THE BANK OF SAGA

Annual Report 2026

THE BANK OF SAGA

Message from the Management

I would like to take this opportunity to express our heartfelt gratitude for your continuous patronage and support for the Bank of Saga.

We are pleased to present you our “Annual Report 2026” that summarizes the Bank’s management policies, as well as its business performance for fiscal 2025.

The Bank contributes to the sustainable development of the regional community and economy utilizing the synergies within the Bank’s Group to respond appropriately to the rapidly changing management environment and customer needs.

We hope that we can count on your never-ending patronage and kind support as we pursue these endeavors going forward.

July 2026

Hideaki Sakai, President

The Bank’s Fundamental Thinking

A Clear Perspective on the Future with a View to Regional Development

Management Policy

In its commitment to maintaining “close relationships with the citizens of its region and sound, stable management,” the Bank of Saga provides high-quality financial services and contributes to local community development through its operations as a regional financial institution.

Basic Management Principles

Contributing to local community development

As a regional bank with its roots deeply embedded in the community, the Bank promotes the development of local industries and dedicates itself to assuring a high standard of living for regional residents and enriching the regional culture.

Responding to the trust of customers and shareholders

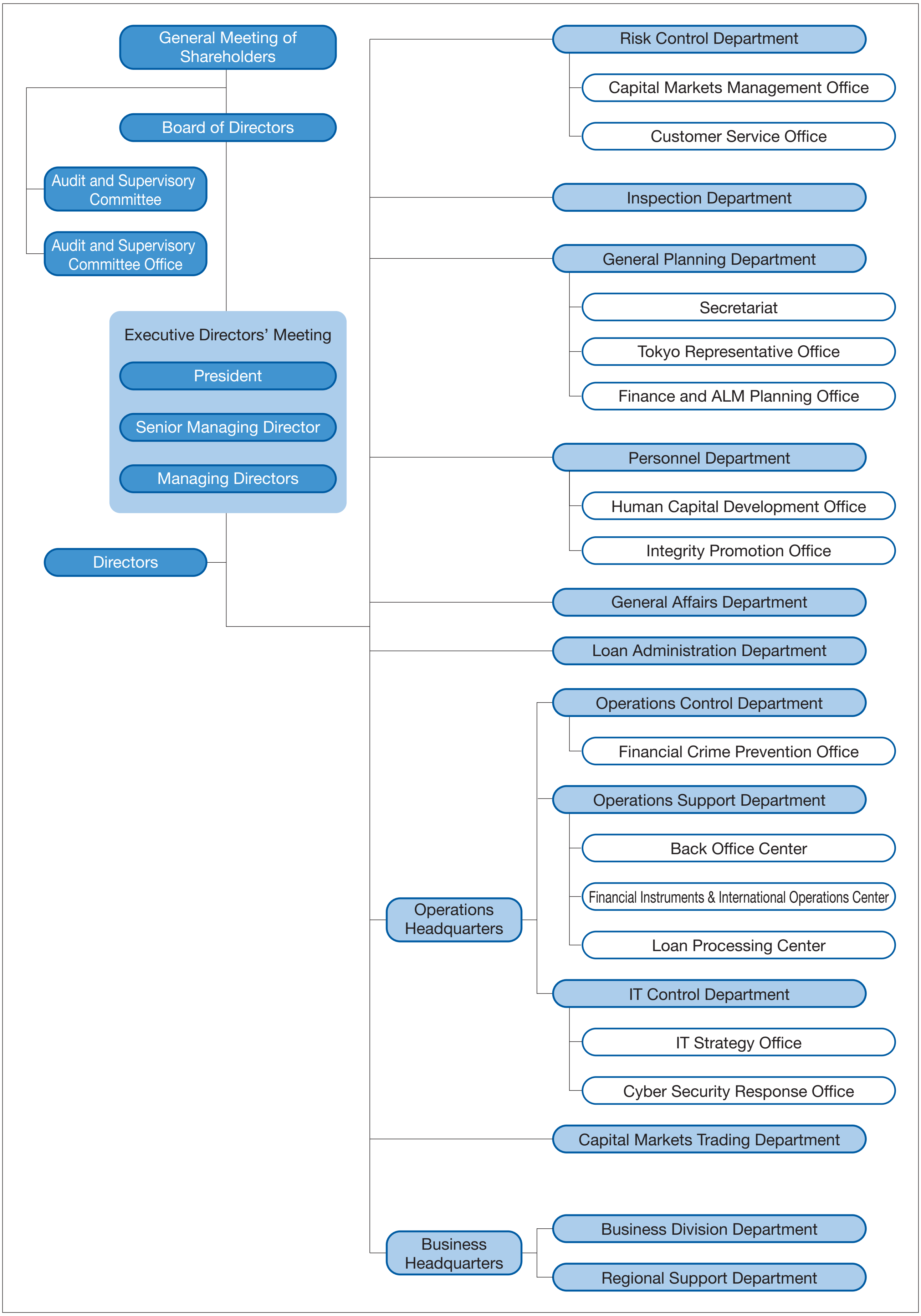
The Bank seeks to enhance its services to assure continued customer satisfaction.

