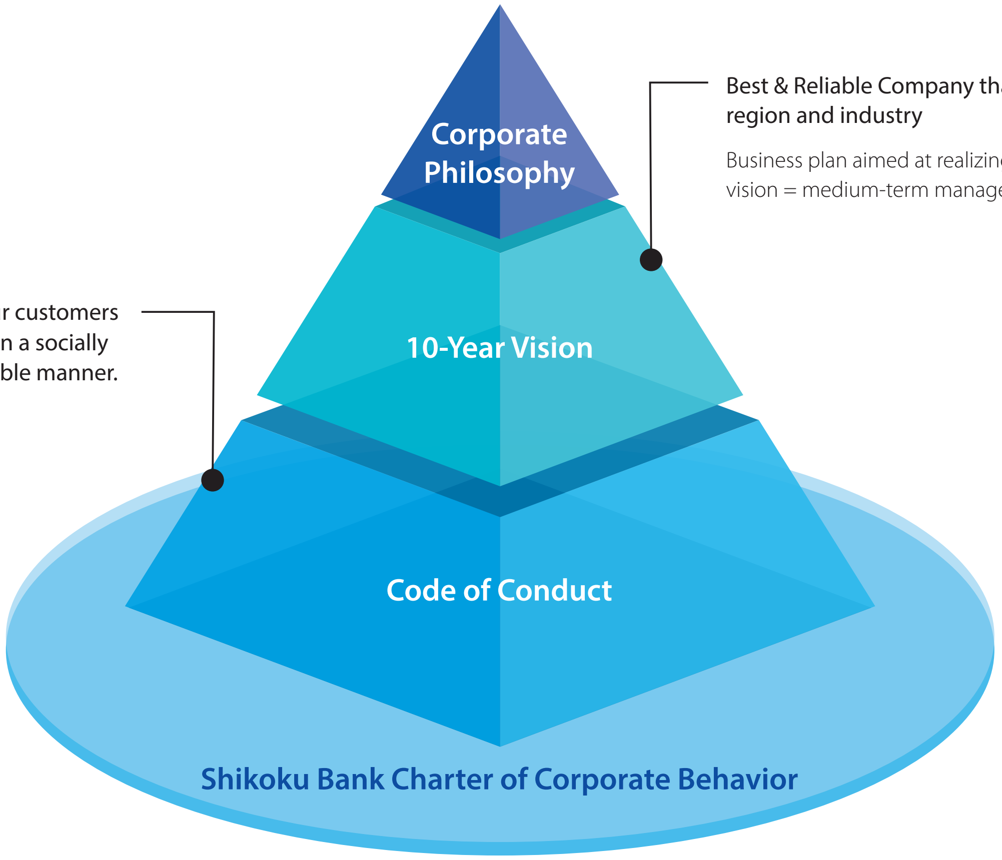
Corporate Philosophy

Contribute to the development of society by ensuring sound management and providing financial-based services.

In 1996, we established our corporate philosophy as a basic approach to corporate activities. This philosophy has served as the cornerstone of our actions and decisions. We believe that we should continue to adhere to our existing management philosophies: "meeting local financial needs and contributing to the development of society," "conducting sound management by adhering to corporate ethics," and "valuing our customers and acting in a socially responsible manner." Meanwhile, amid significant changes in the operating environment surrounding the Bank, such as Japan's declining population, the shortage of business successors, and efforts to achieve carbon neutrality, we also recognize that the roles expected of the Bank are becoming more diverse and sophisticated than ever before.

Based on this view, we have come to believe that we need to respond sincerely to the changes of the times while firmly inheriting the basic approach that has remained unchanged throughout the years. Accordingly, we revised our corporate philosophy in April 2023.

We will endeavor to maintain sound management so as not to lose the trust that we have built up over many years, and provide high-quality financial-based services in order to accurately and promptly respond to the diversifying needs of our customers, thereby contributing to the development of local communities and society.



Best & Reliable Company that leads the region and industry

Business plan aimed at realizing our 10-year vision = medium-term management plan

Value our customers and act in a socially responsible manner.

CONTENTS

Editorial Policy

This report integrates financial and non-financial information to provide our stakeholders with a better understanding of the Bank's sustainable value creation and medium- to long-term growth strategies.

This report was compiled with reference to various guidelines, including the International <IR> Framework issued by the International Integrated Reporting Council (IIRC) and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Written Pledge

Employees of the Bank that steal or purposely have others steal the Bank's money must compensate for this with their own funds and then fall on one's own sword

By signing this pledge, employees promised to compensate for any transactions found to be fraudulent with their own money and then commit seppuku (ritual suicide by disembowelment). It conveys the importance of ethics and responsibility not only as a banker but also as a member of society. We consider this to be a treasure of the Bank.

This pledge is part of the written commitment sealed with blood by all 23 officers and employees including President Miura in order to comply with the strict handling of banknotes by The 37th National Bank, the predecessor of Shikoku Bank.

TOP MESSAGE

A “Company” that leads the region and industry

Tatsuji Kobayashi
President

Under Medium-Term Management Plan 2023, we will implement initiatives aimed at our transformation.

Reflecting on fiscal 2024

This year marks Shikoku Bank’s 147th anniversary since its foundation in October 1878. We believe that this achievement is entirely owed to many years of support from the regional communities, customers, employees, and shareholders that surround us. We would like to express our profound gratitude to these groups.

Two years have passed since I assumed the position of President in June 2023. During my first year, for the purpose of having as much contact with our customers as time allows, we held the Customer Forum and explained to approximately 2,000 customers the current situation and initiatives we will focus on going forward at a total of 13 venues, mainly in Shikoku. I was delighted to receive words of encouragement for our employees and expressions of gratitude from our customers. In my second year, I began visiting each sales branch and explaining our corporate philosophy and 10-year vision based on my aspirations to directly share the management’s hopes with the employees who will lead the future and further strengthen our sense of solidarity across the Bank. I host individual interviews with employees on every visit to each sales branch. When doing group training, I join lectures and teatime events. In this way, I am committed to ensuring time for direct communication with employees. In particular, individual interviews are meaningful opportunities that allow me to listen to real opinions from employees. I will continue to engage in active dialogue with a wide population of employees to develop a shared sense of value between the management and the employees, thereby enhancing organizational solidarity. At the same time, I will develop a work environment that encourages employees to continue to work with a sense of fulfillment.

Our 10-year vision to become the “Best & Reliable Company that leads the region and industry,” which started at the time of my assuming the office of President, encompasses our determination: “Under changing circumstances, in order for the Bank to continue to be needed, the Shikoku Bank Group takes action in a united manner, not assuming a passive stance, but proactively thinking about what we can do for regional communities. In this way, we will take on challenges to lead the growth of regional economies.” Based on this determination, in fiscal 2024, the second year of the medium-term management plan, we established four management policies and promoted initiatives to put each measure on track toward realizing the 10-year vision.

Thorough effort for fully committed sales activities

Through cooperation between the sales branches and the headquarters, we have worked on initiatives aimed at resolving customers’ issues. In addition to accommodating funding needs, there are increases in proposal cases in non-financial sectors, including main business support such as market expansion, staffing agency business, and digitalization support, which are stated in the medium-term management plan. Seeing these facts, I feel our initiatives to solve customers’ issues are becoming firmly established. However, under the situation of rising interest rates, polarization is seen in corporate performance. For this reason, I think stronger support than ever before will be required.

For regional and industrial revitalization, we newly established the Regional Innovation Division in July 2024 and began various initiatives. In addition, in October 2024, in order to reinforce our structure for supporting the growth and development of corporations, we established Shigin Capital Partners Inc., a subsidiary specializing in investment.

Strengthening proposals for asset building and management according to customers’ life plans

Amid circumstances where customers’ needs for asset building and management are diversifying, with increased eagerness for investments due to the start of the new NISA, sales branches and the Financial Advisor Division have closely cooperated and worked on initiatives to ensure that we are able to offer sophisticated consulting to a wide range of customers. As a result, we were able to achieve the initial target of “at least ¥380.0 billion by March 31, 2028 for the balance of securities,” which was set at the time of starting the business alliance with Daiwa Securities, three years earlier than planned.

Promoting operational reforms that will ease the workloads of sales branches

Toward operational reforms that will ease the workloads of sales branches, we started lending operation reforms and administrative reforms at sales branches. In the lending operation reforms, currently, lending operations for all sales branches in Kochi City have been centralized at the headquarters, and we plan to apply this approach to all of our sales branches in fiscal 2025. In the administrative reforms at sales branches, we have started trials aimed to transfer administrative procedures to be centralized at the headquarters. We are working on initiatives to help sales branch staff secure as much time as possible to provide proper communication with customers and consulting activities.

Ensuring thorough business management that adapts to changes in the financial environment

The Bank of Japan raised policy interest rates, and the Bank also raised its short-term prime rate in October 2024 and March 2025. With many customers impacted by rising prices and labor shortages, we made efforts to ensure that these customers are provided thorough and clear explanations to develop a full understanding of the situation.

In addition, in recent years, financial crimes and cyberattacks have become increasingly diverse and complex. In order to protect customers' valuable assets, we have worked to increase the effectiveness of measures against acts such as money laundering and strengthen cybersecurity measures while strengthening management of various risks.

Enhancing corporate value

We believe that meeting expectations from all of our stakeholders that surround us, including customers, regional communities, employees, and shareholders, will lead to the Group's sustainable growth and corporate value enhancement.

Under Medium-Term Management Plan 2023, which is positioned as a practical plan for corporate value enhancement, we have defined activities driven by the goal of resolving customer issues and engage in initiatives for customers' corporate value enhancement. In tandem, we are moving forward with the aim of becoming the best partner for individual customers through bank-securities collaboration with Daiwa Securities. In addition, toward sustainable regional development, we are working to strengthen the think tank function and to establish a regional design function that actually helps solve regional issues.

For employees, we are working to increase engagement by developing work environments where employees can continue to work with a sense of fulfillment, and initiatives that support individual growth. For our shareholders, we aim to build a continued relationship of trust via our efforts, such as providing clear and detailed explanations through IR, and stable returns of profits.

I believe that the Bank's corporate value will increase by surely and steadily accomplishing these initiatives. We will continue to strive to meet expectations from stakeholders.

Toward realization of a sustainable local community

The population of Kochi Prefecture is estimated to decline to 450,000 people in 2050, which poses a major challenge for the region. Business succession problems due to labor shortages, aging business owners, and lack of successors are also urgent issues. In light of these circumstances, as a regional leading company, the Bank must promote initiatives aimed to achieve a sustainable local community.

Specifically, we newly established the Regional Innovation Division in July 2024 by integrating the Regional Development Division and the Innovation Promotion Division. By combining initiatives for regional revitalization, which had been undertaken by the Regional Development Division and expertise that utilizes digital technologies, which had been covered by the Innovation Promotion Division, we are confronting various regional issues and proceeding with initiatives for solution. In fiscal 2024, we joined Kochi Prefecture's "Digitalization Support Project for Shopping Arcade 2024" and engaged in digitalization support for the shopping arcades in Kochi City, while cooperating with local system and consulting companies.

Furthermore, in order to strengthen the Group's think tank function, in July 2024, we welcomed a former Director of the Kochi Local Finance Office, who has expertise in data gathering and analysis in the regional and industrial fields, to the Shigin Regional Economic Research Institute as a representative. Cooperating with the Regional Innovation Division, we have already started dispatch of information helpful for the resolution of regional issues and initiatives for regional revitalization.

As an action to address labor shortages stemming from the declining population, low birth rates, and aging society, the Bank entered into the staffing agency business in 2021. Through cooperation with staffing agencies and other companies, we are providing support for staffing, such as full-time employment, and utilization of part-time personnel who have special knowledge and expertise. From fiscal 2023, we started staffing services that utilize foreign national personnel in addition to Japanese. Under Japan's situation of a declining overall population, we intend to strengthen this effort as an initiative of significant importance.

To address business succession challenges, we have established the Business Succession and Inheritance Support Desk, and developed a system that provides one-stop support spanning from intra- and extra-family business succession and M&As to consulting for estate planning for individual business owners, handling approximately 3,000 cases on an annual basis. In addition, Shigin Capital Partners Inc., a subsidiary specializing in investment, utilizes two funds: the Shigin Regional Revitalization Fund and the Shigin Future Fund. These funds help to expand support for startups contributing to regional revitalization, companies that develop new businesses, and companies that suffer from issues on business succession.

Advanced model for bank-securities collaboration with Daiwa Securities

It has been two years since the business alliance between Shikoku Bank and Daiwa Securities started in April 2023. Reflecting on these two years, I realize that customers' interest in asset management has grown to a significant extent. In particular, we were able to start the business alliance in tandem with the launch of the new NISA, which allowed us to respond to requests from customers who "hoped to start asset management for the future" in a timely manner.

Through community-based sales activities, which is a strength of the Bank, we support asset building from a long-term perspective while empathizing with customers who are taking the first step for investment. In addition, through the business alliance with Daiwa Securities, we were able to build structures that enable us to provide highly professional consulting and a wide range of products and services. I think that this is a major achievement.

A noteworthy point is our new organizational capabilities, which were generated by integrating corporate cultures from the Bank and Daiwa Securities. Employees of both companies respect each other and operate as a team on a united front. In this way, we were able to achieve the initial target for the balance three years earlier than planned.

I believe that the importance of community-based support frameworks will further increase going forward, and we aim to become the best partner for our customers through fine-tuned consulting for customers' whole financial assets, and providing high-value-added financial services and solutions.

Creating an organization in which diverse human capital can play an active role

Under Medium-Term Management Plan 2023, we have defined initiatives for strengthening human capital management as one of our key measures. While creating a work environment where employees can continue to work with peace of mind, we are actively working toward various goals, such as individual employees' job satisfaction and fulfillment, realizing work-life balance, promoting diversity, and health and productivity management. In doing so, we pursue the realization of employees' well-being.

In terms of our major initiatives in fiscal 2024, we have relaxed the age-limit system for managerial personnel after age 56, and requirements of the system to re-hire retired employees, seeking to improve job satisfaction and fulfillment of well-experienced senior generation employees. As initiatives for childcare support, we have revised systems so that the child-rearing generation can balance work and family life. For example, frameworks such as sick/injured childcare leave, restrictions on overtime work, and childcare support leave, which used to be applicable to children under around the middle grades of elementary school, became available to all children prior to starting junior high school. To create a corporate culture that allows male employees to take childcare leave without hesitation, we also made "Declaration for 100% Childcare Leave Among Male Employees." Furthermore, as a local financial institution in Kochi Prefecture, where the situation of low birth rates and an aging society is increasingly severe, we decided to start with what we can do to help prevent the decline in population, and newly established Grants to Aid Fertility Treatment, and Lump-sum Allowances for Childcare. For the Grants to Aid Fertility Treatment, it was decided that we will pay ¥50,000 for fertility treatment per session up to ten times on a per child basis, which is available to employee couples who suffer from infertility. The Lump-sum Allowances for Childcare is designed to pay ¥200,000 for the first child, ¥300,000 for the second, and ¥1 million for the third and subsequent children. We are developing an environment in which employees can have babies and raise children with peace of mind.

Toward promoting diversity, we are working to promote the active participation of women, to actively employ mid-career hires, and to expand the employment of persons with disabilities. For the purpose of assisting women who eagerly engage in work, we have introduced skill improvement training and programs to dispatch trainees outside the Bank. In terms of diversity, we actively employ human resources with diverse careers and professional skills. With the aim of supporting the independence of persons with disabilities and increasing their job satisfaction and fulfillment, we prepared a dedicated office for employees with disabilities, and welcomed 13 new members.

As a result of promoting these initiatives, in an engagement survey conducted in November 2024, we were able to obtain an "A" rating, the third-highest out of 11 levels as rated by an external organization. We will continue to create an organization that inspires employees to work for many years at the Bank.

For the future of Shikoku, which is rich in nature

Kochi Prefecture is a region rich in nature where a wide variety of plants and animals live and grow, facing the vast Pacific Ocean, with elements such as clear streams represented by the Shimanto River and the Niyodo River, and green forests covering roughly 84% of the prefecture. As a regional financial institution based in Kochi, a region blessed with abundant nature, we established an environmental policy in 2002. Since then, we have continued to address environmental issues through efforts such as energy conservation, green purchasing, and the use of renewable energy. In 2021, we announced our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. In February 2025, Shikoku Bank was recognized by the CDP (an environmental non-governmental organization in the UK), an international environmental initiative, for our efforts to address climate change, receiving the third-highest "B" score for the second year in a row.

With the aim of achieving carbon neutrality in the whole region, not only in the Bank, and providing financial support for customers' initiatives aimed to resolve social issues, we have defined and promoted targets for sustainable financing. The cumulative amount of sustainable financing was ¥149.4 billion during the period from fiscal 2023 to 2024. We achieved the target by the end of March 2026, one year earlier than planned, and raised the target by the end of December 2030 to ¥500.0 billion from ¥300.0 billion.

In addition, in order to develop frameworks that enable us to respond to customers' sustainability needs, we started encouraging employees to acquire decarbonization-related qualifications from fiscal 2023. As of March 31, 2025, 751 employees have acquired qualifications.

As initiatives for biodiversity, we have concluded partnerships with local governments including Kochi Prefecture and other entities since 2007. Continuing tree thinning and the maintenance of undeveloped woodland areas near populated areas, we are proactively engaged in conservation activities for the natural environment and biodiversity. In April 2025, we announced our support for the Task Force on Nature-related Financial Disclosures (TNFD), and participated in the TNFD Forum.

Successfully accomplishing Medium-Term Management Plan 2023 and moving to the next stage

Fiscal 2025 is the final fiscal year of Medium-Term Management Plan 2023, which is considered the first step in our transformation geared toward realizing our 10-year vision.

The Bank of Japan raised policy interest rates, and Japan is currently transitioning to a world with interest rates. Even under such a situation, there are continued impacts of the destabilization of international situations, price hikes, and labor shortages, which increase uncertainty in business environments. Under these circumstances, we believe that it is important to remain committed to solving customers' issues and to support sustainable growth and development as a regional financial institution. In fiscal 2025, we have the following four management policies and will steadily implement each initiative.

The first policy is "to ensure thorough consulting activities from customers' perspectives." Customers' issues and needs are diversifying, as a result of changes in the environments surrounding them. For that reason, as a true business partner, we are required to consider and take action for management issues from customers' perspectives, to overcome issues, and to grow together with customers. For individual customers, we will continue to provide the best solutions according to their life stages and are dedicated to becoming a presence that is always available for customers to talk with.

The second policy is "to expand points of contact with customers and improve customer satisfaction." We will utilize time generated through lending operation reforms and administrative reforms at sales branches, on which we have worked since fiscal 2024, for dialogues with customers, further enhancing the quality of our hospitality. With the aim of expanding points of contact in non-face-to-face channels, as well as face-to-face, we will further expand digital services that are highly convenient for customers, such as the Shikoku Bank app and internet banking systems.

The third policy is "to strengthen initiatives for human capital development and training, and to create an environment that brings job satisfaction." While the Human Resources Division plays a central role, we will strengthen frameworks that help to support each and every individual's growth and develop the environment so that all the employees working for the Bank can play active roles.

The fourth policy is "to enhance risk management frameworks that reflect changes in the financial environment, etc." Rises in market interest rates have a significant impact on securities investment. In order to appropriately respond to changes in credit risk, interest rate risk, and other risks arising from changes in the financial environment such as market interest rate hikes, we will make efforts to enhance management frameworks. In addition, against the backdrop of further sophisticated technologies, cybersecurity-related risk has been increasing in recent years, and we must focus on strengthening measures for cybersecurity. It is also important to enact preventative measures against acts such as money laundering. We will continue to make efforts to increase the effectiveness of these measures.

We will make fiscal 2025 a fiscal year that leads to the next stage by successfully accomplishing the measures stated in the medium-term management plan.

The Shikoku Bank will continue pursuing the realization of a sustainable local community and corporate value enhancement through the united efforts of our officers and employees. I would like to ask all our stakeholders for their continued support.

Message from the Officer in Charge of Finance

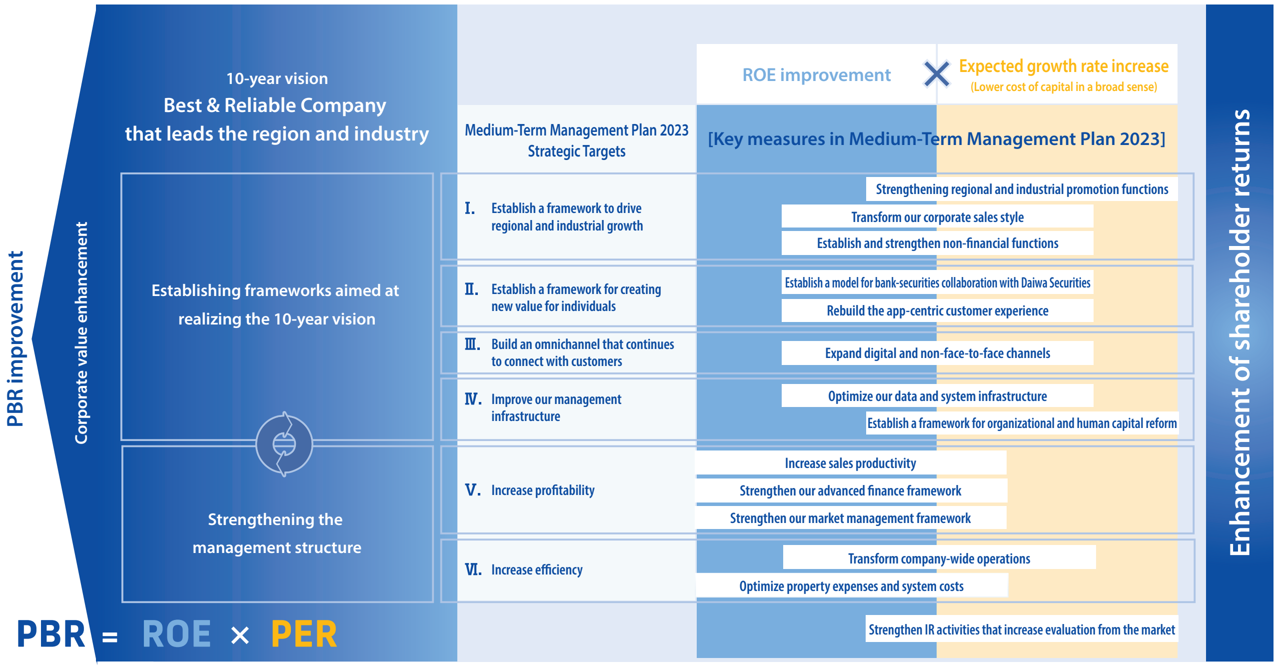
Aiming to achieve the "Best & Reliable Company that leads the region and industry," through steadily accomplishing Medium-Term Management Plan 2023, we strive to further enhance our corporate value.

Mitsufumi Ito
Managing Director

Introduction

In fiscal 2024, due to the change in the Bank of Japan's monetary policy, the interest rate environment greatly changed. The Bank saw a substantial increase in net interest income resulting from interest margin improvement, which brought about a significant change also in terms of financial statements during the year. Although profit decreased on a net income basis, as a result of an increase in the amount equivalent to taxes compared to the previous fiscal year, ordinary profit reached a high level for the first time in seven fiscal years. Both of the results exceeded targets at the beginning of the period.

In fiscal 2025, there are many uncertainties such as U.S. tariff policy, and we are required to monitor financial market trends. However, this is the final fiscal year of Medium-Term Management Plan 2023, and we intend to successfully achieve the targets decided under the plan.



PBR improvement
Corporate value enhancement

10-year vision
Best & Reliable Company
that leads the region and industry

Establishing frameworks aimed at realizing the 10-year vision

Strengthening the management structure

PBR = ROE × PER

ROE improvement × Expected growth rate increase (Lower cost of capital in a broad sense)

Medium-Term Management Plan 2023 Strategic Targets	[Key measures in Medium-Term Management Plan 2023]
I. Establish a framework to drive regional and industrial growth	Strengthening regional and industrial promotion functions Transform our corporate sales style Establish and strengthen non-financial functions
II. Establish a framework for creating new value for individuals	Establish a model for bank-securities collaboration with Daiwa Securities Rebuild the app-centric customer experience
III. Build an omnichannel that continues to connect with customers	Expand digital and non-face-to-face channels
IV. Improve our management infrastructure	Optimize our data and system infrastructure Establish a framework for organizational and human capital reform
V. Increase profitability	Increase sales productivity Strengthen our advanced finance framework Strengthen our market management framework
VI. Increase efficiency	Transform company-wide operations Optimize property expenses and system costs
	Strengthen IR activities that increase evaluation from the market

Enhancement of shareholder returns

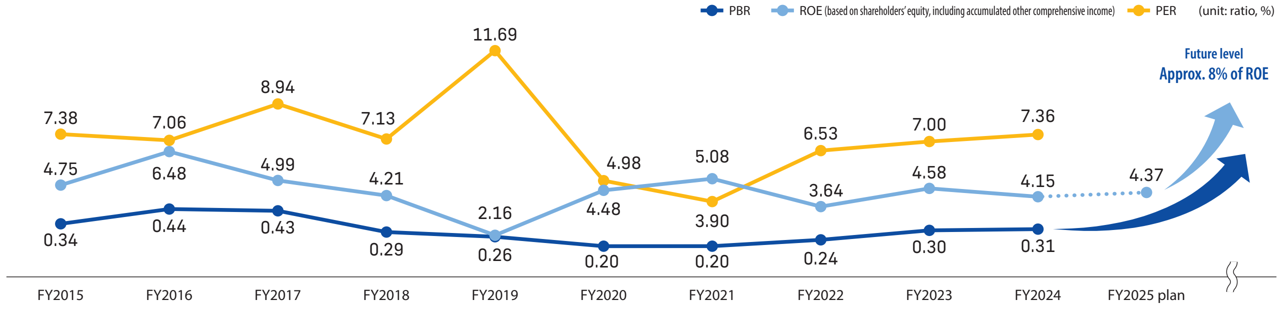
Efforts to achieve management that is conscious of cost of capital and share price

In a request statement published by the Tokyo Stock Exchange in March 2023, companies listed in the Prime Market and Standard Market are required to raise awareness and literacy level about share prices and cost of capital for corporate value enhancement.

The Bank's PBR for fiscal 2024 (consolidated) was 0.31, which showed a slight improvement from the previous fiscal year. However, the Bank's PBR is far below 1, which is regarded as a standard level, and we recognize that markets have adopted a harsh view of the Bank. Taking this state seriously, we consistently hold discussions on analysis and action to improve PBR and ROE at meetings of the Board of Directors.

In terms of consolidated ROE (based on shareholders' equity, including accumulated other comprehensive income), it was 4.15% for fiscal 2024. ROE is required to maintain at a level exceeding cost of capital. Various interpretations exist regarding cost of capital, and the target level differs depending on the calculation method. However, considering that cost of capital has an aspect of return investors expect from the Bank, a level of 8%, which is indicated in the aforementioned request statement, could be set as a target for ROE. Taking into account the recent state, this is not a target that will be easy to achieve. However, with the aim of realizing the Bank's 10-year vision "Best & Reliable Company that leads the region and industry," we will strive to further enhance our corporate value by steadily promoting measures stated in Medium-Term Management Plan 2023.

Trends of PBR/ROE/PER (consolidated basis)



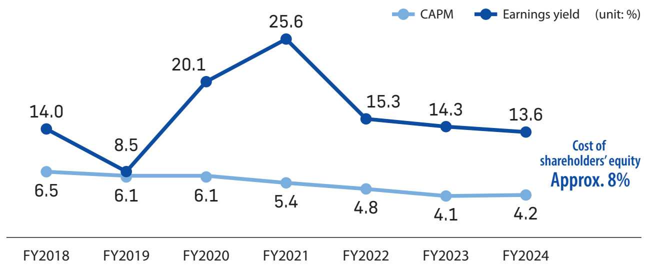
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 plan
PER	7.38	7.06	8.94	7.13	11.69	4.98	3.90	6.53	7.00	7.36	
ROE	4.75	6.48	4.99	4.21	2.16	4.48	5.08	3.64	4.58	4.15	4.37
PBR	0.34	0.44	0.43	0.29	0.26	0.20	0.20	0.24	0.30	0.31	

PBR calculation formula

$$\text{PBR} = \text{ROE} \times \text{PER}$$

$$\frac{\text{Share price}}{\text{Net assets per share}} = \frac{\text{Profit attributable to shareholders of The Shikoku Bank, Ltd.}}{\text{Shareholders' equity, including accumulated other comprehensive income}} \times \frac{1}{\underbrace{\text{Cost of shareholders' equity} - \text{Expected growth rate}}_{\text{Cost of capital in a broad sense}}}$$

Cost of shareholders' equity



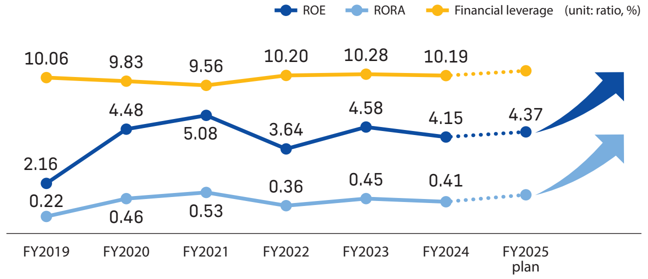
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Earnings yield	14.0	8.5	20.1	25.6	15.3	14.3	13.6
CAPM	6.5	6.1	6.1	5.4	4.8	4.1	4.2

ROE breakdown formula

$$\text{ROE} = \text{RORA} \times \text{Financial leverage}$$

$$\frac{\text{Profit attributable to shareholders of The Shikoku Bank, Ltd.}}{\text{Shareholders' equity, including accumulated other comprehensive income}} = \frac{\text{Profit attributable to shareholders of The Shikoku Bank, Ltd.}}{\text{Risk assets}} \times \frac{\text{Risk assets}}{\text{Shareholders' equity, including accumulated other comprehensive income}}$$

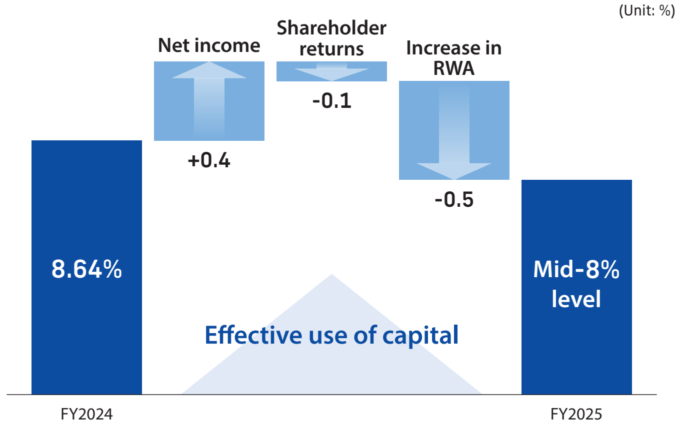
Trends of ROE/RORA/financial leverage



	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 plan
Financial leverage	10.06	9.83	9.56	10.20	10.28	10.19	
ROE	2.16	4.48	5.08	3.64	4.58	4.15	4.37
RORA	0.22	0.46	0.53	0.36	0.45	0.41	

Capital allocation

The persistent environment of ultra-low interest rates over many years ended and shifted to a world with interest rates. For that reason, we consider it necessary to gradually review our risk asset composition, particularly in securities investment. In fiscal 2024, we increased the balance of government bonds, a risk-free asset, which was not an item we could actively invest in under the low-rate situation, and reduced high-risk, high-return investments in funds. In addition, by means of selling low-yield bonds early, we made efforts to control deterioration in unrealized gains and losses for bonds. We appropriate a portion of top-line revenue, which increased as a result of risen interest rates, for portfolio improvement, and thereby we will strive to manage a portfolio that enables consistent returns over the medium to long term.



