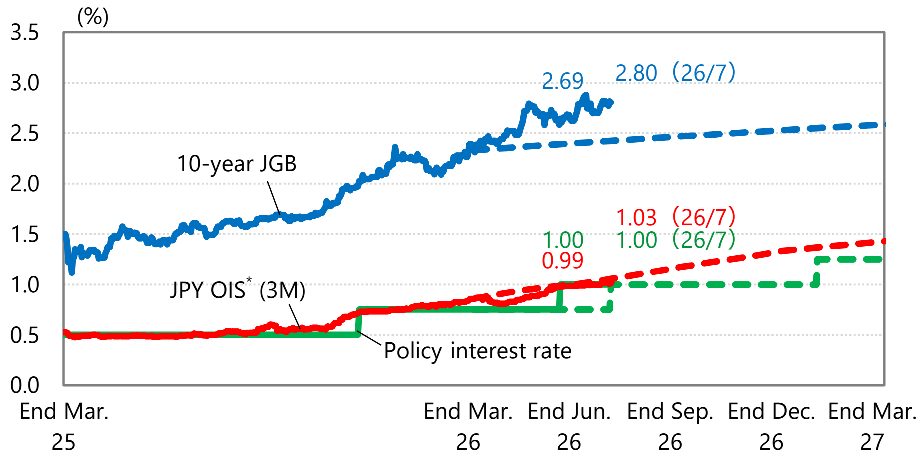
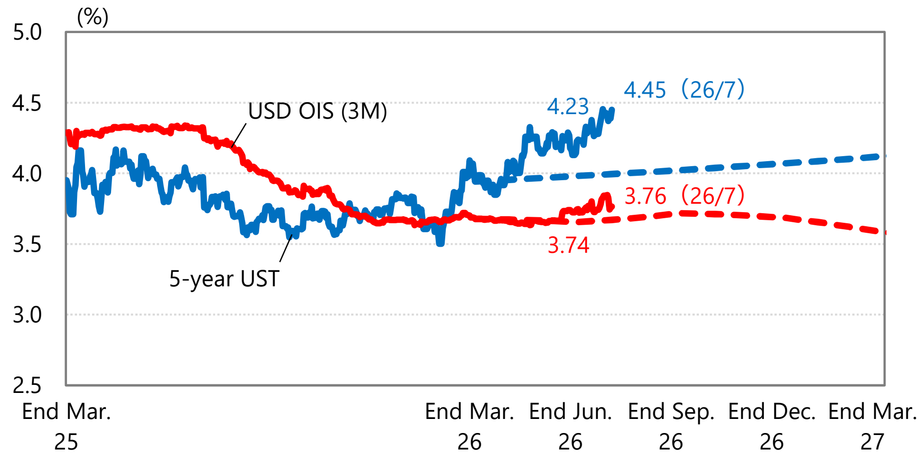
(4) Assumptions for Earnings Forecasts

Two additional policy interest rate hikes by BOJ are expected in FY2026

Domestic and foreign interest rates are projected to trend in line with implied forward rates as of March 31, 2026.
Foreign credit spreads and foreign exchange rates are expected to remain at the average levels of FY2025.

