

Company Briefings for the Fiscal Year Ended March 2025

May 2025



DAISHI HOKUETSU
Financial Group

Securities
Code 7327

* Daishi Hokuetsu Financial Group is
referred to as "Daishi Hokuetsu FG" or "FG"

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■ Medium-Term Management Plan III

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Highlights of Fiscal Year Ended March 2025



“Stage for a leap forward”

Medium-Term Management Plan III

(3rd Stage : FY2024 – FY2026)

FYE2025/3

Performance in Year 1 significantly exceeded the target of Medium-Term Management Plan III, which is positioned as a “Stage for a leap forward”

FG’s consolidated profit exceeded the earnings forecast after the upward revision, and also increased year on year

- ✓ FG’s consolidated profit for the fiscal year ended March 2025 was ¥29.3 billion (up 8.1 billion yen year on year)
- ✓ Based on the revised shareholder return policy, annual dividend per share increased by ¥58.5 year on year (after stock split) (Dividend payout ratio of approximately 40%)
- ✓ Year-end dividend was 75 yen, an increase of 5 yen from the latest (2025/3) dividend forecast of 70 yen

FG’s consolidated profit for the fiscal year ending March 2026 is expected to be ¥33.0 billion (up ¥3.6 billion year on year)

- ✓ We expect to increase profits for both the banking and group company divisions by further strengthening our group consulting functions
- ✓ Through optimal risk-taking, we accumulate assets as we transition to the Foundation Internal Ratings Based (FIRB) approach. We will also contribute further to regional revitalization by proactively utilizing our financial and information intermediary functions

Upward revision of the FG’s consolidated profit target for the final year of the Plan (FYE2027/3) to ¥40 billion

- ✓ Exceeded the profit target for the final year of the initial Medium-Term Management Plan III (¥27 billion) in Year 1
- ✓ Upward revision of the profit target reflecting favorable performance and the impact of monetary policy changes (Announced in 2025/3)

FYE2025/3

Financial Results

FG's Consolidated Profit

FG's Consolidated (¥100M)

293

Year on Year

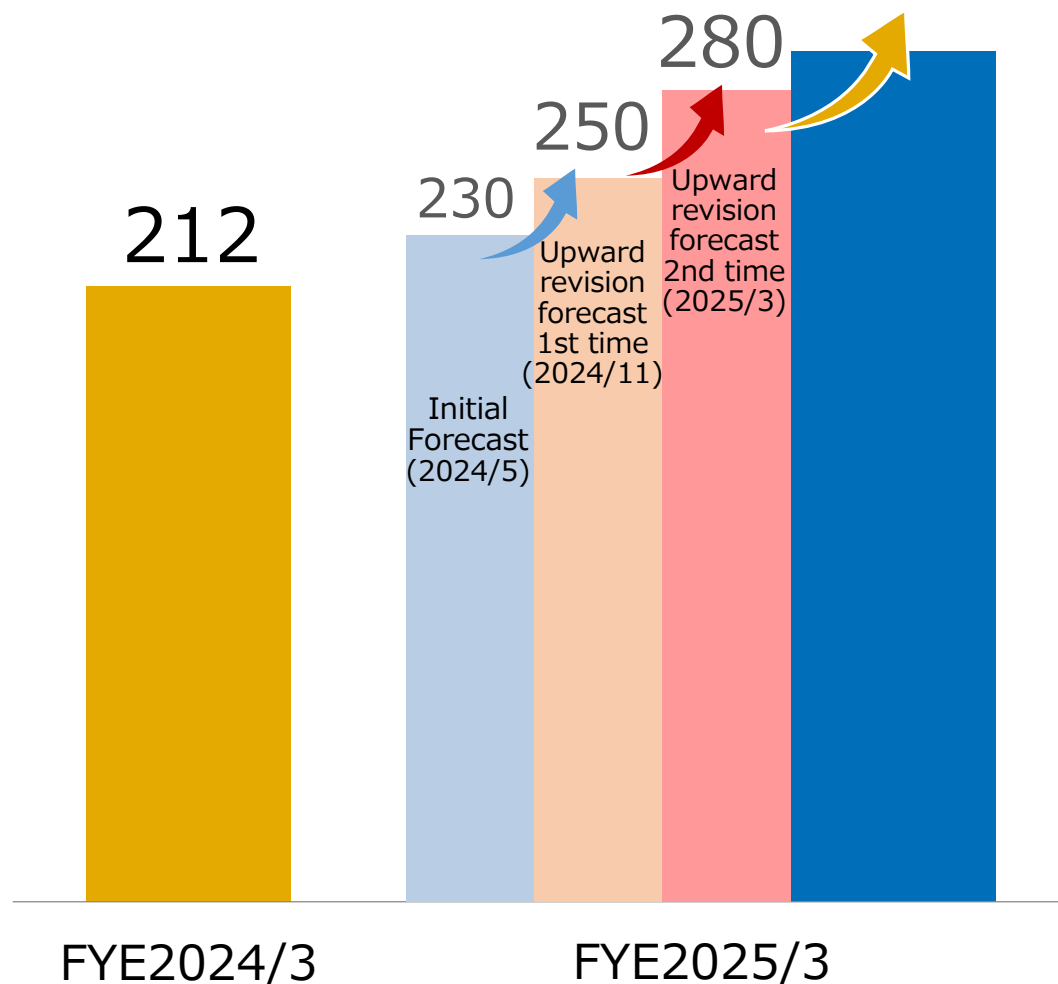
**+¥8.1B
(+38.4%)**

**Initial
performance
Expected ratio
(2024/5)**

**+¥6.3B
(+27.6%)**

**Revised
performance
Expected ratio
(2025/3)**

**+¥1.3B
(+4.8%)**



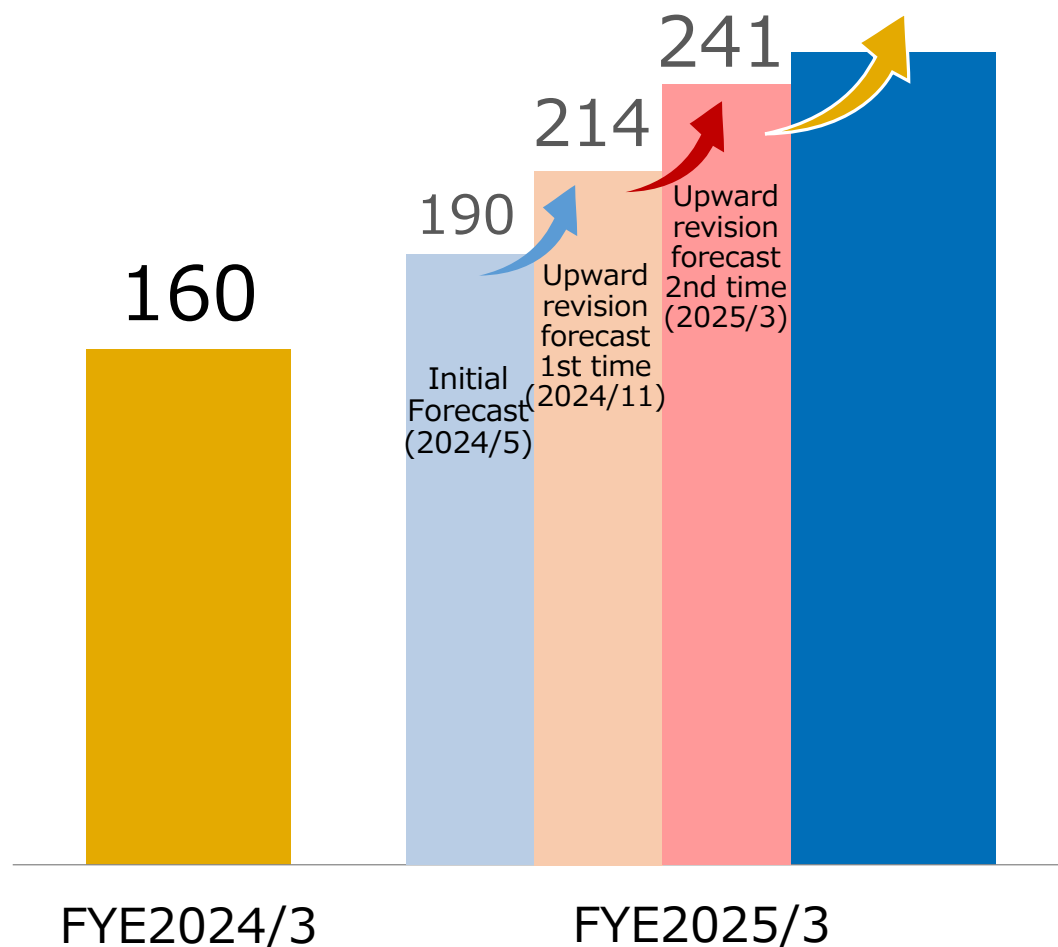
Profit by Division

Bank Non-
consolidated (¥100M)

252

Year on Year

**+¥9.1B
(+57.1%)**



**Initial
performance
Expected ratio
(2024/5)**

**+¥6.2B
(+32.8%)**

**Revised
performance
Expected ratio
(2025/3)**

**+¥1.1B
(+4.7%)**

Profit by Division

Group Company Division

(¥100M)

* Total Profit of Group companies attributable to owners of parent, excluding the holding company and the Bank
(After deducting one-time extraordinary losses (impairment losses) related to intra-group transactions)

36



FYE2024/3

37



FYE2025/3

Year on Year

+¥0.09B
(+2.6%)

Securities

+¥0.22B (+19.7%) yoy

- The balance of assets under management increased steadily, and profits rose due to decreased relocation expenses associated with moving the head office in the previous fiscal year

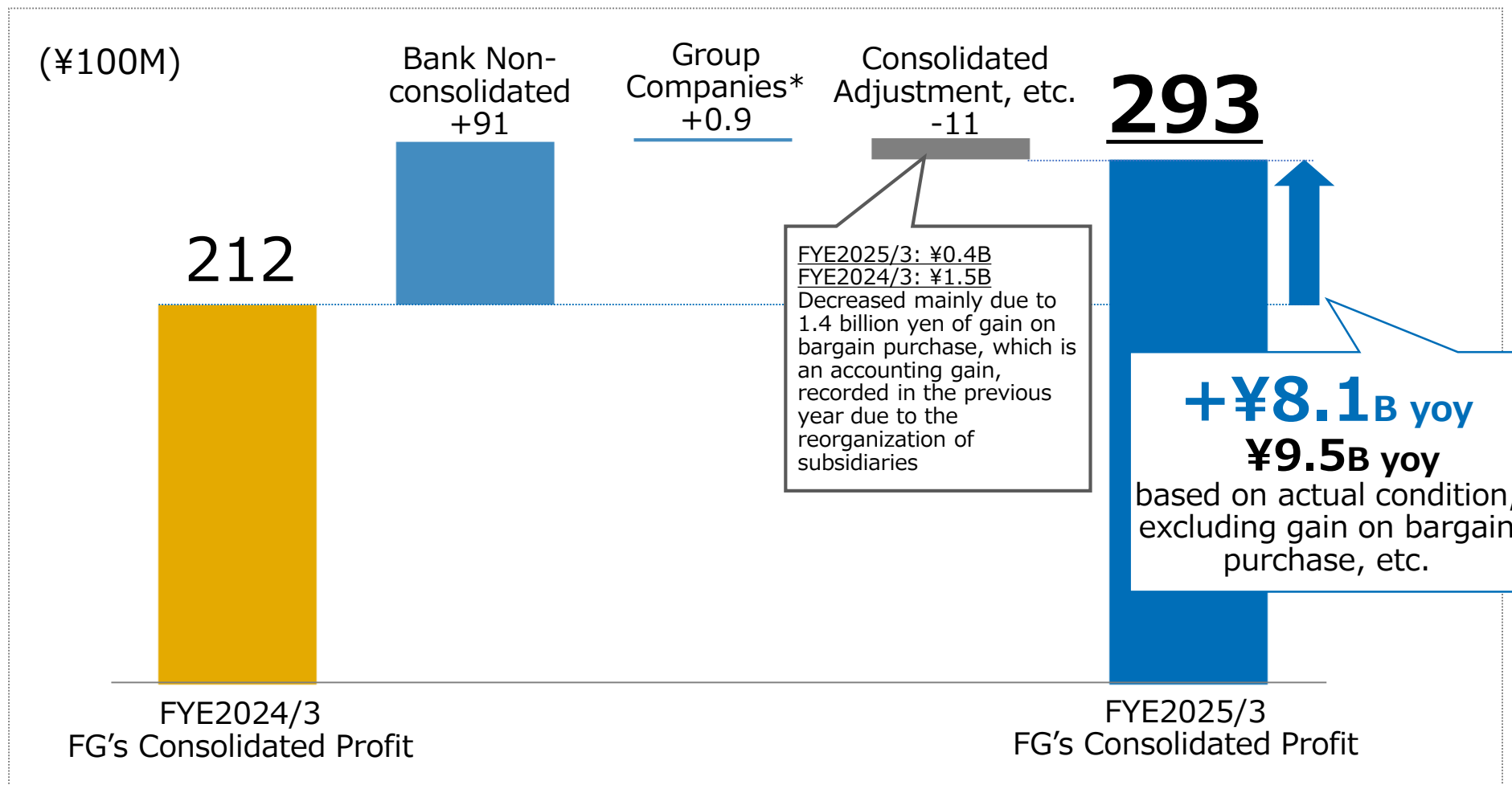
Leasing

+¥0.07B (+12.0%) yoy

- Increased profit due to growth in lease asset balance as a result of increase in bank referral contracts

FG's Consolidated Change Factors

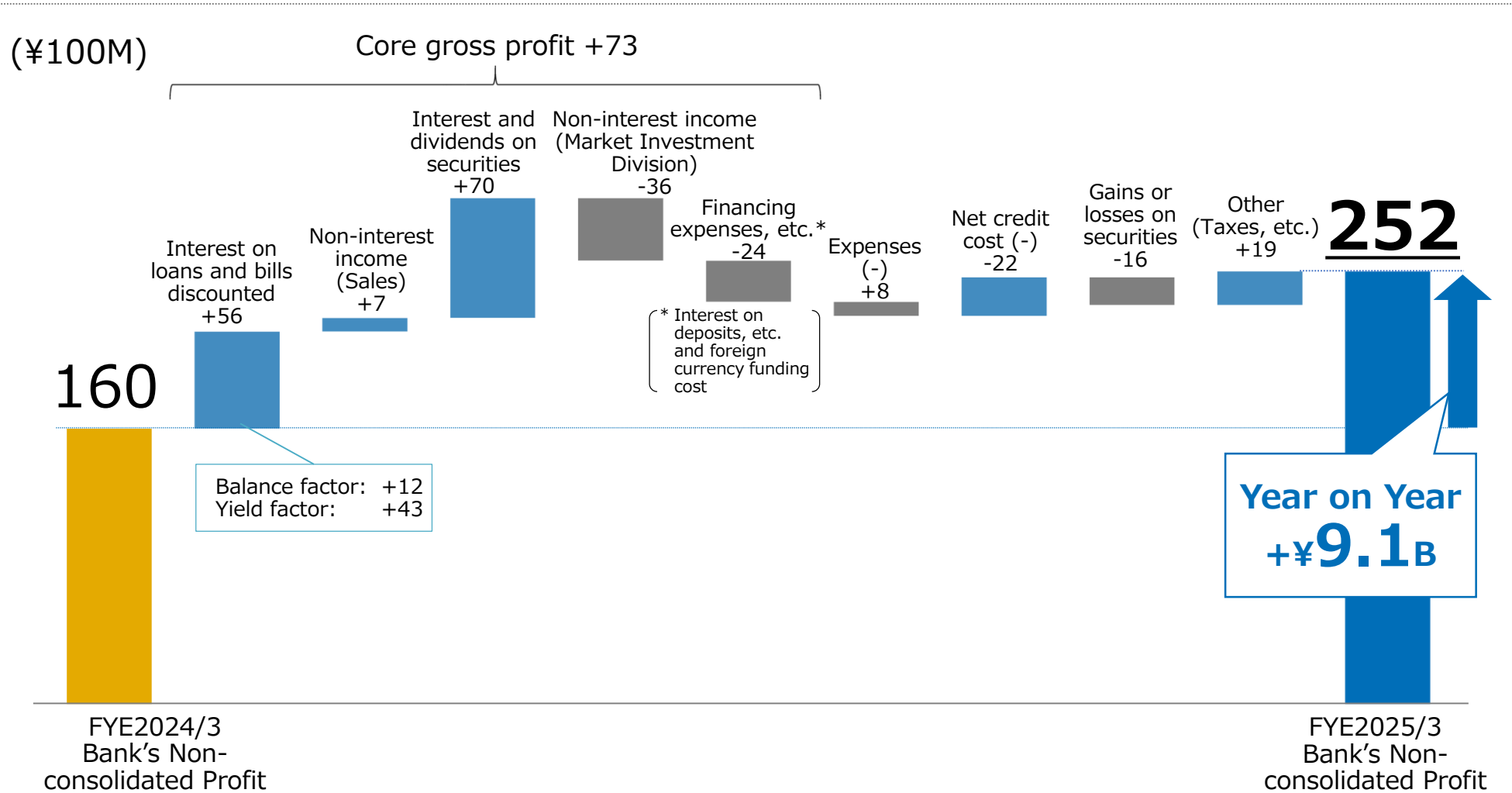
FG's consolidated profit increased as a result of an increase in the bank's non-consolidated profit