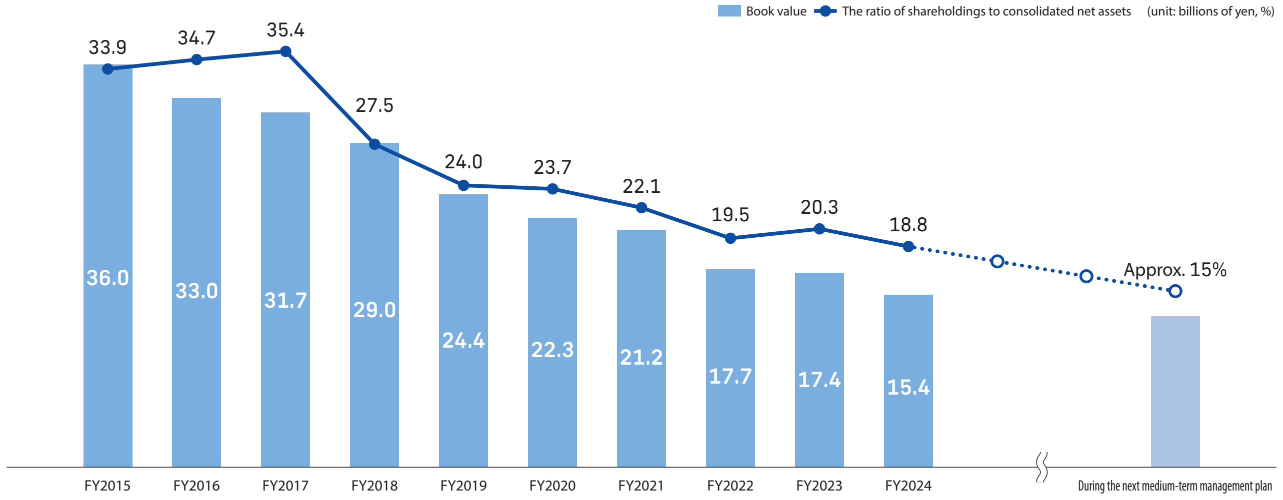
Reduction of cross-shareholdings

The progress of reduction of cross-shareholdings is going well, and the ratio to consolidated net assets (market and fair value basis) as of the end of fiscal 2024 was 18.8%. When examining cross-shareholdings on a book value basis, the amount was ¥36.0 billion as of the end of fiscal 2015, when the Corporate Governance Code was applied to listed companies. However, the amount became ¥15.4 billion (¥8.4 billion for listed companies, and ¥7.0 billion for unlisted companies) at the end of fiscal 2024, which was a reduction of approximately 60%, and we plan to continue efforts to reduce cross-shareholdings going forward.

As a specific target for the next medium-term management plan, we will aim at roughly 15% for the ratio of cross-shareholdings to consolidated net assets. However, the ratio may rise, affected by the market and fair value of share price, and unrealized gains on securities. Therefore, we will maintain a ratio clearly under 20%.

However, for the purpose of fulfilling our mission as a regional financial institution, we consider it necessary to hold shares to some extent, in particular, for unlisted shares. Based on this fundamental approach, we will continue to make efforts for appropriate management and reduction of cross-shareholdings.

State of reduction of cross-shareholdings



General Meeting of Shareholders

To ensure that shareholders have sufficient time to consider proposals, notices of convocation are published on our website and on the Tokyo Stock Exchange website about four weeks prior to the scheduled date of the General Meeting of Shareholders. We are also taking efforts to improve convenience for shareholders, such as by introducing "Smart Exercise," which allows voting rights to be exercised using smartphone.

At the General Meeting of Shareholders, we strive to provide easy-to-understand explanations by showing the activities and results of the past year on screen, such as our Business Report, and actively engage in constructive dialogue with shareholders.

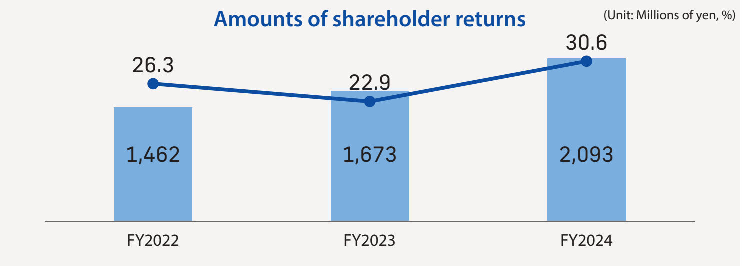
Enhancement of shareholder returns

We changed our shareholder return policy in November 2024. The policy is to set a target of 30% or more for the consolidated dividend payout ratio, and to repurchase treasury stock in a manner that is flexible and agile. We intend to continue stable shareholder returns by enhancing the Bank's performance, and to increase evaluations from the market for PBR improvement.

Shareholder return policy (revised in November 2024)

With respect to shareholder returns, we have set the target at 30% or more for the dividend payout ratio to profit attributable to shareholders of The Shikoku Bank, Ltd. In addition, taking into account factors such as economic situations and our financial conditions, we will repurchase treasury stock in a manner that is flexible and agile.

Amounts of shareholder returns



Dialogues with Stakeholders

We believe that enriching dialogues with our stakeholders leads to opportunities for the Bank to gain new discoveries and insights, and will further enhance IR activities.

In 2024, we held a financial results briefing for institutional investors and analysts for the first time, and in 2025, we decided to hold a hybrid briefing that allows online attendance, so that we are able to receive opinions from more attendees. In addition, upon request, we hold individual small meetings as appropriate.

With respect to dialogues with business partners, we have regularly held the Customer Forum by area, and we plan to hold the Customer Forum also in fiscal 2025 and are currently engaged in making the appropriate preparations.

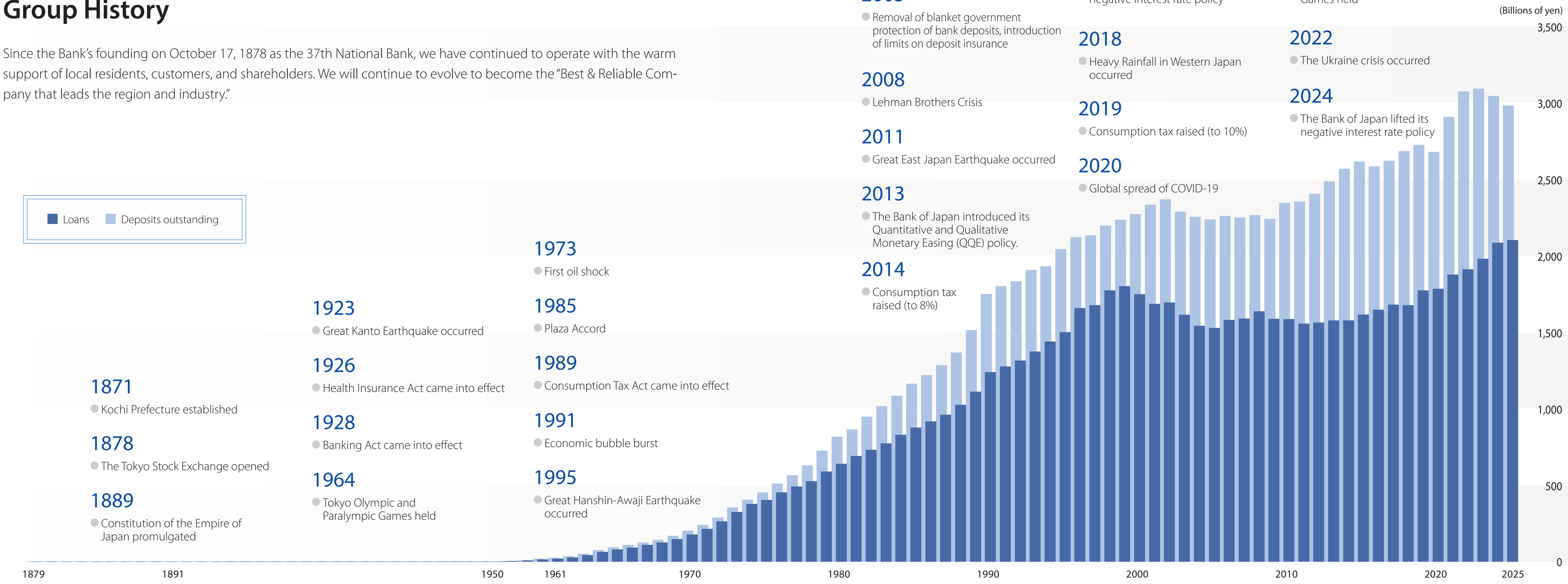
We would like to make use of the valuable opinions gained through such dialogues in our future operations, and we are grateful for your continued support.

Financial result briefing

The Customer Forum

Group History

Since the Bank's founding on October 17, 1878 as the 37th National Bank, we have continued to operate with the warm support of local residents, customers, and shareholders. We will continue to evolve to become the "Best & Reliable Company that leads the region and industry."



1871
- Kochi Prefecture established

1878
- The Tokyo Stock Exchange opened

1889
- Constitution of the Empire of Japan promulgated

1923
- Great Kanto Earthquake occurred

1926
- Health Insurance Act came into effect

1928
- Banking Act came into effect

1964
- Tokyo Olympic and Paralympic Games held

1973
- First oil shock

1985
- Plaza Accord

1989
- Consumption Tax Act came into effect

1991
- Economic bubble burst

1995
- Great Hanshin-Awaji Earthquake occurred

2005
- Removal of blanket government protection of bank deposits, introduction of limits on deposit insurance

2008
- Lehman Brothers Crisis

2011
- Great East Japan Earthquake occurred

2013
- The Bank of Japan introduced its Quantitative and Qualitative Monetary Easing (QQE) policy.

2014
- Consumption tax raised (to 8%)

2016
- The Bank of Japan introduced its negative interest rate policy

2018
- Heavy Rainfall in Western Japan occurred

2019
- Consumption tax raised (to 10%)

2020
- Global spread of COVID-19

2021
- Tokyo Olympic and Paralympic Games held

2022
- The Ukraine crisis occurred

2024
- The Bank of Japan lifted its negative interest rate policy

Founding → 1900s

1878

Founding: The 37th National Bank established

1896
- Merged with The 127th National Bank

1899
- Head office moved to current location

1916
- Head office newly established

1919
- Merged with Tosa Savings Bank, Ltd.

1923
- Merged with Tosa Bank, Ltd. and changed name to The Shikoku Bank, Ltd.

1926
- Merged with Kansai Bank, Ltd.
- The head office of Kansai Bank became the Tokushima branch of Shikoku Bank, and the remaining 21 branches and other offices in Tokushima Prefecture were taken over

1930
- Merged with Koyo Bank, Ltd.

1944
- Acquired Doyo Bank, Ltd.

1945
- Merged with Tosa Savings Bank, Ltd.

1950
- Acquired Kochi Credit Association's business by transfer

1974
- Listed on the First Section of the Tokyo and Osaka Stock Exchanges
- Established The Shigin Leasing Company Limited

1976
- Established The Shikoku Guarantee Company Limited

1978
- Commemorated 100th anniversary

1990
- Established The Shigin Computer Service Company Limited

1991
- Established Shigin Regional Economic Research Institute Inc.

1998
- Commenced the over-the-counter sale of securities investment trusts

2000s → 2010s

2002
- Commenced the sale of life insurance

2006
- Launched internet banking (for individuals) and mobile banking services

2010
- Established The Shigin Agency Company Limited

2016
- The "Shikoku Alliance," a comprehensive alliance aimed at revitalizing Shikoku, was formed by four regional banks in Shikoku

2018
- Established The Shikoku Alliance Capital Company Limited
- Seven regional banks signed the "Fincross Partnership," a partnership agreement on digitalization strategies
- Established a joint venture company, Fincross DIGITAL Co., Ltd.
- Transitioned to a company with an audit and supervisory committee

2019
- Established Hoken Plaza Azouno, the Bank's first insurance consultation desk

2020
- Established SHIKOKU BRAND inc., a regional trading company, under the auspices of the four banks in the Shikoku Alliance

2021
- Commenced staffing agency business

2020s

2022
- Formulated the Sustainability Policy and established the Sustainability Committee
- Formed business alliance with Hata Shinkin Bank
- Deposits outstanding reached ¥3 trillion

2023
- Commenced partnership with Daiwa Securities
- Revised corporate philosophy
- Formulated new 10-year vision
- Started Medium-term Management Plan 2023

2024
- Loans outstanding reached ¥2 trillion
- Established Shigin Capital Partners Inc.

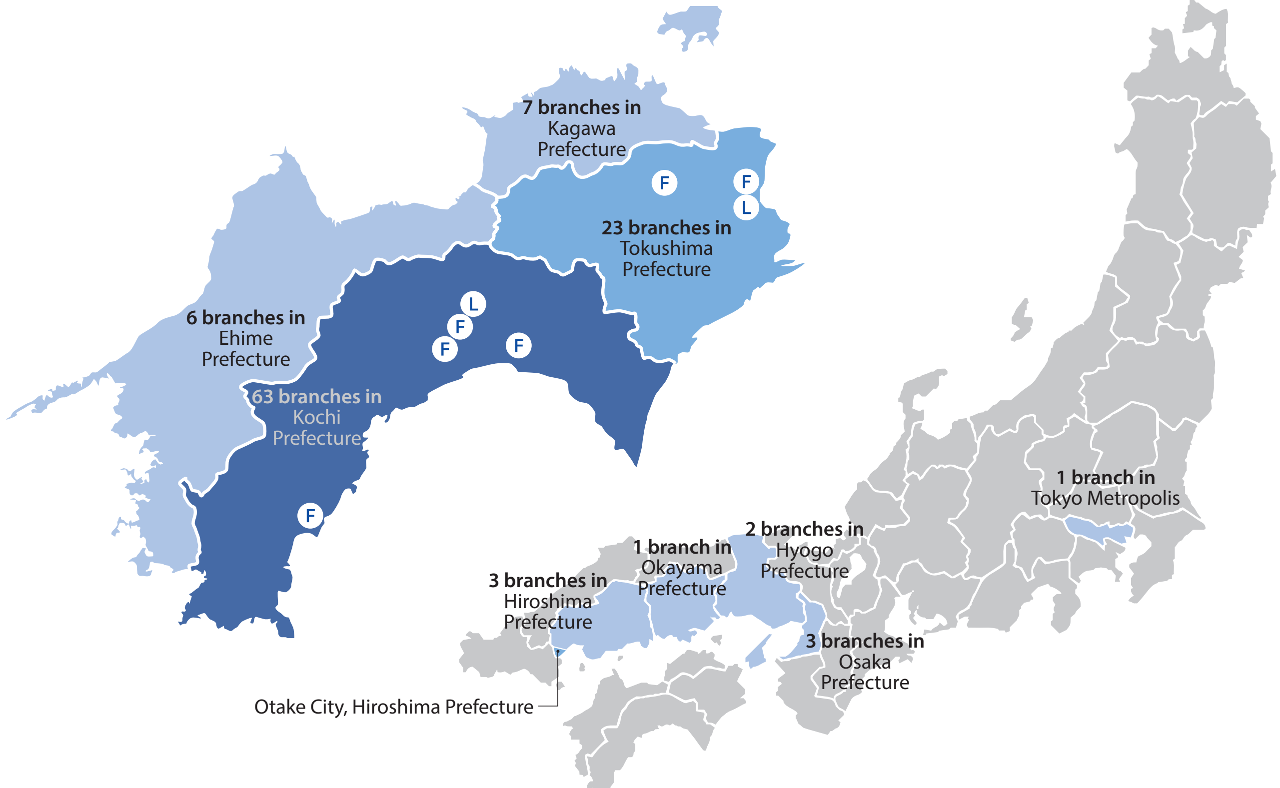
Business Overview

The Bank was founded in Kochi Prefecture in 1878 as The 37th National Bank. Since its establishment, the Bank has expanded its comprehensive branch network that spans the Shikoku region, particularly Kochi Prefecture, which serves as our base, as well as the Setouchi/Kansai region, and Tokyo Metropolis. This is one of the broadest networks among regional banks and a major feature of Shikoku Bank.

We have established regional strategies that leverage our expansive branch network to provide high-quality financial services and allocate personnel based on these strategies.

Regional strategies that leverage our expansive branch network

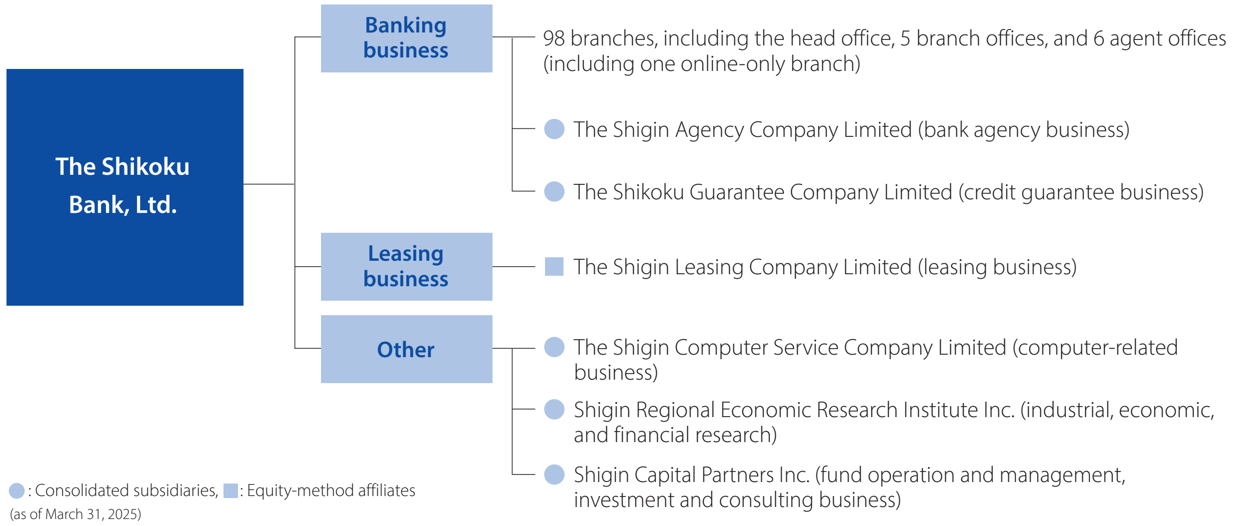
	Strategy		Region
	Corporations	Individuals	
Leader	Maintain and improve overwhelming No.1 position	Asset formation solutions for the majority of consumers, and establishment of a model for bank-securities collaboration	Kochi Prefecture
Challenger	Increase regional share through a differentiation strategy		Tokushima Prefecture, Otake City in Hiroshima Prefecture
Niche player	Develop and increase the share of key business partners	Expand transactions with corporate owners	Kagawa Prefecture, Ehime Prefecture, Okayama Prefecture, Hiroshima Prefecture (excluding Otake City), Osaka Prefecture, Hyogo Prefecture, Tokyo Metropolis



F Financial Advisory Plaza (also known as FA Plaza)	Offers a wide range of products and services, including stocks, bonds, and fund wraps, and provides advanced and comprehensive consulting services to customers	4 locations in Kochi 2 locations in Tokushima
L Loan Plaza	Available for consultation on various types of loans. Also open on weekends for customers who are busy on weekdays.	1 location in Kochi 1 location in Tokushima

The Shikoku Bank Group

The Shikoku Bank Group (Shikoku Bank and its subsidiaries and affiliates) is comprised of Shikoku Bank, its eight subsidiaries (three of which are non-consolidated) and three affiliates (two of which are not accounted for by the equity method), and mainly provides financial services such as leasing with a focus on its banking business.



The Shikoku Bank, Ltd.

Banking business
- 98 branches, including the head office, 5 branch offices, and 6 agent offices (including one online-only branch)
- ● The Shigin Agency Company Limited (bank agency business)
- ● The Shikoku Guarantee Company Limited (credit guarantee business)

Leasing business
- ■ The Shigin Leasing Company Limited (leasing business)

Other
- ● The Shigin Computer Service Company Limited (computer-related business)
- ● Shigin Regional Economic Research Institute Inc. (industrial, economic, and financial research)
- ● Shigin Capital Partners Inc. (fund operation and management, investment and consulting business)

● : Consolidated subsidiaries, ■ : Equity-method affiliates
(as of March 31, 2025)

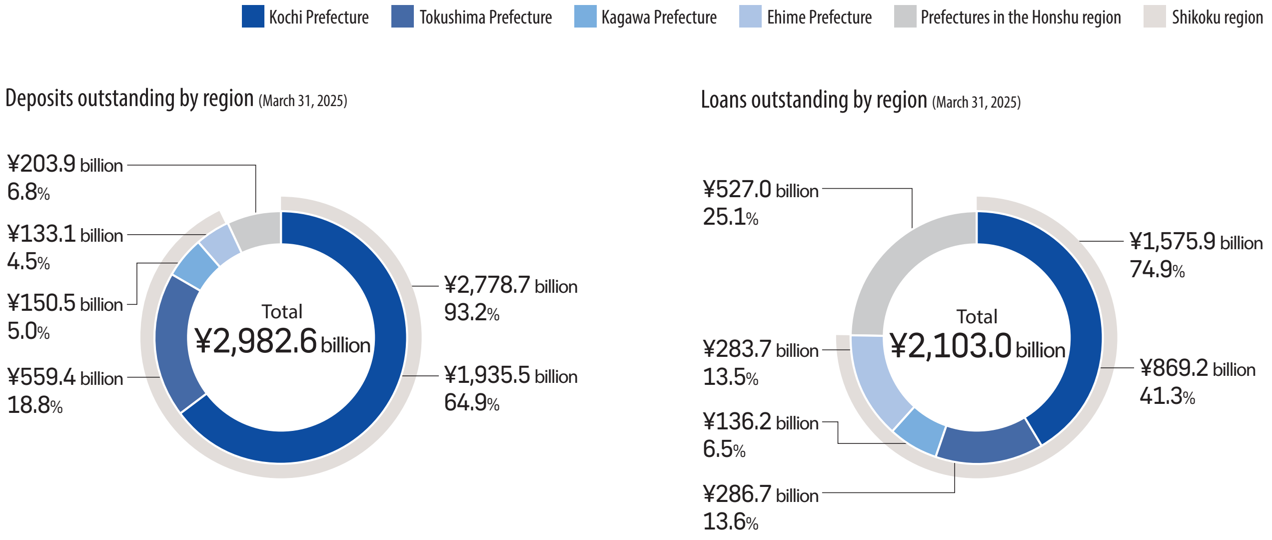
*Three non-consolidated subsidiaries and two affiliates not accounted for by the equity method are not included in the above business diagram.

Transactions based on the trust of the local community

Although deposits outstanding decreased partly due to the withdrawal of accumulated allowances associated with COVID-19, loans outstanding remained robust while fulfilling customers' funding needs.

By region, Kochi Prefecture, where the head office is located, accounts for about 60% of total deposits outstanding. Meanwhile, loans to customers outside of Kochi Prefecture account for more than half of the total due to efforts to leverage our expansive branch network.

We contribute to solving issues through business matching, M&As, and other means by utilizing our network, which enables us to have contact with more customers and help connect them.



Our Business Foundation

Kochi Prefecture is rich in nature, facing the Shikoku Mountains to the north and the Pacific Ocean to the south, with clear streams such as the Shimanto River and the Niyodo River flowing through it. Various industries have been formed by people utilizing this natural environment.

The prefecture's primary industries consist of agriculture, boasting one of the largest yields of eggplant, shishito pepper, ginger, and yuzu (citrus) and other fruits and vegetables in Japan; forestry, backed by the highest ratio of forest cover in Japan (roughly 84%); and fishery, which is represented by the skipjack pole-and-line fishing method.

In its secondary industry, while the low shipment value of manufactured products is an issue, the prefecture still boasts traditional handicrafts such as Tosa washi paper and Tosa knives, as well as sake breweries supporting the local sake culture. There are also companies that have a global presence in niche markets.

In its tertiary industry, the prefecture is known for various leisure activities that leverage tourist destinations with historical and cultural backgrounds and the natural environment, as well as the tourism industry that makes use of local resources such as the Shikoku 88 Temple Pilgrimage.

As of April 2025, Kochi Prefecture has a population of about 650,000 people. Following the peak of about 840,000 people in 1985, its population has continued to decline. Furthermore, the population is aging at a faster pace than the rest of the country, causing the prefecture to suffer a decline in industry leaders and consumer spending.

In response to these issues, the public and private sectors have been working together to improve productivity through the promotion of digitalization and to engage in foreign trade activities.

Primary Industries

Agriculture

Agricultural output value
(per hectare of cultivated land)

¥4,150 thousand

Nationwide ranking: **5** th (2022)

Forestry

Forestry output value

¥9.5 billion

Nationwide ranking: **17** th (2023)

Fishery

Fishery output value

¥49.4 billion

Nationwide ranking: **7** th (2022)

Secondary Industry

Manufacturing

Manufactured product shipment value, etc.

¥647.3 billion

Nationwide ranking: **46** th (2022)

Tertiary Industry

Tourism

Number of tourists visiting from outside the prefecture

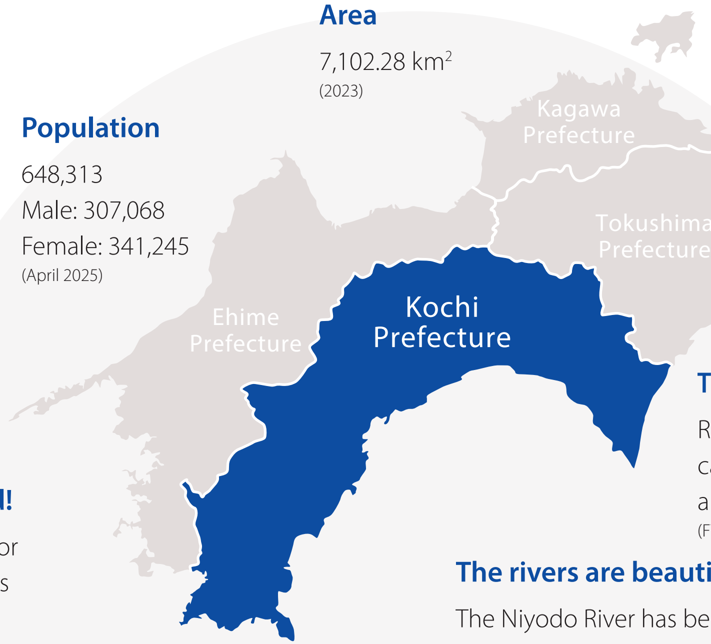
4,450 thousand people/year (2024)

Total consumption amount

¥130.8 billion (2024)

Record high

Features of Kochi Prefecture



Area

7,102.28 km^2
(2023)

Population

648,313
Male: 307,068
Female: 341,245
(April 2025)

Forest cover ratio

Roughly 84%
Nationwide ranking: 1st
(FY2021)

The food & drinks are delicious!

Ranked 2nd in Japan for two categories: "best-tasting food" and "best-tasting alcoholic drinks."
(FY2024)

The climate is mild!

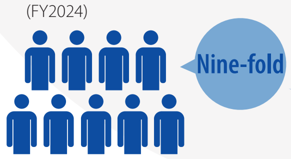
Ranked 5th in Japan for annual sunshine hours
2,271 hours (2022)

The rivers are beautiful!

The Niyodo River has been selected as the river with the best water quality in the country.
(2024)

Chosen by migrants!

The climate is mild and pleasant, resulting in the number of migrants increasing about nine-fold over the past 14 years.
(FY2024)



The number of migrants from outside the prefecture has been significantly increasing

In fiscal 2024, Kochi Prefecture had the largest number of migrants since fiscal 2011, when statistical recording started, and all of its municipalities welcomed migrants for the eighth consecutive year.