It satisfies the expectations of its shareholders as well by pursuing management that responds quickly and accurately to changes in the times.

Improving employee welfare

The Bank seeks to ensure that every employee enjoys an affluent life by providing an optimal working environment and cultivating a corporate climate that emphasizes respect for others.

Organization



(as of June 30, 2026)

Consolidated Balance Sheets

The Bank of Saga Ltd. and its consolidated subsidiaries
March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Assets:			
Cash and due from banks	¥ 278,282	¥ 270,964	$ 1,740,567
Monetary claims bought	2,330	2,359	14,573
Money held in trust	1,867	1,008	11,677
Securities	496,538	578,901	3,105,691
Loans and bills discounted	2,356,922	2,248,279	14,741,818
Foreign exchanges	2,845	2,356	17,794
Lease receivables and investment assets	17,343	16,463	108,475
Other assets	14,893	11,786	93,151
Tangible fixed assets	27,906	25,384	174,543
Intangible fixed assets	2,633	2,335	16,468
Net defined benefit asset	10,538	6,513	65,911
Deferred tax assets	8,515	9,528	53,258
Customers' liabilities for acceptances and guarantees	11,882	14,045	74,318
Allowance for possible loan losses	(13,404)	(12,108)	(83,837)
Allowance for investment loss	(31)	(31)	(193)
Total assets	¥3,219,066	¥3,177,787	$20,134,263
Liabilities:			
Deposits	¥3,000,984	¥2,966,153	$18,770,227
Call money and bills sold	7,514	—	46,997
Cash collateral received for securities lent	29,318	38,768	183,375
Borrowed money	4,737	6,427	29,628
Foreign exchanges	85	590	531
Other liabilities	33,947	31,353	212,327
Provision for bonuses	685	624	4,284
Net defined benefit liability	261	272	1,632
Reserve for directors' retirement benefits	11	8	68
Reserve for reimbursement of deposits	98	114	612
Deferred tax liabilities for land revaluation	3,041	3,051	19,020
Acceptances and guarantees	11,882	14,045	74,318
Total liabilities	3,092,567	3,061,412	19,343,051
Net assets:			
Common stock	16,062	16,062	100,462
Capital surplus	13,327	13,327	83,356
Retained earnings	98,374	91,469	615,298
Treasury stock	(92)	(121)	(575)
Total shareholders' equity	127,671	120,737	798,542
Valuation difference on available-for-sale securities	(13,267)	(13,609)	(82,980)
Deferred gains or losses on hedges	1,981	728	12,390
Revaluation reserve for land	6,267	6,290	39,198
Remeasurements of defined benefit plans	3,636	2,051	22,742
Total accumulated other comprehensive income	(1,382)	(4,538)	(8,643)
Share acquisition rights	209	175	1,307
Total net assets	126,498	116,374	791,205
Total liabilities and net assets	¥3,219,066	¥3,177,787	$20,134,263

Consolidated Income Statements

The Bank of Saga Ltd. and its consolidated subsidiaries
Years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Income			
Interest income:			
Loans and discounts	¥28,139	¥22,062	$176,000
Securities	8,519	9,544	53,283
Call loans and bills bought	42	—	262
Others	907	452	5,673
Fees and commissions	10,391	9,635	64,992
Other operating income	8,445	8,828	52,820
Other income	15,433	4,708	96,528
Total income	71,879	55,231	449,580
Expenses			
Interest expenses:			
Deposits	5,927	1,634	37,071
Borrowings, call money and bills sold	245	32	1,532
Others	1,374	2,092	8,593
Fees and commissions payments	3,552	3,427	22,216
Other operating expenses	23,869	15,986	149,293
General and administrative expenses	21,223	20,120	132,743
Other expenses	3,620	1,471	22,641
Total expenses	59,814	44,769	374,118
Income before income taxes	12,064	10,462	75,456
Income taxes:			
Current	3,569	2,301	22,322
Deferred	(90)	664	(562)
Total income taxes	3,478	2,965	21,753
Net income	8,585	7,496	53,696
Net income attributable to owners of parent	¥ 8,585	¥ 7,496	$ 53,696