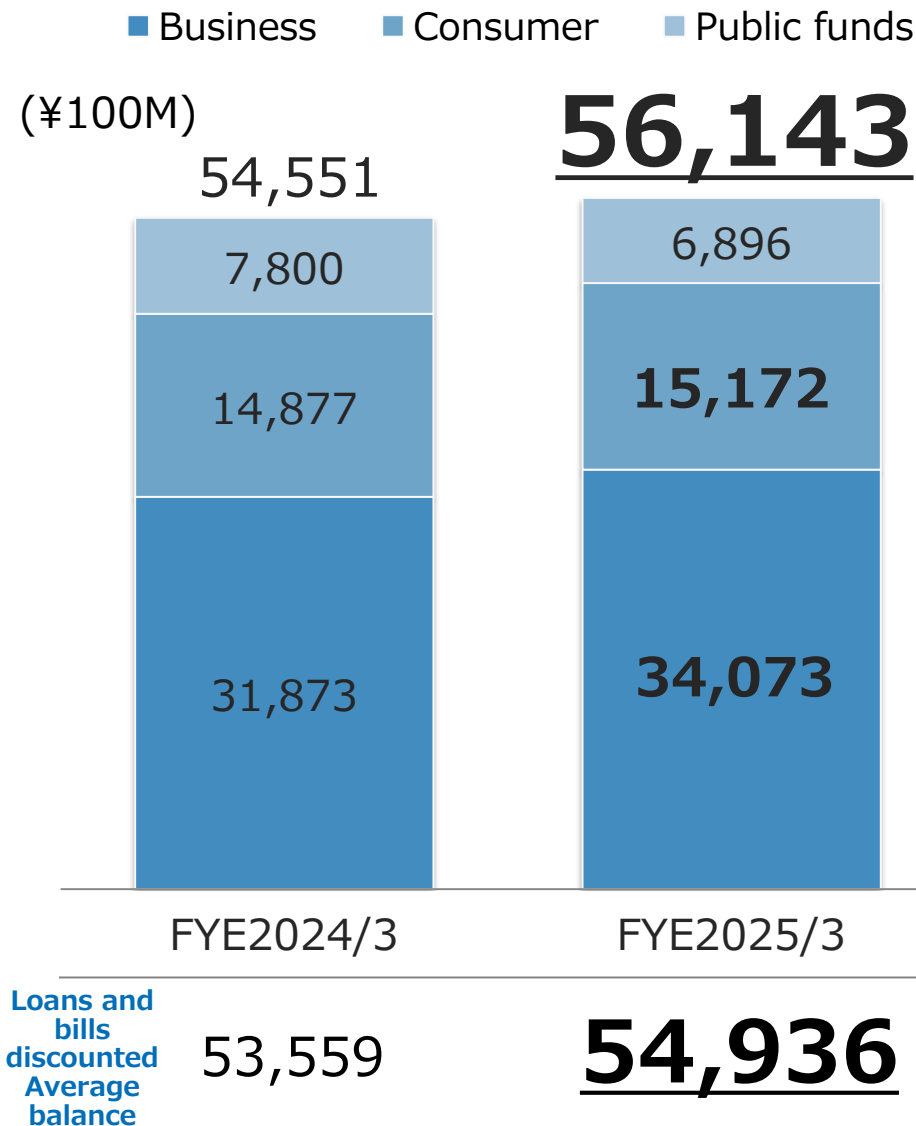
* After deducting one-time extraordinary losses (impairment losses) related to intra-group transactions

Bank Non-consolidated: Change Factors

In addition to showcasing the consulting function, the rise in interest rates in the domestic market has led to **a record high profit on a non-consolidated basis for the bank since FG's establishment**



End-Balance of Loans and Bills Discounted

Year on
Year**+¥159.1B**
(+2.9%)

Consumer

+¥29.5B yoy (+1.9%)

- Both mortgage and unsecured loans increased due to utilization of non-face-to-face channels and reinforcement of the product lineup

Business

+¥220B (+6.9%) yoy

- Decreased in the prefecture due to factors such as continued repayment of virtually interest-free and unsecured loans and decreased capital investment
- Outside of the prefecture, loans to large companies with funding needs increased

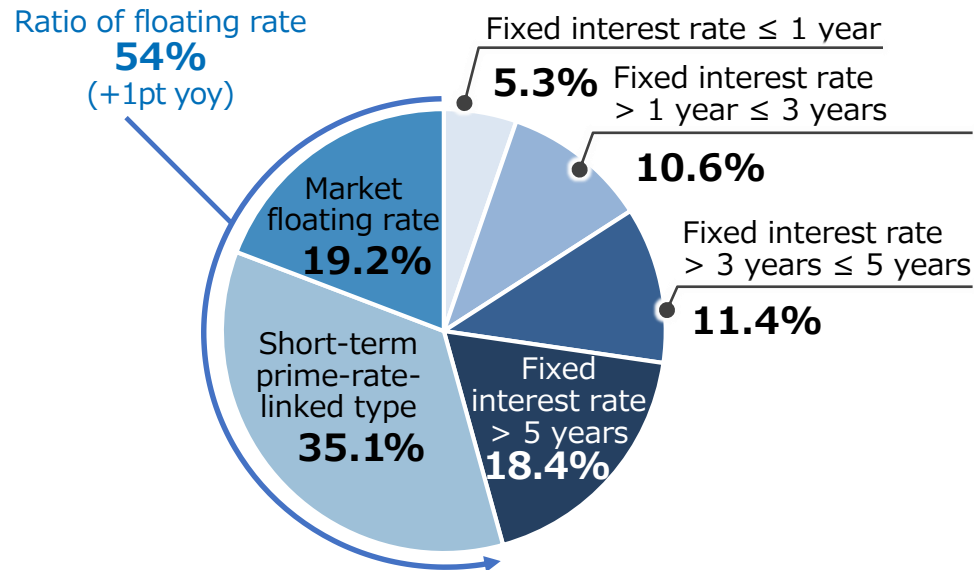
+¥137.6B (+2.5%) yoy

- Average balance of consumer loans +¥38.2B (+2.6%)
- Average balance of business loans +¥207.3B (+6.7%)

Status of Loans and Bills Discounted

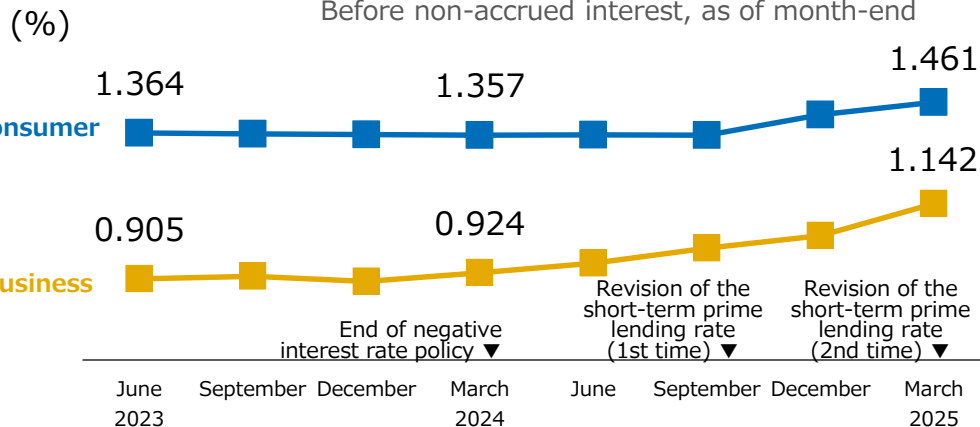
Composition of overall loans and bills discounted (2025/3 End)

Ending balance (excluding overdue loans)



Changes in yield on loans and bills discounted (monthly)

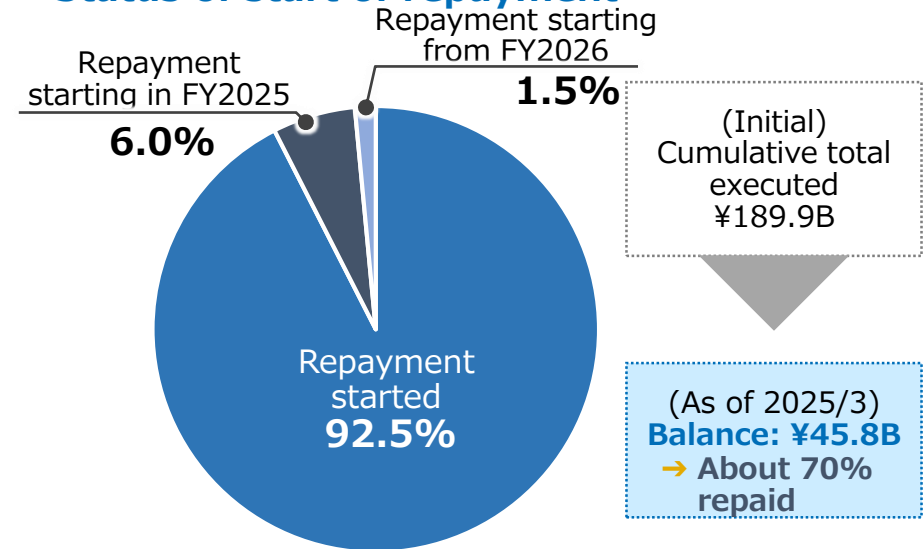
Before non-accrued interest, as of month-end



Status of virtually interest-free and unsecured loans (2025/3 End)

Based on the number of claims

Status of start of repayment

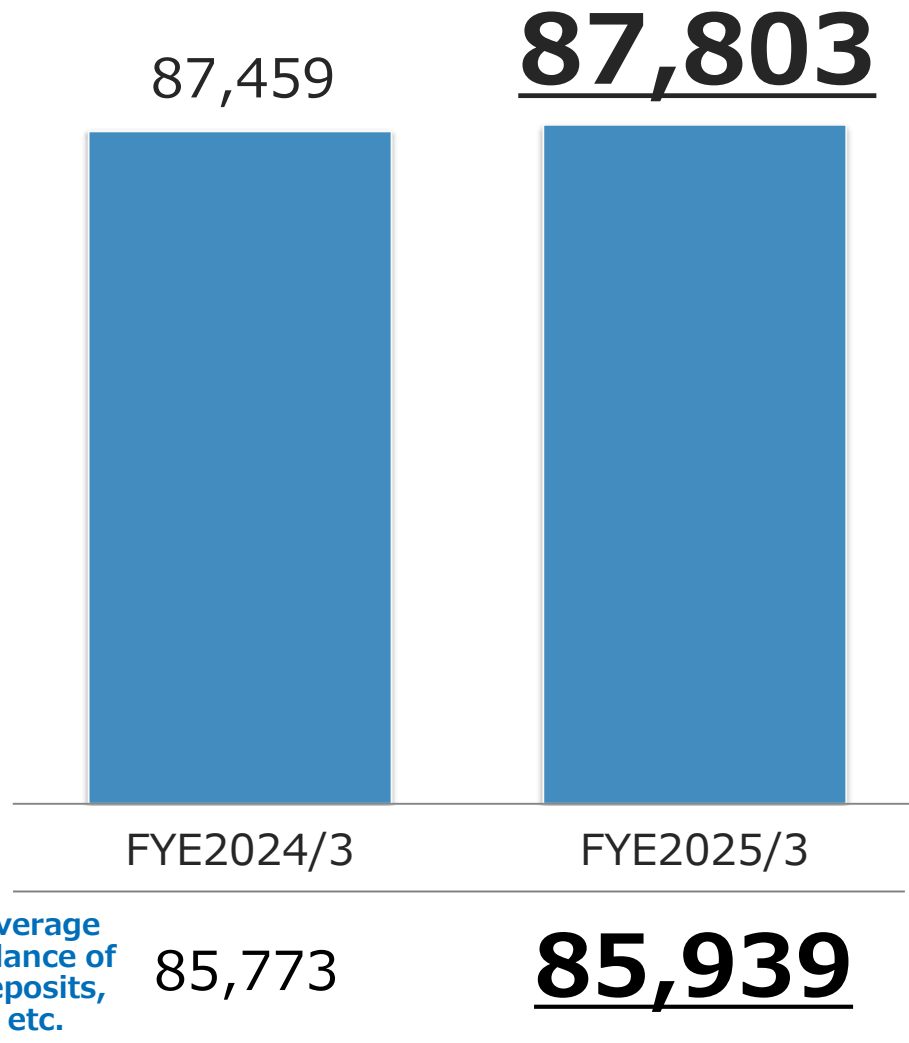


Balance and Delinquency Ratio

→ The delinquency rate remained low

| Type of claims | Number of claims | Ratio | Outstanding loans (¥100M) | |
|------------------|------------------|-------|---------------------------|-------|
| | | | Outstanding loans | Ratio |
| All | 4,362 | - | 458 | - |
| Normal claims | 4,286 | 98.3% | 453 | 98.9% |
| Delinquent loans | 76 | 1.7% | 5 | 1.1% |

(¥100M)



Year on Year

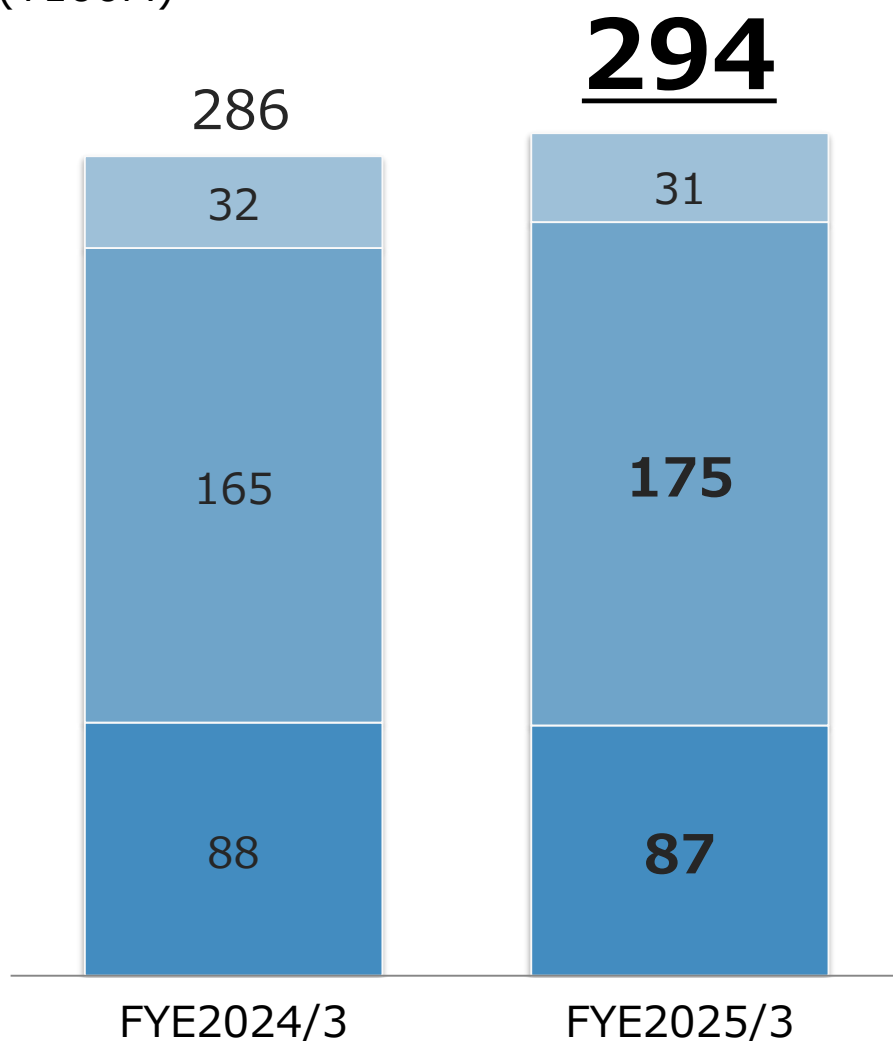
¥ +34.4B
(+0.3%)

- The balance of deposits, including negotiable certificates of deposit, increased steadily for both ending and average balances

+¥16.5B (+0.1%) yoy

■ Asset management advice ■ Financial Solutions ■ Others

(¥100M)



Year on
Year

+¥0.7B
(+2.7%)

Income from financial solutions

+¥0.9B (+5.8%) yoy

- Increase in currency exchange derivatives and syndicated loans

Income from asset management advice

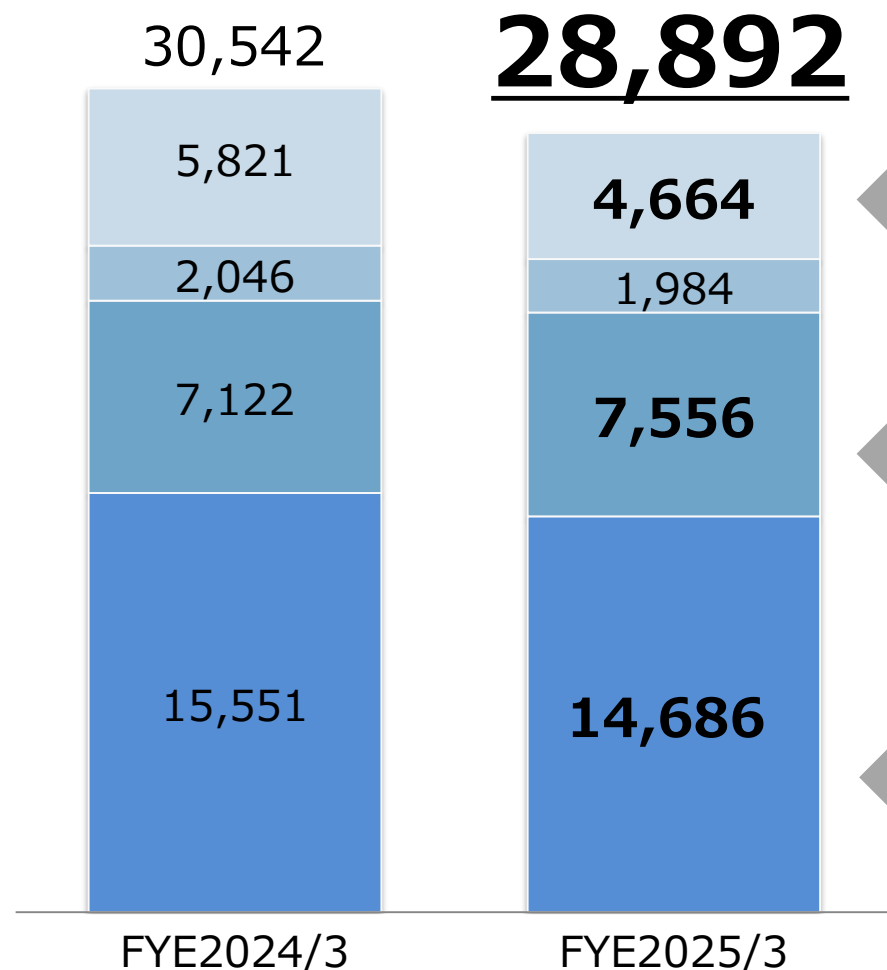
-¥0.0B (-0.4%) yoy

- Individual sector increased primarily in investment trusts
- Corporate sector declined slightly due to a decrease in insurance sales, although the sales of investment trusts, etc. remained strong