By age, those in their thirties or under account for approximately 70%, of which, those in their twenties or under account for approximately 50% of total. Many younger generations have moved to Kochi Prefecture.

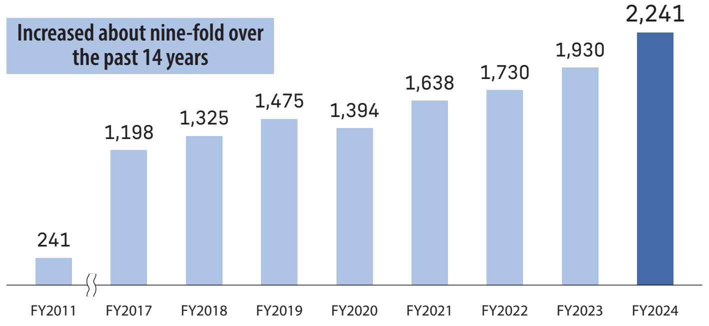
With the aim of achieving 2,700 migrants in fiscal 2025, Kochi Prefecture has been working on measures, such as expanding information dissemination that utilizes digital technologies, actively holding municipal consultations in the Kanto and Kansai areas, where approximately 60% of migrants resided before moving, securing members of regional revitalization cooperation team, and finding housing.

Record high

Migrants

2,241 people (116% year on year/FY2024 Kochi Prefecture)

Number of migrants from outside the prefecture

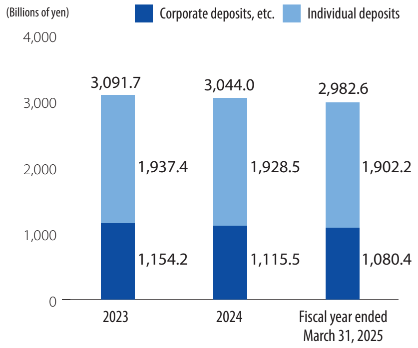


Sources	Kochi Prefecture	• Key metrics for prefectural states FY2025	• Monthly report for estimated population in Kochi Prefecture (as of April 1, 2025)	• Forests, forestry and timber industry in Kochi Prefecture FY2023
		• FY2024 PR brochure for the 5th Kochi Prefecture industrial development project	• Data on the number of migrants to Kochi Prefecture in FY2024	
	Ministry of Land, Infrastructure, Transport and Tourism	• Recent conditions of water quality of class A rivers in Japan 2024		
	Sony Life Insurance Co., Ltd.	• Lifestyle awareness survey by 47 prefectures 2024		

Financial and Non-Financial Highlights

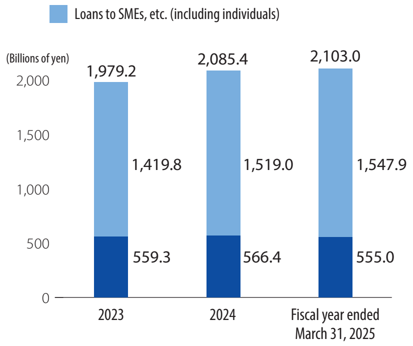
Financial Highlights

Deposits outstanding (including negotiable certificates of deposit)



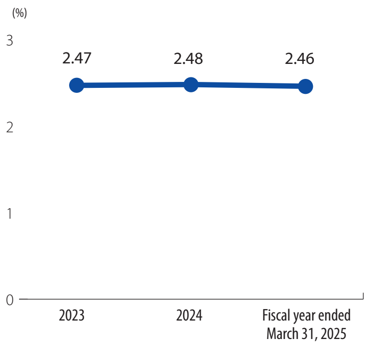
Deposits outstanding decreased partly due to the withdrawal of accumulated allowances associated with COVID-19. We will continue our efforts to achieve sound management and maintain and increase deposits.

Loans outstanding



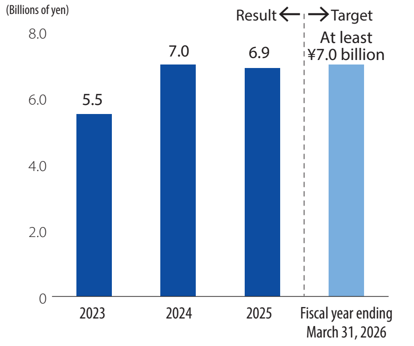
Loans outstanding have remained robust, particularly for SME customers. Going forward, we will continue our efforts to exercise our financial intermediary function and strive to increase loans in a sound manner.

Non-performing loan (NPL) ratio



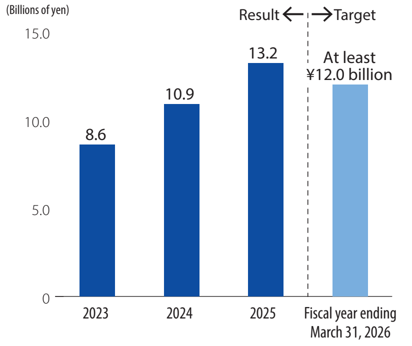
We will strive to ensure sound loans by providing support for business operators and management improvement, among other measures.

Net income



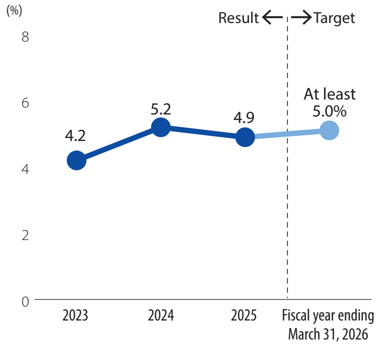
By steadily implementing the measures set forth in the medium-term management plan, we aim to achieve a net income of at least ¥7.0 billion in the fiscal year ending March 31, 2026.

Core business net income (excluding gains from redemptions of investment trusts)



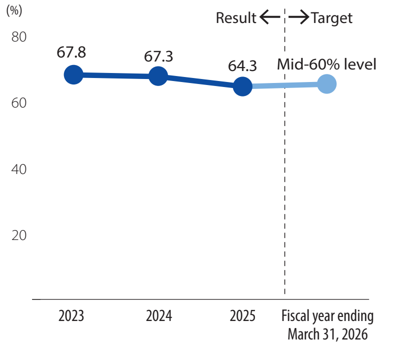
By steadily implementing the measures set forth in the medium-term management plan, we aim to achieve a core business net income (excluding gains from redemptions of investment trusts) of at least ¥12.0 billion in the fiscal year ending March 31, 2026.

ROE (based on shareholders' equity)



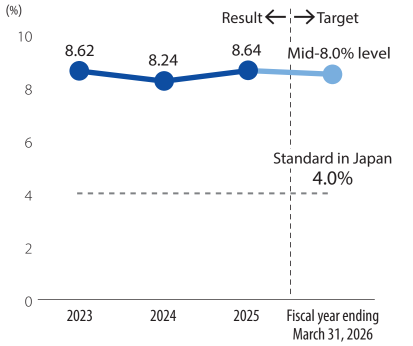
We will increase profitability by conducting efficient business activities.

OHR (based on core business gross income)



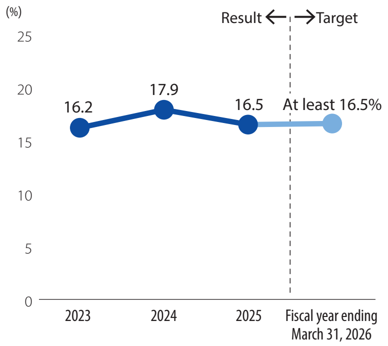
We will strive to reduce various expenses and improve efficiency by optimizing property expenses and system costs.

Equity-to-assets ratio



The equity-to-assets ratio is well above the Japanese standard of 4%, an indication of our financial soundness.

Non-interest revenue ratio



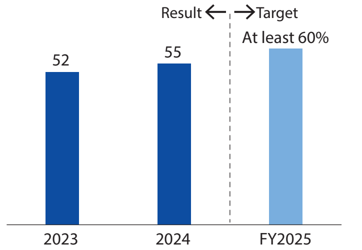
We aim to expand revenue opportunities by providing customers with services that go beyond the financial sector.

Non-Financial Highlights

Numerical Targets in Medium-Term Management Plan 2023

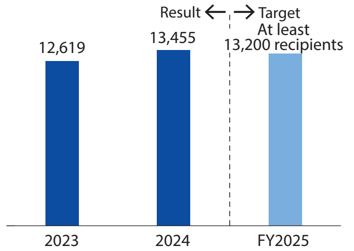
Enhancing the corporate value of our customers

Percentage of loan recipients whose corporate value increased (compared with March 31, 2023 result)



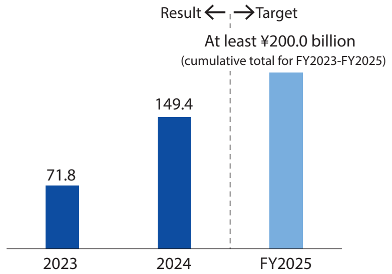
As a management partner, we will work to solve the issues faced by our corporate customers and contribute to the enhancement of customers' corporate value.

Number of business loan recipients



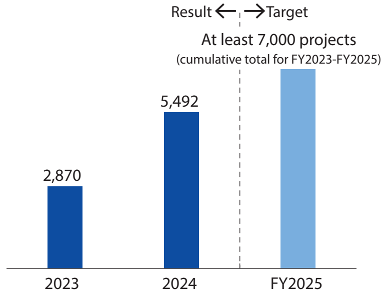
We will work to strengthen our sales activities so that we can do business with more customers, while striving for sound management so as to remain a bank that customers feel safe doing business with.

Cumulative amount of sustainable financing



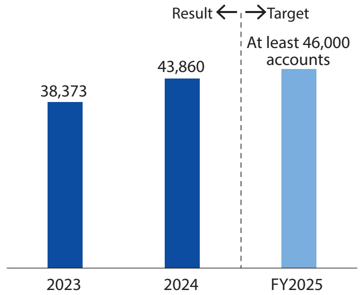
We actively promote sustainable finance to support our clients' sustainability initiatives from the financial side.

Number of business succession and M&A projects supported



We support the smooth execution of business succession and M&A projects, thereby contributing to the maintenance and expansion of customers' business value, as well as of local trade and employment.

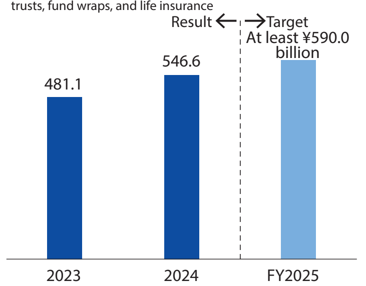
Number of brokerage accounts



We aim to increase the number of brokerage accounts by establishing a model for bank-securities collaboration with Daiwa Securities and providing more advanced consulting services.

Balance of assets under management, etc.*

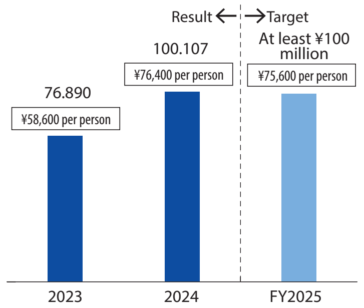
*Total balance of stocks, yen-denominated bonds (including government bonds for individuals), foreign bonds, investment trusts, fund wraps, and life insurance



We aim to increase the balance of assets under management by providing life insurance and other services that meet the needs of our customers, in addition to offering a product lineup enhanced through our partnership with Daiwa Securities.

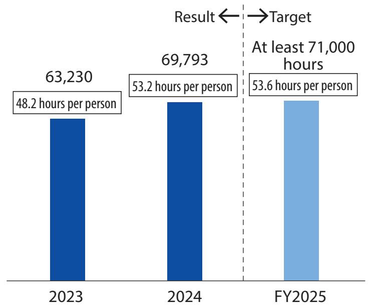
Initiatives for the growth of the human capital that supports our business activities

Amount of investment in human capital development



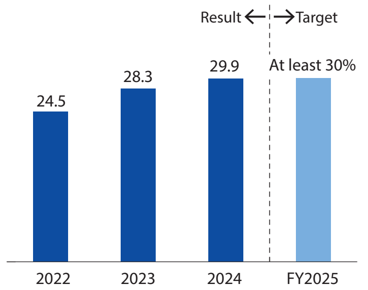
We will increase the amount of investment in human capital development in order to support our employees' efforts to acquire the skills that will enable them to contribute to solving the issues faced by customers and local communities.

Training time



We are working to create systematic learning opportunities based on human capital development and training programs, such as expanding online training.

Percentage of women in supervisory positions or above



As part of our efforts to promote the active participation of diverse human capital, we support the career development and continued employment of women.

External Evaluations, Participation in Initiatives, and Partnerships

External evaluations

External rating	Shikoku Bank has obtained an "A" Issuer Rating from Japan Credit Rating Agency, Ltd. (JCR). An "A" rating indicates a high level of certainty to honor financial obligations, meaning that we have been deemed a bank with a sound financial position, among other factors.	Japan Credit Rating Agency (JCR) A
DX certification	We were recognized by the Ministry of Economy, Trade and Industry for our strategy formulation and organizational structure geared toward the use of digital technologies, as well as our measures for cybersecurity. As a result, we became the first financial institution in Kochi Prefecture to be recognized by the ministry as a DX-certified business operator.	DX認定
Cybersecurity	We received a security score of 95 from SecurityScorecard in light of our efforts to address cybersecurity as a key issue for improving business continuity. This score is the highest rating on a five-point scale and above the industry average.	A The Shikoku Bank Ltd. 95セキュリティ スコア 87 Industry Avg (as of March 31, 2025)
CDP	We obtained a B score in the 2024 Climate Change questionnaire conducted by the CDP, which serves as the global standard for environmental information disclosure. B is the third-highest score among all 8 rankings.	CDP DISCLOSURE INSIGHT ACTION
Platinum Kurumin Plus	In addition to being a child-rearing support company based on the Act on Advancement of Measures to Support Raising Next-Generation Children, we are the first company in Kochi Prefecture to receive Platinum Kurumin Plus certification from the Minister of Health, Labour and Welfare, as a company that strives to create a work environment that makes it easier for employees to balance fertility treatment with work.	
Eruboshi	In accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace, we have received Eruboshi certification from the Minister of Health, Labour and Welfare as an excellent company in terms of promoting women's advancement.	女性が活躍しています！
Health & Productivity Management Outstanding Organization	We have established a working environment in which employees can work with vigor, and as such have been certified under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program by the Ministry of Economy, Trade and Industry and the NIPPON KENKO KAIGI.	2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Participation in initiatives

TNFD Forum	In April 2025, we participated in the Taskforce on Nature-related Financial Disclosures and will work to disclose information on natural capital and biodiversity.	TNFD Forum Member
Declaration of Partnership Building	In July 2022, we announced the Declaration of Partnership Building in order to build relationships of coexistence and mutual prosperity with our business partners through initiatives to increase added value throughout the supply chain and promote cooperation such as open innovation.	パートナーシップ構築宣言
TCFD	In September 2021, we endorsed the Task Force on Climate-related Financial Disclosures and have since been working to disclose information on climate change measures. See pages 45 to 50 for details of our initiatives	TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
Principles for Financial Action for the 21st Century	In January 2012, we signed the Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century) led by the Ministry of the Environment. In 2023, we received the Steering Committee Chairperson's Award as the first example of best practice in financial and economic education initiatives.	21世紀金融行動原則

Partnerships

Daiwa Securities	In April 2023, a total of approximately 130 employees of Shikoku Bank and Daiwa Securities were assigned to the Financial Advisor Division, combining the Bank's region-focused support system with Daiwa Securities' knowledge, experience, and platform in the securities business. This has allowed us to offer our customers a wide range of products and services as well as more advanced consulting services.	しあわせを、大きくする。 四国銀行 & 大和証券
Fincross Partnership	In May 2018, The Shikoku Bank, Ltd., The Senshu Ikeda Bank, Ltd., Kiraboshi Bank, Ltd., The Gunma Bank, Ltd., The San-In Godo Bank, Ltd., The Chiba Kogyo Bank, Ltd., Tsukuba Bank, Ltd., and The Fukui Bank, Ltd. concluded the Fincross Partnership and have since been collaborating and working together to promote the digitalization of each bank.	Fincross PARTNERS
Shikoku Alliance	In November 2016, four regional banks in Shikoku (The Shikoku Bank, The Awa Bank, The Hyakujushi Bank, and The Iyo Bank) concluded a comprehensive partnership called the Shikoku Alliance in order to work together to aid in the revitalization and development of the entire Shikoku region. Since forming the alliance, we have been working to contribute to the sustainable growth and development of our respective regions and customers.	SHIKOKU ALLIANCE 四国アライアンス

Originality Blossoming at Shikoku Bank

"Yosakoi" at Shikoku Bank

The Shikoku Bank Yosakoi Dance Group is a long-established team that has continued to participate in the Yosakoi Festival each year since its inception, with the exception of one year when it did not participate. It serves as a venue for people who don't often interact with each other in our day-to-day work, with various generations ranging from new employees to directors participating as dancers and staff. In addition, around 10 staff members voluntarily act as "Dance Leaders" each year, with many of them being young employees. All employees work together regardless of age or job responsibilities, leading to active communication within the Bank and the improvement of teamwork, and also contributing to personnel development. Going forward, we will continue our efforts to perform Yosakoi in a way that is unique to Shikoku Bank, while never forgetting our gratitude to everyone in the local community.

The Bank's theme last year was "Shigin Hana-temari (flower ball)." This is the second of the lucky-charm series following "Hana-musubi" (flower knot) from the year before last.

Like a temari, which is a lucky charm that is said to bring good luck and ensure a long and happy life, as well as symbolize a smooth journey and a happy ending, we hope to pass down Yosakoi culture together with the local community for many years to come. Under this aspiration, we practiced hard as a team and were able to perform dances with a sense of unity at the festival.

This gave us opportunities to connect with local people and start conversations with the customers who usually visit our counters. I feel that this is a wonderful aspect of Yosakoi.

This year, the dancers and staff will once again come together and do our best to deliver our smiles and express our gratitude to everyone. We hope you are looking forward to it!

Ayaka Miyaji　Asakura Branch

The Shikoku Bank Baseball Team, acting for the sake of the community

Since its establishment in 1929, the Bank's baseball team has been continuing its activities with the aim of boosting employee morale and fostering a sense of unity through baseball, as well as providing positive news for the local community.

The team also contributes to the development of local sports by holding baseball classes in order to pass on the skills and know-how that members have cultivated over the years to children. As the only amateur baseball team in Kochi Prefecture, we will continue to actively engage in activities that contribute to the local community.

Major Achievements

1979	Amateur Baseball Championship (Japan Championship)Debut and first win against Sendai Railway
1988	Reached the semifinals of the Japan Championship
2007	First win at the Intercity Baseball Tournament against Iwate Akabeko Baseball Team
2007	Best 8 in the Japan Championship
2010	Reached the second round of the Japan Championship
2020	Best 8 in the Intercity Baseball Tournament
2024	Participated in the Intercity Baseball Tournament

I would like to express my sincere gratitude for the continued support of our baseball club. Last year, thanks to your support, we were able to win the first round of the Intercity Baseball Tournament 7-3 against Toho Gas for the first time in four years. Meanwhile, we were not able to advance to the finals of the Japan Championship. This year really had the highest highs and the lowest lows.

I always make team members ask themselves the question of what they should do to become bankers and a team that can be supported by everyone. A team is supported by the local community and fellow employees. Isn't that the way a corporate team should be? I will stick to this style with my principles as long as I serve as manager.

This fiscal year, under the slogan of "Commitment —Pioneer a new age—," which was conceived mainly by the captain, we will aim to be a team that enables players with leading roles to show commitment as a corporate team, and to move people's hearts as a result, even in these turbulent times.

Yosuke Kameoka　Baseball team manager

Value Creation Process

Through our financial-based services, the entire Group will strive to be the "Best & Reliable Company that leads the region and industry."

Changes in the external environment envisioned by the Bank

Region/Corporations
- Management of SMEs is becoming increasingly tough
- Growing need to tackle unprecedented regional challenges

Individuals
- Increasingly diverse asset management methods make it difficult to make appropriate choices
- Growing demand for more personalized customer experiences

Channels
- Connecting with customers digitally becomes the norm

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Change required of the Bank
- Need to respond quickly to social trends
- Need to accept diversifying values

Input (Source of value creation)

Intellectual capital
- A wide range of consulting services
- Alliances with various industries
- Comprehensive strength of the Group

Social capital
(fiscal year ended March 31, 2025)
- Customer base built on relationships of trust with customers
- Expansive branch network of 109 branches
  Loans in areas outside of Kochi Prefecture account for 58.7% of total loans
- 13,455 loan recipients

Natural capital
- Abundant nature (forests, rivers, ocean)
- Yosakoi Odori and other appealing tourist attractions

Human capital
(fiscal year ended March 31, 2025)
- 1,267 employees
- Percentage of women in supervisory positions or above: 29.9%
- Investment in human capital development: ¥100 million

Financial capital
(fiscal year ended March 31, 2025)
- Deposits outstanding: ¥2,982.6 billion
- Loans outstanding: ¥2,103.0 billion
- Net income: ¥6.9 billion
- ROE (based on shareholders' equity): 4.9%

Business activities

Medium-Term Management Plan 2023

The medium-term management plan is the first step in our transformation geared toward realizing our 10-year vision, under which we will promote "establishing frameworks" and "strengthening the management structure" as a two-pronged approach.

Two-pronged approach

Establishing frameworks aimed at realizing the 10-year vision

Strengthening the management structure

Customers

Corporations
- Fulfil our financial intermediary function
- Provide non-financial services (human capital, DX, carbon neutrality, etc.)
- Provide consulting services to solve management issues

Individuals
- Provide advanced consulting services for asset management and asset formation through our partnership with Daiwa Securities
- Expand digital and non-face-to-face channels
- Provide financial services in line with customers' life plans

Region
- Resolve regional issues through the accumulation and return of regional and industrial information
- Provide support for initiatives to achieve carbon neutrality
- Provide support for regional revitalization through industry-academia-government-financial collaboration
- Proactively participate in regional events

Employees
- Create a fulfilling and rewarding work environment

Output (Outcome of business activities)

Intellectual capital
- Provide support to at least 7,000 business succession and M&A projects
- Balance of assets under management, etc. of at least ¥590.0 billion
- Cumulative amount of sustainable financing of at least ¥200.0 billion

Social capital
- Percentage of loan recipients whose corporate value increased: at least 60% (compared with March 31, 2023 result)
- Establishment of omnichannel
- At least 13,200 business loan recipients
- Create businesses that contribute to regional revitalization

Natural capital
- Reduce CO_2 emissions by 50% in FY2030 compared to FY2013
  Achieve carbon neutrality by FY2050
- Help refine tourist attractions

Human capital
- A work environment where diverse human capital can play an active role
- Percentage of women in supervisory positions or above: at least 30%
- Investment in human capital development: at least ¥100 million (fiscal year ending March 31, 2026)

Financial capital
- Steadily build up both deposits and loans outstanding
- Net income: at least ¥7.0 billion
- ROE (based on shareholders' equity): at least 5%

10-year vision

Best & Reliable Company that leads the region and industry

Customers
Business growth and development
Realization of prosperous lives

Region
Creation of industries that contribute to regional revitalization
Realization of a decarbonized society

Employees
Realization of well-being

Shareholders
Enhancement of the corporate value of the Shikoku Bank Group over the medium to long term
Enhancement of shareholder returns

Management base that supports value creation

Sustainability Policy | Human capital development | Governance | Compliance | Risk management | Optimized data and systems

From "Bank" to "Company"
The First Step in Turning our Vision into Reality

Medium-Term Management Plan 2023, launched in April 2023, sets forth two strategic themes: "Establishing frameworks aimed at realizing the 10-year vision" and "Strengthening the management structure." We will pursue these as a two-pronged approach.

Previous medium-term management plan

● Thorough structural reforms ● Establishment of Shikoku Bank's new business model

Thanks to our sincere efforts to implement the measures in the previous medium-term management plan, we were able to largely achieve our goals through the penetration of consulting sales. Going forward, we consider it necessary to further strengthen our initiatives for regional revitalization to respond to changes in the economic and social environment, as well as our consulting services that focus on solving customer issues.

Financial Targets
(Non-consolidated basis for FY2022)

	Results
Net income	5.5 billion yen
Equity-to-assets ratio	8.62%
ROE*1	4.2%
OHR*2	67.8%

*1 Based on shareholders' equity
*2 Based on core business gross income

Financial Targets (FY2025)

Core business net income*1	At least 12.0 billion yen
Net income	At least 7.0 billion yen
ROE*2	At least 5%
Equity-to-assets ratio	Mid-8% level
OHR*3	Mid-60% level

*1 Excluding gains from redemptions of investment trusts
*2 Based on shareholders' equity
*3 Based on core business gross income

Establishing frameworks aimed at realizing the 10-year vision

- **I** **Establish a framework to drive regional and industrial growth**
- **II** **Establish a framework for creating new value for individuals**
- **III** **Build an omnichannel that continues to connect with customers**
- **IV** **Improve our management infrastructure**

In order to establish frameworks aimed at realizing our 10-year vision, we are strengthening our think tank function for collecting and analyzing regional and industrial information, as well as planning and executing functions for solving regional issues. We are also working to transform our corporate sales style that contributes to the enhancement of corporate value for our customers. Moreover, through our comprehensive business alliance with Daiwa Securities, we are working to establish a business model that accurately responds to customers' asset formation and investment needs, expanding digital and non-face-to-face channels with the aim of providing new value to customers, and revitalize our organization by realizing the well-being of employees.

Strengthening the management structure

- **V** **Increase profitability**
- **VI** **Increase efficiency**

We will drastically reform Group-wide operations to generate resources so as to steadily implement the measures in our medium-term management plan. We are also working to increase profitability and efficiency by further refining our existing initiatives.

Strategic Targets in Medium-Term Management Plan 2023

I Establish a framework to drive regional and industrial growth

In order to lead the transformation of regional and corporate customers, we will strengthen the think tank function and develop a system to provide the regional design function that resolves regional issues.
In addition, as a management partner, we will work together with corporate customers and develop a system to become a driving force for the growth of their companies.

With the aim of contributing to the sustainable development of the region and industry, as our measures, we are promoting initiatives to strengthen the think tank function and develop a system to provide the regional design function as a regional financial institution, in addition to providing financial services. The think tank function serves to collect and analyze regional data, and to provide information that helps to solve management issues. The regional design function covers initiatives such as regional revitalization support that utilizes digital technologies. Through these initiatives, we will aim for customers' corporate value enhancement and regional economic revitalization, and deepen cooperation with various local companies and organizations. Going forward, we will continue to empathize with local communities, and as a financial institution that grows together with them, we will contribute to the creation of the region's future.

Key measure Strengthening regional and industrial promotion functions

Strengthening the think tank function

Through cooperation with Shigin Regional Economic Research Institute, we collect and analyze data on regional economies and industries. Specifically, we build regional and industrial databases, regularly deliver think tank news, and provide high-quality information through specialized analyses that utilize Input-Output Tables.

Such information is delivered by means of direct provision to customers by sales representatives, and publication on the website of the Shigin Regional Economic Research Institute. In this way, we have developed frameworks that allow more people to access the information.

Through the information, we share management issues with local business owners, and thereby aim to achieve more effective support for business management. With the aim of contributing to customers' corporate value enhancement going forward, we will continue to dispatch a variety of information.

Develop a system to provide the regional design function

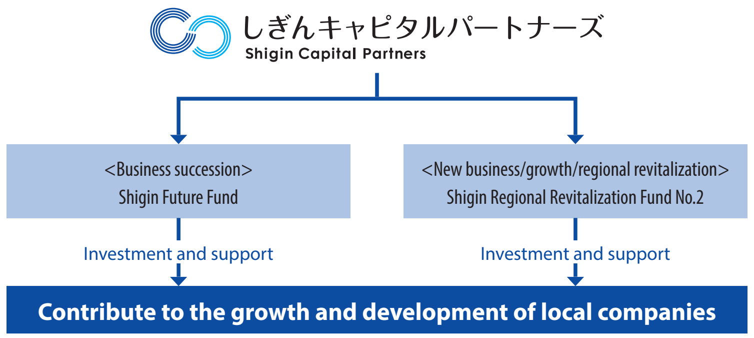
As part of regional design, we undertook the "Digitalization Support Project for Shopping Arcade 2024" hosted by Kochi Prefecture, jointly with local companies. In the project, we provided support to the Obiyamachisuji Cooperative Association and model shops that demonstrated an eagerness to work on digitalization.

Specifically, we provided accompanying support aimed at solving management issues, such as the utilization of data gained from people flow measurement devices installed in the shopping arcade, operational efficiency and productivity improvement that utilizes digital technologies, and business model transformation.

Through these initiatives, while accumulating expertise in support and working to resolve regional issues, we will develop a system that helps us to sustainably provide the regional design function, and contribute to regional revitalization.

Established Shigin Capital Partners Inc.

In October 2024, the Bank established Shigin Capital Partners Inc., a wholly owned subsidiary specializing in investment. By providing capital through the fund function, and more effective support for business management to customers working in fields such as business succession, new business, and regional revitalization, the company promotes solving problems of, and growth support for the region and customers, and currently manages two funds: the Shigin Regional Revitalization Fund No. 2, and the Shigin Future Fund. The Shikoku Bank Group will continue to work on revitalization of regional economies through funds.



Key measure Transforming our corporate sales style

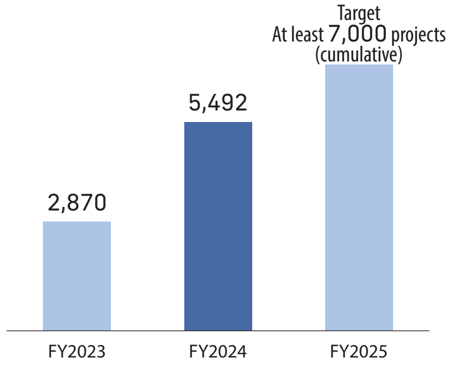
Support for business operators

For the purpose of growing together with our customers, we practice a sales style that focuses on solving management issues. While accurately grasping management needs and leveraging the headquarters' expertise, we offer a variety of management support services, such as business succession, M&As, and management improvement.