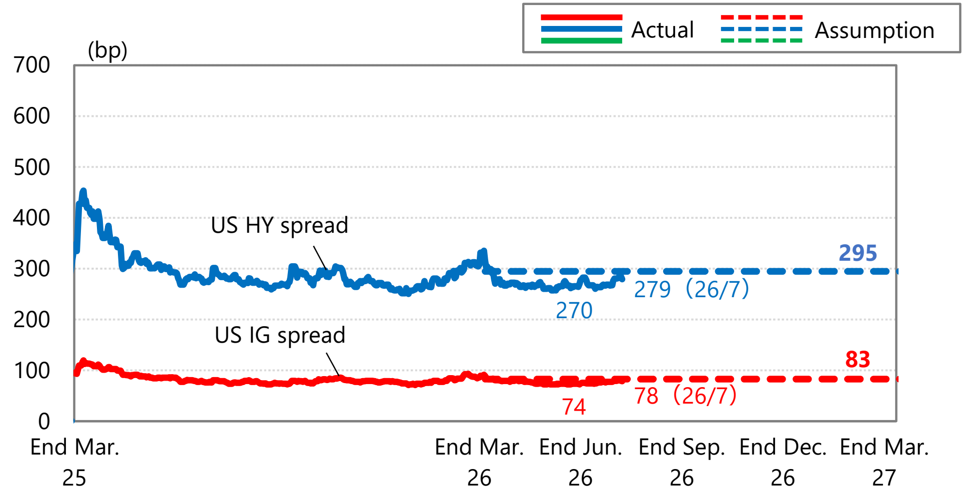
Domestic and Foreign Interest Rates

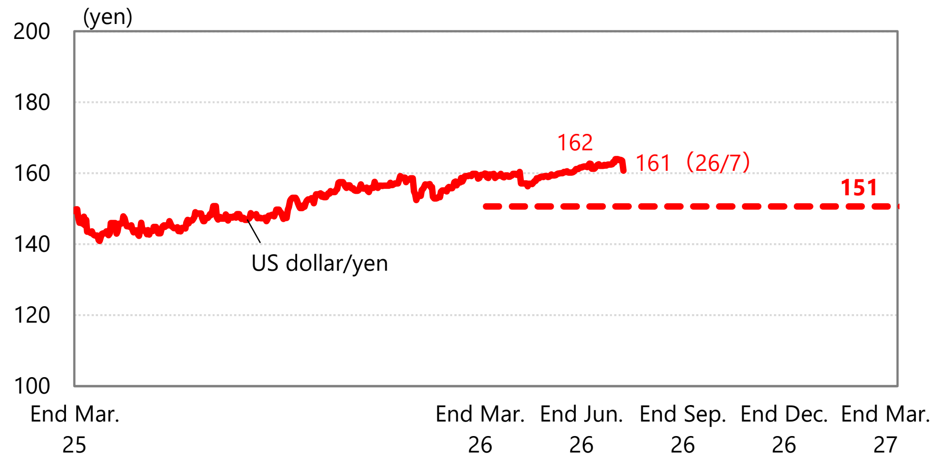




* OIS (Overnight Index Swap): Interest rate swaps referencing overnight interest rates

US IG and HY Spreads / US Dollar-Yen Rate

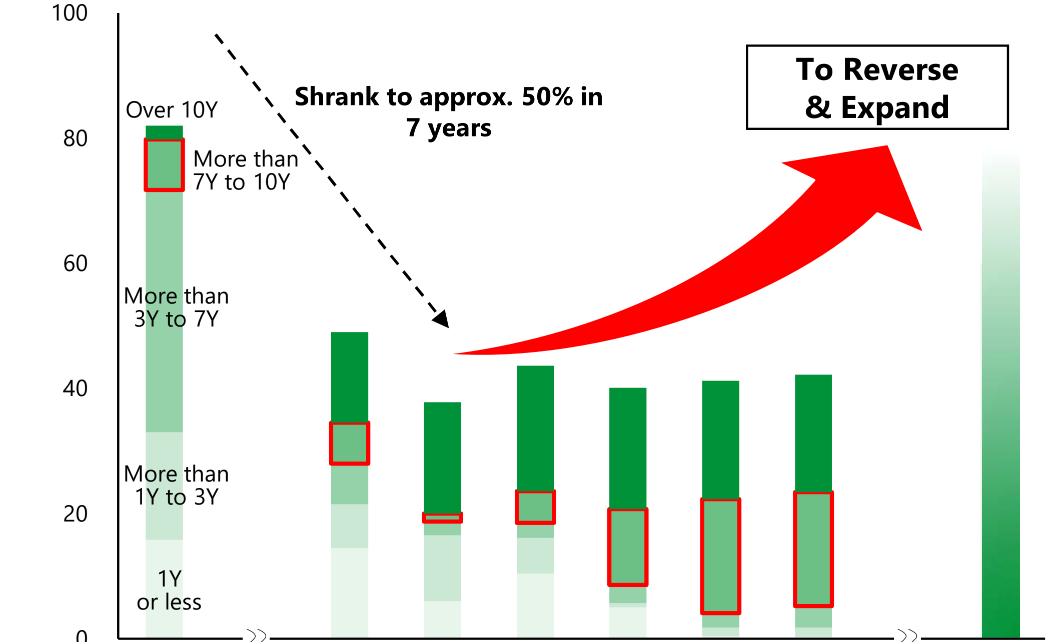




Market Business (2) Restructuring of the Portfolio

Capturing the trend of rising yen interest rates, continuously invest in JGBs and significantly improve yields