* Excluding trading securities

■ Domestic bonds ■ Foreign securities ■ Stocks ■ Other securities

(¥100M)

Year on
Year**-¥164.9B**
(-5.4%)

Other securities

-¥115.6B (-19.8%) yoy

- Decreased primarily due to the profit-taking sale of equity mutual funds and foreign bond mutual funds, which increased in the previous fiscal year in response to market trends

Foreign securities

+¥43.4B (+6.0%) yoy

- Increased due to the acquisition of Ginnie Mae bonds, which can secure profit margin

Domestic bonds

-¥86.5B (-5.5%) yoy

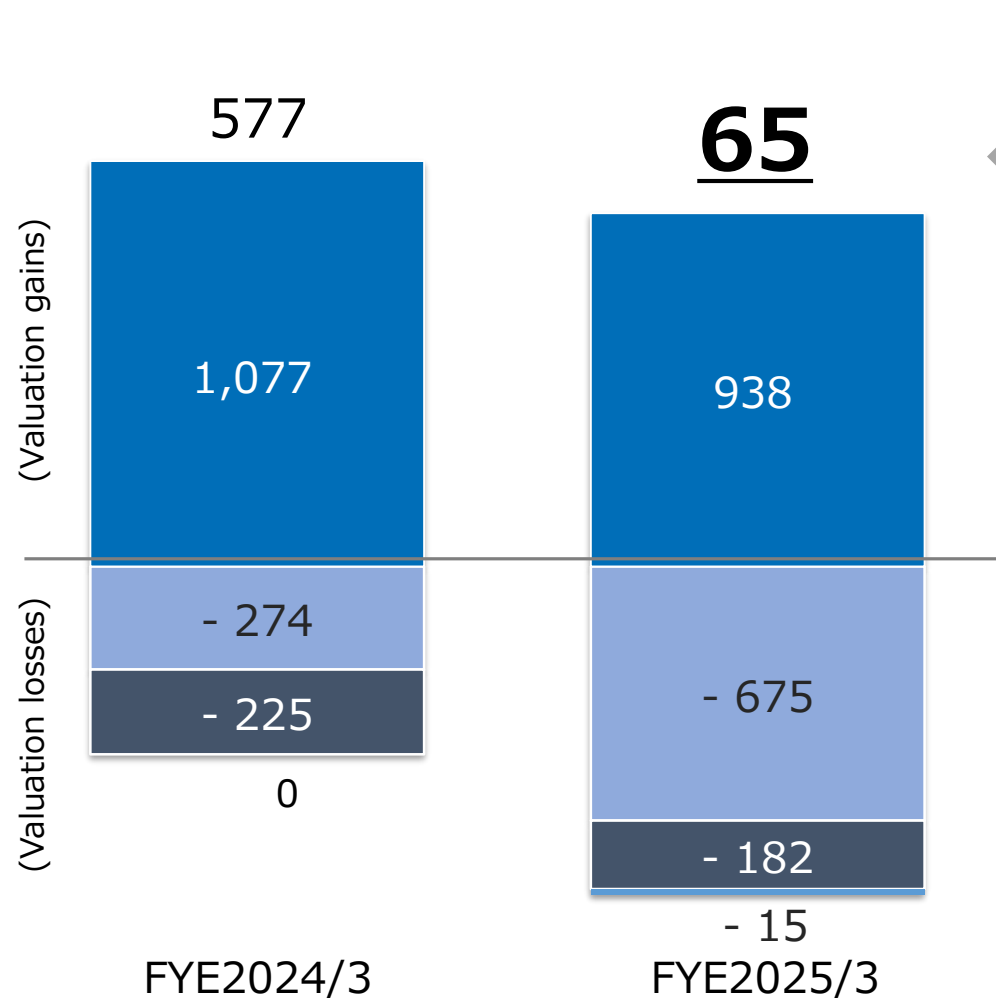
- Decreased due to factors, including the restriction of purchases in anticipation of interest rate hikes, profit-taking sales in a low interest rate environment, and a reduction in the balance of low-yield bonds

Valuation Gains or Losses on Securities

* Valuation gains/losses on domestic bonds and foreign securities are after taking into account deferred hedging by interest rate swap

■ Domestic bonds ■ Foreign securities ■ Stocks ■ Other securities

(¥100M)



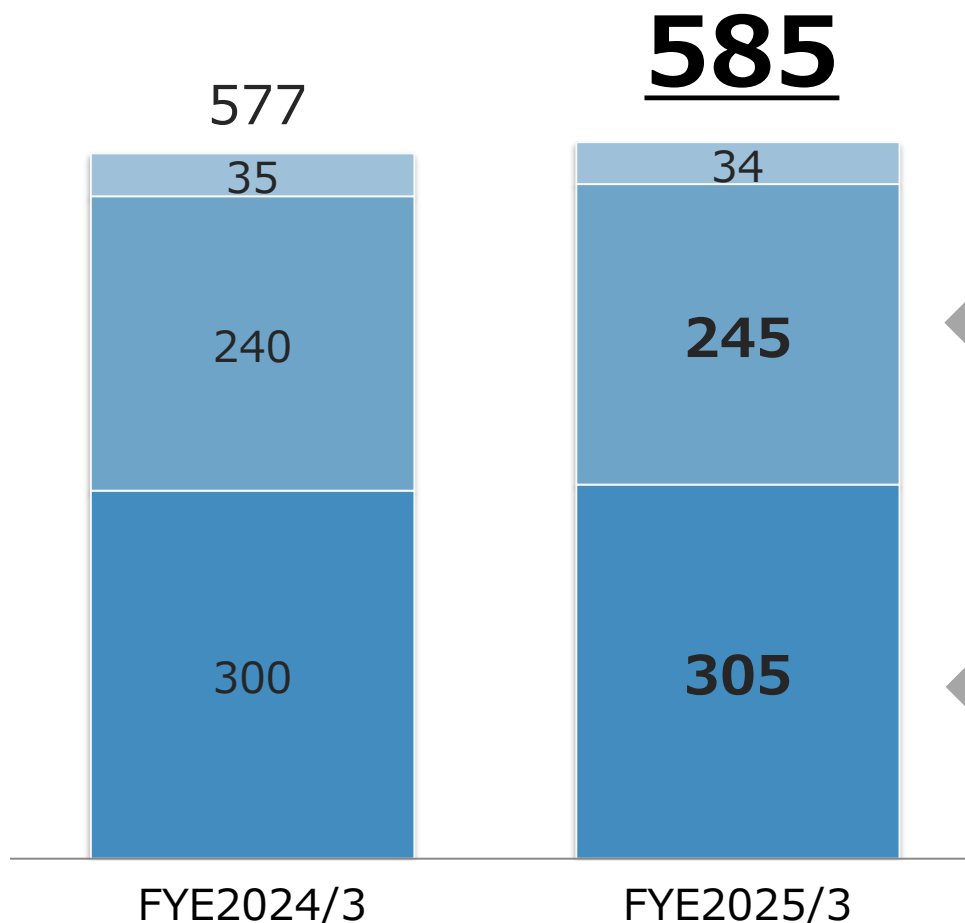
Valuation Gains or Losses on Securities

-¥51.1B yoy

- Sustained efforts to sell low-yield foreign bonds have led to an enhancement in valuation gains and losses on foreign securities
- Conversely, valuation gains and losses on domestic bonds and stocks saw a decline due to rising domestic interest rates and falling stock prices, respectively, leading to a reduction in overall valuation gains on securities

■ Personnel expenses ■ Non-personnel expenses ■ Taxes

(¥100M)

**Year on Year** **+¥0.8B**
(+1.4%)**Non-personnel expenses****+¥0.5B (+2.1%) yoy**

- Increased due to proactive strategic investments, including the strengthening of consulting functions, the digitization of processes to enhance customer convenience, and the allocation of training expenses for employee capacity building

Personnel expenses**+¥0.4B (+1.4%) yoy**

- Increased primarily due to wage increases

Non-performing Loan Ratio & Net Credit Cost

■ Non-performing loan ratio ■ Net credit cost

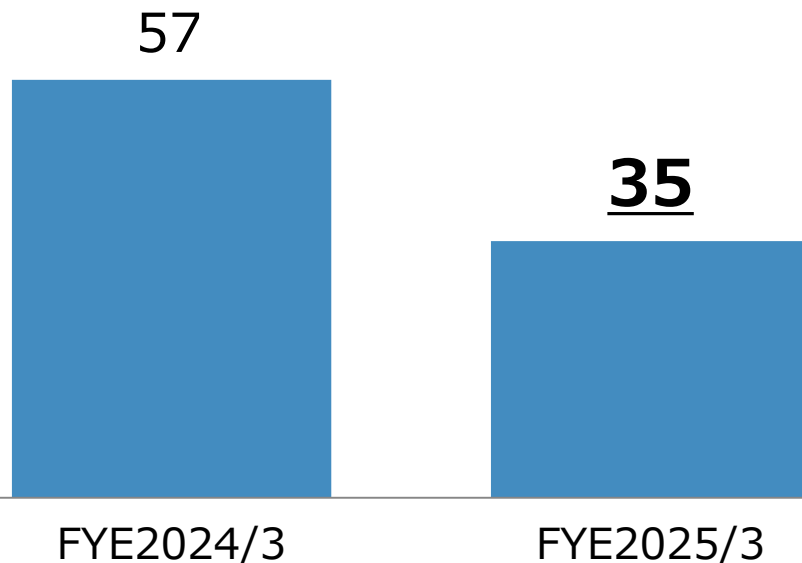
(%)



Non-performing loan ratio

-0.16pt yoy

(¥100M)



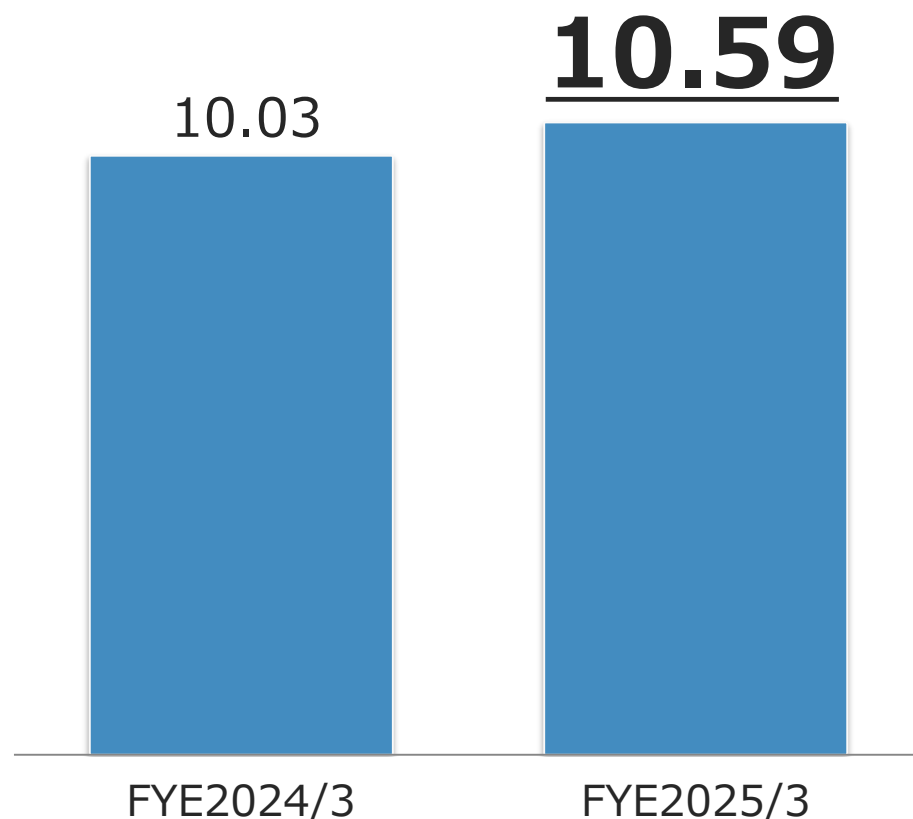
Net credit cost

-¥2.2B yoy

- Net credit costs were reduced by providing support for management improvement and business revitalization through attentive support to our business partners based on collaboration between Sales and Loan Examination divisions, among other measures
- In addition to rising raw material and labor costs, we will closely monitor the impact of U.S. tariff measures and continue to focus on providing support for well planned financing, management improvement, business revitalization, etc.

FG's Consolidated Capital Ratio

FG's
Consolidated (%)



Year on
Year

+0.56pt

- The capital ratio increased primarily due to the decrease in credit risk assets following the change to the Foundation Internal Ratings Based (FIRB) approach.

Change in the credit risk
measurement method for
the capital ratio calculation

New!

Changes in Credit Risk Measurement Method

| After change | Before change |
|--|-----------------------|
| Foundation Internal Ratings Based Approach | Standardized approach |

Risk asset
(¥100M) 42,718

40,886

*From the fiscal year ended March 2025, our credit risk measurement method has been changed from the Standardized Approach to the Foundation Internal Ratings Based (FIRB) approach.

Management Integration Synergy (Single FY)

Synergies from management integration in a single fiscal year are **progressing faster than the initial plan**
(formulated in October 2018)

Synergy effect
(Vs. FYE 2018/3 before Management Integration)

FYE2025/3 (Single FY)

Result

+¥11.3B
(+¥2.9B vs. Plan)

| Breakdown (Unit: ¥100M) | | Result | Vs. Plan |
|----------------------------|------------------|-------------|------------|
| | | +113 | +29 |
| | Top-line Synergy | +61 | +12 |
| | Cost Synergy | +76 | +7 |
| | Negative Synergy | -23 | +9 |

<Details of Each Synergy>

Top-line Synergy

- Loans and bills discounted and financial solutions
- Asset management advice
- Commissions, etc.

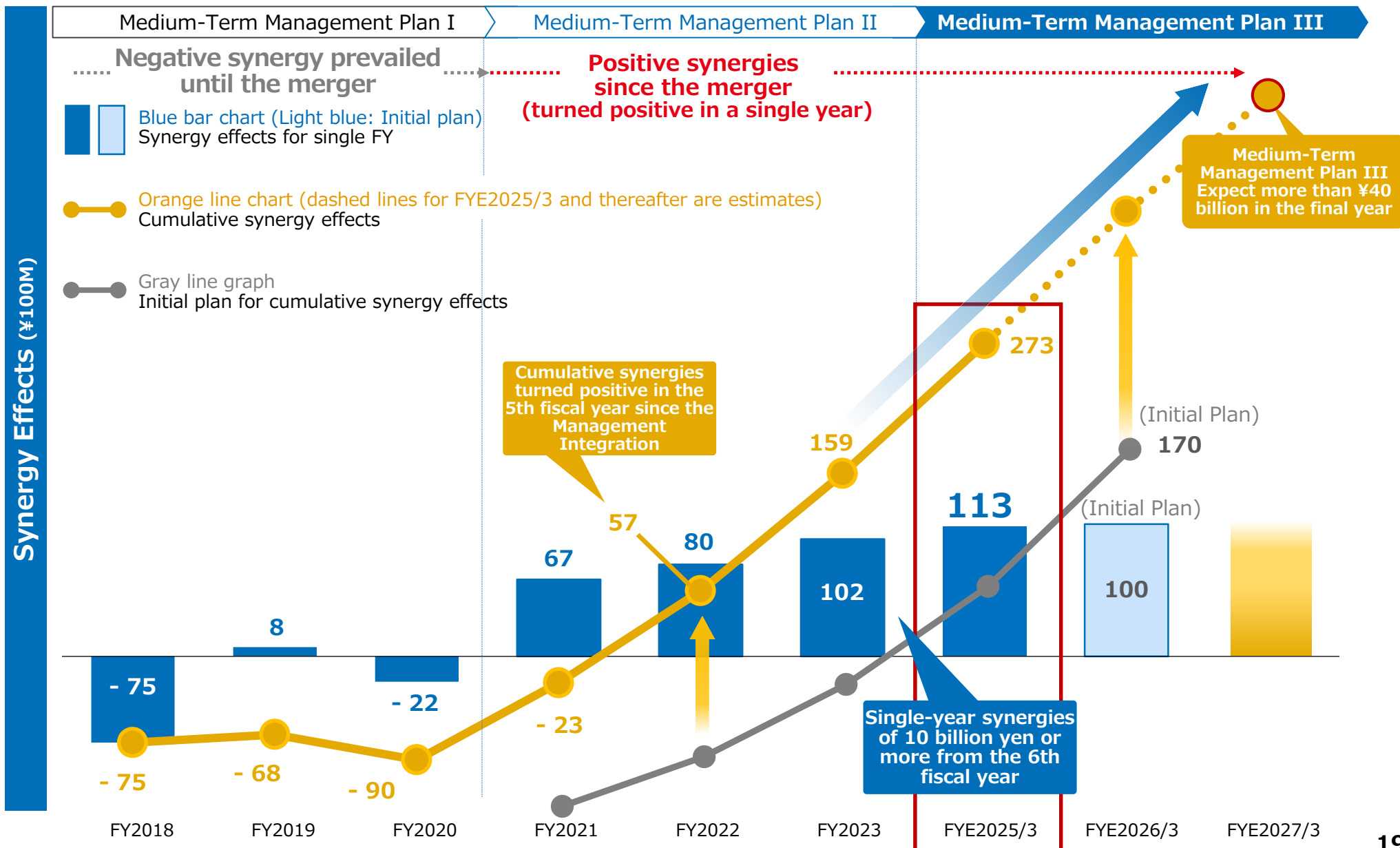
Cost Synergy

- Decrease in personnel expenses
- Decrease in system administration costs
- Decrease in outsourcing expenses, etc.