Our efforts for business succession support

For business succession issues at SMEs, which have become increasingly serious due to factors such as aging business owners and lack of successors, we are actively engaged in support as a regional financial institution to solve such problems. For the Business Succession and Inheritance Support Desk, which is set up at the headquarters, employees with a high level of professional skills are assigned, and for sales branches, while general managers play a central role, employees with M&A Senior Expert qualification (hosted by KINZAI Co., Ltd.) are assigned to support customers' problem solving.

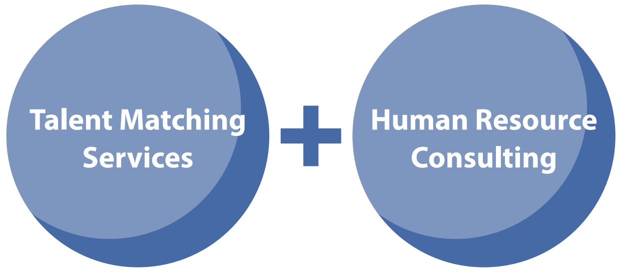
Number of business succession and M&A projects supported (cumulative)



Key measure Establish and strengthen non-financial functions

Kochi Prefecture has a population of about 650,000 people as of April 2025. After having about 840,000 people in 1985, its population has continued to decline, with the regional issue of low birth rates and aging society progressing at a faster pace than the rest of the country. Against the backdrop of such circumstances, the current sense of labor shortages is rapidly growing among local companies.

The Bank is working to solve local companies' issues, such as labor shortage and personnel matters, through two approaches: Talent Matching Services designed to support the recruitment of full-time employees, the utilization of staff with a side or concurrent job who solve specific issues on an ad-hoc basis, etc., and Human Resource Consulting designed to support the building of frameworks of personnel assessment and wages that helps to revitalize customers' recruitment capabilities, and organizations.



SPECIAL CONTENTS 01

Special Feature

Pioneering the Regional Future

Pioneering the Regional Future

—New value creation woven by diverse human resources—

The Regional Innovation Division was established in July 2024, with the aim of solving regional issues and creating new value. Its members with diverse expertise and experience are promoting the enhancement of our think tank function and regional design building through cooperation with Shigin Regional Economic Research Institute. We spoke with representatives from the division about the current initiatives and future visions.

Established in 2017
Regional Development Division
Regional revitalization

Established in 2021
Innovation Promotion Division
DX

Established in 2024 Regional Innovation Division
Think tank function/regional design function
Digitalization support/innovation planning
Total 23 employees, of which 8 mid-career hires

Dialogue

Regional revitalization challenged from a new perspective


Hiroaki Taga
Special Research Fellow,
Regional Innovation Division

Shunsuke Iwai
President and Representative Director of Shigin Regional Economic Research Institute Inc., and Advisor, Regional Innovation Division

Synergy woven by diverse careers

Iwai I was born and raised in Kochi. After graduating from university, I have worked for the Ministry of Finance for a little over 34 years, mainly engaging in economic research. I have a strong interest in Kochi, with my desire to contribute to the region. For that reason, I decided to return home. A bank is an organization that does meticulous work to solve issues of customers and others. However, I feel that adding perspectives from a person who does not have a bank career has generated new synergy in our approaches for fields such as research and analysis.

Taga I have worked for a bank in Gifu Prefecture for a little over 31 years, accumulating experience in think tank operation and at its headquarters. Currently, I am pursuing new output that combines the analysis of regional economies and the sales perspective of helping customers. Viewpoints provided by a person from outside Kochi who had no previous connection to the region are helping to discover new regional charms.

Alignment model between a regional financial institution and think tank

Iwai Shigin Regional Economic Research Institute aims to become a think tank that serves the region and customers, and disseminates and provides information through three media formats: the website that publishes think tank news, etc., face-to-face activities such as seminars, and publications such as "Shigin Management Information." In particular, in alignment with the Regional Innovation Division, we will build cooperative structures that leverage each other's strengths and further reinforce the alignment.

Taga We are working on alignment with the research institute as an important theme, and I myself am involved in the initiative as a Special Research Fellow. A think tank specializes in deep numerical analysis, and a bank is in a position that serves to grasp on-site needs. Taking advantage of these characteristics, we would like to together disseminate information that gives a hint to solve issues, from the perspective of providing awareness.

Growth strategies that leverage Kochi Prefecture's advantages

Iwai Kochi is a region rich in resources different from urban areas, such as nature, great food, history, cultures represented by the Yosakoi Festival and pilgrimages, as well as local people's hospitality. We consider that it would be great to increase added value by leveraging the advantages of the primary sector and the tertiary sector that centers on tourism. Although Kochi has a small economic scale, we will aim for a region with special features. To this end, we would like to provide necessary information and support.

Taga I was once again surprised by the richness of Kochi after assuming my post. In particular, agriculture and fishery have potential for further development as key industry sectors to earn foreign currency. While it does face the issue of labor shortage, it is important to enhance the added value of these regional resources. In terms of tourism, in addition to rich nature and historical resources, it has a feature of people's cheerfulness and hospitality. We have to make these elements clearly emerge as Kochi's attractions and to increase nation-wide recognition. A mindset of hoping to contribute to customers' growth and regional development is rooted in Shikoku Bank. Going forward, we would like to further strengthen this philosophy.

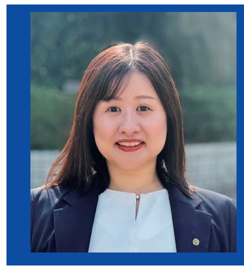
Create the future. Together with communities.
—Initiatives of the Regional Innovation Division—

Local community's hopes realized by EINEE Kochi, a crowdfunding service dedicated to the region

Provided by READYFOR Inc.

Through EINEE Kochi, a crowdfunding service dedicated to Kochi Prefecture, we are supporting new challenges by business operators and individuals in the region. We have accumulated experience of support for solving various social issues in the region, such as childcare support, the inheritance of traditional cultures, and regional revitalization that utilizes tourism resources. From users of the crowdfunding, we received a comment, "I could have an opportunity to meet someone who empathizes with my thoughts." We feel a good response to the creation of new connections, not limited to funding.

We will continue to support local people's dreams and challenges through EINEE Kochi, and work to realize a sustainable local community.


Miki Akimoto
Chief, Regional Innovation Division

Digitalization support that helps to solve management issues facing shopping arcade stores and to increase sales

In Kochi Prefecture's "Digitalization Support Project for Shopping Arcade 2024," through interviews with model stores, we visualized their management issues and set priorities for the digitalization of operational issues, formulating a Digitalization Plan.

After formulating the plan, we provided accompanying support, such as digital marketing, and operational process improvement that utilizes digital technologies. As a result, our support led to outcomes including increased sales and improved operational efficiency, and model stores were able to realize the benefits of digitalization.

We will continue to strive to offer support that utilizes digital technologies to solve customers' management issues.


Aya Sugimoto
Chief, Regional Innovation Division
(Former career: system company)

Accompanying support for digitalization to unlock customers' future potential

I am currently engaged in digitalization support for business operators at the Digital Planning Desk, and make proposals on building frameworks that lighten daily workload to customers who have problems in cumbersome work and paper-based administration. When we supported operational efficiency improvement and paperless initiatives, such as the digitalization of daily reports in preparation and organization, and application documents, I was glad to hear customers' comments, such as "organization is easier than before," and "paper costs were reduced." It was greatly encouraging for me that customers could realize benefits as visible results.

While listening to customers, we will continue support that meets customers' needs, and contribute to solving regional issues.


Syuuya Himoto
Regional Innovation Division
(Former career: system company)

Strategic Targets in Medium-Term Management Plan 2023

II Establish a framework for creating new value for individuals

In order to provide new value to individual customers, we will establish a model for bank-securities collaboration with Daiwa Securities and rebuild the customer experience centering on the Shikoku Bank app.

Key measure Establish a model for bank-securities collaboration with Daiwa Securities

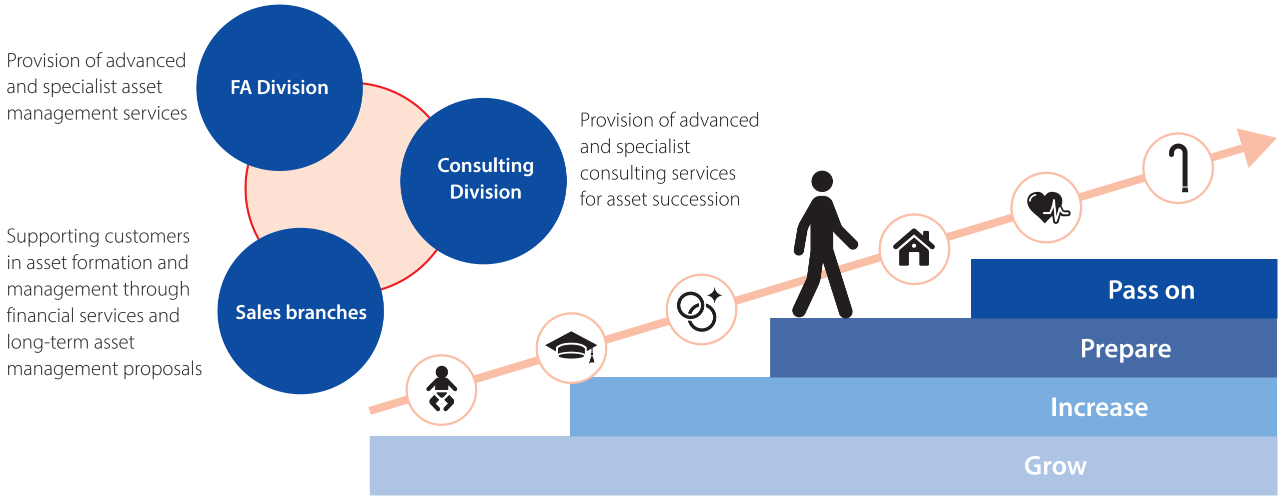
After the new NISA started in January 2024, a wide range of customers with interest in asset management have started inquiring with us on our services. In addition, rising prices and interest rates have a substantial impact on customers' lives, and the needs for and necessity of asset management are increasing more than ever before.

In April 2023, we established the Financial Advisor Division (also known as the FA Division) to handle our comprehensive business partnership with Daiwa Securities, and operate six FA Plazas in Kochi and Tokushima prefectures. A total of approximately 130 employees, including seconded employees from Daiwa Securities and Shikoku Bank employees, are assigned to each Plaza. By combining the Bank's strength in "region-focused support system" with Daiwa Securities' strength in "knowledge, experience, and platform in the securities business," we are working to build frameworks that allow us to offer advanced asset management services. In addition, we have enhanced alignment between sales branches and FA Plazas, and the division of roles, and are continuously providing fine-tuned follow-up services to customers.

Going forward, our sales branches and headquarters will work together with Daiwa Securities to provide optimal information and services, and aim to become the best partner for our customers.

We will be the best partner for our customers

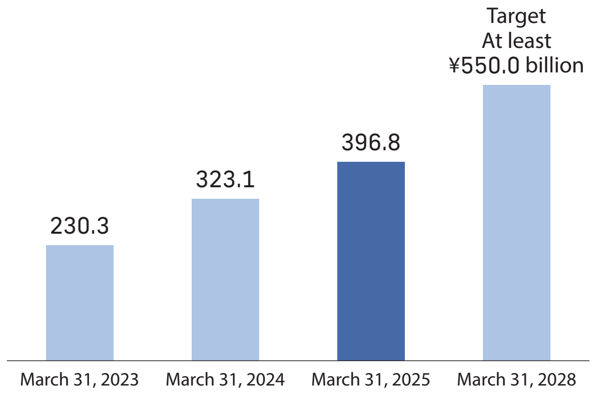
by combining the strengths of Shikoku Bank and Daiwa Securities.



Balance of securities

The balance of securities, for which our initiative started with a target of increasing our balance of securities to at least ¥380.0 billion by March 31, 2028 (up at least ¥150.0 billion during the five years), has been steadily increasing. In November 2024, the target of increasing the balance by at least ¥150.0 billion was achieved three years earlier than planned.

Thereafter, we set a new target of increasing our balance of securities to at least ¥550.0 billion by March 31, 2028. We aim to increase the balance by continuing to fulfill the asset management needs of a wide range of customers.



*The balance of financial intermediary accounts entrusted by Daiwa Securities through a comprehensive business alliance (excluding MRF, foreign currency MMF, and Daiwa Next Bank account balance)

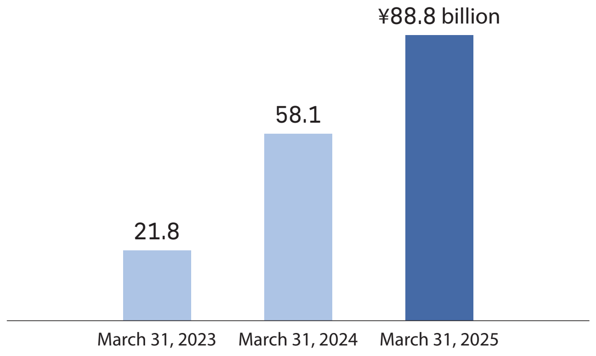
*The balance of securities as of March 31, 2023 represents the total amount for Shikoku Bank and the former Daiwa Securities Kochi Branch

Balance of fund wraps

The balance of mainstay fund wraps has increased by approximately 4 times over the two years following the launch of the alliance.

We have received highly positive feedback for fund wraps, for portfolios built in accordance with customers' purposes, policies, and risk tolerance in regard to asset management.

We will continue to increase the balance by fulfilling customers' needs, and aim to secure stable earnings by expanding businesses that generate recurring revenue.

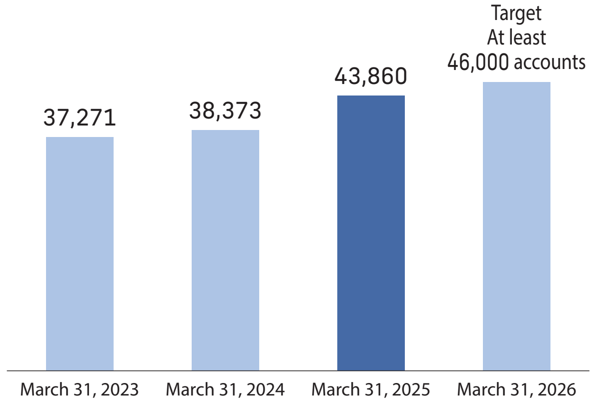


*The balance of fund wraps as of March 31, 2023 represents the total amount for Shikoku Bank and the former Daiwa Securities Kochi Branch

Number of brokerage accounts

The number of brokerage accounts increased by approximately 5,000 accounts over the past year. Due to the start of the new NISA, needs for asset management have spread to a wide range of people, and we have more opportunities to be asked for advice by customers who did not have interest in asset management before.

We will continue to fulfill the needs for asset formation and management of a wide range of customers by offering appealing products and services, and thereby strive to increase the number of customers who have transactions with the Bank.



*The number of brokerage accounts as of March 31, 2023 represents the total amount for Shikoku Bank and the former Daiwa Securities Kochi Branch

02 SPECIAL CONTENTS

Special Feature

Bank-Securities Collaboration

Dialogue

Tatsuji Kobayashi
President
The Shikoku Bank, Ltd.

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Akihiko Ogino
President and
Representative Director
Daiwa Securities Co. Ltd.

This is the third year of business partnership between Shikoku Bank and Daiwa Securities.
By providing community-based support frameworks and advanced consulting services, we aim to maximize customers' asset value.

In April 2023, in the field of assets under management, we started a business partnership in which Shikoku Bank undertakes the sales of and consulting for financial products and Daiwa Securities undertakes account management, as the first initiative in the prefecture. We spoke with President Kobayashi and President Ogino regarding the outcomes of the initiative in the third year, and future business development.

Reflecting on your progress to date, please give your honest opinions.

Kobayashi I am very grateful to mark the third year of the partnership. Reflecting on these two years, I realize that people's interest in asset management has significantly grown in Kochi Prefecture. Partly because our partnership started at the time of the start of the new NISA, we heard many customers saying "I would like to start asset management for the future." It is a great success that we could help customers who were unfamiliar with investment before taking the first step.

Ogino It is also a pleasant outcome for us that customers who are beginners in investment could start asset management with peace of mind through the help of the sales branches and representatives of Shikoku Bank that are rooted in the region. We were able to communicate the importance of investment to customers in certain segments, which might be difficult for a securities company to approach alone. I think that this was only made possible through partnership with a regional bank.

Kobayashi The regional bank's strength is that we have opportunities to provide face-to-face consulting to customers in community-based daily sales activities. Many customers say, "I don't know where to start," and "I'm worried about the risk," even if they have interest in asset management. With empathy for such customers, we support asset formation from a long-term perspective. I believe that this is a regional bank's unique strength.

Ogino The securities company's strengths are capabilities to provide expertise in investment and a large selection of products and services. I think that the framework that allows customers to casually ask at bank counters and receive professional advice from securities-sector perspectives gives a great sense of reassurance to customers.

Kobayashi That's true. Actually, we have feedback from customers, such as, "I'm glad that there is a place to ask," and "It's great to have a better selection of products."

The target for the balance of securities (by March 31, 2028) was achieved earlier than planned, with a new target set. Please tell us about the background of the early achievement.

Ogino In terms of the environment, due to factors such as the continued weak-yen trend and global inflation pressure, the inflation rate in Japan remains at a high level. As an asset formation method in the era of inflation, the needs for asset management have been increasing. In addition, the start of the new NISA generated new investor classes, which helped us to acquire investment funds. The continued environment of positivity toward asset management is considered a contributing factor.

Kobayashi In terms of structures, employees seconded from Daiwa Securities and Shikoku Bank's employees respect each other's standpoints, and have formed a new corporate culture by combining both organizations' cultures. I feel that this has become a large force. For example, in the FA Division, both organizations' employees team up and visit customers together. Such teams are very compatible. Our employees engage in sales activities while helping and encouraging each other in the teams, and are working toward shared goals. I think that these factors worked as drivers and helped form a new culture, which brought about a positive result.

Ogino Although belonging to the same sector as financial institutions, banks are often likened to farmers and securities companies to hunters due to the vast difference in their cultures and perspectives. However, I believe that we were able to overcome the difference through our commitment to maintaining a sense of mutual respect and trust. Our structures have become much stronger by leveraging and adeptly integrating each other's strengths. These strong structures and the economic environment toward inflation brought a sense of speed and dynamism to the business. Consequently, I think that this led to the achievement three years earlier than planned.

Kobayashi I agree. For Shikoku Bank's customers, we became able to offer a wide selection of products and services, as well as advanced consulting, which we could not provide before starting the partnership, and this has boosted the investment amounts. In particular, fund wraps match customers' needs for medium-term asset formation, and the balance after starting the partnership has steadily grown to four times its original level.

We have entered the third year of the partnership. Please tell us about future business development.

Kobayashi We continue what we have promoted during these two years, based on the mind of shifting to investment from savings, and make such initiatives more reliable in the third year. Our management environment moved into a new phase. In a world with interest rates brought about by the Bank of Japan's policy interest rate hikes, I think that the importance of community-based support frameworks, a strength of Shikoku Bank, will further increase. Going forward, although savings are important, it is also essential to have assets allocated to categories other than savings. We aim to become the best partner for our customers by continuing to provide fine-tuned consulting for customers' overall financial assets, and high-value-added financial services and solutions.

Ogino Due to the start of the new NISA, the trend of shifting to investment from savings is steadily progressing. However, of household financial assets, which exceed ¥2,100 trillion, half of the amount is held in cash and deposits. The achievement of Japan as a leading asset management center, a plan promoted by the government, is only at the halfway point. Furthermore, market environments have increased uncertainties, such as political trends in other countries and geopolitical risks. Because of times like this, we would like to deliver reassurance to our customers in terms of asset management through the robust alignment between Daiwa Securities and Shikoku Bank. I am sure that we will be able to see the establishment of the bank-securities business model in the future after sincerely continuing our commitment to date.

Key measure Rebuild the app-centric customer experience

In order to provide convenient banking services to individual customers 24 hours a day, 365 days a year, we have expanded the functions of our smartphone app.

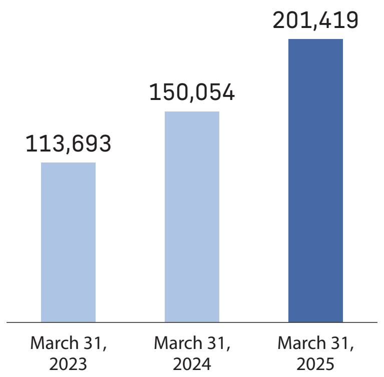
In addition to various transactions such as checking deposit and withdrawal statements, making transfers, procedures for the loss, discovery, and reissuance of cash cards and other similar items, address changes, and applications for home loans and unsecured loans, from January 2025, we added the following function to the app: the "COTRA Service," which allows users to make person-to-person transfers of up to ¥100,000 free of charge and pay local taxes by scanning the "unified local tax QR code" with their smartphone.

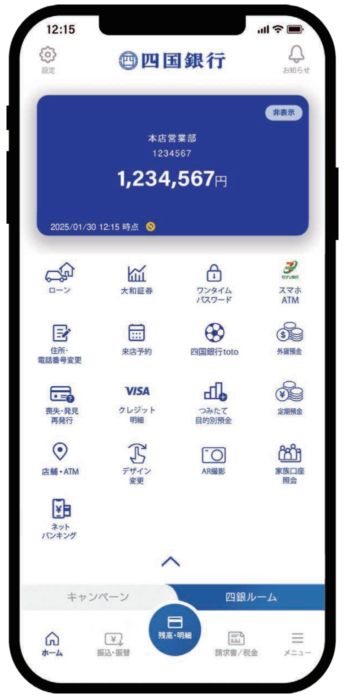
Furthermore, in order to provide each customer with useful information and services at the right time, we are advancing the sophistication of digital marketing that makes effective use of various data.

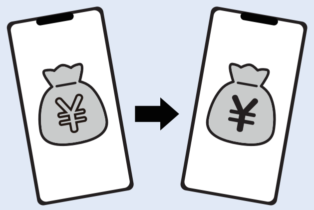
In addition to UI/UX improvement, function addition, enhanced security, and integration with external apps and other services with the aim of providing an app that is easy and safe for customers to use, we will also continue to provide regional, financial, and other information.

*QR code is a registered trademark of DENSO WAVE INCORPORATED.

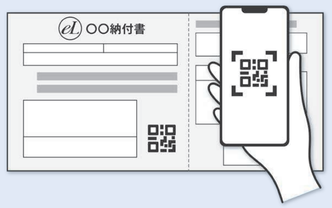
Number of app downloads







Remittances of up to ¥100,000 per day even to other bank accounts are available free of charge (COTRA remittance)

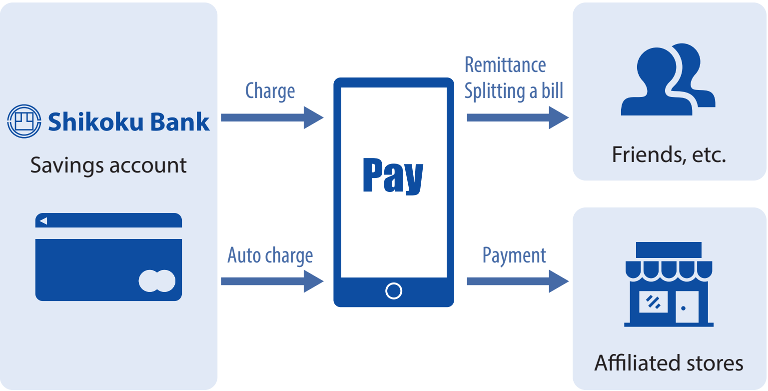


Payment of local taxes by scanning the QR code on payment slips is available (COTRA tax and public funds)

Expansion of electronic payment services

In order to improve customer convenience and productivity through cashless payments, we perform account integration with various electronic payment services.

Through the apps and websites of fund transfer service providers, payment service providers, and other financial institutions linked to their accounts, users can pay for product purchases, make mobile payments, charge balances, and transfer money to other users of the service.



Strategic Targets in Medium-Term Management Plan 2023

III Build an omnichannel that continues to connect with customers

Because it is necessary to build continuous connections and deepen relationships with customers, we plan to establish an omnichannel that utilizes digital and non-face-to-face channels as well as face-to-face channels.

For individual customers, we have added functions to the Shikoku Bank app and increased the sophistication of our digital marketing. For corporate customers, we offer the "Mikatano Series," which focuses on account and fund management. Through such moves, we are working to expand our digital and non-face-to-face channels, thereby strengthening our contact points with customers.

Going forward, we will strive to expand our portal website, which serves as a one-stop shop for corporate customers to access our financial and non-financial services, as well as our services that enable customers to complete banking transactions via our app at their convenience. In this way, we will promote the shift to an omnichannel so that we can stay connected to our customers at all times.

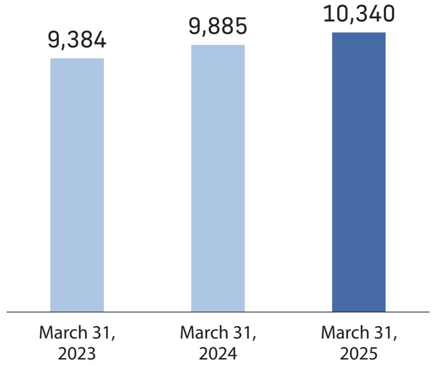
Key measure Expand digital and non-face-to-face channels

Non-face-to-face services for corporate customers

We offer packages for corporate customers, such as "Business Direct," which allows customers to carry out various procedures such as balance inquiries, deposit and withdrawal inquiries, and remittances, and the Mikatano Series, which provides centralized account management and a function for storing transaction-related documents.

Going forward, we plan to develop channels such as portal sites and apps for corporate customers that will not only provide functions for transfers and various non-face-to-face administrative procedures, but also enable loan applications and paperless document processing, providing digital solutions to issues such as improving the business efficiency of our customers and increasing their sales.

Number of Business Direct contracts



Face-to-face channels

Sales branches are and have always been an important point of contact with customers. When rebuilding or refurbishing these branches, we turn them into next-generation store based on the concept of "The Bridge of Lifetime Finance." By doing so, we transform them from places where financial administrative tasks are primarily carried out to places where we provide hospitality to customers and ensure they feel relaxed during their consultation with us. Going forward, we will strive to gradually expand them as places where customers can relax in a comfortable atmosphere as we create communication that leads to the resolution of issues.

Strategic Targets in Medium-Term Management Plan 2023

Ⅳ Improve our management infrastructure

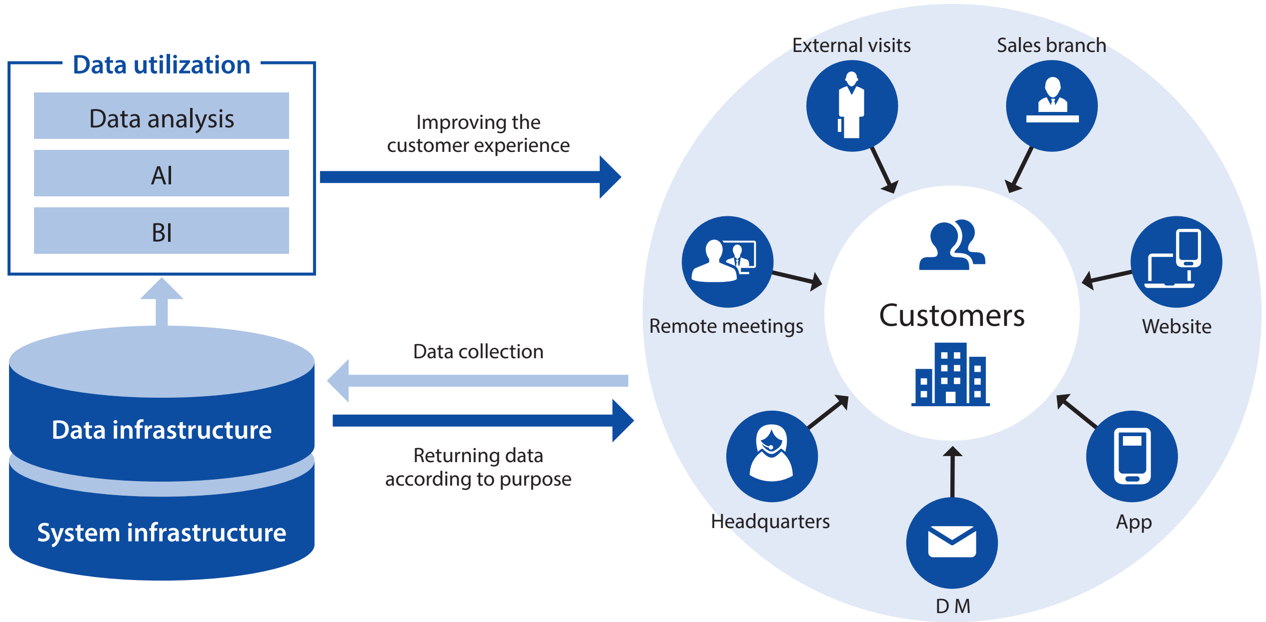
In order to support the businesses and operations that we aim to achieve over the medium to long term, we will develop frameworks for transforming our data and system infrastructure, organization, and human capital.

Key measure Optimize our data and system infrastructure

In order to support the sophistication and efficiency of our business and operations, we plan to optimize our data and system infrastructure.

We are working to establish frameworks and develop specialized human capital to promote data analysis and its use for the purpose of improving marketing analysis and customer services.