	Yen		U.S. dollars
Per share of common stock:			
Basic net income	¥508.05	¥444.35	$ 3.17
Diluted net income	504.83	441.27	3.15

Consolidated Statements of Comprehensive Income

The Bank of Saga Ltd. and its consolidated subsidiaries
Years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Net income	¥ 8,585	¥ 7,496	$53,696
Other comprehensive income:	3,179	(12,575)	19,883
Valuation difference on available-for-sale securities	341	(13,324)	2,132
Deferred gains or losses on hedges	1,252	694	7,830
Revaluation reserve for land	—	(87)	—
Remeasurements of defined benefit plans	1,585	143	9,913
Comprehensive income	¥11,765	¥ (5,078)	$73,586
(Breakdown)			
Comprehensive income attributable to owners of parent	¥11,765	¥ (5,078)	$73,586

Consolidated Statements of Changes in Net Assets

The Bank of Saga Ltd. and its consolidated subsidiaries
Year ended March 31, 2026

	Millions of yen											
	Shareholders' equity					Accumulated other comprehensive income						
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Total net assets
Balance at April 1, 2025	¥16,062	¥13,327	¥91,469	¥(121)	¥120,737	¥(13,609)	¥ 728	¥6,290	¥2,051	¥(4,538)	¥175	¥116,374
Changes during the fiscal year												
Dividends from surplus			(1,689)		(1,689)							(1,689)
Net income attributable to owners of parent			8,585		8,585							8,585
Purchase of treasury stock				(4)	(4)							(4)
Disposal of treasury stock			(14)	33	19							19
Cancellation of treasury stock					—							—
Reversal of revaluation reserve for land			23		23							23
Net changes other than shareholders' equity (net)						341	1,252	(23)	1,585	3,156	33	3,189
Total changes during the fiscal year	—	—	6,905	28	6,933	341	1,252	(23)	1,585	3,156	33	10,123
Balance at March 31, 2026	¥16,062	¥13,327	¥98,374	¥ (92)	¥127,671	¥(13,267)	¥1,981	¥6,267	¥3,636	¥(1,382)	¥209	¥126,498

	Thousands of U.S. dollars											
	Shareholders' equity					Accumulated other comprehensive income						
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Total net assets
Balance at April 1, 2025	$100,462	$83,356	$572,110	$(756)	$755,172	$(85,120)	$ 4,553	$39,342	$12,828	$(28,383)	$1,094	$727,883
Changes during the fiscal year												
Dividends from surplus			(10,564)		(10,564)							(10,564)
Net income attributable to owners of parent			53,696		53,696							53,696
Purchase of treasury stock				(25)	(25)							(25)
Disposal of treasury stock			(87)	206	118							118
Cancellation of treasury stock					—							—
Reversal of revaluation reserve for land			143		143							143
Net changes other than shareholders' equity (net)						2,132	7,830	(143)	9,913	19,739	206	19,946
Total changes during the fiscal year	—	—	43,188	175	43,363	2,132	7,830	(143)	9,913	19,739	206	63,316
Balance at March 31, 2026	$100,462	$83,356	$615,298	$(575)	$798,542	$(82,980)	$12,390	$39,198	$22,742	$ (8,643)	$1,307	$791,205