Negative Synergy

- Management integration expenses

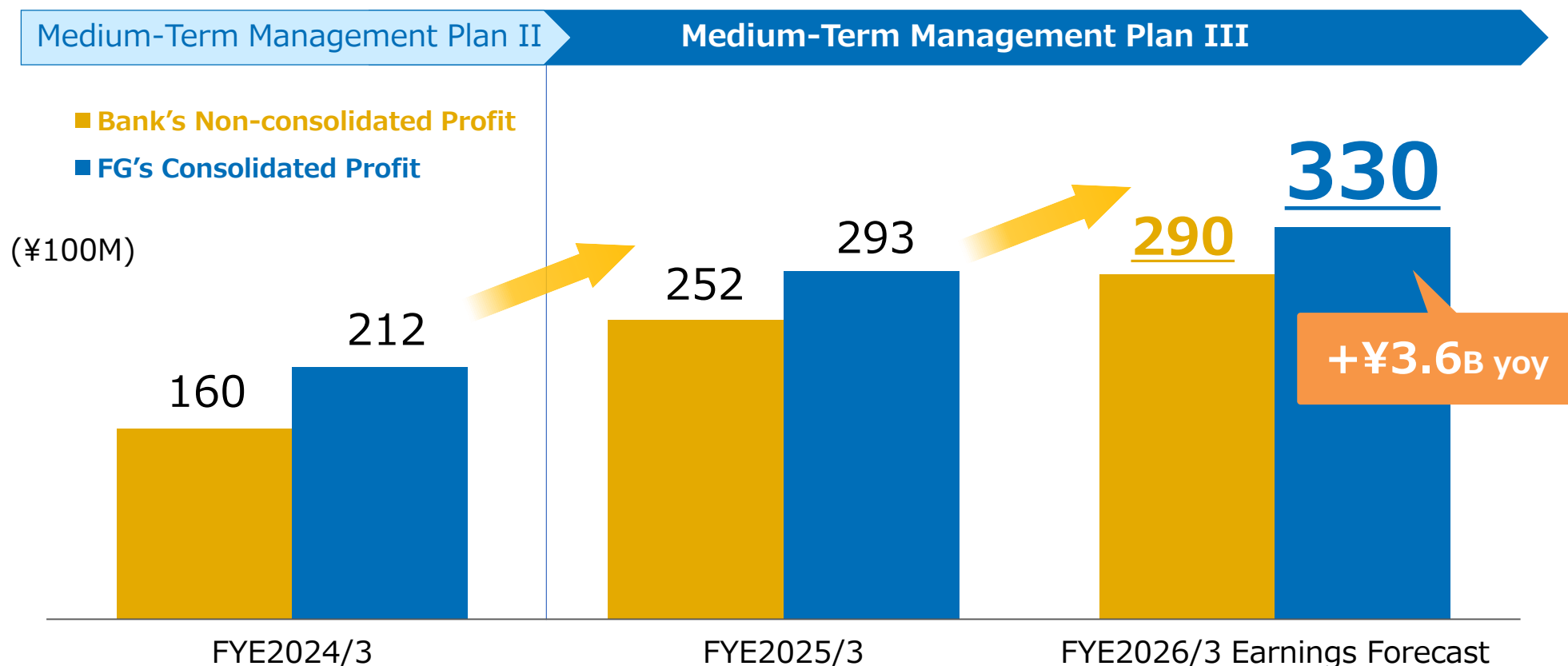
Management Integration Synergy (Cumulative Total)



Earnings Forecast for Fiscal Year Ending March 2026

(See p. 63 for details)

- **FG's consolidated profit is expected to increase 3.6 billion yen (+12.4%) year on year to 33 billion yen**
- We expect to increase profits for both the banking and group company divisions by further strengthening our customer- and region-oriented group consulting functions
 - The banking division strengthens its support for enhancing customer business value by promoting domestic and overseas alliances, sustainable finance and others
 - The Group company divisions strengthen "double-track collaboration," in which the companies work together to provide optimal solutions
- Through optimal risk-taking, we accumulate assets as we transition to the Foundation Internal Ratings Based (FIRB) approach. We will also contribute further to regional revitalization by proactively utilizing our financial and information intermediary functions



Plan period: 2024/4 – 2027/3

Medium-Term Management Plan III

Sustainable Growth Initiatives by Daishi Hokuetsu Financial Group

Medium-Term Management Plan I FY2018–2020

1. Management Integration

Created through the Management Integration of Daishi Bank and Hokuetsu Bank

October 2018

Management integration by the regional banks with top two market shares in the same prefecture, ahead of any other bank in the country



January 2021

Bank merger, birth of a new bank, integration of system/administration



Relationship of trust with customers built over 140 years



2. TSUBASA Alliance

Regional Banks' Collaboration Framework

from October 2015



Medium-Term Management Plan II FY2021–2023

Top-priority Themes Demonstration of Three Major Synergies

Slogan

1 Merger Synergy

- Office integration
- Streamlining of HQ
- Operation reform
- Sharing of know-how

一志同結

- Reassigning personnel to strategic areas
- Cost reduction and investment in strategic areas

Strengthen Consulting Functions

Productivity improvement

2 Group Synergy

Use of Group functions

Exploration of new business

Deepening existing businesses

Strengthen Consulting Functions

Strengthen Group Management Framework

3 TSUBASA Partnership Synergy

- Main engine to accelerate innovation

Pursuit of top-line and cost synergy



Medium-Term Management Plan III FY2024–2026

Deepening and Exploring Group Management

Slogan

Stage for a leap forward

一志勇躍

“Environmental and Social Challenges”



Deepening Sustainability Management
Solving double-materiality

“Financial Challenges”



Basic Strategy I

Demonstration of Group Comprehensive Capabilities

Basic Strategy II

Pursuit of Productivity Improvement

Basic Strategy III

Enhancement of Human Capital Value

Basic Strategy IV

Deepening Risk Management

(Common theme for all strategies)

Deepening TSUBASA Alliance



Upward Revision of Key Performance Indicators

Second time
(March 2025)



“Stage for a leap forward”
Medium-Term Management Plan III
(3rd Stage : FY2024 – FY2026)

“2nd upward revision to consolidated profit target of **40 billion yen**”

| Key Performance Indicators (KPI) | Final Year of the Medium-Term Management Plan III FY2026 (FYE2027/3) | | | | |
|----------------------------------|---|--|---|--------------------|--------------------|
| | Initial target (Announced in 2024/4) | Revised target (Upward revision in 2024/11) | Modified revised target (Modified in 2025/3) | Vs. Initial target | Vs. Revised target |
| Consolidated Profit* | ¥27B | ¥35B | ¥40B | +¥13B | +¥5B |
| Consolidated OHR | 61% level | 57% level | 54% level | -7pt | -3pt |
| Consolidated ROE | ≥ 5% | ≥ 6.5% | ≥ 7.5% | +2.5pt | +1.0pt |

New!

* Profit attributable to owners of parent

Main reasons

Medium-Term Management Plan III progressing well, exceeding the plan

- ✓ Expected to achieve the profit target for the final year of the initial Medium-Term Management Plan III in Year 1
- ✓ Domestic market interest rates have surpassed initial expectations, prompting a re-evaluation of the outlook for future interest rates

Accumulated new assets accompanying the change to the Foundation Internal Ratings Based (FIRB) approach

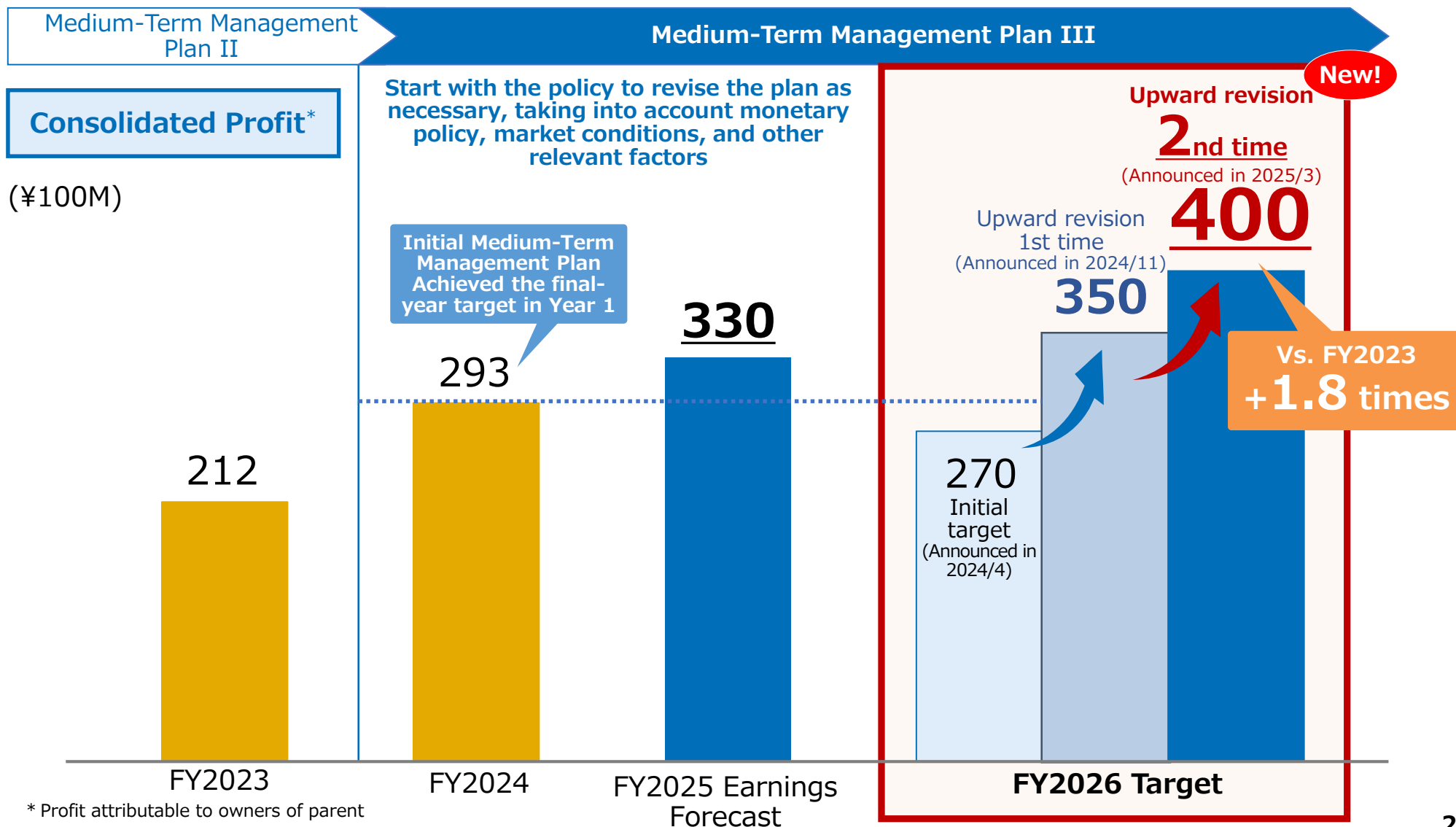
- ✓ Included the accumulation of new assets accompanying the change to the FIRB approach from March 31, 2025
- ✓ Demonstrate the financial and information intermediary functions in an active manner and contribute to regional revitalization through optimal risk-taking

Continue to sell shares based on the “Cross-shareholdings reduction policy”

- ✓ In accordance with the revised policy to reduce cross-shareholdings, effective March 2025, gain on sale of shares will be anticipated

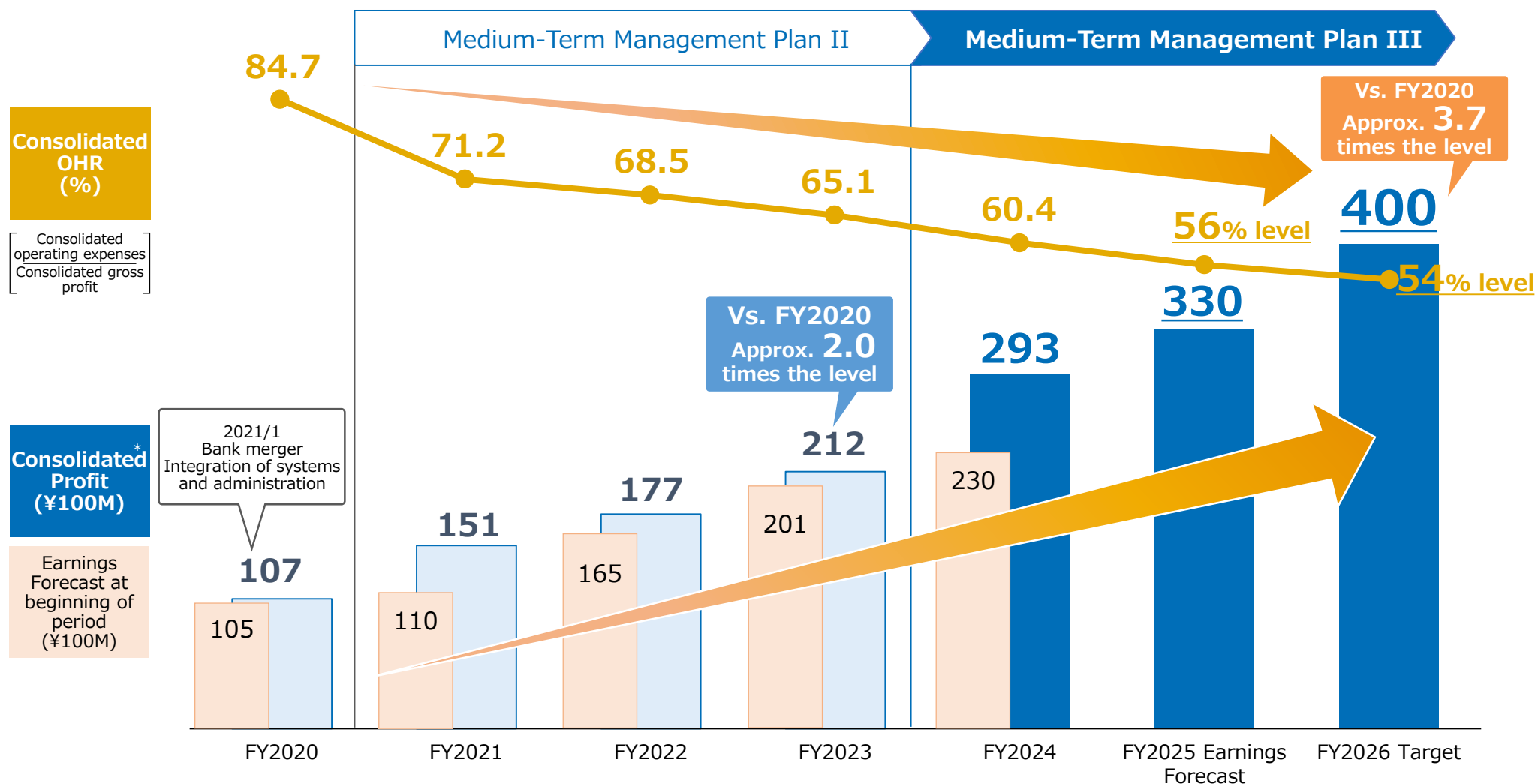
Medium-Term Management Plan III: Key Performance Indicators (KPI)

- Medium-Term Management Plan III progressing well:
- Upward revision of the consolidated profit target



Medium-Term Management Plan III: Key Performance Indicators (KPI)

- Steadily improved profitability through management integration
- and bank mergers