FY2024 initiatives	Building data infrastructure	Implemented PoC that utilizes AI aimed at improving operational efficiency and security
	Building system infrastructure	Enhanced IT strategies and governance, formulated and enacted plans for human resource recruitment and development to initiate the operation of the system infrastructure
	Data utilization	By increasing the sophistication of our digital marketing, we are building a framework that enables us to deliver content tailored to customers' lifestyles and preferences through the most suitable channels at the timing they need.



Key measure Establish a framework for organizational and human capital reform

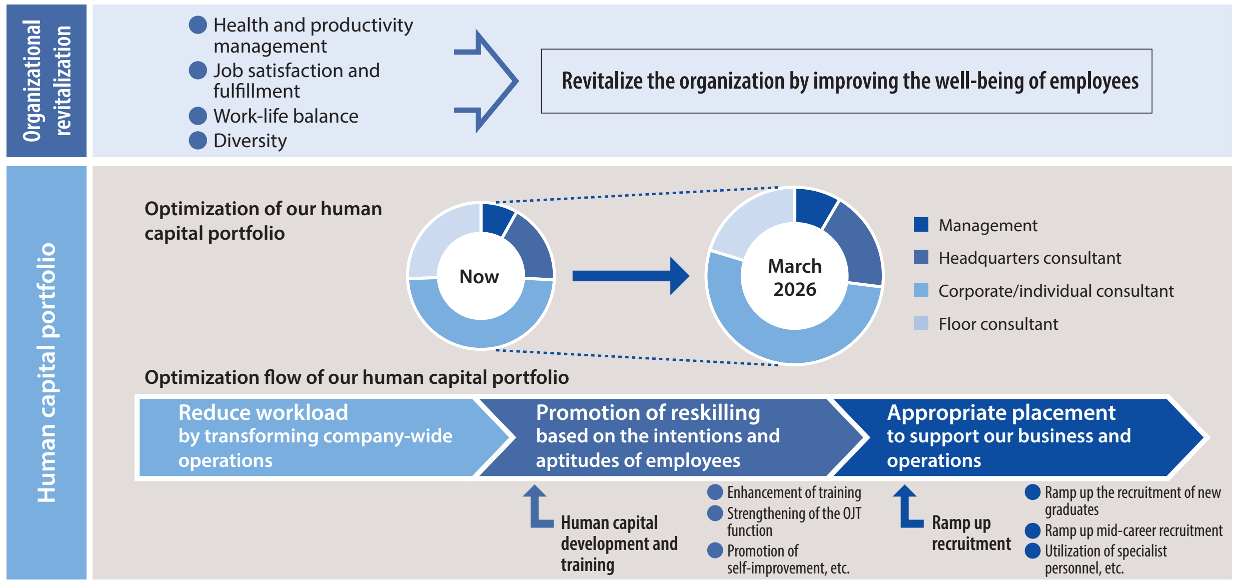
At Shikoku Bank, we have long used the term "jinzai" (human capital) and have positioned people as our most important management capital.

Under the current medium-term management plan, we aim for organizational revitalization by realizing the well-being of employees through the promotion of health and productivity management, the improvement of job satisfaction and fulfillment, and the implementation of various measures geared toward realizing work-life balance and diversity.

In April 2025, with the aim of building frameworks that can ensure the consistency of personnel strategies that consist of matters such as recruitment, development, assessment, and assignment, we determined that the Human Resources Division will handle "matters concerning human capital development and training." Going forward, we will develop human resources with a high level of expertise, and further promote re-skilling in order to respond to initiatives such as the re-acquisition of knowledge and skills adaptable to tasks and duties newly required because of the expansion and sophistication of bank operations.

We will strive to improve the quality of our services and consulting capabilities by actively investing in human capital, such as in human capital development and the provision of a comfortable working environment, thereby enhancing our organizational capabilities.

We will strive to improve the mental and physical health and the job satisfaction and fulfillment of our employees, as well as to expand our workforce and optimize our human capital portfolio



Engagement survey

We have conducted an engagement survey of all employees*[1] since fiscal 2023, with the aim of improving employee engagement and revitalizing the organization by visualizing the organizational status of the Bank as a whole along with each workplace, and making efforts to improve the organization. Based on the result of the survey, by continuously working on action plans to address issues and problems, we create a comfortable work environment, which will ultimately lead to increased employee engagement and the realization of their well-being.

In fiscal 2024, the Bank was placed in the 7th position in the category of medium-sized company (1,000 employees or more) of the "Best Motivation Company Award 2025" hosted by Link and Motivation Inc.

	FY2024 result		FY2025 target
Engagement rating	A*[2]	→	A rating or above

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*1 MOTIVATION CLOUD was adopted for the engagement survey
*2 A is the third-highest out of 11 levels

See page 54 for our initiatives for human capital management

Strategic Targets in Medium-Term Management Plan 2023

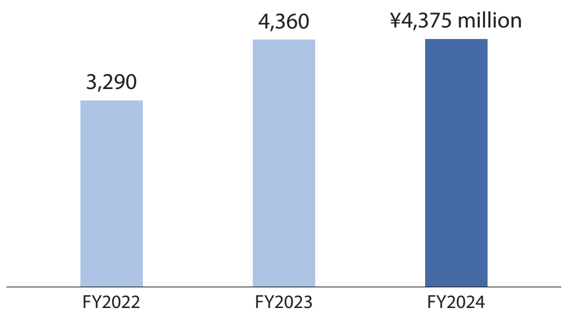
V Increase profitability

We will refine the regional strategies and consulting capabilities that we have cultivated so far, and become a true partner to our customers. At the same time, we will diversify our earnings sources by strengthening the framework for our advanced finance operations.

We make proposals for business matching, business succession, and M&As geared toward solving the management issues of corporate customers and helping them achieve growth.

In addition to proposing insurance products that meet customer needs, we also provide advanced consulting services through our comprehensive business alliance with Daiwa Securities. As a result of these activities, consulting revenue has been growing steadily.

Consulting revenue



Key measure Strengthen our advanced finance framework

In a bid to diversify our revenue sources based on the medium-term management plan, in May 2023 we established the Structured Finance Office within the Consulting Division and worked to strengthen our framework in the advanced finance field.

In FY2024, in order to ensure diligent responses to the increasing number of inquiries, we implemented measures to strengthen our capabilities in terms of personnel by reinforcing our staff in charge of the front, middle, and back offices, in addition to appointing external human capital to enhance our distribution operations*. In addition, we provided opportunities for our human resources to enhance their skills through various programs, including dispatching trainees to external organizations.

In terms of management, we reviewed the operational rules, manuals, etc. that had been established in FY2023, and promoted sophistication in terms of operational and risk management by resolving issues in business management and responding to trends in advanced financial markets.

We will continue to further accumulate knowledge in advanced financial fields and return this benefit to local communities, thereby leading to the resolution of our customers' issues.

*Work involving the assignment of claims to investors (financial institutions)

Strategic Targets in Medium-Term Management Plan 2023

VI Increase efficiency

We will optimize operations and various expenses, and create investment funds and human capital to build new frameworks.

Key measure Transform company-wide operations

We are implementing drastic top-down reforms to reduce the workload of our employees.

We accelerated the simplification of administrative procedures at sales branches by further consolidating lending operations at the headquarters and automating operations, while also further consolidating internal administrative work for sales branches at the headquarters and promoting non-face-to-face transactions.

As a result of these efforts to improve productivity, we have reassigned personnel to divisions that need more human capital.

Operational reforms	Lending operation reforms	Start to consolidate lending operations at the headquarters and automate operations to establish a mechanism to focus on businesses
	Internal administrative reforms at sales branches	Further consolidate internal administrative work for sales branches at the headquarters and promote non-face-to-face transactions to accelerate the simplification of administrative procedures at sales branches
	Operational reforms at the headquarters	Promote a shift in human capital from routine work to planning and consulting work

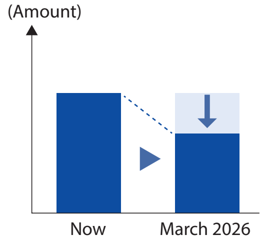
Key measure Optimize property expenses and system costs

We are working to reduce various expenses by optimizing property expenses and system costs.

The investment funds secured through these efforts will be used to establish frameworks aimed at realizing the 10-year vision, including the development of hardware and software to expand digital and non-face-to-face channels and optimize data and system infrastructure, and the securing and training of employees to transform organizations and human capital.

Property expenses

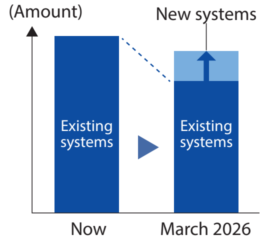
We will optimize costs in light of market trends and procurement volume



System costs

Existing systems Rationalize the use of hardware and software, and optimize costs in light of procurement volume

New systems Strategically make the necessary investments to improve services, and enhance operational efficiency and sophistication



Sustainability at Shikoku Bank

Based on our corporate philosophy, the Shikoku Bank Group aims to contribute to the realization of a sustainable local community and to increase the medium- to long-term corporate value of the Shikoku Bank Group by proactively and sincerely working to resolve various issues and respond to the needs of stakeholders, including the local community, customers, and employees, and by contributing to environmental conservation.

Sustainability Policy

1	Contribute to environmental conservation	As a regional financial institution based in Shikoku, which is rich in nature, we will contribute to the realization of a sustainable society by handling products and services that contribute to environmental conservation and striving to reduce our environmental impact, including through public-private joint initiatives aimed at realizing a decarbonized society.
2	Contribute to the local economy and community	As a financial institution in Shikoku, where there are many issues that need to be resolved, such as the declining population, low birth rates, and aging society, we will create a vibrant region by independently and proactively engaging in the future of the region, including efforts to resolve issues through social and environmental activities.
3	Promote customer-oriented consulting	We will think and act from the customers' perspective, providing customer-oriented consulting and highly convenient services to help resolve the issues faced by businesses and individual customers. We will also strive to spread and improve financial literacy so that all people can lead prosperous and convenient lives.
4	Create a work environment in which diverse human capital can play an active role	We have positioned our ideal human capital as one that combines our "Just Like Family!" human capital capabilities, which are a hallmark of Shikoku Bank, with our specialized consulting capabilities. We refer to this ideal as "Shigin Style." Based on this, we will endeavor to create a work environment in which all our employees feel job satisfaction and fulfillment, and can fully demonstrate their individuality and skills, by improving employee engagement, carrying out human capital development that supports diverse career paths, expanding the diversity of our human capital, respecting human rights, and providing fair compensation.

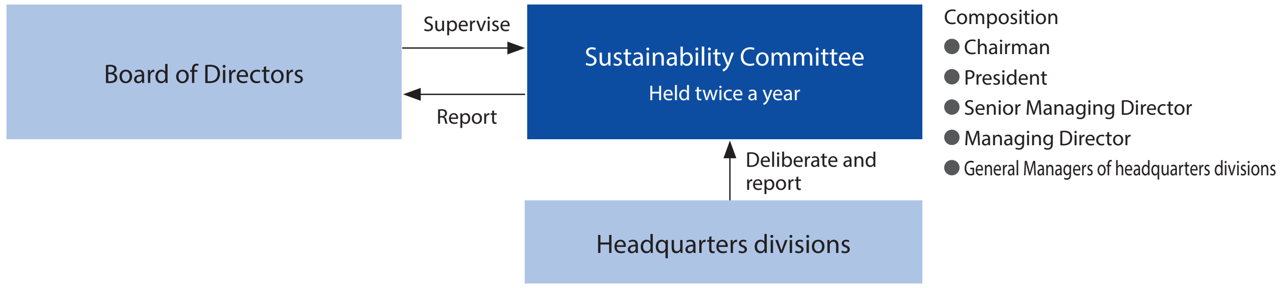
The relationship between the Sustainability Policy and medium-term management plan

By implementing the key measures of our medium-term management plan, we aim to achieve the four goals set out in our Sustainability Policy.

Sustainability Policy		Medium-term management plan	
		Key measures related to the Sustainability Policy	Sustainability initiatives
1	Contribute to environmental conservation	• Establish and strengthen non-financial functions	Going forward, we will launch and strengthen services related to human capital, DX, and carbon neutrality (CN), which are becoming increasingly important
2	Contribute to the local economy and community	• Strengthening regional and industrial promotion functions	We will strengthen the "think tank function" that collects and analyzes regional and industrial information, and establish a "regional design function" that actually helps solve regional issues
3	Promote customer-oriented consulting	• Transform our corporate sales style	In order to drive corporate growth, we will shift our sales style from one centered on products and services to one centered on resolving customers' issues
		• Establish a model for bank-securities collaboration with Daiwa Securities	We will be the best partner for our customers by combining the strengths of Shikoku Bank and Daiwa Securities.
		• Rebuild the app-centric customer experience	We will provide regional information, expand functions, and increase the sophistication of our digital marketing so that customers use our app every day
		• Expand digital and non-face-to-face channels	In addition to face-to-face channels, we will expand digital and non-face-to-face channels so that we can always continue to connect with customers
4	Create a work environment in which diverse human capital can play an active role	• Establish a framework for organizational and human capital reform	We will strive to improve the mental and physical health and the job satisfaction and fulfillment of our employees, as well as to expand our workforce and optimize our human capital portfolio

Sustainability Committee

We have established a Sustainability Committee, chaired by the President, which evaluates initiatives based on our Sustainability Policy and discusses the direction we should take in response to changes in the surrounding environment, and have established a structure in which the committee reports to and is overseen by the Board of Directors.



Major matters discussed in FY2024

August 2024 (6th meeting)	• Advancement of TCFD information disclosure • Report of CDP score results and the direction of future initiatives • Progress of activities based on the Sustainability Policy
February 2025 (7th meeting)	• Shikoku Bank's issues based on the results of "SDGs/ESG management questionnaire" conducted by the Regional Banks Association of Japan • Progress of activities based on the Sustainability Policy

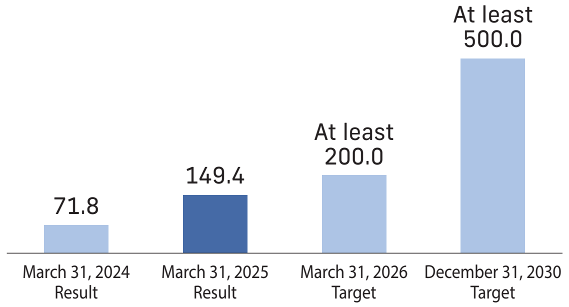
Promotion of sustainable finance

We provide financial support for customers' sustainability initiatives with the aim of resolving environmental and social issues.

Cumulative financing amount target	At least ¥500.0 billion
Duration	From April 1, 2023 to December 31, 2030
Applicable financing	① Loans based on the Bank's investment and lending policy* ② Loan and bond products based on the Bank's sustainability policy and investment and lending policy ③ Eco mortgages

Cumulative amount of sustainable financing

(Billions of yen)



We aim to achieve a cumulative amount of at least ¥200.0 billion during the period of the medium-term management plan, and we are achieving steady progress toward this target.

*Projects that are actively supported under our investment and lending policy (overview)

(1) Projects aimed at preserving the environment and biodiversity, such as the protection of marine and forest resources

(2) Projects that lead to the development of local industries, and projects that lead to disaster prevention and mitigation in local communities

(3) Projects aimed at realizing a decarbonized society, such as energy conservation and renewable energy projects

For more information, please visit our website (Japanese only)
https://www.shikokubank.co.jp/profile/sustainability/assets/investment_policy.pdf

Contributing to Environmental Conservation

Initiatives for climate change (response to TCFD recommendations)

In view of the magnitude of the impact of the recent increasingly frequent and intense abnormal weather events and natural disasters caused by global warming on our customers and on our operating environment, in September 2021, we announced our support for the TCFD recommendations in order to accurately ascertain the impact of climate change-related risks and opportunities on our business and take relevant measures. We are also a member of the TCFD Consortium and are working to enhance our climate-related information disclosure.

Governance

In April 2022, we established a Sustainability Committee, chaired by the President, to build a structure to discuss the evaluation of our general sustainability initiatives, including our response to climate change, and the direction we should take in response to changes in the surrounding environment, and report to and receive oversight by the Board of Directors.

See page 44 for details of the Sustainability Committee.

Strategy

In our Sustainability Policy, we call for "contributing to environmental conservation," and have positioned environmental conservation initiatives, including measures to tackle climate change, as a key management priority. We have also identified the potential risks and opportunities posed by climate change on the business activities and financial position of the Shikoku Bank Group.

The timeframes for assessing major risks and opportunities recognized by the Bank are as follows: short term (less than 5 years), medium term (around 15 years), and long term (around 30 years).

Key risks and opportunities identified by Shikoku Bank

		Anticipated events and the impact thereof	Timeframe
Transition risk	Credit risk	The risk of an increase in our credit costs stemming from deterioration in the financial position of our business partners due to factors such as a rise in costs associated with the tightening of climate change-related policies and regulations, soaring energy and raw material prices, and technological innovation accompanying the transition to a decarbonized society forcing companies to reassess their business operations and business models	Short to long term
	Operational risk	Reputational risk arising from the Shikoku Bank Group's measures to address climate change and disclose information on this front being deemed insufficient	Short term
Physical risk	Credit risk	The risk of natural disasters damaging clients' collateral properties and increasing our credit costs	Short to long term
		The risk of an increase in our credit costs as a result of natural disasters disrupting or stalling the business of our customers, resulting in deterioration in their financial position	Short to long term
	Operational risk	The risk of damage to our head office and sales branches due to natural disasters	Short to long term
Opportunities		Increased opportunities to provide funds due to rising demand for capital investment by customers in the transition to a decarbonized society	Short to long term
		Increased opportunities to provide capital investment funds and financial products in preparation for natural disasters	Short to long term
		Cost reductions associated with reduced energy consumption	Short term

Risks

Scenario analysis

In order to elucidate the impact of climate change on our financial position, we analyzed transition risks and physical risks using certain scenarios. In both of these analyses, we determined that there would be limited impact on our financial position.

<Transition risk>

For transition risks, we selected the energy, shipbuilding, and marine transportation sectors, which have relatively high greenhouse gas emissions. In the analysis, we estimated the increase in our credit costs through 2050 using the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) climate scenarios.

<Physical risk>

For physical risks, we analyzed the impact of flood risks caused by climate change. In the analysis, we estimated the increase in our credit costs and the damage to our fixed assets through 2050 using scenarios such as the Intergovernmental Panel on Climate Change (IPCC) SSP5-8.5 scenario (4°C scenario).

	Transition risk	Physical risk
Scenario	Net Zero 2050 and Below 2°C scenarios by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS)	The SSP1-2.6 (2°C scenario) and SSP5-8.5 (4°C scenario) scenarios by the Intergovernmental Panel on Climate Change (IPCC)
Details of the analysis	• For large companies and listed companies, we analyzed each company individually (bottom-up approach) • For customers other than those stated above, we conducted an expanded estimation (top-down approach) based on the results of individual company-specific analyses	Calculated based on the direct and indirect damage in the event of flooding and other such figures estimated from hazard map data, taking into account the probability of flood occurrence up to 2050 and the increase in the frequency of flood occurrence based on the scenarios
Subjects of the analysis	Customers engaged in energy-related (electric power, gas, coal, and petroleum-related) businesses and shipbuilding/marine transportation-related businesses	• Japanese corporations (including manufacturing bases), sole proprietors, and housing loan customers with outstanding loans to Shikoku Bank • Fixed assets of our head office and branches, outside ATMs, and company housing
Time period covered	Through 2050	Through 2050
Analysis results	Increase in credit costs: Maximum of ¥5.0 billion	Increase in credit costs: Maximum of ¥10.5 billion The amount of damage to the bank's head office and branches, outside ATMs, and company housing: Maximum of ¥0.8 billion

Opportunities

Currently, decarbonization is required at a global level, and in corporate activities, it is essential to take action throughout the supply chain. Under these circumstances, if a company fails to appropriately meet requirements for responding to decarbonization from business partners, it may lose trust as a business partner, with the risk of being excluded from the supply chain.

We carry out activities to help customers understand the importance of taking measures to reduce CO_2 emissions. In order to develop personnel who will carry out these activities, we recommend that our employees acquire the Decarbonization Advisor Basic qualification. As of March 2025, 751 employees have obtained it.

Through these business activities, we will work to create business opportunities and reduce climate change risks by deepening our understanding of the needs of local communities and customers with the aim of tackling climate change and contributing to the transition to a decarbonized society.

In order to contribute to environmental conservation, regional economies, and local communities, the Shikoku Bank Group has established an investment and loan policy, which we have positioned as a business that actively supports projects aimed at conserving the environment and biodiversity and projects aimed at realizing a decarbonized society, among others.

The percentage of carbon-related assets in outstanding credit

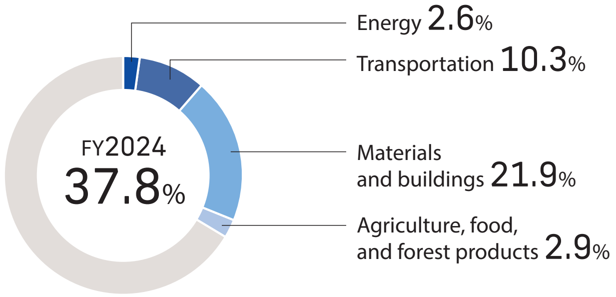
As of March 31, 2025, carbon-related assets* accounted for 37.8% of our loans, etc.

*Exposure to energy (excluding renewable electric power generation projects), transportation, materials and buildings, and agriculture, food, and forest products, which are the sectors subject to disclosure in the TCFD recommendations.

Outstanding credit by Sector (FY2024)

Sector	Amount (Billions of yen)
Energy	54.7
Transportation	217.6
Materials and buildings	461.6
Agricultural, food, and forest products	62.7
Total carbon-related assets	796.7

Percentage of total loans, etc.



Risk management

We recognize that transition risk and physical risk arising from climate change are major risks that could have a significant impact on our business operations, strategies, and financial plans. Accordingly, we identify and assess such risks through scenario analysis and other means. Going forward, we will continue to enhance our scenario analyses and develop a system for appropriately managing risks within an integrated risk management framework that encompasses credit risk and operational risk.

Metrics and targets

Promotion of sustainable finance

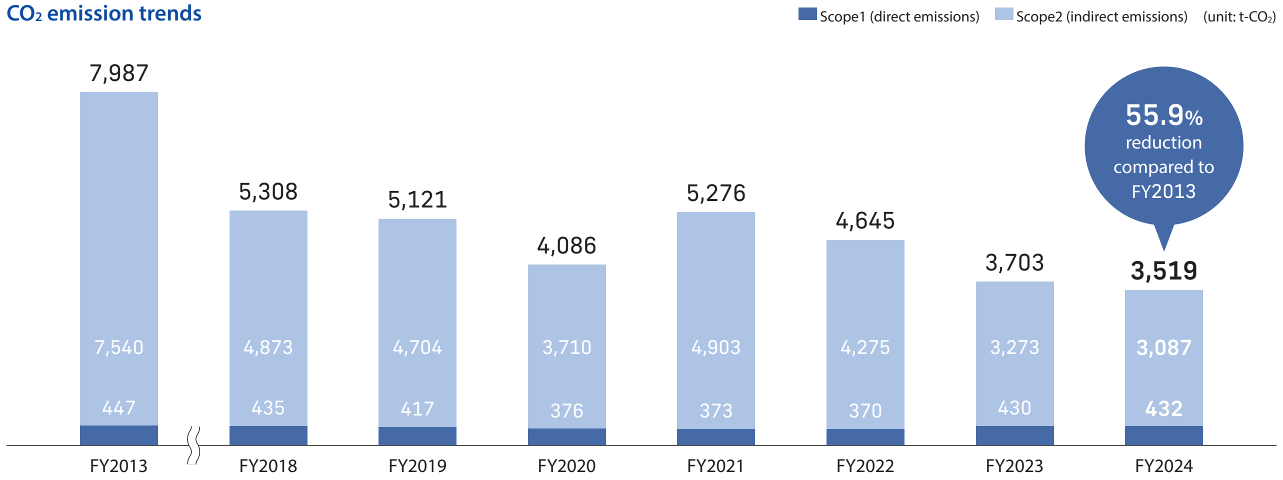
Cumulative financing amount target	At least ¥500.0 billion
Duration	From April 1, 2023 to December 31, 2030

●See page 44 for details on our promotion of sustainable finance

Reduction of CO_2 emissions (Scope1, Scope2)

Reduction target	Reduce CO_2 emissions by 50% by FY2030 compared to FY2013
	Achieve carbon neutrality by FY2050 (Scope 1 and Scope 2)
FY2024 result	55.9% reduction compared to FY2013

CO_2 emission trends



Scope 3

With an eye to realizing a decarbonized society, we measured CO_2 emissions in the supply chain (Scope 3) in addition to the CO_2 emissions emitted from our business activities (Scope 1 and 2).

<Categories 1-7>

Measurement items		CO_2 emissions (unit: t-CO_2)
		FY2024
Category 1	Purchased goods and services	11,976
Category 2	Capital goods	2,573
Category 3	Fuel and energy related activities not included in Scope 1 or 2	559
Category 4	Transportation and distribution (upstream)	338
Category 5	Waste generated in operations	18
Category 6	Business travel	228
Category 7	Employee commuting	664

*Scope 3 emissions (Category 1 to Category 7) are measured in accordance with the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Ver.2.7 (Ministry of the Environment and Ministry of Economy, Trade and Industry, March 2025) and the Emissions Unit Values Database for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain Ver3.5 (Ministry of the Environment, Ministry of Economy, Trade and Industry, March 2025).

*Since there were no operations subject to calculation for categories 8 to 14, they are not shown in the table on the left.

<Category 15>

We recognize that Scope 3, Category 15 (the CO_2 emissions of investees/loan recipients) is an important metric for financial institutions to quantitatively grasp the risks and opportunities related to climate change. We have worked on the calculation of emissions in accordance with the PCAF Standard.*1 In fiscal 2024, we expanded the scope subject to calculation to loans to business loan recipients, and corporate bonds of listed companies. We will continue to increase the accuracy and expand the scope of calculation.

*1 A standard developed and published by the PCAF (Partnership for Carbon Accounting Financials), an international initiative for measuring and disclosing greenhouse gas emissions in the lending and investment portfolio of financial institutions

*2 The category of loans to business loan recipients excludes investees and loan recipients for which it is not possible to compile the data necessary for calculations, such as those whose fiscal year-end has not yet arrived (84% covered)

*3 Calculation results may vary significantly going forward due to changes in calculation standards, industry classifications, emissions unit values, etc.

Emissions by Industry for Shikoku Bank's loan Recipients (FY2024)

Sector	Industry	CO_2 emissions (unit: t-CO_2)			Data quality
		Scope 1 and 2	Scope 3	Total	
Energy	Oil and gas	102,673	194,062	296,735	3.25
	Electric utilities	320,446	168,817	489,262	1.85
Transportation	Air freight	43	14	57	4.00
	Passenger air transportation	1,105	369	1,474	4.00
	Maritime transportation	220,440	232,463	452,904	4.02
	Rail transportation	1,183	1,591	2,774	3.34
	Trucking services	1,395	34,867	36,262	3.88
	Automobiles and components	2,248	136,164	138,412	1.18
Materials and buildings	Metals and mining	102,014	103,014	205,027	2.18
	Chemicals	28,602	84,184	112,785	3.22
	Construction materials	422,142	37,917	460,059	3.32
	Capital goods	79,983	554,992	634,976	2.88
	Real estate management and development	11,260	44,315	55,575	3.13
Agriculture, food, and forest products	Beverages	1,005	3,923	4,928	3.22
	Agriculture	5,334	7,804	13,137	4.00
	Packaged foods and meats	1,148,700	286,523	1,435,222	4.00
	Paper and forest products	85,890	81,137	167,027	2.27
Other		185,094	598,274	783,368	3.78
Total		2,719,556	2,570,429	5,289,985	3.31

Data quality score

In the PCAF Standard, the quality of emission calculations is given a score from 1 to 5. Our weighted average data quality score for FY2024 was 3.31. Going forward, we will work to improve our score by collecting emission data from investees and loan recipients.