Balance of JGBs*1



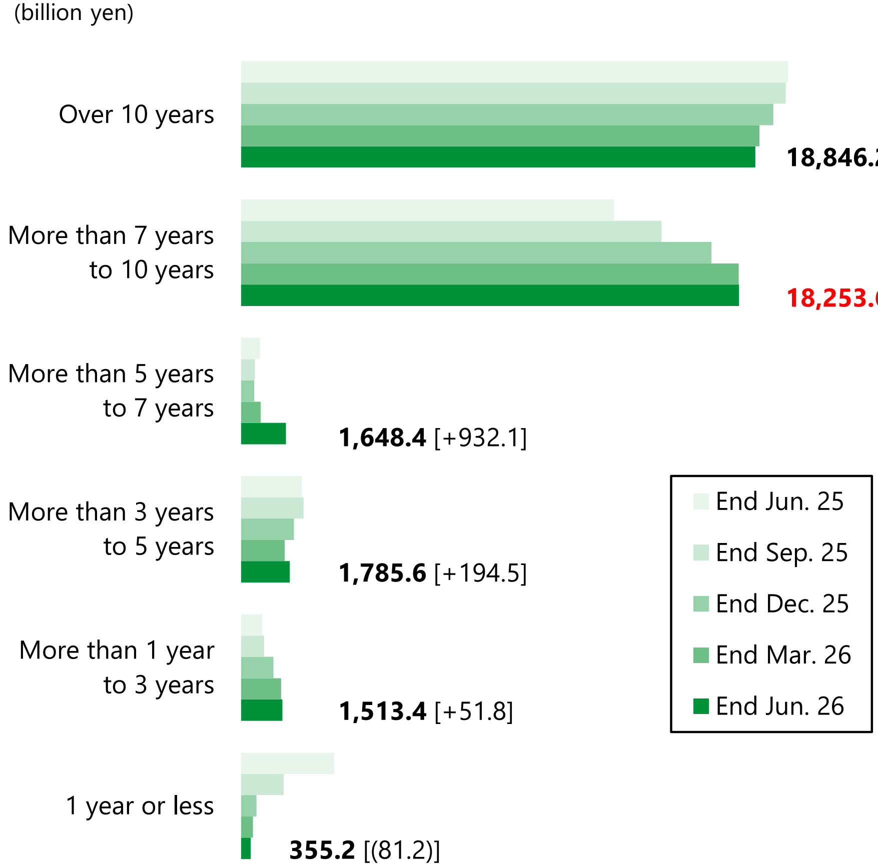
(trillion yen)	End Mar. 16	End Mar. 22	End Mar. 23	End Mar. 24	End Mar. 25	End Mar. 26	End Jun. 26
Balance of JGBs	82.2	49.2	38.1	43.8	40.3	41.4	**42.4**
More than 7Y to 10Y	8.1	6.5	1.3	5.1	12.1	18.2	**18.2**
(Ref.) JGB 10Y Yield (%)	(0.04)	0.21	0.38	0.75	1.49	2.36	**2.69**
Yield of JGBs*2 (%)	1.02	0.60	0.53	0.46	0.61	0.90	–

*1 Except JGBs in money held in trust.
*2 Simplified estimation based on the following formula.
Interest on JGBs / [(sum of balance of JGBs at the end of the previous period and the current period) / 2]×100

Balance of JGBs*1 Based on the Remaining Time to Maturity (As of Jun. 30, 2026)

Note: Figures in [ ] represent changes from Mar. 31, 2026.

Balance of JGBs: JPY 42,402.7bn [JPY +964.8bn]



〈Balances based on the holding purpose〉
Held-to-maturity: JPY 31,977.4bn [JPY +1,125.6bn]
Available-for-sale: JPY 10,425.2bn [JPY (160.7)bn]

Market Business (5) ALM Policy

We pursue a risk-tolerant investment portfolio based on a stable deposit base

We maintain and sustain a stable funding base and balance of deposits, particularly retail deposits. We pursue an optimal investment portfolio that combines yen interest assets (JGBs, due from banks, etc.) and risk assets (foreign securities, etc.) while strengthening risk management.

<The Bank's B/S (Non-consolidated)>

Total Assets JPY **221**tn [JPY (5.0)tn]

Note: As of Jun. 30, 2026.
Figures in [ ] represent changes from Mar. 31, 2026.

Assets

- JGBs[*1] JPY **43**tn [JPY +0.9tn]
- Due from banks, etc. JPY **48**tn [JPY (5.9)tn]
- Foreign securities[*2] JPY **91**tn [JPY (0.4)tn]
- Others JPY **37**tn [JPY +0.3tn]

Liabilities and net assets

- Deposits JPY **186**tn [JPY +0.1tn]
  - Ordinary deposits JPY **113**tn [JPY +0.7tn]
  - Fixed-term deposits JPY **59**tn [JPY (1.1)tn]
  - Others
- Others / Net assets JPY **35**tn [JPY (5.1)tn]

Due from banks, etc.:

- Large amount of standby funds available for investment

Foreign securities:

- Sovereign bonds: Approx. JPY 7tn
- Corporate bonds: Approx. JPY 69tn
- Others: Approx. JPY 15tn
  - -Private Equity: Approx. JPY 8tn
  - -Real Estate: Approx. JPY 5tn
  - -Direct Lending: Less than JPY 1tn

〈Hedge Ratio〉
Foreign currency interest rate: Approx. 70-80%
Exchange rate: Over approx. 90%

A huge retail customer base and highly sticky deposits supported by the largest network among Japanese banks

Deposits Approx. JPY 186tn	Retail Deposit Ratio	Approx. 97%
	Insured Deposit Ratio[*3]	Approx. 91%
	Number of Ordinary Deposit Accounts	Approx. 120 million
Number of Branches[*4]	23,306	
Number of ATMs	Approx. 31,100	
Number of accounts registered in the Yucho Bankbook App	17.49 million	

*1 Includes JGBs in money held in trust.
*2 Includes real estate funds, direct lending funds and infrastructure debt funds in money held in trust.
*3 Deposits that meet the requirement under the Deposit Insurance System in the Deposit Insurance Act divided by total deposits.
*4 As of Mar. 31, 2026, includes post offices.