* Profit attributable to owners of parent

Basic Strategy I

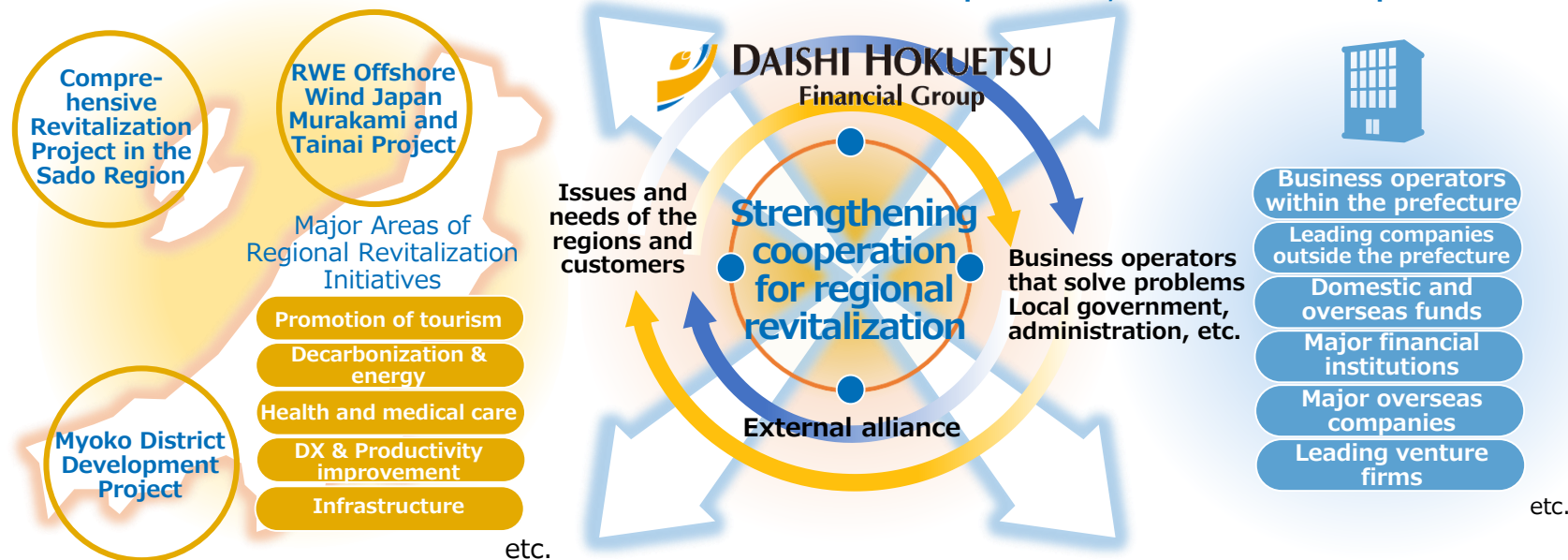
Demonstration of Group Comprehensive Capabilities

Strengthen Group's Consulting Functions: Regional Revitalization Sector

Strengthen regional revitalization

"Deepening": Developing markets in Niigata

→ As the coordinator of the ecosystem, we are committed to promoting comprehensive regional revitalization through the Daishi Hokuetsu FG network, in collaboration with government agencies, companies within and outside the prefecture, and overseas companies



Promotion Framework for Sustainable Growth of Regions and the FG

Strengthening the "Human Capital Value Enhancement Project"

- ✓ Form a project team across the bank and group companies to realize regional revitalization projects



Approx.
20-employee
organization

- Main initiative areas -

Promotion
of tourism

Decarboni-
zation
& energy

Health and
medical care

DX & Productivity
improvement

Infrastru-
cture

etc.

Establishment of "Tokyo Business Headquarters" (July 2024)



30-personnel organization,
including those stationed
outside the prefecture

- Main promotion areas -

Structured
finance

Business
loan

Corporate
solutions

Wealth
segment
business

TSUBASA
Partnership

etc.

Establishment of "Global Business Strategy Office" (July 2024)



7-employee organization

- ✓ Strengthen cooperation with a major consulting firms

Establishment of "New Business Planning Office" (July 2024)



3-employee organization

- ✓ Consideration of entering new business fields

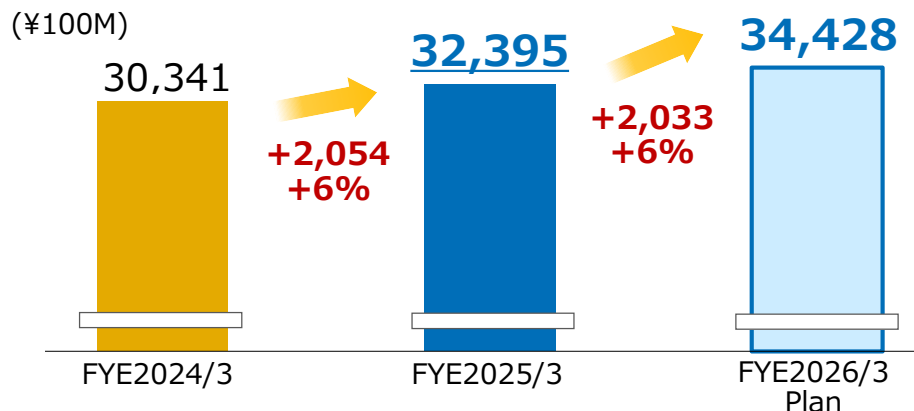
Demonstration of Group Comprehensive Capabilities

Strengthen Group's Consulting Functions: Corporate Sector

Practicing corporate consulting sales from the management perspective

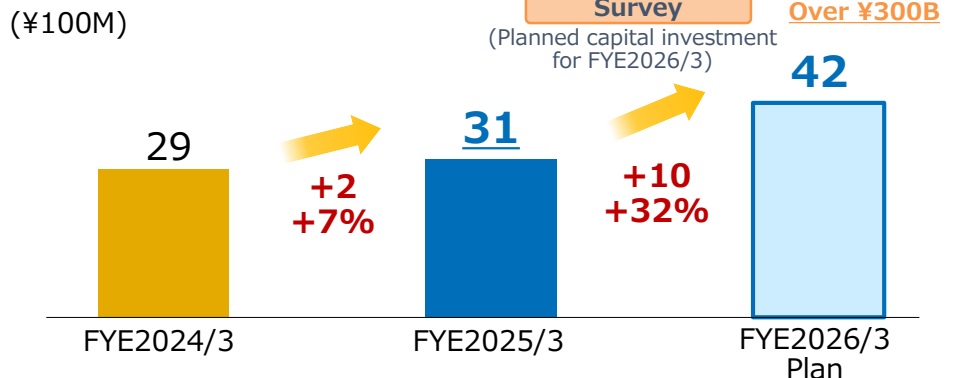
→ Delivering "sales that the region can rely on" to effectively address regional concerns

Business loans (average balance) * Before partial direct write-offs



Financial services revenue

(Syndicated loans, private placements, etc.)

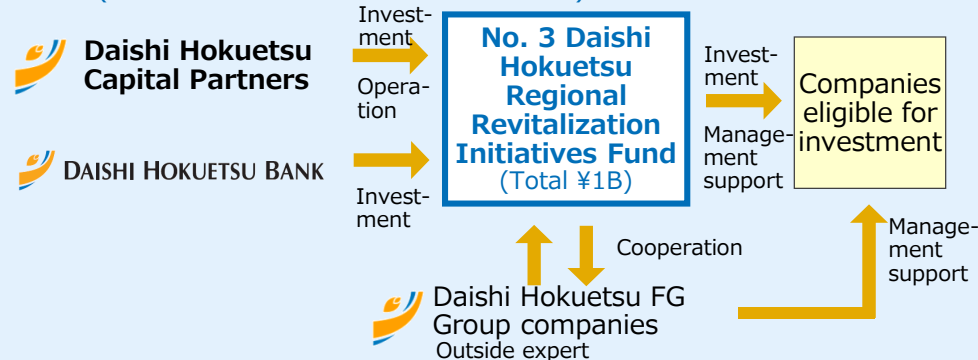


Efforts to expand and continue business

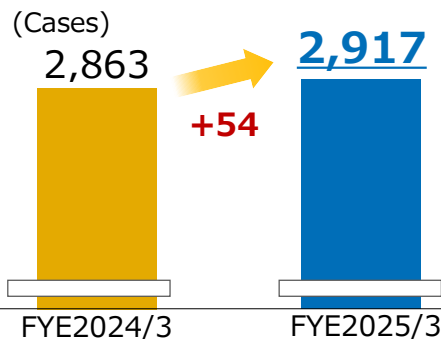
Establishment of **No. 3 Daishi Hokuetsu Regional Revitalization Initiatives Fund** (March 2025) **New!**

(No. 3 Daishi Hokuetsu Regional Revitalization Limited Partnership)

→ Following 2021 and 2023, the **third round** (cumulative fund amount: **¥3 billion**)

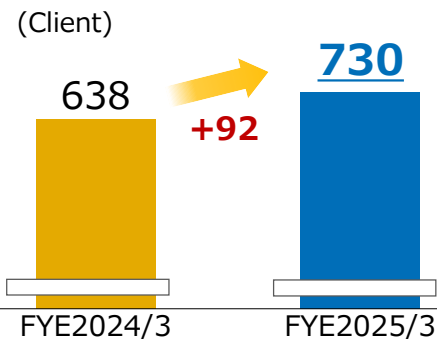


Number of business start-ups and succession support



No. of clients supported in sales channel development

(Cumulative total since October 2019)



Basic Strategy I

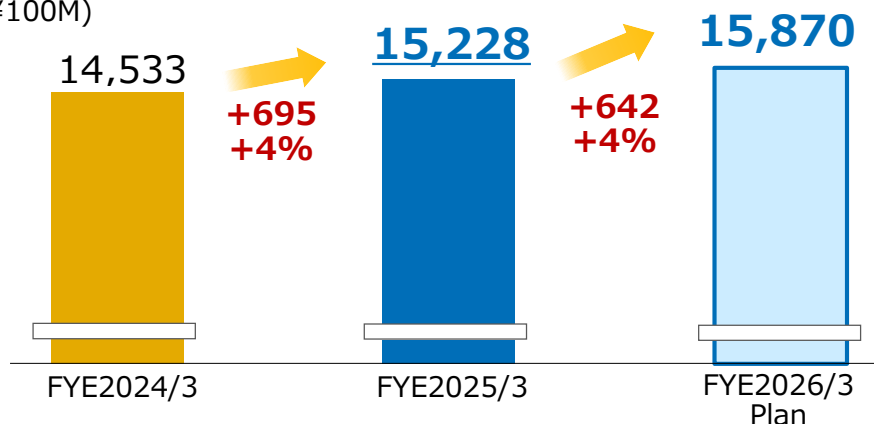
Demonstration of Group Comprehensive Capabilities

Strengthen the Group's Consulting Functions: Individual Sector

Strengthen consulting on asset management and succession

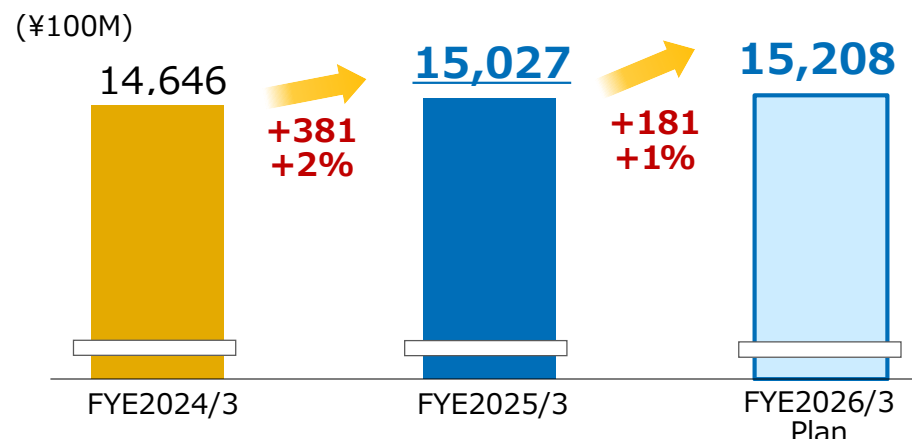
Combined total of Daishi Hokuetsu Bank and Daishi Hokuetsu Securities

Balance of Group assets under custody
(ending balance)
(¥100M)



Promotion of individuals' loans based on life plans

Balance of consumer loans *Before partial direct write-offs
(average balance)



Launch of "Daishi Hokuetsu Goal Navigation" (Discretionary Investment Management Services) (January 2025)

- Addition of personal fund wraps to app lineup

第四北越ゴールナビ

GoalNavi



New!

Number of NISA accounts
Regional banks

Number of NISA accounts was
up 6% yoy

Ranked
8th

As of the end of December 2024
Source: Nikkin Investment Trust News
(As of March 3, 2025)

Life insurance fee income
Regional banks

Ranked
1st

Ranked No. 1
consecutively since
second half of 2022

FY2024/H2 Results
Source: Nikkin Report
(As of May 19, 2025)

Expansion of product and service lineup

- Began offering "fixed-fee-type" housing loans (April 2025)
 - Set attractive interest rates based on a fixed mortgage fee
- Housing loan "Enhancement of Group Credit Life Insurance Coverage" (December 2024)
 - Launch Group Credit Life Insurance with 8-Disease Protection
 - Addition of special riders covering protection against "dementia" and "depression" to the Group Credit Life Insurance with All Disease Protection

New!

New!

The first bank
in Japan

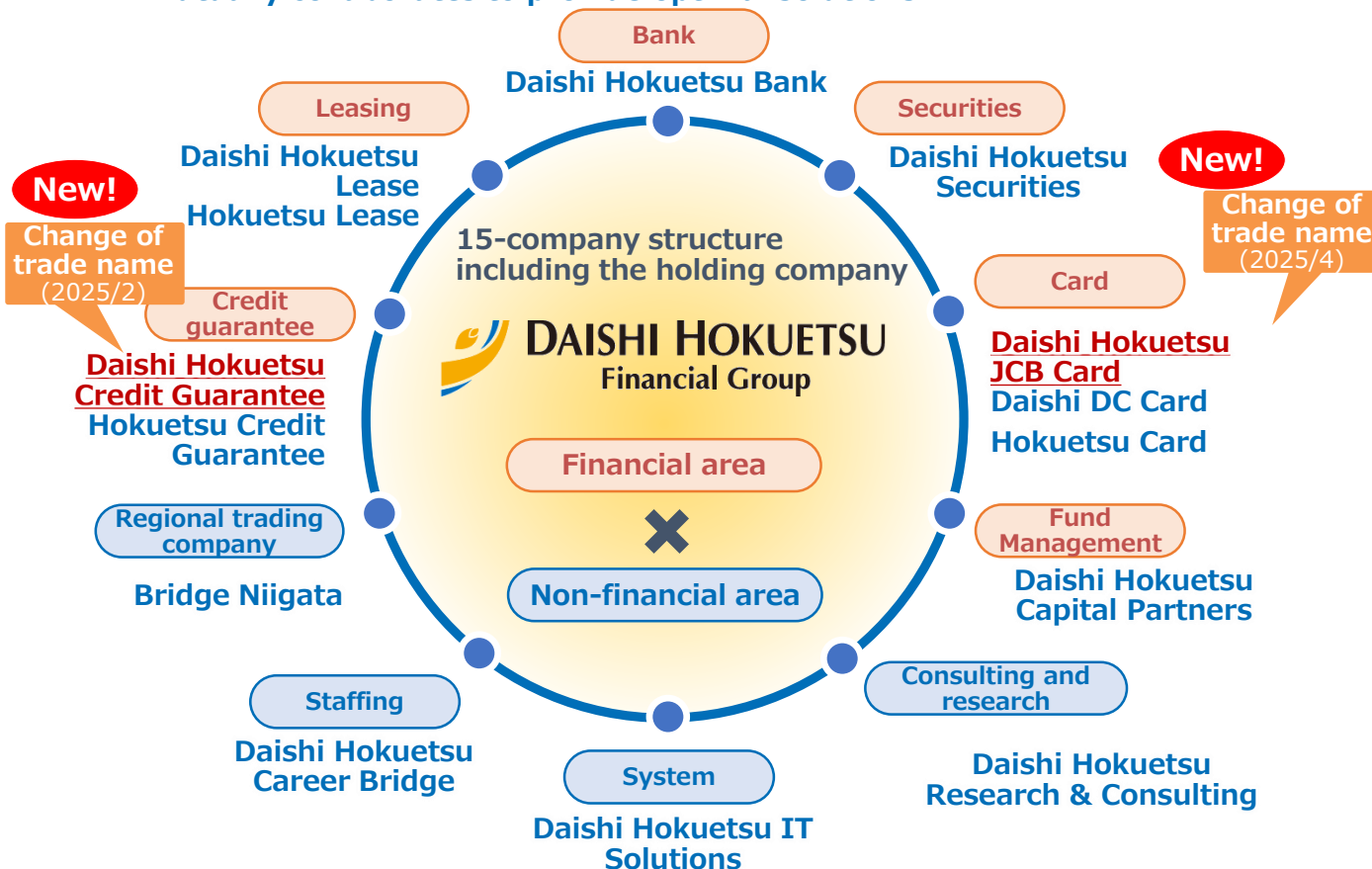
Basic Strategy I

Demonstration of Group Comprehensive Capabilities

- Strengthen Group's Consulting Functions: Deepen and
- Explore FG Group Functions

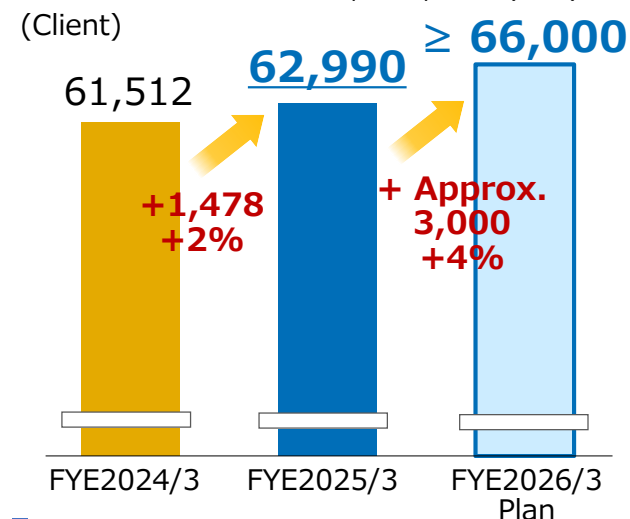
Strengthen the Group's consulting functions