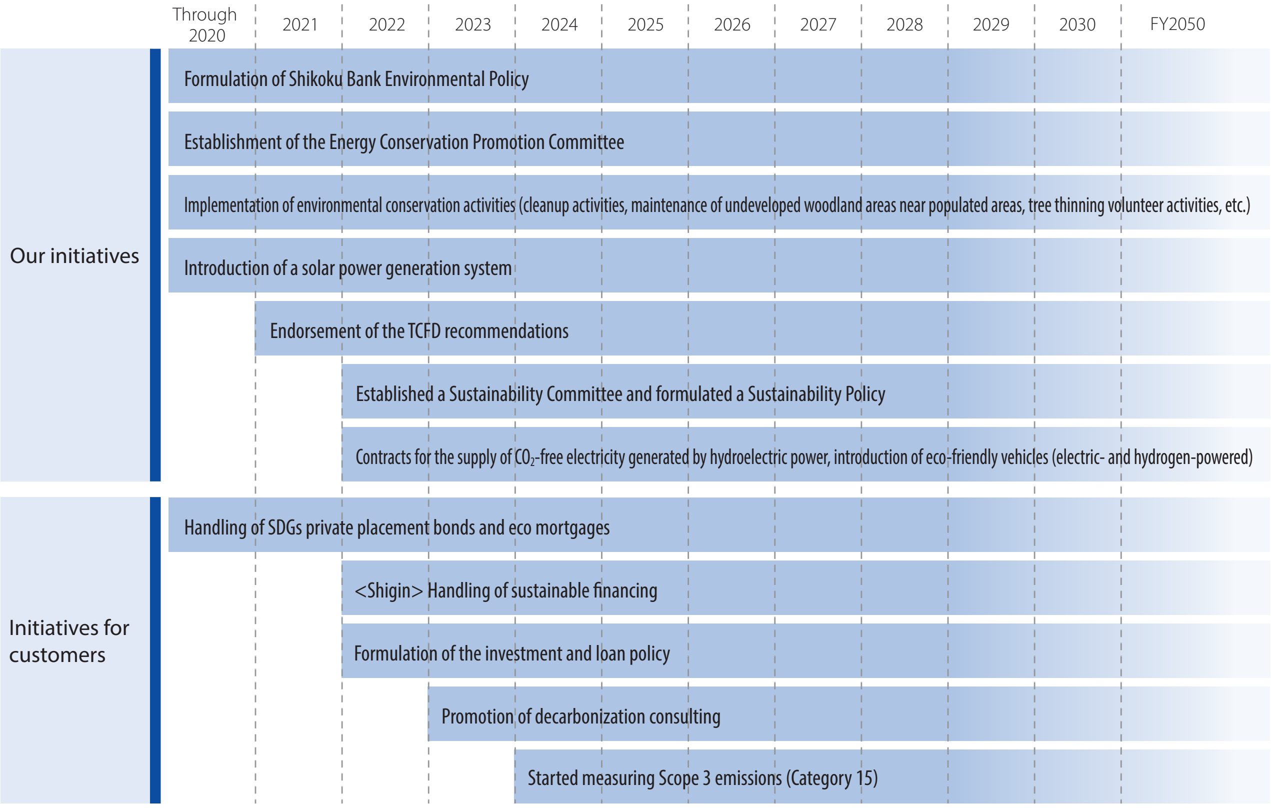
Data quality		Options to estimate the financed emissions		When to use each option
High	Score 1	Reported emissions	1a	Verified emissions of the company are available
	Score 2		1b	Unverified emissions calculated by the company are available.
		Physical activity-based emissions	2a	Emissions are calculated using primary physical activity data of the company's energy consumption and emission factors specific to that primary data. Relevant process emissions are added.
	Score 3		2b	Emissions are calculated using primary physical activity data of the company's production and emission factors specific to that primary data.
	Score 4	Economic activity-based emissions	3a	Emissions are calculated using the company's revenue and emission factors for the sector per unit of revenue
			3b	Emissions are calculated using the outstanding amount in the company and emission factors for the sector per unit of asset
Low	Score 5		3c	Emissions are calculated using the outstanding amount in the company, emission factors for the sector per unit of revenue, and asset turnover ratios for the sector

Source: Decarbonization practice guidance starting from portfolio carbon analysis for financial institutions (Ministry of Environment, March 2023)

Roadmap to carbon neutrality

In accordance with our environmental policy established in 2002, we have been actively engaged in environmental conservation activities such as the use of renewable energy and green purchasing. We will continue our efforts to reduce our environmental impact and aim to achieve carbon neutrality (Scope 1 and Scope 2) by 2050.

Target
- Achieve carbon neutrality by FY2050 (Scope 1 and Scope 2)
- Cumulative amount of sustainable financing of at least ¥500.0 billion by December 31, 2030



Major initiatives aimed at reducing CO_2 emissions

Use of renewable energy

In January 2025, we adopted CO_2 free electricity (zero emission factors) for 20% of electricity used at the Nankoku Administration Center.

Estimated reduction in emissions owing to this project: **186 t-CO_2 per year**

Introduction of equipment that helps reduce our environmental impact

When upgrading our equipment, we switch to energy-saving and highly efficient equipment.

In FY2024, we replaced air conditioners in the Nankoku Administration Center and other buildings with highly efficient equipment.

Estimated reduction in emissions owing to this project: **32.7 t-CO_2 per year**

Adoption of Fuel Cell Vehicles

We actively adopt EVs, hybrid vehicles, and fuel-efficient vehicles as business vehicles.

In fiscal 2024, we adopted Fuel Cell Vehicles, which use hydrogen as fuel and do not emit CO_2 while running.

Initiatives for natural capital and biodiversity (response to TNFD recommendations)

Participation in the TNFD Forum

In April 2025, we showed our support for the initiatives of the Task Force on Nature-related Financial Disclosures (TNFD), and participated in the TNFD Forum. Through participating in the TNFD Forum, we will contribute to building frameworks for disclosing nature-related financial data, and continue to actively take action to preserve natural capital and biodiversity in the region, aiming to achieve a sustainable local community.

TNFD Forum Member

What is the TNFD? Short for the Task Force on Nature-related Financial Disclosures. An international initiative aimed at developing and providing a broad range of disclosure frameworks related to natural capital and biodiversity, which was officially launched in June 2021, by the United Nations Environment Programme Finance Initiative (UNEP FI), United Nations Development Programme (UNDP), Global Canopy, a UK environmental NGO, and World Wide Fund for Nature (WWF).

Kizuna Forest and the maintenance of undeveloped woodland areas near populated areas

Kochi Prefecture is the most forested prefecture in Japan, with about 84% of its land covered in forest. We have concluded partnerships with local governments including Kochi Prefecture and other entities since 2007. Continuing tree thinning and the maintenance of undeveloped woodland areas near populated areas, we are proactively engaged in conservation activities for the natural environment and biodiversity.

We also include maintenance activities in new employee training, and thereby create opportunities to think of the importance of our initiatives.

<Partner agreements>
- Future in the mirror—Shigin Kizuna Forest
  Partners: Kochi Prefecture, Kochi City
- Noichi Comprehensive Park maintenance activities
  Partners: Kochi Prefecture, Konan City, Kochi Forest Rescue Team

Contribute to the local economy and community

The Bank has been engaged in various social contribution activities, as well as regional contribution through main business, as a financial institution rooted in the region. Each and every officer and employee proactively takes action as a member of local communities and aims to create a prosperous society together with local people.

We will continue to be close to local communities and work to achieve a sustainable society.

Tosacco Town

Tosacco Town is an event that allows children from the 4th grade of elementary school to the 3rd year of junior high school to experience various kinds of jobs and play in the simulated town, which is held for the purpose of letting them learn social systems, creating a place to promote communication among the participating children, as well as provide opportunities to help them feel pride in the region where they were born and raised.

From the viewpoint of contributing to local human resource development, the Bank has hosted the "Tosacco Bank" booth since the first event in 2009 and collaborated with the event's activities.

Volunteer activity to harvest Yamakita mandarin oranges

The agriculture sector faces a diverse set of issues, such as a decline in productive-age population and labor shortages due to the aging of workers.

As part of our support, we work as volunteers for harvesting every year, for the purpose of deepening our understanding of current situations and protecting the production areas of Yamakita mandarin oranges, in which Kochi Prefecture takes pride, with the aim of sequentially revitalizing agriculture, through helping harvesting.

Efforts to register the Shikoku Henro as a World Heritage Site

In February 2025, 208 of our employees participated in the "10th One-day Omotenashi Henro Route Walk," an event to maintain and preserve the pilgrimage paths connecting the 88 temples of Shikoku.

At this event, about 10,000 participants from all over Shikoku actually walk along the pilgrimage route to check whether there are any dangerous points and whether the route is well guided, among other activities aimed at raising awareness of the Shikoku Henro and improving acceptance and building momentum toward its registration as a World Heritage site.

Support activities by Shikoku Bank Welfare Fund

Every year, we provide assistance to social welfare facilities, NPOs, and other organizations in Kochi Prefecture for the development of facilities and purchase of equipment through Shikoku Bank Welfare Fund, a public interest incorporated foundation established in 1978 to commemorate the 100th anniversary of our founding.

In FY2024, which marked the 46th round of assistance, we provided subsidies totaling ¥0.68 million to two welfare facilities for people with disabilities. In said fiscal year, the total amount of assistance provided, including subsidized projects, came to 293 projects totaling ¥153.41 million.

Financial and Economic Education Initiatives

Trends that encourage asset formation of each individual in Japan, such as the full-scale start of the Doubling Asset-based Income Plan, and the expansion of the NISA framework, are accelerating. In association with such environmental changes, the improvement of the financial literacy of the younger generation who will support the future economic society has become an important issue. The role that the Bank plays as a regional financial institution in terms of financial and economic education is further increasing in importance.

The Bank will actively engage with this challenge and play a central role in the region to improve the younger generation's financial literacy level. From fiscal 2024, in order to strengthen initiatives for elementary and junior high school students, through cooperation with J-FLEC*, we began providing more structured and advanced financial education programs.

*J-FLEC (Japan Financial Literacy and Education Corporation):
An authorized corporation established in April 2024, for which the Central Council for Financial Services Information, which has its secretariat in the Bank of Japan, the Japanese Bankers Association, and the Japan Securities Dealers Association were initiators, for the purpose of expanding opportunities of financial and economic education that is aimed at a wide age range and fulfills the needs of each individual in Japan through public-private partnerships at a nation-wide level.

Outreach lectures

Kawauchi Elementary School

Cooperating with J-FLEC (Japan Financial Literacy and Education Corporation), we delivered an outreach lecture on the theme of "Learning money from allowance" to about 15 students of 4th grade at Ino Town Municipal Kawauchi Elementary School.

Hayama Junior High School

We provided outreach lectures on the themes of "Money's role and how prices are decided," and "How to use money" to about 90 students from the 1st to 3rd grades at Tsuno Town Municipal Hayama Junior High School.

Ogata High School

We delivered outreach lectures to about 15 students in the 1st grade at Kochi Prefectural Ogata High School. This initiative was conducted jointly with Hata Shinkin Bank (total three times), and Shikoku Bank delivered outreach lectures twice on the themes of "Money" and "Asset management."

Development of "Bank & Building Game," a joint project by the Shikoku Alliance

Under the auspices of the four banks in the Shikoku Alliance, including Shikoku Bank, we jointly developed the financial education content "Bank & Building Game," which helps students learn while having fun.

The game includes quizzes that help to learn characteristics of local features such as the industries and specialties of each prefecture in Shikoku. Students play the role of a business manager and deepen their understanding of deposits and borrowing through the process of managing a company while learning about the unique features of Shikoku.

We actually use the content in outreach lectures for high school students who study in the commercial and business courses. In this way, we provide opportunities in which students can proactively acquire financial knowledge.

Yamada High School

Career education for high school students

The Bank considers the development of the younger generation who will lead the regional future as an important social mission. In addition to financial and economic education we have provided in the past, we also focus on career education for high school students.

Specifically, at high schools in Kochi Prefecture, we deliver problem-based learning classes and outreach lectures not only for financial literacy improvement but for the resolution of regional issues. Through these initiatives, we provide opportunities that encourage students to proactively think about current situations and issues in the region and to seek solutions.

Promote Customer-Oriented Consulting

By "ensuring thorough consulting activities from customers' perspectives," we are strengthening initiatives contributing to solving customer issues.

For customers operating businesses, we engage in fully committed sales activities, in which we proactively propose and implement solutions to issues associated with the core of management. Through this approach, we aim to become a reliable partner concerning customers' overall management issues, as a presence that leads to customers' growth.

For individual customers, we provide optimal solutions tailored to each individual's life plan and stage, and strive to enrich our services for more customer convenience. Through these measures, with the aim of helping local customers to realize fulfilling lives, we are working to build relationships closer to local communities.

Through continuing to provide customer-oriented consulting services and highly convenient services, we will appropriately respond to diversifying customer issues and needs.

Customer Engagement

In order to continue to be a good partner for our customers, we value communication with these customers. We will continue to utilize the valuable opinions we receive from our customers to improve the management quality of the Shikoku Bank Group.

Initiatives aimed at improving customer satisfaction

All of our executives and employees endeavor to provide services that impress our customers ("Kando services") with the aim of improving customer satisfaction.

Impressive Service Improvement Committee	This committee meets bimonthly at all sales branches to improve services, such as providing better support for customers and carrying out branch cleanup activities.
Holding customer service training	We provide training on customer service and hospitality from the customer's perspective for all ages and positions, from new employees through to branch general managers.
Improving understanding of disabilities	In addition to providing training for all employees on the amended Act for Eliminating Discrimination against Persons with Disabilities, we also provide various learning opportunities, such as dementia supporter training and service care cast training, in an effort to ensure that each employee can respond appropriately to customers.
Implementation of monitoring surveys	We conduct monitoring surveys twice a year. Based on the results, in-branch study sessions are held to identify issues and make improvements.

Utilizing customer feedback in management

Feedback received at branches, as well as requests and complaints written on the customer feedback postcards provided in branches and ATM corners, are collected and analyzed by relevant employees in the Sales Management Division and the Customer Service Center, and reported to the Management Meeting every month. This information is also shared between the headquarters and sales branches as good practices and complaints, and used to plan and improve our services.

Create a Work Environment in Which Diverse Human Capital Can Play an Active Role

Human Capital Management Initiatives

Message from General Manager, Human Resources Division

Naoko Oka
General Manager,
Human Resources Division

By ensuring the consistency of personnel strategies and administering matters such as recruitment, development, assessment, and assignment in a unified manner, we engage in human capital development and training attentive to each and every employee's growth.

In the significantly changing environment surrounding banks, such as changes in the interest rate environment and the advancement of digital technologies, the importance of personnel strategies is further increasing. Toward achieving the "Best & Reliable Company that leads the region and industry," the 10-year vision the Bank promotes, I think it necessary more than ever to elevate diverse individual abilities to organizational capabilities and to create an organization capable of responding to environmental changes in a flexible manner.

Under such circumstances, in order to ensure the consistency of personnel strategies, the Bank has assigned the Human Resources Division to take over human capital development from the General Planning Division in April 2025. In addition to administering matters such as recruitment, development, assessment, and assignment in a unified manner within the same division, we promote transformation into an organization in which employees learn on their own initiative and make OJT functions at each workplace effectively work. In this way, we have a policy of further strengthening initiatives for human capital development and training attentive to each and every employee's growth.

From fiscal 2024, we started visits to sales branches by executive Directors, and discourses from the President in new employee training, intending to reduce the distance between management and employees through dialogue. In this way, we strengthen initiatives that lead to organizational solidarity enhancement, and thereby strive to improve engagement. We aim to create an organization in which each and every employee, the most important management capital of a bank, is able to sufficiently demonstrate their abilities and follow their envisioned career path with a self-directed attitude.

Basic approach

In order to create a workplace environment where employees can continue to work with peace of mind, and to create an environment in which diverse human capital can play an active role, we are actively working to promote the active participation of women and health and productivity management, in addition to improving employee benefits and realizing work-life balance.

Additionally, amid the changing financial environment and the diversification and complexity of required roles, we revised our personnel system in April 2023. The new personnel system clarifies the roles, career paths, and image of the personnel we are looking for. In addition to securing highly skilled and specialized human capital and developing young human capital, the system also supports the career development of our employees. On top of efforts to develop human capital and specialized human capital, we will also respond to the diversification of working attitudes to achieve the basic principles of our personnel system, "provide job satisfaction and fulfillment," "realize fair compensation," and "improve productivity and revitalize the organization," thereby realizing the sustainable development of the Bank.

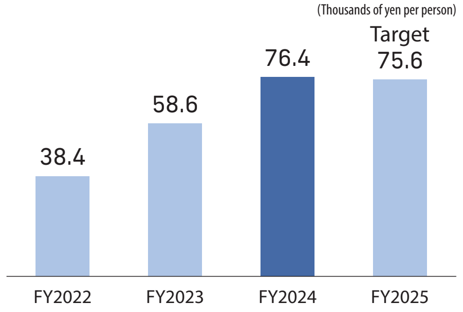
Establish a framework for ensuring the consistency of personnel strategies

In order to develop employees who can contribute to solving the problems faced by our customers and local communities, we are taking measures to create systematic learning opportunities based on human capital development and nurturing programs.

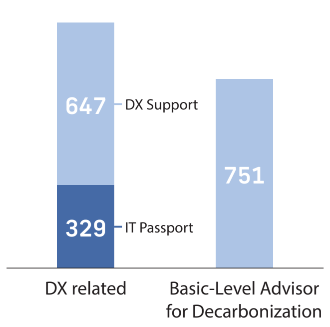
To support self-driven learning, we also encourage employees to obtain qualifications and pass certification exams. In order to increase the number of employees who can fully grasp customer needs in the high-interest areas of DX and carbon neutrality and propose solutions to resolve issues, we worked to promote taking a DX-related certification exam and acquiring a qualification of Basic-Level Advisor for Decarbonization.

As of March 31, 2025, 976 employees passed the DX-related certification exam and 751 people passed the Basic-Level Advisor for Decarbonization exam.

Amount of investment in human capital development



Qualified personnel



Realizing work-life balance

We value creating a workplace in which all employees can balance work and personal life. By introducing frameworks such as telework, staggered working hours, and side job systems, we have enabled flexible work styles that are tailored to each employee's lifestyle. We have also improved support systems for balancing work with childcare and nursing care, and have developed an environment in which every single employee can continue their career with peace of mind.

Regarding the number of days of paid leave taken, by promoting taking leave in a planned manner, and other measures, we achieved the FY2024 target of 13 days on an annual basis. With respect to the hours of overtime worked, we have vigorously worked on measures based on the medium-term management plan under the initiative of the headquarters, and responded to sophisticated finance and changes in the Bank of Japan's monetary easing policy. As a result, the hours of overtime worked increased in comparison with FY2022 results, which was set as a KPI. Through measures such as encouraging employees to go home early every Wednesday, and implementing the "After-6 movement ('Afro')," in which employees leave work by 6 p.m. on the 6th of every month, we will further promote creating an environment that allows employees to actively pursue self-realization, spend time with their families, and engage in local activities.

FY2023 results
Number of days of paid leave taken: **14.5 days***1
Hours of overtime worked: **Increased by 1.35 hours***2

FY2024 results
Number of days of paid leave taken: **15.3 days***1
Hours of overtime worked: **Increased by 0.83 hours***2

FY2025 KPIs
Number of days of paid leave taken: **14 days***1
Hours of overtime worked: **Reduced by 1.5 hours***2

*1 Includes special holidays *2 Monthly average per employee in comparison with FY2022 results

Leave	Marriage	Pregnancy	Childbirth	Childcare	Injury and sickness treatment/hospital visits	Nursing care
Paid leave	Congratulatory money for marriage	Maternal health management measures		0 years old 2 years old Starts junior high school	Shortened working hours	Shortened working hours
Consecutive leave (5 days)	Marriage leave (5 days)	Pre-birth maternity leave (6 weeks)	Post-birth maternity leave (8 weeks)	Parental leave	Accrued leave	Exemption from overtime work
Transfer leave	Leave for the marriage of a child (3 days)	Grants to aid fertility treatment	Lump-sum allowances for childcare	Childcare leave	Leave of absence system	Restrictions on overtime work
Long-service leave		Gifting of child-rearing books	Family allowance	Exemption from overtime work	Return to work support program	Exemption from late night work
Bereavement leave			Paternity special leave (2 days)	Restrictions on overtime work	Wellness leave (2 days per year)	Short-term caregiver leave (hourly, 5 or 10 days per year)
Menstrual leave				Childcare support leave (2 days per year)		Long-term caregiver leave (employees: up to 365 days)
				Shortened working hours		Caregiver support leave (5 or 10 days per year)
				Sick/injured childcare leave (hourly, 5 or 10 days per year)		

DE&I

We consider the creation of workplaces in which diverse human capital can play an active role as a material issue of management and are actively promoting DE&I (Diversity, Equity & Inclusion).

Promoting the active participation of women

We actively promote women who are willing to take on a variety of challenges, expand the opportunities for them to thrive, and approach their work with enthusiasm and a sense of fulfillment. We set a goal of "at least 30% of women in supervisory positions or above," and "at least 20% of women in managerial positions or above" by the end of March 2026. To this end, we arrange assignments to headquarters with an eye toward jobs such as credit, planning, and consulting, dispatch trainees outside the bank and provide training for female corporate sales representatives. In this way, while expanding female employees' job responsibilities and developing human capital that will bear the future, we are promoting initiatives for work-life balance support.

	FY2022	FY2023	FY2024
Percentage of women in managerial positions or above	9.7%	11.1%	11.4%
Percentage of women in supervisory positions or above	24.5%	28.3%	29.9%

Declaration for 100% childcare leave among male employees

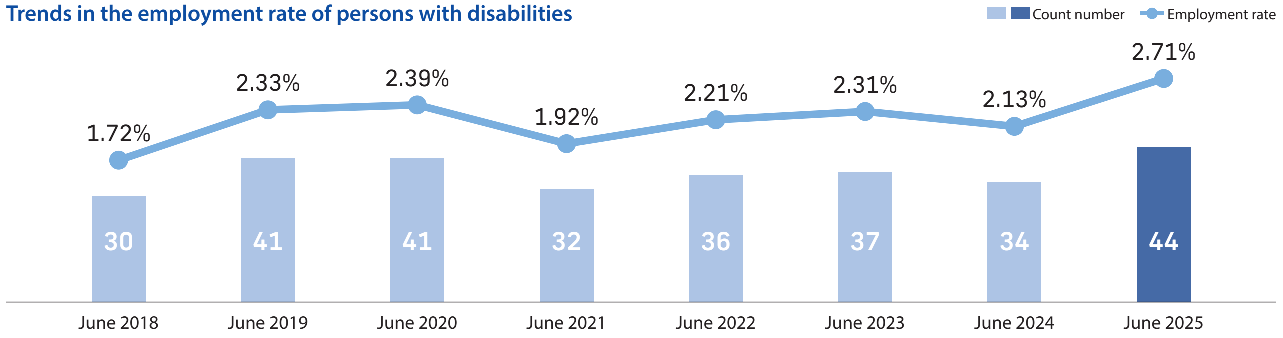
To further promote the active participation of women, it is essential to create an environment in which childcare is supported throughout the workplace. For the purpose of developing an environment that allows all the employees to participate in childcare regardless of gender, we are striving to create a corporate culture that allows all employees to take childcare leave without hesitation, through making "Declaration for 100% Childcare Leave Among Male Employees," distributing messages from top management, and providing mindset change training to managerial positions. We will continue to create a workplace in which employees with diverse values and experience respect each other and are able to demonstrate individuals' abilities at the maximum level.

	FY2022	FY2023	FY2024
Take-up rate of childcare leave (male)	59.6%	108.7%	130%
Take-up rate of childcare leave (female)	100%	100%	100%

Employment of persons with disabilities

We are working to create a work environment in which people with disabilities can work while leveraging their individuality and strengths. The employment rate of persons with disabilities as of June 2025 was 2.71% and achieved 2.5%, the statutory employment rate. We will continue to work to create fields in which persons with disabilities can further play active roles.

Trends in the employment rate of persons with disabilities



Other initiatives

Lump-sum allowances for childcare

In case that an employee or an employee's spouse has a baby, lump-sum allowances for childcare are paid.

Applicable child	Amount	Payment method
First child	¥200,000	Lump-sum payment
Second child	¥300,000	Lump-sum payment
Third and subsequent children	¥1,000,000	Installment payments

Grants to aid fertility treatment

Grants to aid fertility treatment are paid to employee couples who receive fertility treatment.

Time (upper limit)	Amount (upper limit)
10 times per child	¥50,000 per session

Newly established a refinancing system for student loans

For the purpose of establishing a framework that helps employees to engage in work with peace of mind and to envision prosperous lives, we newly established a Refinancing System for Student Loans in April 2025.

The system is intended to establish a framework that helps employees to engage in work with peace of mind and to envision prosperous lives, by refinancing student loans to employees from Shikoku Bank Welfare Association, which enables plans such as long-term repayment tailored to their life plans, and starting repayment up to 10 years later.

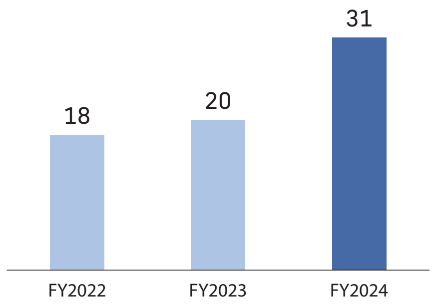
Mid-career recruitment

In order to realize the measures set forth in the medium-term management plan, we are working to optimize our human capital portfolio. We are also ramping up our recruitment activities for personnel with specialized knowledge in various fields, so as to establish and strengthen non-financial functions in addition to the financial field.

Moreover, we are conducting training for mid-career hires to deepen their connections with each other, and also sharing their views and ideas as bank employees. In this way, we are working to increase their affinity with bank operations, thereby establishing a framework that allows them to demonstrate their expertise.

Mid-career hires

(Unit: people)



Hiring of alumni

In 2009, we established the return work system for employees who retired from the Bank (alumni). In 2019, we relaxed requirements, such as abolishing the post-retirement period. So far 15 employees have used this system to return to work.

In order to strengthen the alumni function, in FY2024 we started initiatives targeting not only retirees but also new graduates who have declined our job offers. We are also building a network with alumni to proactively disseminate information and build relationships with them as a potential future human capital. While continuing to maintain and strengthen points of contact with retirees and new graduates that have declined our job offers, we will strive to create an environment that makes returning to work easy.

Promotion of health and productivity management

We promote health and productivity management in order to realize a work style that enable employees to be mentally and physically healthy and feel job satisfaction and fulfillment. In March 2025, we were certified under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) for the eighth consecutive year.

Investing in employee health leads not only to their physical and mental health, but also to the revitalization of the organization through the enhancement of vitality and productivity. We also operate an insurance business and hold various events through collaboration with the health insurance association. In this way, we are working to promote healthy lifestyles and communications.

認定証
（大規模法人部門）

法人名　株式会社四国銀行

貴法人は、従業員の健康管理を経営的な視点で考え、戦略的に実践する「健康経営」の取組が優良であると認められました
よって、ここに「健康経営優良法人 2025（大規模法人部門）」として認定します
経済産業省及び厚生労働省と共に、今後一層取組を推進されることを期待いたします

２０２５年３月１０日

日本健康会議

Item	FY2021	FY2022	FY2023	FY2024	FY2025 (target)
Stress check test rate	97.7%	98.0%	97.7%	99.0%	At least 97%
Percentage of employees with high stress	6.3%	6.1%	6.0%	4.6%	Less than 5.5%
Presenteeism*[1]	14.0%	13.9%	13.0%	12.1%	Less than 12.5%
Specific health guidance implementation rate	21.4%	27.7%	26.7%	33.1%*[3]	At least 38%
Percentage of employees that exercise regularly*[2]	23.3%	24.1%	23.4%	23.9%*[3]	At least 25.0%
Specific health checkup rate	93.9%	94.4%	93.5%	93.6%*[3]	At least 94.5%

*[1] A condition in which an employee is unable to perform adequately due to physical or mental health problems despite being present at work. SPQ (Single-Item Presenteeism Question) developed by the University of Tokyo was used for measurement.
*[2] People who exercise for at least 30 minutes twice a week
*[3] Figures for FY2024 are provisional

For more information on our promotion of health and productivity management, please visit our website (Japanese only)
https://www.shikokubank.co.jp/profile/healthcare/index.html

Increasing base salaries and paying a one-time allowance

Taking account of recent consumer price hikes and other circumstances, for the purpose of developing an environment in which employees can play an active role, while fully demonstrating their individuality and skills and feeling job satisfaction and fulfillment, in July 2025, we raised base salaries, and paid a one-time allowance. We raised base salaries for the third consecutive year, with an average increase of about 3.85% in total with the one-time allowance. With a periodic pay raise, the total amount was increased by about 4.57% on average.

Going forward, we will continue our efforts to actively invest in human capital, such as in human capital development and the provision of a comfortable working environment, thereby improving the quality of our services and consulting capabilities.

Respect for human rights

Our Sustainability Policy and Charter of Corporate Behavior call for "respect for human rights," and through training and seminars, we raise awareness of social backgrounds, the subjects of human rights that must be respected, and the major human rights that banks should have consideration for. We will continue our efforts to create a work environment in which everyone can feel job satisfaction and fulfillment, fully demonstrate their individuality and skills, and play an active role.

03

SPECIAL CONTENTS

Special Feature

Initiatives for the employment of persons with disabilities

Initiatives for the employment of persons with disabilities

In order to develop work environments in which diverse human resources can work with peace of mind, we newly set up the Work Coordination Group, a dedicated office for employees with disabilities in November 2024, and welcomed four employees with disabilities. In April 2025, we welcomed seven new employees with disabilities and two job support staff members, and started the full-scale operation of the initiative.

The Shikoku Bank Group aims to support the independence of persons with disabilities, and to increase job satisfaction and fulfillment for them, through initiatives that lead to increased operational efficiency across the Bank. In this way, we are working to grow as a corporation and to create places in which persons with disabilities are able to further play active roles in a local community, thereby striving to become a model case of the employment of persons with disabilities.

Details of the establishment of the Work Coordination Group

Mari Kajiwara
Manager, Work Coordination Group, Human Resources Division

With respect to the Bank's employment of persons with disabilities, we previously had mainly employed persons with physical or mental disabilities and assigned them to headquarters divisions according to his/her characteristics. Employees with physical disabilities, for whom acceptance burdens are lower, have a high retention rate, while the retention rate has remained at a low level for employees with mental disabilities, for whom special knowledge and treatment are required.

In such situations, partly because of the gradual increase of the statutory employment rate, it has become more important to secure the stable employment of persons with mental disabilities. However, due to a decline in the number of personnel, increasingly diverse and complex operations, and other factors, the acceptance of employees with mental disabilities who require a certain degree of consideration in terms of work environments and human relationships, remained difficult in areas other than specific divisions.

In order to overcome such situations and provide work environments in which employees with mental disabilities can work with peace of mind for a long period, we newly established the Work Coordination Group, a dedicated office for employees with disabilities within the Human Resources Division, which has a developed acceptance capacity and developed an environment that allows them to focus on their tasks, which are extracted from the headquarters divisions.