Consolidated Statements of Cash Flows

The Bank of Saga Ltd. and its consolidated subsidiaries
Years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Cash flows from operating activities:			
Income before income taxes	¥ 12,064	¥ 10,462	$ 75,456
Depreciation	1,482	1,248	9,269
Impairment losses	53	349	331
Increase (decrease) in allowance for possible loan losses	1,295	(1,401)	8,099
Increase (decrease) in allowance for investment loss	(0)	(0)	(0)
Increase (decrease) in provision for bonuses	60	(1)	375
(Increase) decrease in net defined benefit asset	(1,717)	(1,665)	(10,739)
Increase (decrease) in net defined benefit liability	(11)	(4)	(68)
Increase (decrease) in reserve for directors' retirement benefits	2	(7)	12
Increase (decrease) in reserve for reimbursement of deposits	(16)	(16)	(100)
Interest income	(37,608)	(32,059)	(235,226)
Interest expenses	7,548	3,761	47,210
(Gain) loss on securities transactions	679	390	4,246
Net exchange (gain) loss	(1)	0	(6)
(Gain) loss on disposal of properties	14	50	87
Net (increase) decrease in loans and bills discounted	(108,643)	(55,834)	(679,528)
Net increase (decrease) in deposits	55,548	(26,570)	347,435
Net increase (decrease) in negotiable certificates of deposit	(20,718)	46,007	(129,584)
Net increase (decrease) in borrowed money (other than subordinated borrowings)	(1,690)	(147)	(10,570)
Net (increase) decrease in due from banks (other than the Bank of Japan)	78	1,127	487
Net (increase) decrease in call loans	29	(69)	181
Net increase (decrease) in call money	7,514	—	46,997
Net increase (decrease) in cash collateral received for securities lent	(9,450)	(11,986)	(59,106)
Net (increase) decrease in foreign exchange assets	(488)	802	(3,052)
Net increase (decrease) in foreign exchange liabilities	(505)	498	(3,158)
Net (increase) decrease in lease receivables and investment assets	(887)	1,060	(5,547)
Interest received	36,862	31,123	230,560
Interest paid	(6,333)	(3,338)	(39,610)
Other, net	(7,598)	13,145	(47,523)
Subtotal	(72,434)	(23,074)	(453,052)
Payments of income taxes	(3,032)	(992)	(18,964)
Refund of income taxes	20	340	125
Net cash provided by (used in) operating activities	(75,446)	(23,726)	(471,891)
Cash flows from investing activities:			
Purchase of securities	(136,435)	(208,810)	(853,358)
Proceeds from sales of securities	148,300	219,168	927,570
Redemption of securities	77,882	80,123	487,127
Increase in money held in trust	(7,500)	—	(46,910)
Decrease in money held in trust	6,639	8,844	41,524
Purchase of tangible fixed assets	(3,551)	(2,581)	(22,210)
Purchase of intangible fixed assets	(878)	(1,354)	(5,491)
Proceeds from sales of tangible fixed assets	76	16	475
Net cash provided by (used in) investing activities	84,534	95,407	528,734
Cash flows from financing activities:			
Payments of cash dividends	(1,686)	(1,430)	(10,545)
Purchase of treasury stock	(4)	(2)	(25)
Proceeds from exercise of stock options	0	0	0
Net cash provided by (used in) financing activities	(1,691)	(1,433)	(10,576)
Translation adjustments of cash and cash equivalents	1	(0)	(6)
Net increase (decrease) in cash and cash equivalents	7,397	70,247	46,265
Cash and cash equivalents at beginning of the year	270,425	200,178	1,691,424
Cash and cash equivalents at end of the year	¥ 277,823	¥ 270,425	$1,737,697

Corporate Profile

(as of March 31, 2026)

Date of Establishment:	March 9, 1882
Date of Incorporation:	July 11, 1955
Capital:	¥16,062 million
Head Office:	7-20, Tojin 2-chome, Saga City, Saga, Japan
Number of Employees:	1,129

Number of Shareholders:	7,412
Number of Branches:	103 (Saga: 61, Fukuoka: 38, Nagasaki: 3, Tokyo: 1)
Number of Sales Branches:	70 (Saga: 41, Fukuoka: 25, Nagasaki: 3, Tokyo: 1)
Number of Out-of-Branch ATMs:	61

* The number of sales branches states the number after the branch-in-branch method integration.

Directors and Corporate Auditors

(as of June 30, 2026)

Hideaki Sakai	Representative Director and President
Yoichiro Kuchiishi	Senior Managing Director General Manager, Business Headquarters (Representative Director)
Hideki Nakashima	Managing Director General Manager, Operations Headquarters
Masaru Aratsu	Managing Director
Kazuya Shirahama	Managing Director
Koji Kanagae	Director General Manager, Business Department, Business Headquarters
Sadaki Sakai	Director General Manager, Saga Minami Block General Manager, Head Office Business Department General Manager, Gofukumachi Branch
Kimie Maki	Director General Manager, Operations Department, Operations Headquarters

Teruyuki Kumamoto	Director General Manager, Karatsu Block General Manager, Karatsu Branch General Manager, Karatsu Ekimae Branch
Yasufumi Kusatsu	Director General Manager, Fukuoka Chuo Block General Manager, Fukuoka Branch General Manager, Watanabedori Branch General Manager, Tenjin Branch
Koichiro Miyoshi	Director; Audit and Supervisory Committee Member
Kentaro Tomiyoshi	Outside Director
Keiji Kono	Outside Director
Takumi Ikeda	Outside Director Serving as Audit and Supervisory Committee Member
Emi Fukuda	Outside Director Serving as Audit and Supervisory Committee Member
Koji Tamura	Outside Director Serving as Audit and Supervisory Committee Member
Shinya Akiyoshi	Outside Director Serving as Audit and Supervisory Committee Member