→ Responding to the diverse needs of the regions and customers by fully utilizing the functions of the Daishi Hokuetsu FG
Practicing "double-track collaboration," in which each Group company mutually collaborates to provide optimal solutions



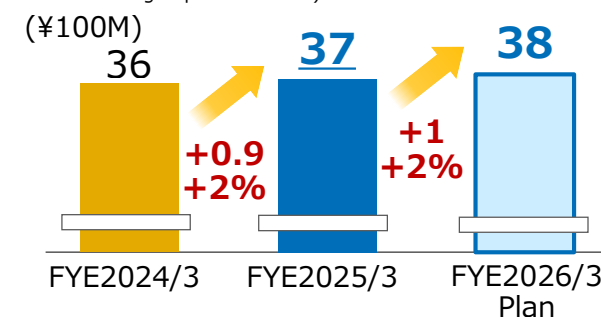
Total no. of Group business clients

* Number of corporate clients with recurring business with FG Group companies (total)



Group company revenue

* Total Profit of Group companies attributable to owners of parent, excluding the holding company and the Bank
(After deducting one-time extraordinary losses related to intra-group transactions)

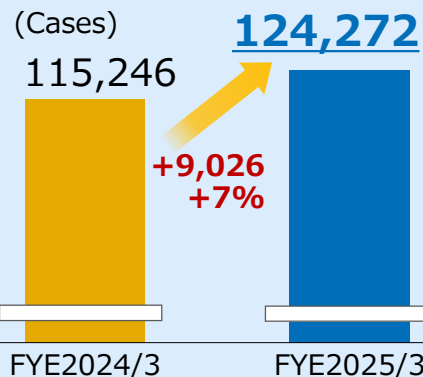


Demonstration of Group Comprehensive Capabilities

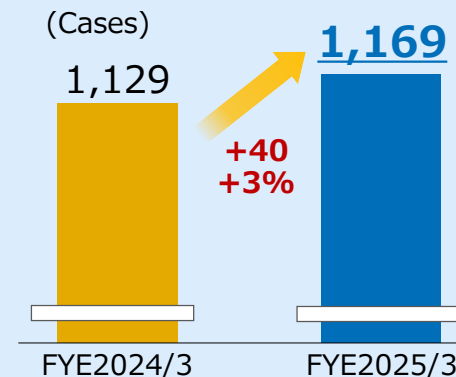
- Strengthen Group's Consulting Functions: Deepen and
- Explore FG Group Functions

Synergies among Group Companies

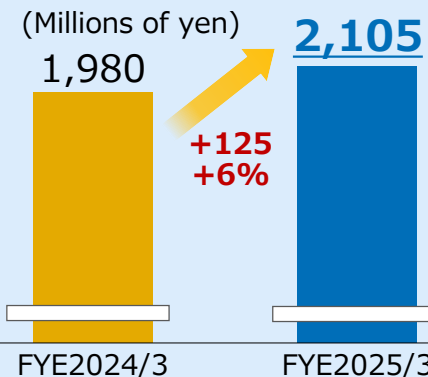
Number of brokerage contracts



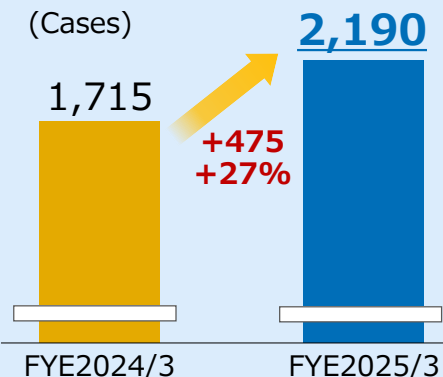
Number of lease contracts signed through bank referrals



3 card companies Shopping commission



Number of staffing requests received (Cumulative total from October 2019)



Topic 1

Private brand

Launch of "Utsukushiki"

(May 2025)

- Private branding of its specialty and agricultural products throughout the prefecture

<New Brand Logo>



Regional trading company

Topic 2

Start private brand rice production

(May 2025)



▲ Rice planting

Topic 3

Start exporting of products made in Niigata Prefecture

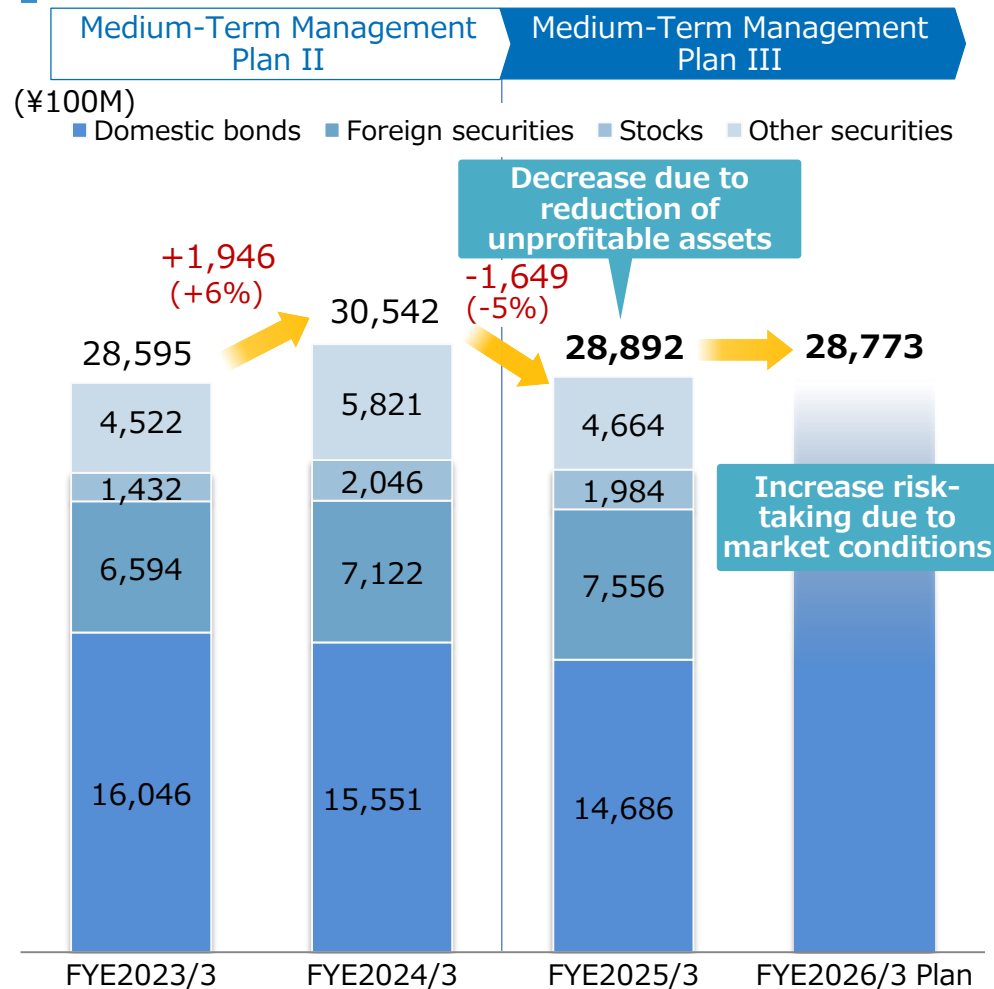
(March 2025)

- Exported 15 products made in Niigata Prefecture to a food trading company in Singapore
- The products are expected to be shipped to hotels, restaurants and select shops in Singapore

Demonstration of Group Comprehensive Capabilities

■ Strengthen Group's Consulting Functions: Securities Investment

End-Balance of Securities



Basic Policy on Securities Investment

- Strive to ensure stable earnings and improve valuation gains/losses by recognizing changes in the market environment and reviewing our portfolio with agility and decisiveness, as well as paying attention to liquidity and transparency
- Enhance the value of human capital by developing human resources capable of responding to a volatile, uncertain and complex market environment, and strengthen the management capabilities of the organization to create a framework capable of responding quickly to market fluctuations

Strengthen organizational capabilities and human capital development related to securities investment management

- In addition to increasing the number of investment managers, continue to strengthen hands-on skills and utilize external knowledge by sending them to external training programs
- Encourage diversity through the promotion of women

[Staffing of Securities Investment Personnel]

| Asset class | 2025/3 end | Vs. 2024/3 end | 2027/3 end (Plan) | Vs. 2025/3 end |
|---------------------------------------|------------|----------------|-------------------|----------------|
| Management Supervisor | 2 | ±0 | 2 | ±0 |
| Domestic bonds and foreign securities | 4 | +1 | 6 | +2 |
| Stocks | 2 | ±0 | 3 | +1 |
| Investment trust, etc. | 5 | +1 | 4 | -1 |
| Dispatch to external training | 1 | ±0 | 2 | +1 |
| Total | 14 | +2 | 17 | +3 |

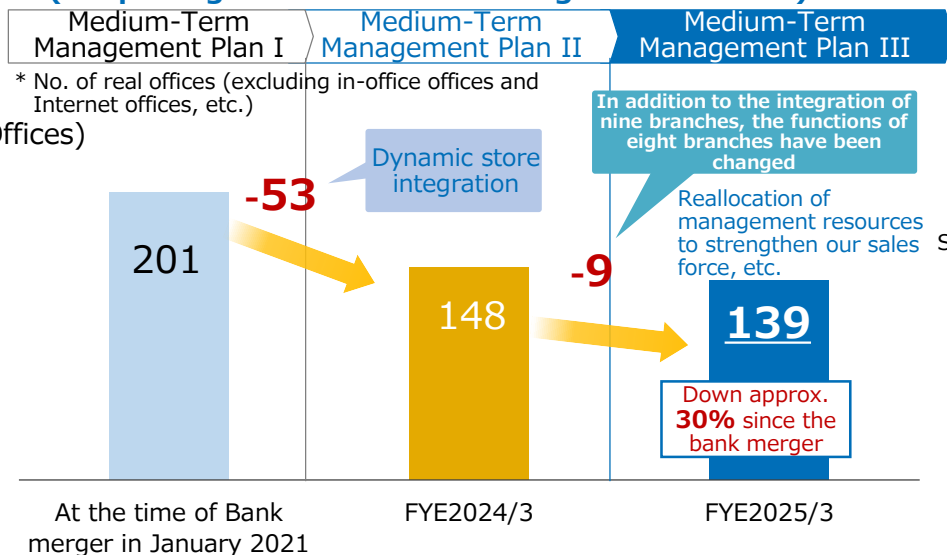
Basic Strategy II

Pursuit of Productivity Improvement

- Improve UX by linking face-to-face and non-face-to-face channels

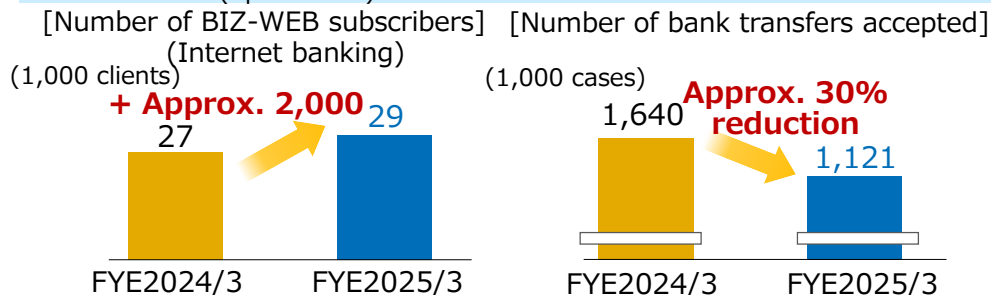
Optimize office network and operational efficiency

- <Bank Division> Number of branches (deepening sales structure in Niigata Prefecture)



Promotion of operational efficiency
“FG-Wide & All Store ECRS Campaign”
(April 2024–)

Promoting efficiency and digitalization that provide a win-win for both customers and our Group



Strengthen face-to-face channel

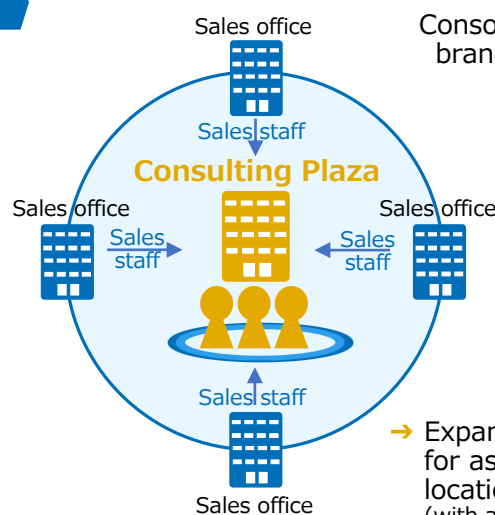
Broaden the comprehensive sales promotion structure

- Strengthen Individual Sales Promotion Structure Centered on Consulting Plaza
(Consultation bases for individual customers)

New!

(February 2025: Expansion in Niigata and Nagaoka districts)

Consolidation of individual sales staff from nearby branches to Consulting Plazas in three districts, Niigata, Nagaoka, and Kashiwazaki



As general consulting bases for individuals, build a comprehensive sales promotion structure

Providing services that are closely aligned with life plans

Meeting diverse needs

Human capital development and skill improvement

→ Expansion of “Money Plan Lab,” the advisory desk for asset management in general, to three locations in Niigata Prefecture (with a new desk in Nagaoka opening in February)

Permanently stationed at the block’s head office Utilize the “HQ specialist personnel” to demonstrate the consulting functions
(Utilization of the management framework developed in the previous Medium-Term Management Plan)

Approx. 50 in total

- Senior Consultant (Branch Manager level)
- Corporate and individual commercials etc.
- CM: Consultant Manager

* Excluding approx. 30 staff from Tokyo Business Headquarters

Strengthen cooperation within and outside Niigata Prefecture

Strengthen cooperation within FG Group

Strengthen external cooperation

Basic Strategy II

Pursuit of Productivity Improvement

- Improve UX by linking face-to-face and non-face-to-face channels

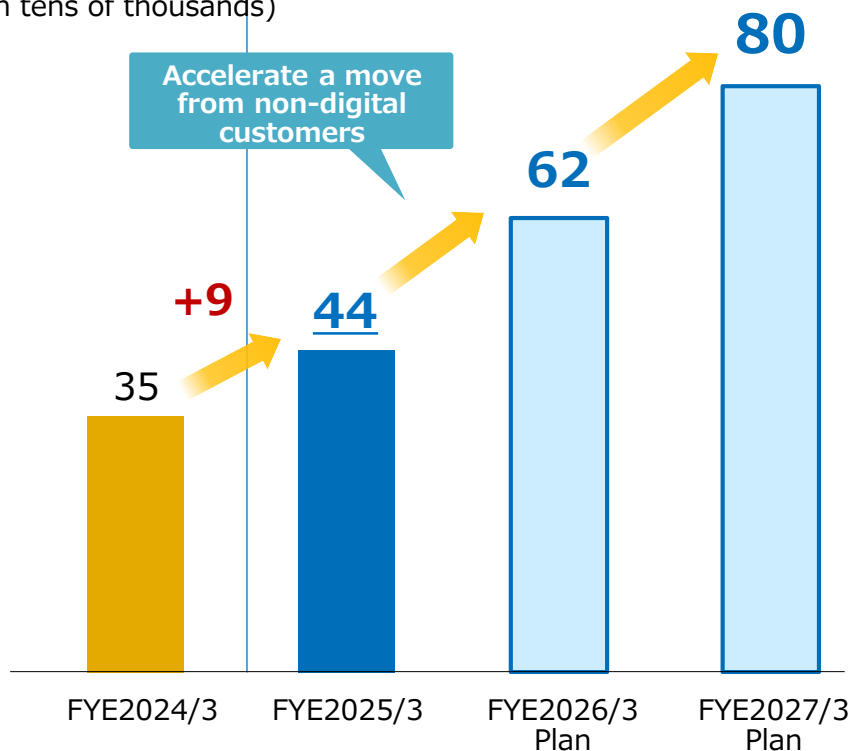
Strengthen the number of “digital customers” as the basis for non-face-to-face transactions

Number of digital customers*

* Number of Daishi Hokuetsu ID holders (e.g., Little Bank and My Page users) and individual e-net banking users

Medium-Term Management Plan II Medium-Term Management Plan III

(in tens of thousands)



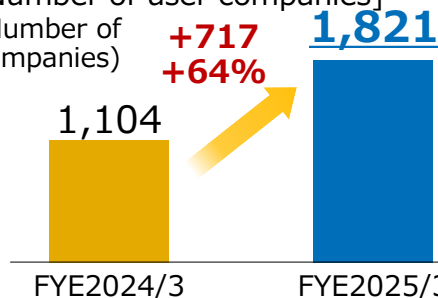
Strengthen non-face-to-face channel through DX (1)

“CONNECT-BIZ” portal for businesses



- Internal bulletin board
- Group messages
- Safety confirmation
- Video streaming
- Provision of exclusive products
- Fund management function

[Number of user companies]
(Number of companies)

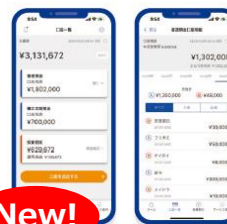


New!