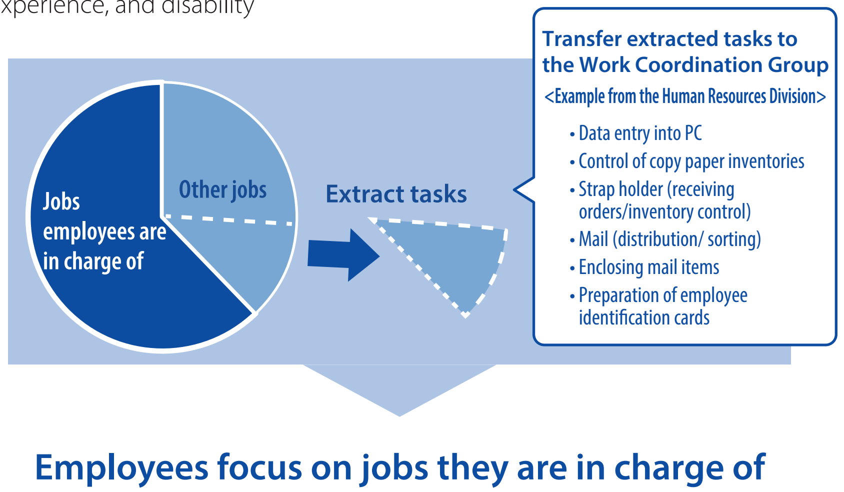
Active engagement of diverse human resources and sustainable growth

The activities of the Work Coordination Group are aimed at social contribution, productivity increase, and diversity promotion. We would like to contribute to local communities by promoting initiatives that help employees with disabilities to demonstrate respective abilities and to feel job satisfaction and fulfillment, as well as support their self-realization. In addition, by for example, organizing and reviewing existing tasks, with the employment of persons with disabilities as a start, we will further promote operational efficiency and productivity increase and build frameworks capable of strategically leveraging diverse human resources. We would like to make these initiatives sequentially work also for the Bank's sustainable growth.

Job contents that lead to job satisfaction and fulfillment

In terms of career support, specific job contents include challenging tasks such as data entry and creation, not limited to routine tasks such as printing and shipping. In addition, we have a wide variety of job contents, such as enclosing and shipping mail items, digitalizing and saving materials in PDF format, and several kinds of sorting, and it is possible to share tasks that match personal skills, experience, and disability characteristics.

These tasks contribute to BPR promotion, which is conducted by headquarters divisions, and an environment that allows other employees to focus on jobs they are in charge of. For these reasons, such tasks are leading to the increase of job satisfaction and fulfillment of employees with disabilities.



Development of environments in which employees can continue to work with peace of mind

As of April 1, 2025, 11 employees with mental disabilities and physical disabilities work for the Shikoku Bank Group. It is required to build sufficient support frameworks also in the aspect of tasks, not only the mental aspect, and we newly employed two job support staff members. While working on several tasks together with employees with disabilities, job support staff provide operational assistance and mental care that is tailored to individuals' characteristics. In this way, we have developed an environment that allows us to provide empathetic support to employees with disabilities. In addition, in the adjacent office of the Human Resources Division, two public health nurses are stationed and periodically conduct follow-up interviews. Furthermore, regularly cooperating with support institutions, such as Hellowork and Local Vocational Centers for Persons with Disabilities, we actively provide indirect support so that employees with disabilities can continue to work for many years with peace of mind.

Future initiatives

First of all, aiming for the stable employment of persons with disabilities, we will work on the development of jobs that lead to increased motivation, as well as physical and mental care. We would like to continue support for employees with disabilities so that they can grow into human resources who are confident in their work, have increased motivation, and have the potential to play active roles even outside the Group in the future by gaining skills and knowledge in bank operations through work experience at the Group. By newly employing persons with disabilities as successors of ones who graduated from the Group, we will make our initiatives sequentially work to improve the employment rate of persons with disabilities, and to expand sustainable employment opportunities in the region.

Corporate Governance

Basic approach

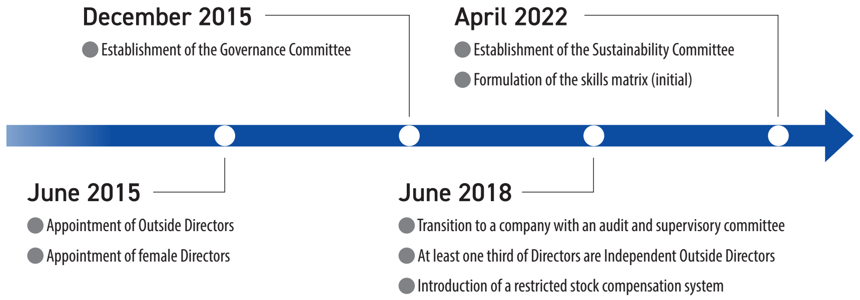
We are working to strengthen and enhance our corporate governance, which we view as one of our most important management tasks, with an eye to achieving sustainable growth and increasing corporate value over the medium to long term by fostering connections with shareholders and various other stakeholders and conducting our operations appropriately.

We have formulated and published the Basic Policy on Corporate Governance, which sets out our basic approach and framework geared toward realizing appropriate corporate governance.

For more information, please visit our website (Japanese only)
https://www.shikokubank.co.jp/profile/governance/

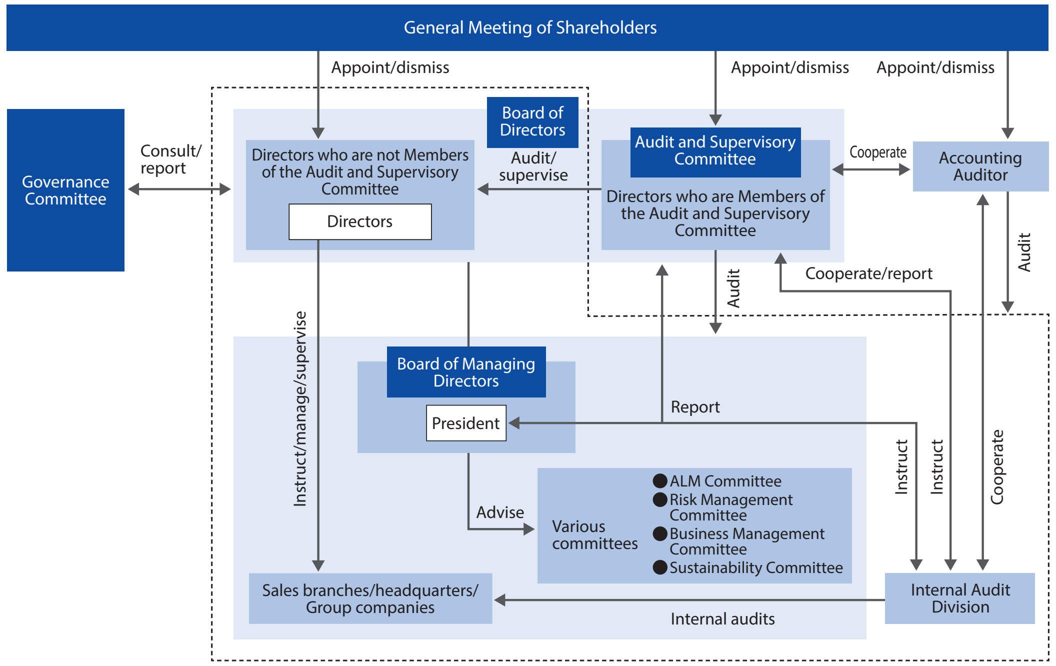
Our history of strengthening governance

The Board of Directors has continued its efforts to strengthen governance, such as having a well-balanced composition of Directors with a broad range of knowledge and expertise.



Corporate governance structure

We have adopted the corporate governance structure of a company with an audit and supervisory committee. Through the Board of Directors, which is responsible for making important management decisions and overseeing business execution, and the Audit and Supervisory Committee, the majority of which are Audit and Supervisory Committee Members who are Outside Directors, we strive to maintain and improve the effectiveness of our supervisory and checking functions.



Main activities of the Board of Directors

The Board of Directors consists of all Directors and Directors who are Members of the Audit and Supervisory Committee. In principle, the committee meets once a month to make decisions on matters stipulated by laws and regulations or the Articles of Incorporation, and important matters related to management policies and strategies, as well as to supervise the execution of operations by Directors. In FY2024, resolutions were made on matters related to the General Meeting of Shareholders, financial results, and internal audits, as well as our management policy and overall budget for the fiscal year, in addition to measures to realize management that is conscious of cost of capital and share price.

Major resolutions for FY2024	● Formulation of management policy for FY2025 ● The total budget for FY2025 ● Rebuilding of the headquarters ● Funding to Shigin Future Investment Limited Partnership and Shikoku Revitalization No.3 Investment Limited Partnership

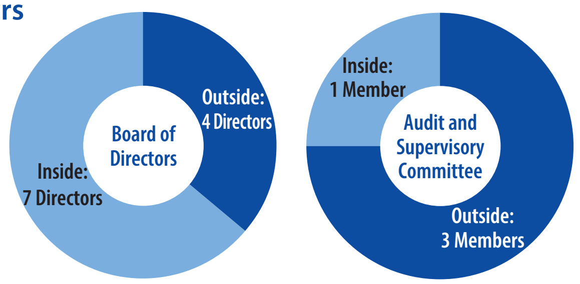
Evaluation of the effectiveness of the Board of Directors

The Board of Directors has decided to analyze and evaluate the effectiveness of the Board of Directors as a whole on an annual basis, in order to enhance its functions. Analyses and evaluations on the effectiveness of the Board of Directors as a whole for FY2024 were deliberated at a meeting of the Board of Directors held in June 2025.

(1) Method	The Bank administered questionnaires on the evaluation of the Board of Directors to each Director. Questionnaire results were analyzed and evaluated by the Board of Directors after deliberations from the Governance Committee.
(2) Results of analysis and evaluation	Following the last year, good evaluations are maintained on the following items: "composition of the Board of Directors," "roles and responsibilities of the Board or Directors," "environment improvement and support systems for the Board of Directors," and "response to issues." Therefore, we judged that the effectiveness of the Board of Directors is ensured. With respect to the "creation of opportunities for dialogues between Outside Directors and General Managers who serve as organizers," which was given as a major opinion in FY2024, Outside Directors participated in meetings of General Managers who serve as organizers as observers, and thereby created dialogue opportunities and stimulated discussions.
(3) Future response	In FY2025, with the aim of enhancing its functions and further stimulating discussions of the Board of Directors, we have decided to work on the following matters. • Creation of opportunities for dialogues between Outside Directors and General Managers • Introduction of training programs for Directors

Effective utilization of Independent Outside Directors

The Board of Directors should have a well-balanced composition of Directors with a broad range of knowledge and expertise. Along with that, in order to strengthen supervisory functions on the execution of operations by Directors, and to leverage external perspectives in management, we currently have four Outside Directors with independence, which account for at least one third of all Directors.



Reasons for the appointment of Outside Directors

Name	Position	Reasons for appointment and expected roles
Takeo Ueda	Director	He assumed the position of Outside Director of the Bank in June 2025. He has a wealth of experience and broad insight as a corporate manager and is expected to appropriately fulfill his role in making important management decisions and supervising business execution. Based on the judgment that his appointment will contribute to the Bank's sustainable growth and improvement in corporate value, the Bank has appointed him as an Outside Director.
Chieko Inada	Audit and Supervisory Committee Member	She assumed the position of Outside Director of the Bank in June 2017. She assumed the position of Outside Director who is an Audit and Supervisory Committee Member of the Bank in June 2018. Since assuming her position, from the perspective based on a wealth of knowledge and experience, and a deep insight as an attorney, she has appropriately fulfilled her duties and responsibilities, such as auditing and supervising the business execution of Directors. In addition, she has expressed necessary opinions from objective and impartial standpoints as appropriate as a member of the Governance Committee, which provides the Board of Directors with advice and recommendations after deliberations on the appointment and dismissal of Directors, the selection of executive Directors, compensation to Directors (excluding those who are Audit and Supervisory Committee Members), and other particularly important matters on corporate governance, contributing to enhancing supervisory functions. We expect that she will continue to fulfill audit and supervisory functions from neutral and objective perspectives from an independent standpoint by utilizing a wealth of expertise and practical experience as an attorney, and therefore the Bank has appointed her as an Outside Director who is an Audit and Supervisory Committee Member.
Yasushi Kanamoto	Audit and Supervisory Committee Member	He assumed the position of Outside Director who is an Audit and Supervisory Committee Member in June 2020. Since assuming his position, from the perspective based on a wealth of knowledge and experience, and a deep insight as a certified public tax accountant, he has appropriately fulfilled his duties and responsibilities, such as auditing and supervising the business execution of Directors. In addition, he has expressed necessary opinions from objective and impartial standpoints as appropriate as a member of the Governance Committee, which provides the Board of Directors with advice and recommendations after deliberations on the appointment and dismissal of Directors, the selection of executive Directors, compensation to Directors (excluding those who are Audit and Supervisory Committee Members), and other particularly important matters on corporate governance, contributing to enhancing supervisory functions. We expect that he will continue to fulfill audit and supervisory functions from neutral and objective perspectives from an independent standpoint by utilizing a wealth of expertise and practical experience as a certified public tax accountant, and therefore the Bank has appointed him as an Outside Director who is an Audit and Supervisory Committee Member.
Toshikazu Sakai	Audit and Supervisory Committee Member	He assumed the position of Outside Director who is an Audit and Supervisory Committee Member in June 2020. Since assuming his position, from the perspective based on a wealth of knowledge and experience, and a deep insight as an attorney, he has appropriately fulfilled his duties and responsibilities, such as auditing and supervising the business execution of Directors. In addition, he has expressed necessary opinions from objective and impartial standpoints as appropriate as a member of the Governance Committee, which provides the Board of Directors with advice and recommendations after deliberations on the appointment and dismissal of Directors, the selection of executive Directors, compensation to Directors (excluding those who are Audit and Supervisory Committee Members), and other particularly important matters on corporate governance, contributing to enhancing supervisory functions. We expect that he will continue to fulfill audit and supervisory functions from neutral and objective perspectives from an independent standpoint by utilizing a wealth of expertise and practical experience as an attorney, and therefore the Bank has appointed him as an Outside Director who is an Audit and Supervisory Committee Member.

As it has been determined that there are no concerns with respect to conflicts of interest with general shareholders in view of the standards for independence stipulated by the Tokyo Stock Exchange (TSE) and those stipulated by the Bank, the Bank has filed a notification with the TSE designating them as Independent Directors.

Main activities of the Audit and Supervisory Committee

The Audit and Supervisory Committee consists of four Audit and Supervisory Committee Members, three of whom are Outside Directors. One of the Outside Directors is qualified as a certified public tax accountant and has a considerable degree of knowledge in finance and accounting. In accordance with our regulations for the Audit and Supervisory Committee, we have established a system for making resolutions, discussions, and reporting on important matters related to audits. The Audit and Supervisory Committee maintains close cooperation with the Internal Audit Division, such as by receiving monthly audit results reports, and exchanges information with the divisions in charge of risk management and compliance, among others, in an effort to conduct systematic audits that utilize internal control systems. In FY2024, the committee made resolutions on the preparation and submission of audit reports, as well as on our annual audit policy and audit plan, discussed the amounts of compensation to Directors who are Audit and Supervisory Committee Members, and reported the monthly activity states of full-time Audit and Supervisory Committee Members, etc.

Main activities of various committees

Committee	Frequency of meetings	Constituent members	Details of activities
Governance Committee	Twice a year	Representative Directors, Outside Directors, and Outside Audit and Supervisory Committee Members	The Governance Committees is chaired by an Outside Director, and, as an advisory body to the Board of Directors, discusses corporate governance matters of particular importance and provides advice and recommendations to the Board of Directors.
ALM Committee	Once a month	President as chairperson, all executive Directors, and General Managers of headquarters divisions	For the purpose of managing profit and risk in an integrated manner, and securing constant profit, the ALM Committee deliberates on matters related to profit, interest rate management, and risk capital allocation management, among others, and then reports the results of these deliberations to the Board of Directors.
Business Management Committee	Once a month	President as chairperson, all executive Directors, and General Managers of headquarters divisions	For the purpose of managing operational states of divisions engaging in business operations, improving profitability, and establishing business foundations, the Business Management Committee deliberates on matters related to business development and business performance at sales branches. The results of these deliberations and the status of business execution are then reported to the Board of Directors.
Risk Management Committee	Once a month	President as chairperson, all executive Directors, and General Managers of headquarters divisions	The Risk Management Committee evaluates the effectiveness of our management systems based on monitoring reports on various risks received from the relevant divisions, deliberates on policies and improvement measures to address problems and issues, and reports the results of deliberations to the Board of Directors.
Sustainability Committee	Twice a year	President as chairperson, all executive Directors, and General Managers of headquarters divisions	The Sustainability Committee deliberates on the evaluation of initiatives based on the Sustainability Policy, reports to the Board of Directors, which oversees the committee's activities. See page 44 for details.

Compensation framework

Compensation for Directors (excluding those who are Audit and Supervisory Committee Members) is based on the roles and responsibilities of each Director and the results of their performance. Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) consists of fixed compensation and performance-based compensation in the form of restricted stock, in order to serve as an incentive to contribute to the Bank's sustainable growth and enhancement of shareholder value. The restricted stock-based compensation consists of a fixed portion and a variable portion, both of which are based the roles of each Director. Compensation for Directors who are Audit and Supervisory Committee Members and Outside Directors consists solely of fixed compensation to ensure the effectiveness of the management oversight function.

Compensation for Directors (excluding those who are Audit and Supervisory Committee Members) is determined by the Board of Directors in accordance with their position and the performance of the previous fiscal year, among other factors, after consultation by the Governance Committee, within the maximum amount of annual compensation resolved at the General Meeting of Shareholders. Compensation for Directors who are Audit and Supervisory Committee Members is determined by consultation of Directors who are Audit and Supervisory Committee Members, within the maximum amount of annual compensation resolved at the General Meeting of Shareholders.

Compensation for FY2024 is as follows.

Total amount of compensation for Directors (FY2024)

(Unit: Millions of yen)

Category	Number of recipients	Compensation	Total amount by type of compensation	
			Fixed compensation	Performance-based compensation
Directors (excluding Members of the Audit and Supervisory Committee)	9 persons	188	152	36
Directors (Members of the Audit and Supervisory Committee)	6 persons	37	37	—
Total	15 persons	226	189	36

* Compensation to Directors (excluding Members of the Audit and Supervisory Committee) does not include ¥33 million (of which ¥8 million is for bonuses), a portion of compensation received as employees.

Board Members

Fumiaki Yamamoto

Chairman

Career history

Apr. 1978	Joined the Bank
Jul. 1997	Deputy General Manager, General Planning Division
Jun. 2006	General Manager, General Management Division
Jun. 2010	Director and General Manager, General Planning Division
Jun. 2014	Managing Director
Jun. 2015	Senior Managing Director
Apr. 2016	President
Jun. 2023	Chairman

Tatsuji Kobayashi

President

Career history

Apr. 1984	Joined the Bank
Feb. 2003	Deputy General Manager, General Planning Division
Feb. 2012	Vice General Manager, General Planning Division
Jun. 2014	Executive Officer and General Manager, General Planning Division
Jun. 2016	Director and General Manager, General Planning Division
Jun. 2018	Managing Director
Jun. 2023	President

Masato Hashitani

Senior Managing Director

Career history

Apr. 1983	Joined the Bank
Jul. 2004	General Manager, Nakamura-ekimae Branch
Feb. 2007	General Manager, Moriguchi Branch
Feb. 2010	Deputy General Manager, Sales Management Division
Jun. 2012	General Manager, Marugame Branch
Jun. 2015	General Manager, Okayama Branch
Jun. 2017	Executive Officer and General Manager, Sales Management Division
Jun. 2020	Director and General Manager, Sales Management Division
Jun. 2021	Director and General Manager, Head Office
Jun. 2023	Managing Director
Jun. 2025	Senior Managing Director

Isao Shiraishi

Managing Director

Career history

Apr. 1986	Joined the Bank
Jul. 2008	General Manager, Kacho Branch
Jun. 2010	General Manager, Sakaide Branch
Feb. 2013	General Manager, Amagasaki Branch
Jun. 2015	General Manager, Osaka Branch
Jun. 2017	General Manager, Tokyo Branch
Jun. 2018	General Manager, Credit Division
Jun. 2020	Director and General Manager, Credit Division
Mar. 2022	Director and General Manager, General Planning Division
Jun. 2023	Managing Director

Mitsufumi Ito

Managing Director

Career history

Apr. 1991	Joined the Bank
Aug. 2009	Deputy General Manager, Customer Support Division
Jun. 2014	General Manager, Customer Support Division
Apr. 2016	General Manager, Corporate Support Division
Jun. 2018	General Manager, General Planning Division
Mar. 2020	General Manager, Nakamura Branch
Apr. 2021	General Manager, Nakamura Branch and General Manager, Irino Branch Office
Jun. 2022	Director and General Manager, Tokushima Head Office
Jun. 2025	Managing Director

Ken Tsunemitsu

Managing Director

Career history

Apr. 1991	Joined the Bank
Feb. 2012	Deputy General Manager, Human Resources Division
Sep. 2016	General Manager, Katsurahama-dori Branch
Jun. 2018	General Manager, Corporate Support Division
Apr. 2019	General Manager, Consulting Division
Jun. 2023	Director and General Manager, Head Office
Jun. 2025	Managing Director

Takeo Ueda

Outside

Director

Career history

Apr. 1988	Joined Yasuda Mutual Life Insurance Company
Jan. 2004	(Name changed to Meiji Yasuda Life Insurance Company due to merger)
Apr. 2016	General Manager, Securities Investment Department, Meiji Yasuda Life Insurance Company
Apr. 2018	General Manager, Voice of the Customer Department, Meiji Yasuda Life Insurance Company
Apr. 2020	Executive Officer and General Manager, Specified Insurance Products Investment Department, Meiji Yasuda Life Insurance Company
Apr. 2022	Managing Executive Officer, Meiji Yasuda Life Insurance Company
Apr. 2023	Managing Executive Officer and Group Chief Compliance Officer, Meiji Yasuda Life Insurance Company
Apr. 2025	Senior Managing Executive Officer and Group Chief Compliance Officer, Meiji Yasuda Life Insurance Company (current position)
Jun. 2025	Director, the Bank (current position)

Junko Nishimura

Audit and Supervisory Committee Member

Career history

Apr. 1988	Joined the Bank
Sep. 2014	General Manager, Takaramachi Branch
Sep. 2016	General Manager, Kencho Branch
Jun. 2018	General Manager, Regional Development Division
Jun. 2021	General Manager, General Management Division
Jun. 2024	Director, Audit and Supervisory Committee Member

Chieko Inada

Outside

Audit and Supervisory Committee Member

Qualifications: Attorney

Career history

Apr. 1997	Registered as attorney at KOCHI BAR ASSOCIATION
Oct. 1998	Board Member, Kochi Prefecture Disclosure of Official Document Review Board
Jul. 2003	Commission Member, Kochi Prefecture Expropriation Commission (current position)
Aug. 2003	Commission Member, Kochi Prefecture Personal Information Protection Commission
Apr. 2009	Kochi Prefecture Business Investigation Advisor
Oct. 2011	Council Member, Shikoku Region Council for Government Asset
Apr. 2014	Chairperson, KOCHI BAR ASSOCIATION
Apr. 2015	Special Assistant to the President, Japan Federation of Bar Associations
Apr. 2015	Executive Officer, SHIKOKU FEDERATION OF BAR ASSOCIATIONS
Jun. 2017	Outside Director, the Bank
Jun. 2018	Outside Director, Audit and Supervisory Committee Member, the Bank (current position)
Jun. 2020	Established Hiiragi Law Office (current position)

Yasushi Kanamoto

Outside

Audit and Supervisory Committee Member

Qualifications: Certified public tax accountant

Career history

Apr. 1984	Joined Kanamoto Accounting Office
Mar. 2003	Registered as certified public tax accountant
Jan. 2012	Established Yasushi Kanamoto Certified Public Tax Accountant Office (current position)
Oct. 2015	Administrator, Database Division, Tax Accountant Information Network System
Jun. 2017	Executive Officer, Shikoku Certified Public Tax Accountants' Association Committee Member Information System Committee, Japan Federation of Certified Public Tax Accountants' Associations
Jun. 2019	Chief of Branch, Kochi Branch, Shikoku Certified Public Tax Accountants' Association
Jun. 2020	Outside Director, Audit and Supervisory Committee Member, the Bank (current position)

Toshikazu Sakai

Outside

Audit and Supervisory Committee Member

Qualifications: Attorney

Career history

Apr. 1999	Registered as attorney at Tokyo Bar Association
Apr. 2015	Special Counsel, Anderson Mori & Tomotsune
Nov. 2017	Statutory Auditor, CFA Society Japan
Sep. 2019	Of Counsel, Vasco da Gama Law Offices
Feb. 2020	Head of Legal & Compliance, PATHOLOGY ASSOCIATES CO., LTD. (current position)
Mar. 2020	Special Counsel, Withers Bengoshi Houjin
Jun. 2020	Outside Director, Audit and Supervisory Committee Member, the Bank (current position)
Aug. 2021	Partner, Legal Professional Corporation Cast Global (current position)

Skills Matrix for Directors

The areas of expertise and experience possessed by each Director are as follows:

	Name	Corporate management	Human Resources Management	Digital strategy	Consulting/ Regional development	Market management	Risk management	Finance/ Accounting	Legal affairs
Directors who are not Members of the Audit and Supervisory Committee	Fumiaki Yamamoto	●	●	●		●	●	●	
	Tatsuji Kobayashi	●	●	●		●	●	●	
	Masato Hashitani		●		●				
	Isao Shiraishi	●		●	●		●	●	
	Mitsufumi Ito	●			●			●	
	Ken Tsunemitsu		●		●				
	Takeo Ueda Outside	●				●	●		
Directors who are Members of the Audit and Supervisory Committee	Junko Nishimura				●		●		
	Chieko Inada Outside		●				●		●
	Yasushi Kanamoto Outside		●				●	●	
	Toshikazu Sakai Outside						●		●

*This table does not indicate all of the areas of expertise, experience and insight possessed by each Director.

Outside Directors Dialogue

Chieko Inada

Outside Director, Audit and Supervisory Committee Member

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Toshikazu Sakai

Outside Director, Audit and Supervisory Committee Member

We expect Shikoku Bank to accurately respond to changes in the society and the economic environment, steadily proceed with transformation toward its 10-year vision, and contribute to regional development.

Looking back at FY2024, the second year of the medium-term management plan

Inada The initiatives for transformation toward realizing the 10-year vision "Best & Reliable Company that leads the region and industry" have made steady progress. With respect to corporate customers, we have further promoted area sales and consolidated corporate sales representatives, also taking other approaches. By doing so, the Bank has developed systems to grasp customers' management issues at a level more advanced than before, and to consider solutions together. Non-financial initiatives, including talent matching services and human resource consulting, are also progressing. In 2024, Japan's economy turned into a world with interest rates. I think it was difficult for employees who were accustomed to low interest rates to negotiate for higher interest rates. In order to gain understanding, I believe it is important not to simply make requests, but to appropriately grasp the issues at hand and maintain an attitude of considering them as your own responsibility.

Sakai Employees who joined the Bank in the past decade only know a world with negative interest rates. In the world with interest rates, transformation is required for both bank business models and employees' mindsets. Under Medium-Term Management Plan 2023, the Bank's capital efficiency and profitability have been increasing, and digitalization such as the shift from face-to-face transactions to online services is also progressing. In addition, toward profitability increase, since the start of the medium-term management plan, the Bank has put its energy on initiatives for high-profit businesses such as LBO loans. However, risk and return are in a trade-off relationship, and in working on high-profit businesses, it is essential to have both the aspects of an accelerator of entering into and expanding markets, and the aspect of a break to control appropriate risk level and volume.

Inada With respect to individual customers, under the circumstances in which interest in asset formation and eagerness for investment are increasing, the business alliance with Daiwa Securities has been progressing well, and the Bank achieved the target for the balance of securities set at the initial time of the alliance three years earlier than planned. At the initial time of the alliance, the Bank constantly received feedback and inquiries from customers, but recently such cases are decreasing. Meanwhile, as measures against damages from securities account hacking, which is expanding recently, the Bank is required to further ensure stronger security controls.

Sakai It is significantly meaningful to appropriately provide financial services with investment properties from a social perspective, and it is necessary also to increase the Bank's profitability. Although the bank and the securities company have different corporate cultures, the partnership with Daiwa Securities is operated under good relationships as a whole. I would like the Bank to achieve medium- to long-term profitability increase by coordinating practical matters, such as the division of roles, assessment, and information management while proceeding with the initiative. In addition, the business model that continues to build securities company's thorough operations relating to risk explanation, and the Bank's relationships over the long term is an advantage for mutual learning, and I expect that more synergy will be generated.

Inada Under Medium-Term Management Plan 2023, toward advanced services and improved cost competitiveness, the Bank is consolidating services for corporate and individual customers, and proceeding with measures for sales branches. However, in such situations, it is undeniable that there is concern for labor shortage at sales branches.

Sakai In the banking industry, functional differentiation aimed at improving management efficiency and service quality is becoming the trend of the times. Although there is a need to efficiently assign the limited human resources, there is a possibility that a temporary unbalanced state is caused during a transition period. The headquarters' support of sales branches is essential, and it is important to continue reviews while confirming the states.

Initiatives to enhance corporate governance

Inada The Board of Directors has a very comfortable atmosphere to express opinions, and the executive side takes such opinions seriously to work on improvement. In addition, Ms. Junko Nishimura was appointed as a full-time Audit and Supervisory Committee Member, which has helped to create a more comfortable environment to express opinions. Furthermore, the Audit and Supervisory Committee is receiving more detailed explanations in advance from each headquarters division regarding proposals submitted to the Board of Directors, which is facilitating meaningful information sharing and deepening understanding of the proposals.