“Mobile App”
“E-Payroll Statement Function”
Launch
(February 2025)

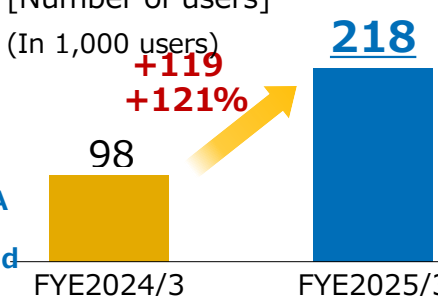


Smartphone application “Daishi Hokuetsu Little Bank”



- Balance inquiry
- Funds transfer
- Tax payment
- Card loan

[Number of users]
(In 1,000 users)



“Opening of investment trust and NISA accounts”
“Functions for purchasing, canceling and accumulating investment trusts”
Launch
(December 2024)

Basic Strategy II

Pursuit of Productivity Improvement

■ Improve UX by linking face-to-face and non-face-to-face channels

Promotion of cashless in regional economy

■ “TSUBASA Daishi Hokuetsu Cashless Franchise Service” (October 2024–)



Changes in the number of franchisees acquired

(Cumulative total)

Service started
(2024/10)

1,009 franchisees

October

March

Changes in the number of cardholders

(Cumulative total)

Service started
(2024/8)

31,582 people

August

March

■ “Daishi Hokuetsu JCB Debit” (August 2024–)



■ Promotion of the “Project to Promote Simultaneous Cashless Payment in Niigata Prefecture”

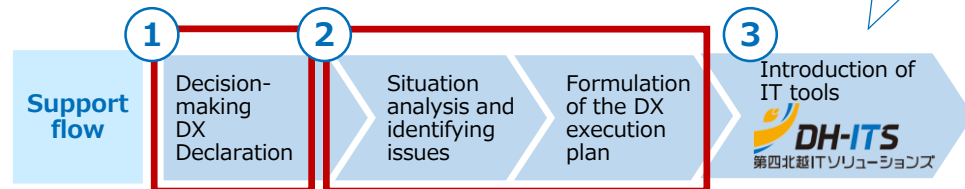
- Established in cooperation with the Niigata Tax Office, the Niigata Prefectural Federation of Tax Payment and Savings Associations, etc. (October 2024)
- Completed the “Joint Declaration for the Promotion of Cashless Payment” to promote cashless payment

Strengthen non-face-to-face channel through DX (2)

Support for DX of customers

■ “Daishi Hokuetsu DX Consulting Service” (April 2024–)

Attentive, one-stop support for customers' DX



① Support Service for DX Declaration Formulation (April 2024–)

Number of contracts (2025/3)

Cumulative total
89 cases

② Business Improvement Consulting Service (January 2025–)

- Visualization and organization of operations
- Formulation of the improvement measures and action plan etc.

New!

Support for DX in the region

■ Consignment of “DX related business” in Niigata Prefecture

Niigata Pref. (FY2024)

■ Consignment of “Niigata Prefecture DX concierge operation” (May 2024)

- Consultation on DX for companies in the prefecture
- Matching support with IT companies to solve DX issues etc.

Niigata Pref. (FY2024)

■ Consigned to work on “Operations for DX awareness reform in cooperation with support institutions” (August 2024)

- Seminars and training for staff of financial institutions and commercial and industrial organizations, provision of support etc.

Niigata Pref. (FY2025)

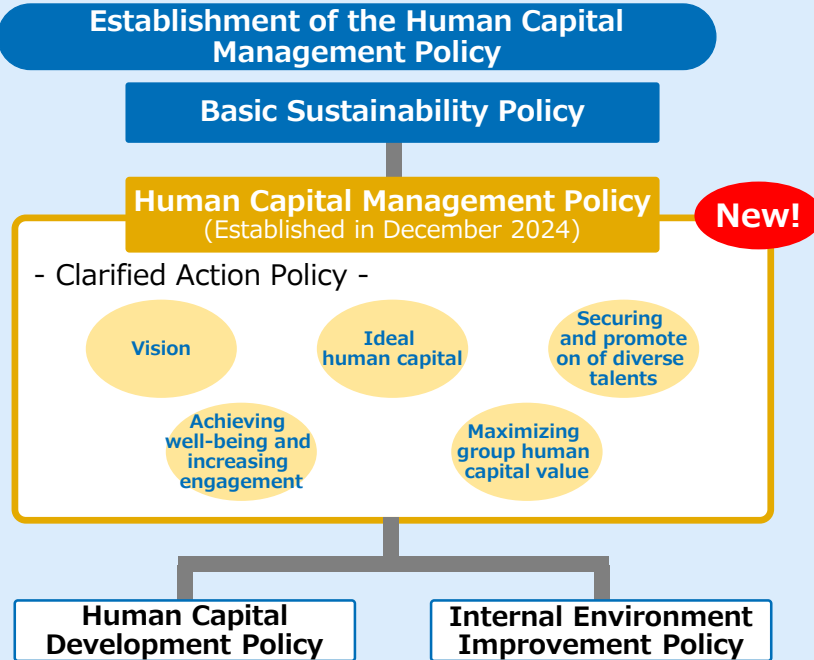
■ Entrustment of the “Project to Improve Corporate Value through DX Management” (April 2025)

- Support for acquisition of DX Certification and creation of advanced DX companies

New!

Enhancement of Human Capital Value

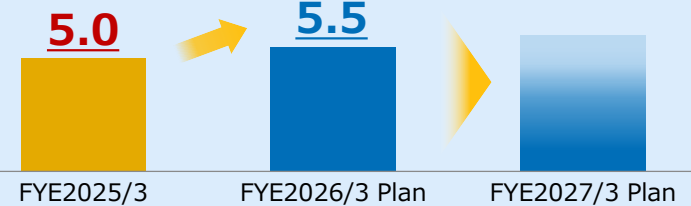
- Enhancement of Human Capital Value for Sustainable Value Creation



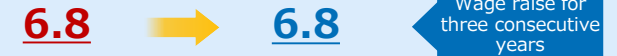
- Clarification of the policy to increase investments that contribute to an improvement in human capital value of at least 5% per year (December 2024) **New!**

Rate of year-on-year increase in human capital investment (%)

Medium-Term Management Plan III

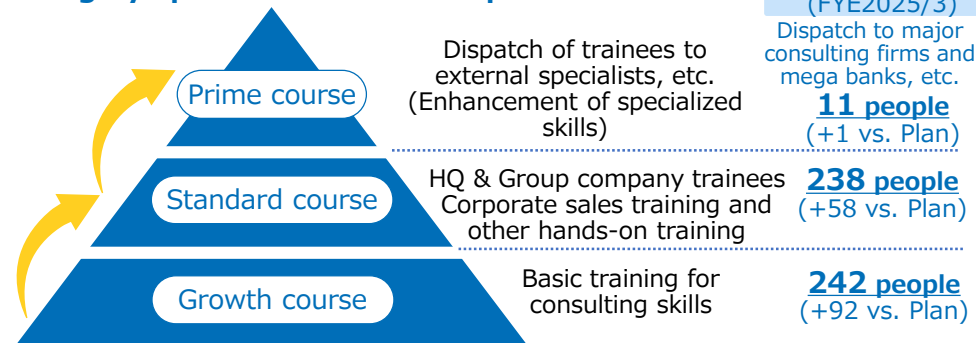


Real wage raise rate (%)

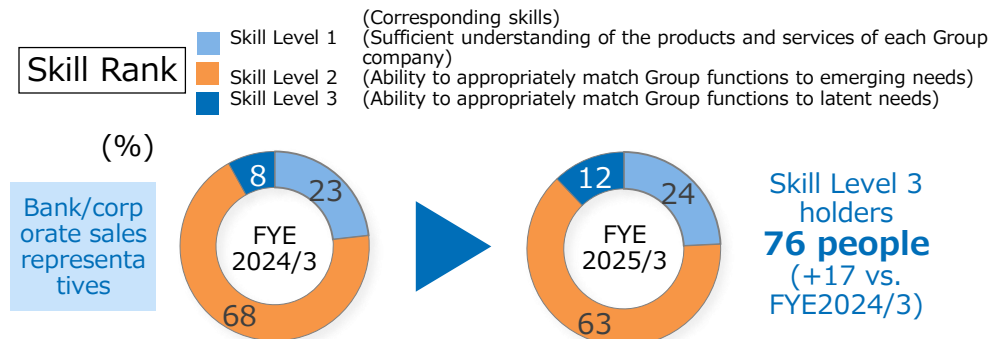


- Promote the utilization and active participation of human capital across the entire Group **New!**
 - Expand the human capital information infrastructure system, the **"Career Support System,"** across the entire FG Group: Introduced at the bank in April 2024 and **across the entire Group in April 2025**
 - Centralize, visualize, and share human capital information and data across the Group

- Development program for strengthening highly specialized human capital



- Develop and strengthen "Human Capital for Group Collaboration"



Basic Strategy III

Enhancement of Human Capital Value

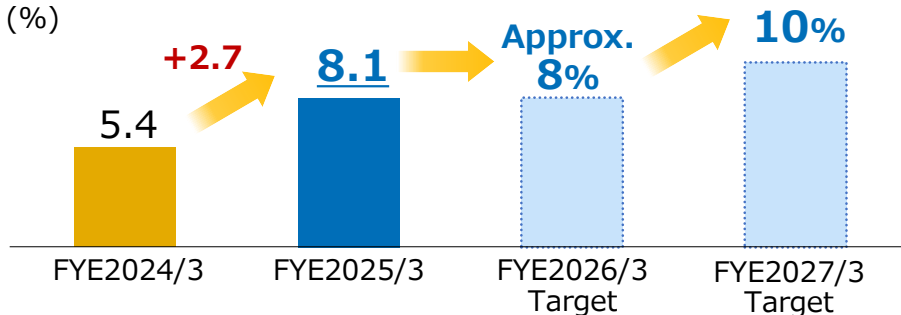
Strengthen the promotion of DE&I (Diversity, Equity & Inclusion)

Daishi Hokuetsu FG

Ratio of women in positions equivalent to General Manager

(Executive Officers, General Managers, Major Branch Managers, etc.)

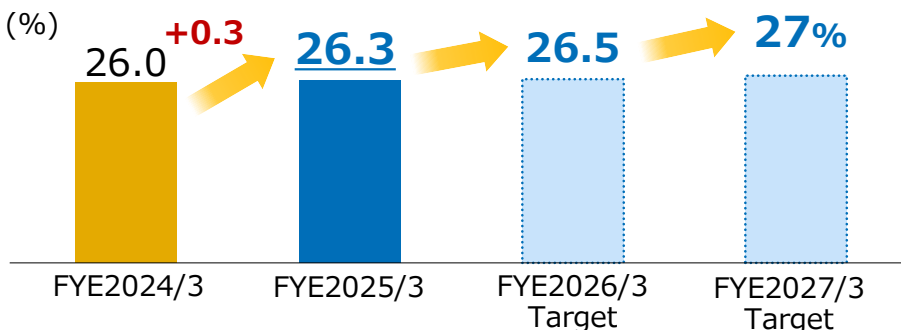
(%)



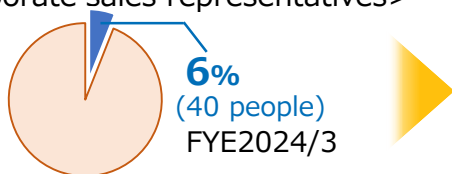
Daishi Hokuetsu Bank

Ratio of women in management positions (deputy level and above)

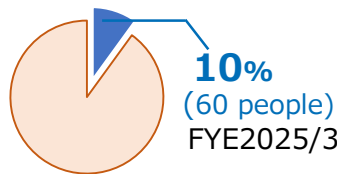
(%)



<Increase the proportion of female corporate sales representatives>



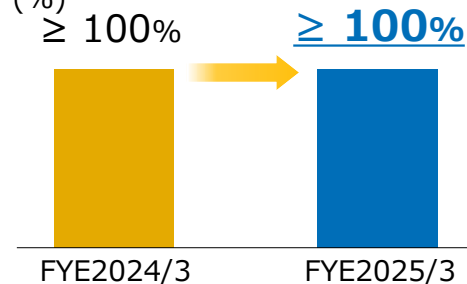
Daishi Hokuetsu Bank



Daishi Hokuetsu Bank

% of male employees taking childcare leave

(%)

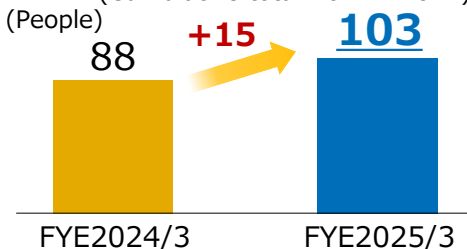


Daishi Hokuetsu Bank

Number of participants in the Female Director Development Program and the Women's Empowerment Program

(Cumulative total from FY2021)

(People)



Daishi Hokuetsu Bank

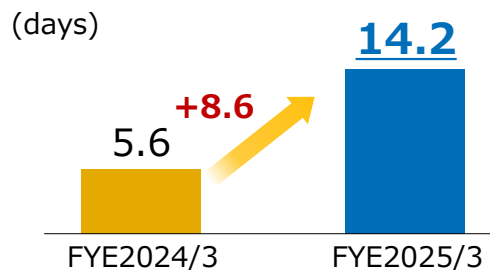
Promotion of active participation by diverse talents

- Mid-career hiring ratio: **18.1%** (FYE2025/3)
- Number of users of the "Side Job and Concurrent Employment System" (cumulative total from March 2023): **Over 50**

Daishi Hokuetsu Bank

Average number of days of childcare leave taken by male employees

(days)



▲ A "Female Director Development Program" workshop



▲ A "Women's Empowerment Program" workshop



▲ Examples of Side Job and Concurrent Employment

■ Creating a Well-Being Work Environment

Conducted dialogue between management and staff

Briefing of Medium-Term Management Plan

Attended by
approx. 8,500 people
(Medium-Term Management
Plans II and III)

FG President's briefing for managers "Isshi Koryukai"

33 times
Attended by
approx. 1,500 people
(Cumulative total from FY2021)

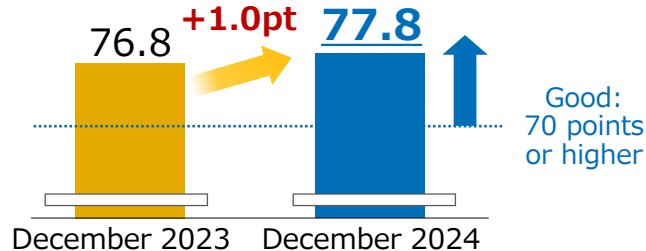
Dialogue and exchange meetings with officers

Approx. 830 venues
in total
Attended by
approx. 21,000 people
(Cumulative total from FY2021)

FG President's briefing for young employees "Isshi Koryukai Next"

4 times
Attended by
approx. 160 people in total
(Cumulative total from FY2022)

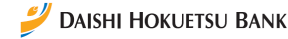
FG employees
Overall
Engagement
Score
(points)



▲ "Isshi Koryukai Next"

Create workplace environments and strengthen health management framework

Achieved the "White 500" certification for the Excellent Corporations for Health Management 2025 (March 2025)



FG and the Bank received the certification for three and eight consecutive years, respectively



2025
健康経営優良法人
KENKO Investment for Health
大規模法人部門
ホワイト500

Acquired the "Platinum Eruboshi" certification (May 2023)



First certification in Niigata Prefecture



Acquired the "Platinum Kurumin Plus" certification (May 2023)



DAISHI HOKUETSU BANK

First certification in Niigata Prefecture



Certified as "Sports Yell Company 2025" (January 2025)



DAISHI HOKUETSU BANK

Certified for three consecutive years



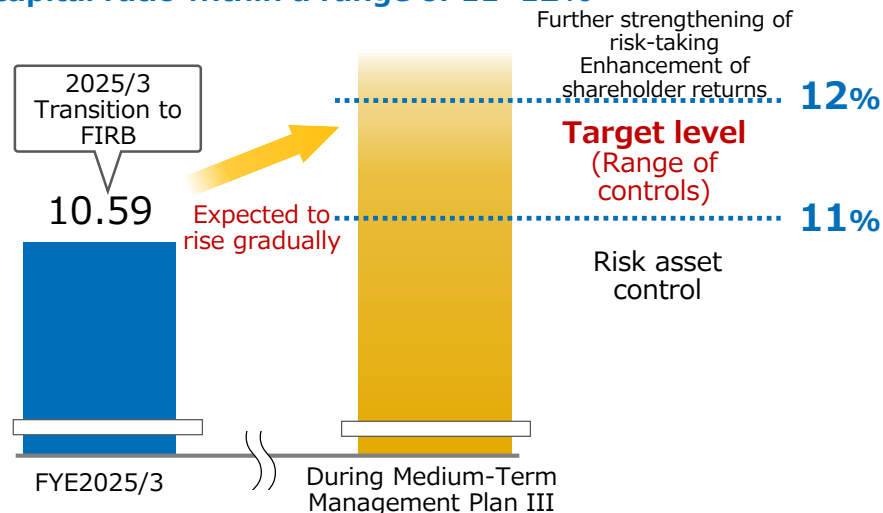
Basic Strategy IV Deepening Risk Management

- Improve PBR and ROE by integrating the management of earnings, risks, and business health

Utilize capital and maintain and improve business health

FG's Consolidated Capital Ratio (%)

- Implement appropriate control of FG's consolidated capital ratio within a range of 11–12%