Sakai As a whole, the governance structure does not have a closed atmosphere to Outside Directors, and I have the impression that information is highly transparent in general. With respect to the Board of Directors, I feel that it provides an open atmosphere in which Outside Directors are allowed to freely express opinions, as well as an atmosphere in which our opinions are sincerely accepted, even when those opinions generally revolve around identifying problems. Meanwhile, I have recognized certain issues. Although recommended matters were improved, after-the-fact feedback was not provided in some cases. I think that it is necessary to improve the information-sharing frameworks.

Toward the development of Shikoku Bank and the region

Inada As an attorney, I have handled many cases of harassment. Society's awareness of harassment is increasing year by year. Once misconduct occurs, there is a risk that a company enters into a serious situation that would destabilize management. Harassment is a serious problem that decreases corporate productivity and causes the loss of human resources. Although such problems did not arise in the Bank, I would like the management to proactively work on measures against harassment from the positive perspective of improving work environments and increasing productivity. As implied by its slogan of "Just Like Family!", the Bank is a very warm association. I hope that the Bank will continue to be one that stays close to and supports local customers.

Sakai I myself consider regional development together with all stakeholders, and would like to continue to contribute to the enhancement of Shikoku Bank's corporate value, and the development of Kochi Prefecture. Since 1999, I have worked as an attorney specializing in corporate finance. In the time when mega-banks in Japan were suffering from bad debts, I provided advice on initiatives, such as sophisticated financial transactions for management improvement. Utilizing the knowledge and experience I have developed as an attorney, I would like to continue to make recommendations on initiatives tailored to Kochi Prefecture's regional characteristics.

Risk Management

Basic approach to risk management

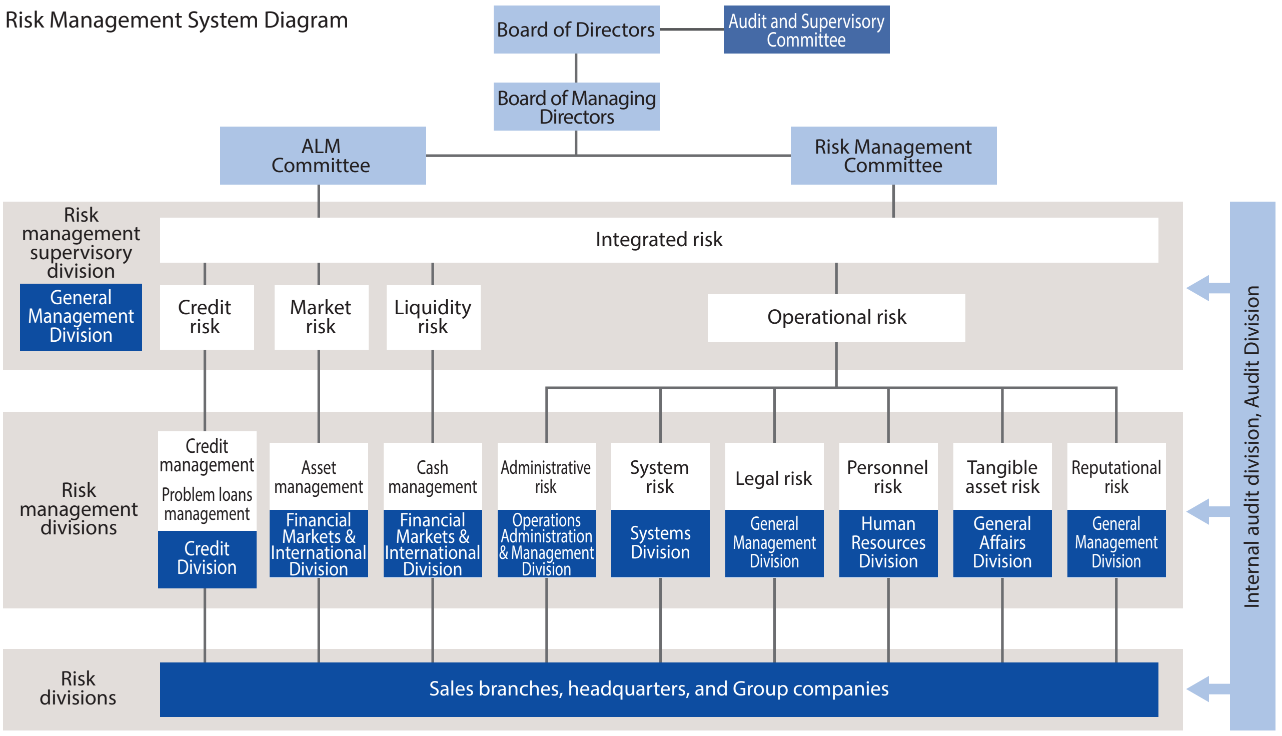
The environment surrounding banks is changing drastically, and the risks we face are becoming increasingly diverse and complex.

In order to ensure the soundness and appropriateness of management under these circumstances, Shikoku Bank recognizes the importance of comprehensively understanding the risks we face, including credit risk, market risk, and operational risk, and to manage these risks in a manner consistent with our financial strength (capital adequacy). Accordingly, the Bank is striving to develop and establish an integrated risk management system that is appropriate and commensurate with strategic targets, the scale and characteristics of operations, and risk profile.

Integrated risk management system

We have designated risk management divisions for each risk category and have set up a risk management supervisory division to manage risks across the entire Bank in an integrated manner. Additionally, an internal audit division, which is independent from our business divisions, evaluates the effectiveness of risk management at sales branches, the headquarters, and Group companies.

The ALM Committee and the Risk Management Committee report the results of analysis and assessment of various risks, and deliberate on risk control and improvement measures.



Risk Management System Diagram

Types and definitions of risks to be managed

Credit risk	The risk of loss from a financial asset becoming a nonperforming asset due to poor performance of a debtor of a loan or an issuer of a security instrument
Market risk	The risk of loss due to fluctuations in the value of assets and liabilities held, and the risk of loss due to fluctuations in income generated from assets and liabilities, caused by fluctuations in market risk factors such as interest rates, foreign exchange rates, and stock prices
Liquidity risk	The risk of loss due to difficulty in securing the necessary funds or being forced to raise funds at interest rates significantly higher than usual due to a mismatch between the periods for investment and procurement or an unexpected outflow of funds (funding risk)
	The risk of loss from the inability to conduct normal trading or being forced to trade at prices significantly less favorable than usual due to market disorder, etc. (market liquidity risk)
Operational risk	The risk of loss from inadequate or failed internal processes, officer/employee activities, systems, or from external events
Administrative risk	The risk of loss from the failure of officers and employees to properly carry out their duties, or causing accidents or misconduct
System risk	The risk of loss due to a computer system failures or malfunctions, system defects, unauthorized use of computers, etc.
Legal risk	The risk of loss due to failure to comply with laws, regulations, systems, contracts, etc., entering into inappropriate contracts, or other legal causes
Personnel risk	The risk of loss due to inappropriate work conditions or work environments, unfairness or injustice in personnel management, discriminatory conduct, etc.
Tangible asset risk	The risk of loss from damage to tangible assets due to disasters or other events
Reputational risk	The risk of loss from deterioration in the Bank's reputation, the spread of false rumors, or other factors that could result in a decline in the Bank's credibility

Risk management by category

Credit risk management

We have established a credit policy (Basic Credit Policy) and are working to appropriately manage credit risk.

The credit screening division, which is independent of our sales divisions, conducts rigorous screening that comprehensively takes into account such factors as the financial conditions of customers, the planned use of funds, repayment sources, the future prospects of their businesses. It also regularly reports to the Board of Managing Directors on the business status of customers who have loans exceeding a certain threshold amount. We also provide management consultation and guidance to help our customers improve their management.

The credit risk management division is responsible for establishing regulations for credit risk management. Moreover, the status of credit risk by industry, credit rating, and region is regularly analyzed and assessed and reported to the ALM Committee.

Market risk management

With regard to market risk management, our basic stance is to secure stable revenue by assuming a certain amount of manageable risk and improving the soundness of assets. We strive to prevent losses from expanding due to the materialization of market risks.

The market risk management system is designed to ensure effective checks and balances by separately establishing front offices for executing market transactions, back offices for managing the administration of market transactions, and middle offices for managing market risks.

The market risk management control division measures, analyzes, and assesses market risks, and also conducts stress tests under the assumption of significant market fluctuations. It then reports the analysis and assessment results to the ALM Committee.

Liquidity risk management

We consider liquidity risk to pose a significant risk, and as such implement appropriate and rigorous cash management.

The liquidity risk management system is designed to ensure effective checks and balances by separately establishing the cash flow management division, which is responsible for the cash management of the entire Bank, and the liquidity risk management control division, which is responsible for the integrated management of liquidity risk.

The liquidity risk management control division sets and manages limits based on the details and funding status of asset management. It also monitors, analyzes, and assesses liquidity risk, the results of which are reported to the ALM Committee.

We have also formulated measures to deal with liquidity crises, and established a system to respond timely and appropriately in accordance with the degree of tightness of cash flow.

Operational risk management

We categorize operational risks into administrative risk, system risk, legal risk, personnel risk, tangible asset risk, and reputational risk based on our organizational structure and the nature of our operations, and have established effective management systems according to the characteristics of each risk.

Specifically, we have established management divisions in accordance with the scale and characteristics of each risk, and conduct risk management based on our expertise in these areas, such as providing guidance and support to business divisions.

We have also established an operational risk management control division, through which we have put in place a function to check each administrative division and a system for comprehensively managing overall operational risk.

Crisis management system

In Kochi Prefecture, where Shikoku Bank is based, an earthquake along the Nankai Trough is projected to occur at some point in the future. In order to respond appropriately to such an earthquake and other crises such as infrastructure failures due to natural disasters and power outages, and the spread of infectious diseases, we have formulated a crisis management plan (business continuity plan, or BCP) and have put in place a crisis management system to continue important operations such as cash supply and fund settlement services.

The crisis management plan contains three principles for making decisions and taking action: i) respecting human life and ensuring safety, ii) preserving assets, and iii) promptly establishing a business continuity system, and also factors in the importance of initial responses and making preparations during normal times as a basic policy for crisis management. In the event of a crisis, we will determine the level of the crisis, and, depending on this level, set up a task force headed by the President to centrally manage and oversee the status of the response.

In order to raise awareness of crises during normal times and improve proficiency and effectiveness, we will regularly conduct drills and training, placing top priority on ensuring the safety of customers and employees. We will also take efforts to strengthen our systems so that we can continue to provide the financial services our customers need.

Initiatives for Cybersecurity

In recent years, cyberattacks have become rapidly advanced and sophisticated, and cybersecurity risks surrounding financial institutions are becoming increasingly serious. Taking account of this situation, the Bank recognizes cybersecurity measures as a material management issue and is working to develop a thorough system.

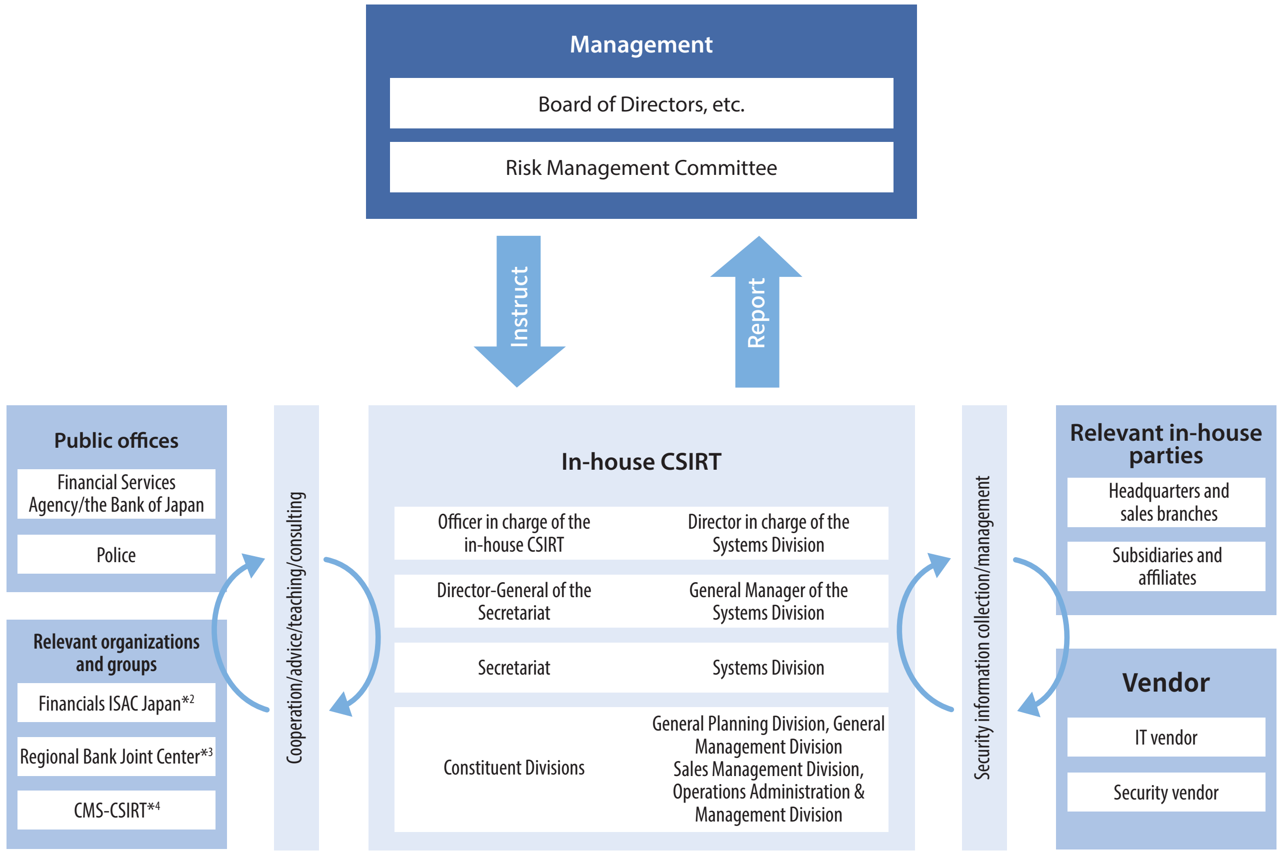
Specifically, we take measures based on self-assessment and improvement based on the guidelines of the Financial Services Agency, as well as the results of periodic vulnerability assessments by external expert organizations, thereby striving to maintain and improve our security management system. Because of these measures and the continued improvement of our system, the Bank maintains a higher rating than the average in the same industry in an objective assessment by "SecurityScorecard," an external risk assessment service.

With the aim of balancing customer convenience and safety, we have taken multi-layered defense measures that make full use of the latest security technologies for our various online services, including internet banking.

See page 21 for more information about external evaluations

Cybersecurity management system

While the in-house CSIRT*[1], an organization that responds across the Bank, plays a central role, we analyze the trends in cyberattacks and collect and analyze vulnerability data in cooperation with external expert organizations. In addition, through developing various kinds of regulations and manuals based on the System Risk Management Policy, we have established a comprehensive cybersecurity governance system.



*1 CSIRT (Computer Security Incident Response Team): an organization that deals with computer security issues
*2 Financials ISAC Japan: a corporation established as a framework in which financial institutions share cybersecurity information among each other and take measures in cooperation
*3 Regional Bank Joint Center: a core joint center for regional banks and secondary regional banks, which is built and administered by NTT DATA Japan Corporation
*4 CMS-CSIRT: an organization intended to reinforce cybersecurity systems jointly established by the Regional Bank Joint Center, which is a shared group of a core banking system, banks participating in MEJAR, and NTT DATA Japan Corporation

Response to emergency cases

In preparation for unexpected situations, the Bank has built an emergency response framework in which the in-house CSIRT serves as a command center, and developed a framework that enables organizational handling under prompt decision-making by management should cyberattacks occur.

In addition, we actively participate in various kinds of training hosted by the Financial Services Agency, Financials ISAC Japan, NISC (National center of Incident readiness and Strategy for Cybersecurity), etc., and periodically provide practical response training to employees including management, thereby continuing to enhance response capabilities to emergency cases.

Human resource development and educational activities

Under our recognition that human elements are vital to increase the effectiveness of cybersecurity, we provide systematic education programs aimed at all officers and employees. Specifically, through measures such as periodic comprehension tests, practical training to deal with suspicious emails, and awareness-raising based on the analysis of the latest cyberattack cases, we are committed to improve organization-wide security literacy levels.

Compliance

Basic policy

We position compliance as a key management priority. Accordingly, we have established a comprehensive compliance system, through which we strive to carry out our business in compliance with laws, regulations, and internal regulations, and to implement honest and fair corporate activities in accordance with social norms.

Compliance system

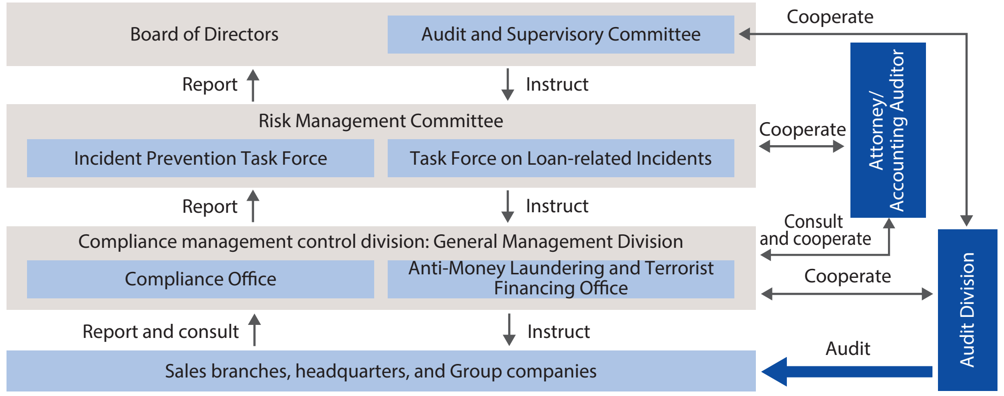
The General Management Division (Compliance Office), as the compliance management control division, works with relevant divisions to investigate and analyze the status of compliance, reports countermeasures to the Risk Management Committee, and also plans, promotes, and raises awareness of compliance in general. A compliance officer and a person in charge are also assigned to each division and branch office to practice and instill compliance.

Specific initiatives

Each fiscal year, we formulate a specific action plan called the "Compliance Program" aimed at achieving compliance. We have also formulated a Compliance Manual that compiles examples and standards of behavior that must be adhered to in complying with laws and regulations, and have made it available to all officers and employees.

In addition to holding compliance study sessions every month, we are also actively working to foster awareness of compliance by incorporating a compliance curriculum into our internal training.

Compliance System Organization Chart



Whistleblower system

We have established a whistleblower system for the purpose of preventing misconduct by officers and employees, and swiftly detecting and correcting such conduct.

We have set up contact points in the Compliance Office in the General Management Division and the Audit and Supervisory Committee, through which we respond to employees reports and consultations by telephone, written notice, e-mail, or in person. We have also established a Compliance and Harassment Consultation Desk in the Compliance Office of the General Management Division, and have a system in place that enables us to handle various consultations regardless of the gender of the person seeking advice, such as the appointment of female counselors.

Regardless of which contact point is used, we thoroughly protect whistleblowers and employees seeking advice by maintaining confidentiality and prohibiting disadvantageous treatment. We also make repeated efforts to inform our officers and employees about the system to ensure it takes root across the Bank.

Customer protection management

In order to protect and improve the convenience of the customers that use Shikoku Bank, we have established internal regulations such as the Customer Protection Management Policy, in an effort to strengthen our management of customer protection.

Furthermore, in order to comply with the Act on the Protection of Personal Information, we strive to appropriately protect and use customers' personal information in accordance with the Personal Information Protection Declaration (Privacy Policy).

Money laundering prevention

Shikoku Bank and its group companies recognize combatting money laundering and terrorist financing as financial institutions' important responsibility in the international community, and are working on these measures as one of our top management priorities.

In order to ensure promoting anti-money laundering and terrorist financing measures, we have established a centralized management system in which the Director in charge of the General Management Division serves as the person in charge, and are working on company-wide initiatives while related divisions closely cooperate.

In addition, based on the Basic Policy on Anti-money Laundering and Terrorist Financing, we are working together with our group companies to implement various measures so that we are able to prevent the flow of funds into criminal organizations, protect our customers' assets from financial crime, and provide safe and convenient financial services.

Basic Policy on Anti-money Laundering and Terrorist Financing

Recognizing that combatting money laundering and terrorist financing are important issues being called for internationally, Shikoku Bank and its group companies have established the following policies and will take measures against money laundering and terrorist financing.

1	Operational policy	The Bank's Board of Directors shall address the issue of combatting money laundering and terrorist financing as a key management priority.
2	Organizational structure	The Bank shall establish a unified management structure by designating a person in charge and a division in charge of measures against money laundering and terrorist financing.
3	Customer management	The Bank shall continue to implement customer management based on a risk-based approach in combatting money laundering and terrorist financing.
4	Reporting suspicious transactions	The Bank shall promptly report to the authorities any suspicious transactions detected as a result of the daily monitoring of transactions using IT systems and other means.
5	Management of correspondents	The Bank shall collect information on correspondents, conduct appropriate assessments, and implement appropriate countermeasures in accordance with the risks. The Bank shall also cut off any relations with fictitious banks ("shell banks") with no actual business operations.
6	Training, etc.	The Bank shall continuously provide training and other education to deepen the knowledge and understanding of its officers and employees regarding measures to combat money laundering and terrorist financing.
7	Audit	The Bank shall conduct regular internal audits on the status of measures against money laundering and terrorist financing, and make efforts to further improve such internal audits.

Basic policy for severing relationships with antisocial forces

The Bank's basic stance is to always take a resolute stance against antisocial forces that threaten the order and safety of civil society and to never compromise. In line with this stance, we have established the following policy.

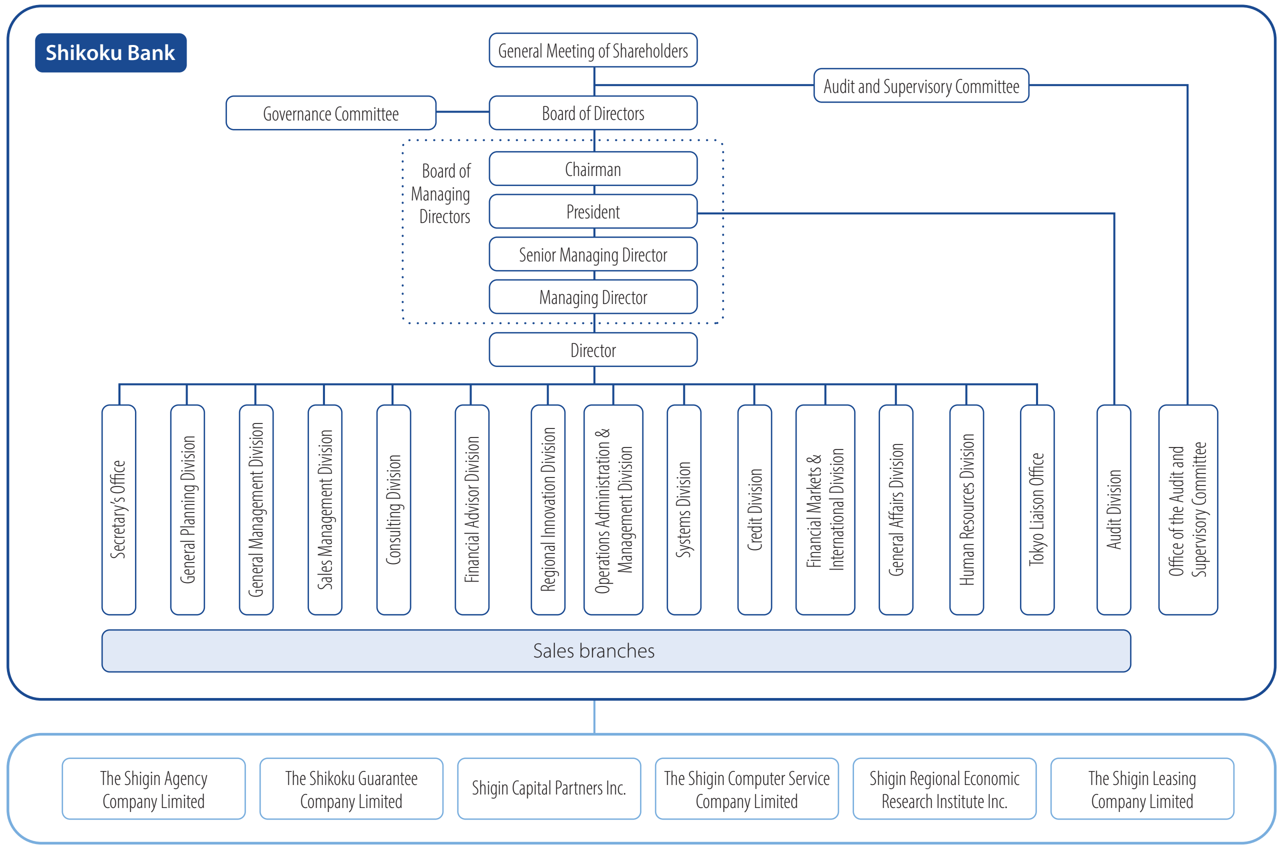
1	We will eliminate any and all transactions with antisocial forces.
2	We will never respond to unreasonable demands from antisocial forces.
3	We will respond to antisocial forces as a unified organization.
4	Depending on the situation, we will respond to antisocial forces in cooperation with external organizations such as the police.
5	We will take resolute measures against antisocial forces, including civil and criminal legal action.

Overview of the Shikoku Bank Group

(as of March 31, 2025)

Name in English:	The Shikoku Bank,Ltd.
Head office:	1-1-1 Minamiharimaya-cho, Kochi-shi, 780-8605, TEL: 088-823-2111 (main phone number)
Date of foundation:	October 17, 1878
Website:	https://www.shikokubank.co.jp/
Capital:	¥25.0 billion
Number of branches:	110 branches (including agent offices) (63 branches in Kochi Prefecture, 46 branches outside Kochi Prefecture, 1 online-only branch)
Number of employees:	1,267
Deposits outstanding:	¥2,982.6 billion
Loans outstanding:	¥2,103.0 billion
Equity-to-assets ratio [Consolidated]:	8.94%

Organizational chart



The Shikoku Bank Group

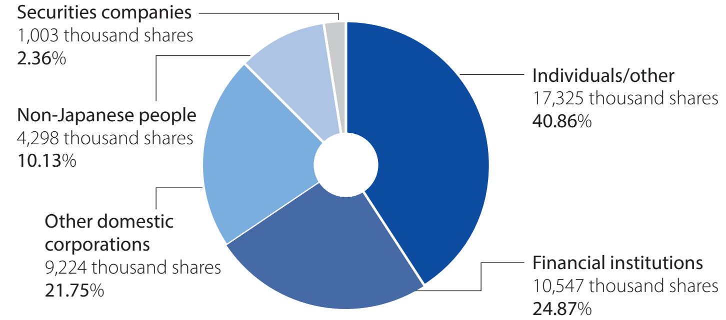
Company name	Location	Main business activities	Date of establishment	Capital (Millions of yen)	Percentage of voting rights held by the Bank	Percentage of voting rights held by other subsidiaries, etc.
The Shigin Agency Company Limited	1-21, Saenba-cho, Kochi-shi 088-885-3535	Agency operations for Shikoku Bank	August 11, 2010	20	100.0%	—
The Shikoku Guarantee Company Limited	1-21, Saenba-cho, Kochi-shi 088-885-5300	Credit guarantee operations	August 13, 1976	50	100.0%	—
Shigin Capital Partners Inc.	1-1-1 Minamiharimayacho, Kochi-shi 088-802-5959	Fund operation and management, and investment and consulting operations	October 17, 2024	100	100.0%	—
The Shigin Computer Service Company Limited	2-1, Hotarugaoka, Nankoku-shi, Kochi Prefecture 088-862-0520	Computer-related operations	July 5, 1990	20	5.0%	The Shigin Leasing Company Limited: 40.0% The Shikoku Guarantee Company Limited: 35.0% Shigin Regional Economic Research Institute Inc.: 20.0%
Shigin Regional Economic Research Institute Inc.	1-21, Saenba-cho, Kochi-shi 088-883-1152	Industrial, economic, and financial research	May 15, 1991	10	5.0%	The Shigin Leasing Company Limited: 47.5% The Shikoku Guarantee Company Limited: 47.5%
The Shigin Leasing Company Limited	1-21, Saenba-cho, Kochi-shi 088-884-5171	Leasing operations	February 8, 1974	50	5.0%	The Shikoku Guarantee Company Limited: 20.3%

Stock Information

● Total number of issued shares:
Common stock:
42,400 thousand shares

● Number of shareholders:
32,909

● Breakdown of shareholders (%)



Note: As figures are rounded down to two decimal places, the percentages may not add up to 100%.

Major shareholders (top ten)

Name	Number of shares held (Thousand shares)	Ratio of shares held to the total number of issued shares
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,759	8.97%
Custody Bank of Japan, Ltd. (Trust Account)	2,307	5.51%
Meiji Yasuda Life Insurance Company	1,815	4.33%
NICHIA CORPORATION	988	2.36%
Shikoku Bank Employee Stock Ownership Plan	987	2.35%
Nippon Life Insurance Company	539	1.28%
Masafumi Miyamoto	514	1.22%
JP MORGAN CHASE BANK	483	1.15%
The Shigin Leasing Company Limited	471	1.12%
Sompo Japan Insurance Inc.	415	0.99%
Total for top ten shareholders	12,283	29.34%

Notes: 1. The number of shares held is rounded down to the nearest thousand shares.
2. The ratio of shares held is calculated after deducting treasury shares (539 thousand shares) and rounded down to the second decimal place.