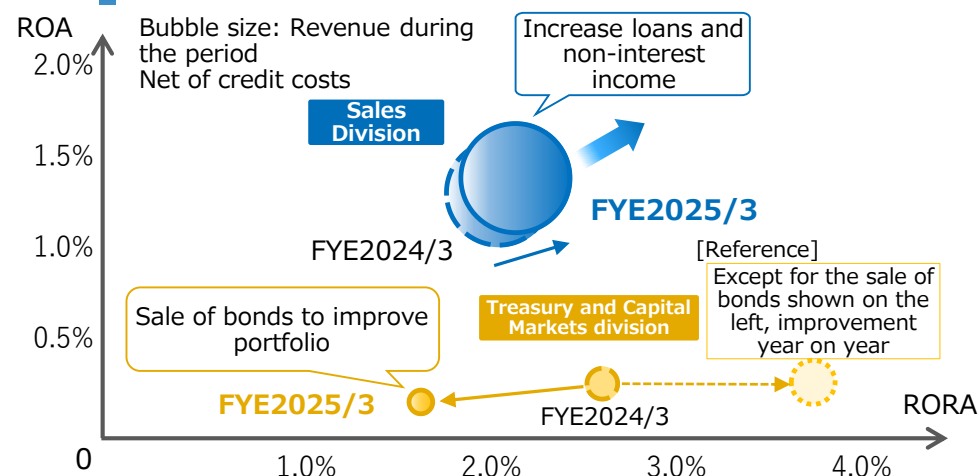


- Efforts to improve PBR and ROE (See p. 57 for details)

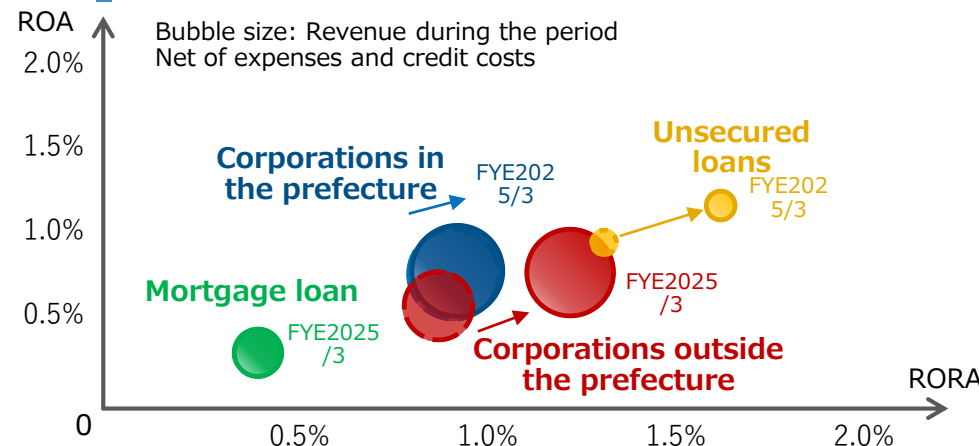


Initiatives to Utilize RORA

RORA by division (FYE2025/3 (Vs. FYE2024/3)) DAISHI HOKUETSU BANK

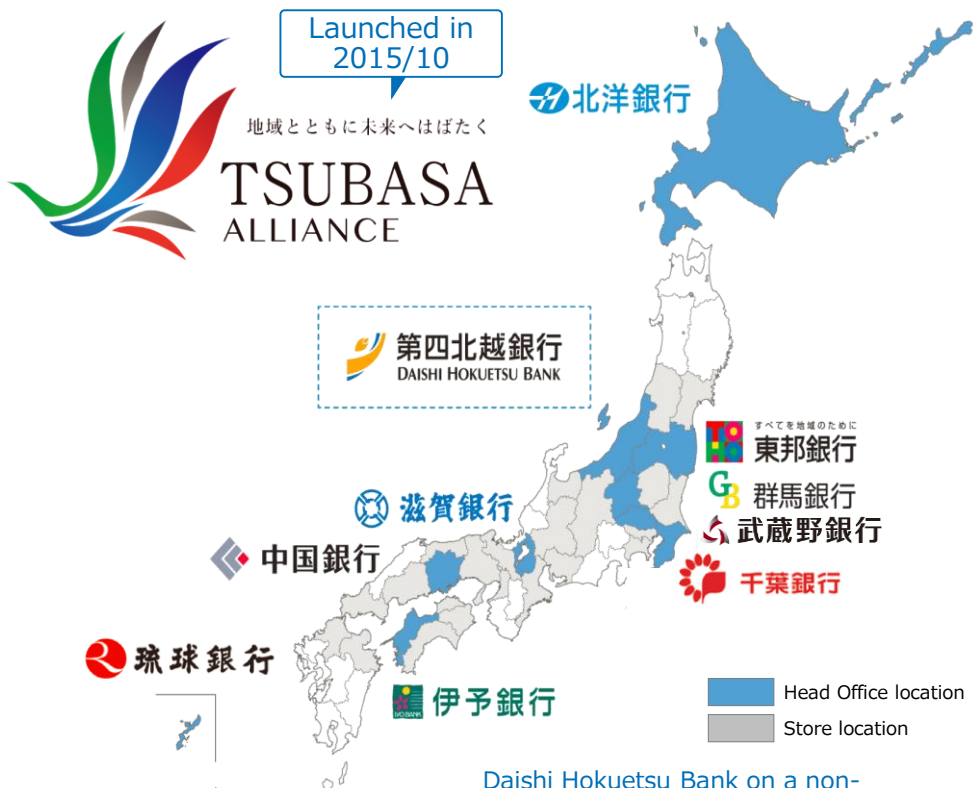


RORA by category (FYE2025/3 (Vs. FYE2024/3)) DAISHI HOKUETSU BANK



Common Theme Across Strategies: Deepening the TSUBASA Alliance

- TSUBASA Alliance, the largest regional banking framework for wide-area collaboration



Participating financial institutions
(As of 2025/3 end) **10 banks**

Total asset balance of participating banks
(FYE2025/3 on consolidated basis)
¥99 trillion

Daishi Hokuetsu Bank on a non-consolidated basis
Synergies from cooperation measures
(2015/10–2025/3 cumulative total)

Top-line Synergy **Cost Synergy**
Cumulative ¥16.7B

Leverage economies of scale and the benefits of information collaboration

2015

- Launch of TSUBASA Alliance** (October 2015)
Launched by three banks (Daishi Hokuetsu, Chiba, and Chugoku)
- Establishment of T&I Innovation Center (2016)
 - Alliance in inheritance-related business (2016)
 - Sharing of enterprise systems (2017)
 - Business matching through the Mutual Customer Referral Service (2017)
 - Agreement to share administrative divisions (Daishi Hokuetsu, Chiba) (2018)
 - Launch of TSUBASA FinTech common platform (2018)
 - Introduction of TSUBASA Smile (2018)
 - SDGs Declaration (2019)
 - M&A wide-area collaboration (2019)

2020

- Business alliance in foreign exchange derivatives business (Daishi Hokuetsu, Toho) (2020)
- Established TSUBASA Alliance Co., Ltd. (2020)
- Established ONAD Co., Ltd. (Daishi Hokuetsu, Chiba, Chugoku) (2022)
- Formulated Diversity & Inclusion Declaration (2022)
- Started TSUBASA Cross-Mentor Program (2022)
- Established TSUBASA-AML Center, Ltd. (2023) (Daishi Hokuetsu, Chiba, Chugoku and Nomura Research Institute)
- Introduction of TSUBASA general-purpose paperless system (2023)

2024

- Sharing of enterprise systems expanded to five banks (Daishi Hokuetsu, Chiba, Chugoku, Toho, and Hokuyo)
- Participation in TSUBASA-Jyudankai joint study group
- Sponsorship of Expo 2025 Osaka-Kansai (Japan International Exposition 2025)
- Mutual use of the BOJ-NET in times of disaster and failure (Daishi Hokuetsu, Chiba)
- Launched TSUBASA Daishi Hokuetsu Cashless Franchise Service
- Second donation to the Noto region in Ishikawa Prefecture
- Announcement of accepting the Asset Owner Principle in the corporate pension funds
- Joint purchase of the FIT non-fossil certificates
- Launch of business at the TSUBASA-AML Center, Ltd.

2025

Commemoration of the 10th Anniversary of **TSUBASA Alliance**
(October 2025)

Common Theme Across Strategies: Deepening the TSUBASA Alliance

■ “Gunma-Daishi Hokuetsu Alliance”

(☞ See p. 45 for details of the Basic Agreement on Management Integration)



Launched in
2021/12



- Key Partnership Areas -

Regional revitalization & tourism promotion

- SDGs Private Placement Bond “Green & Food Support Private Placement Bond”
 - Provided food and monetary donations to Niigata and Gunma prefectures using a portion of commissions received from the issuing companies

→ Cumulative donations: Approx. ¥30 million



- “Hands-on training for regional revitalization”
 - Proposing measures for regional revitalization to local governments in both prefectures through joint training sessions
- Collaborative measures through a regional trading company



Niigata prefecture specialty sales event in Gunma Prefecture ▶



Corporate and personal solutions

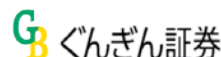
Corporate sector

- Syndicated loan
- Sustainable finance
- Business succession and M&A
- Utilization and collaboration of funds



Personal sector

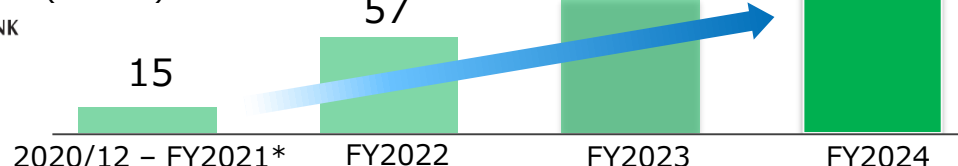
- Joint sales campaign for investment trusts
- Joint holding of asset formation seminars



Synergies from cooperation measures

(Cumulative total of both banks from 2020/12)

(¥100M)



Personnel development

■ Joint training sessions by level and operations



▲ Second-year joint training session (venue: Ikaho Onsen, Gunma Prefecture)

■ Mutual dispatch of trainees

- Dispatch of trainees from Gunma Bank to the Corporate Solutions Division of Daishi Hokuetsu Bank
- Dispatch of trainees from Daishi Hokuetsu Bank to Gunma Bank's overseas offices

■ Cross-industry exchange meetings for women's career development

- Participation by both banks and their business partners



Training session ▶

Standardization, sharing, etc.

■ Joint use of offices

- Relocated Daishi Hokuetsu Bank branch within Gunma Bank branch
- Relocated Daishi Hokuetsu Bank Takasaki Office within Gunma Bank Takasaki Tamachi Office (2023/3)
- Relocated Daishi Hokuetsu Bank Ikebukuro Office within the Gunma Bank Ikebukuro Building (2024/1)

A joint store in Takasaki City ▶



■ ATM tie-up

- Offering free ATM usage fees between the two banks on weekdays (during daytime hours) (2023/1-)

■ Mutual use of staff dormitories

- Effective use of non-operating staff dormitories between the two banks

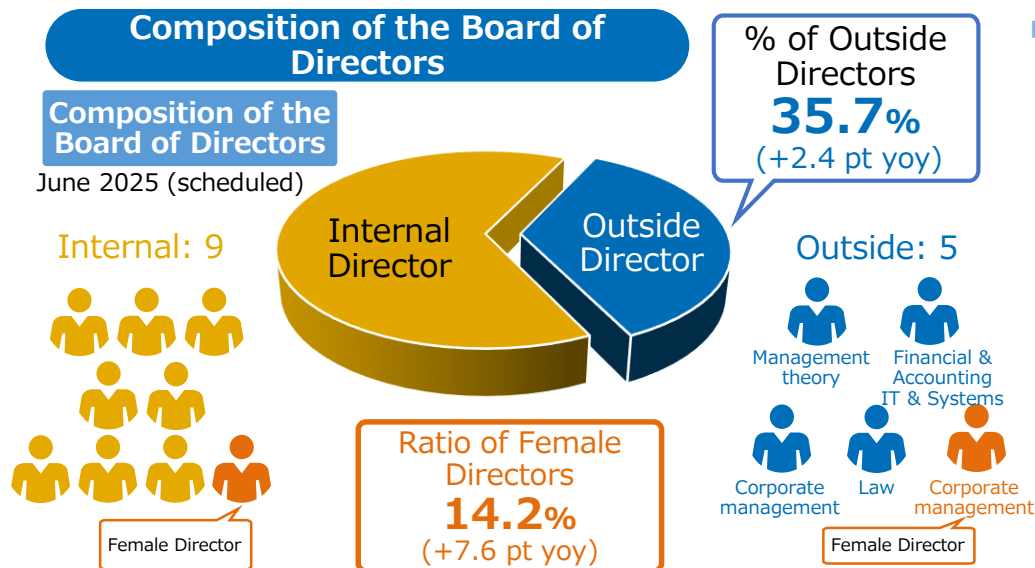
* The synergy effects resulting from Gunma Bank's integration into the TSUBASA Alliance in 2020/12, up to the end of FY2021

Medium-Term Management Plan III

Governance & Capital Policy

Governance Structure supporting Sustainable Growth

■ Governance System of the Board of Directors



* Assuming election at the Company's 7th Ordinary General Meeting of Shareholders to be held on June 25, 2025

■ Stakeholder dialogue to increase corporate value



■ Ensuring diversity, Diversity Initiatives

- DAISHI HOKUETSU Financial Group**: **Two female directors to be appointed** (one internal and one outside)
- DAISHI HOKUETSU BANK**: **One female director and one executive officer to be appointed** (June 2025)
- Women in management and executive positions** - (As of the end of March 2025)
 - FG**: Female Director: 1 (Internal Director)
 - Bank Division**: Female Director: 1 (concurrently served by the above FG officer)
Female General Manager: 3
Female Branch Manager: 17 (excluding the above Directors)
 - Group Company Division**: Female President and Representative Director: 1 **第四北越キャリアブリッジ**
Female Executive Officer: 1 **第四北越証券**

[Career Development Program for Female Employees]

| Target to support | Managers | | Female Director Development Program (FY2023-) | | Long-term | Selection | Corporate sales and financing training |
|-------------------|---------------------------------------|---------------------------------------|---|----------|-----------|--|--|
| | Assistant General Manager and Officer | Women's Empowerment Program (FY2021-) | Executive development course | Mid-term | Offering | <ul style="list-style-type: none">• Executive's lectures and discussions• Lectures by female executives outside the company• Strategic assignment to key positions• Career training• External training (TSUBASA, other industries)• Attend online business school• Career consulting interview | |
| | | | Manager development course | | | | |
| | | | Holding business colleges and offering online learning tools, such as "Basic financing training for female employees" | | | | |
| Common | DE&I Training | | | | | | |

Initiatives to Reduce Cross-shareholdings

■ Review of Cross-shareholdings Reduction Policy (March 2025)

Cross-shareholdings Reduction Policy

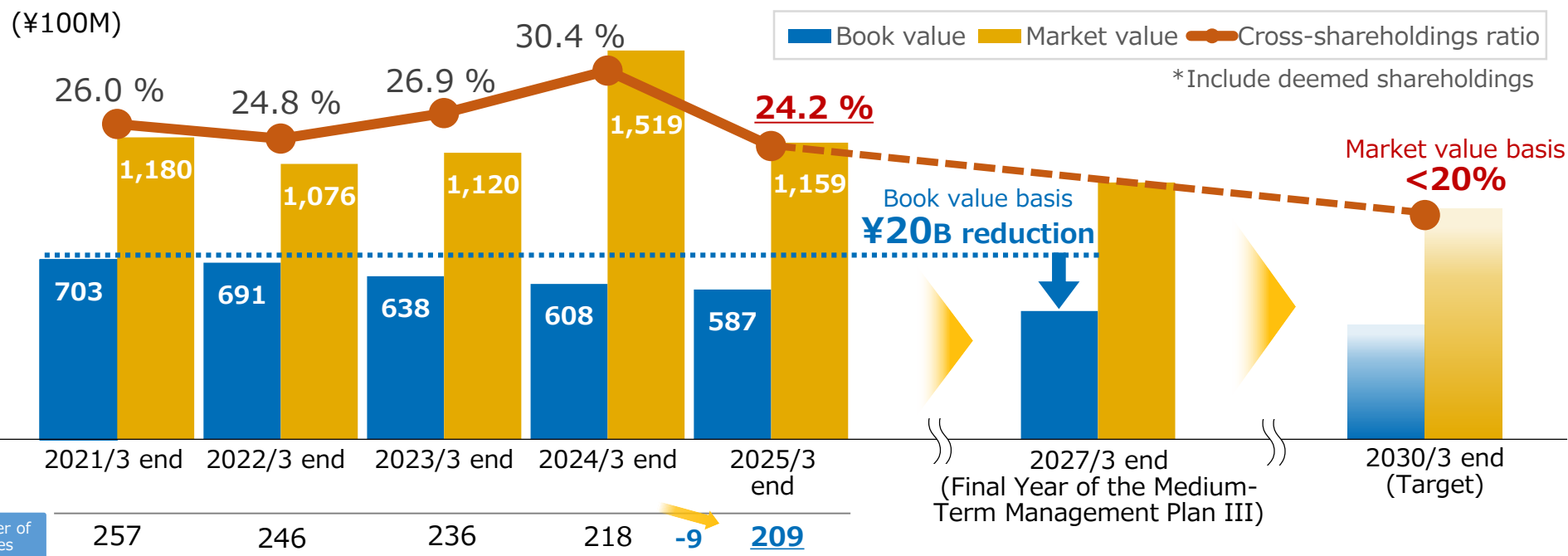
(Changed in March 2025)

From FY2020 (when Daishi Hokuetsu Bank was established through the merger) to the final fiscal year of the Medium-term Management Plan III (from the end of March 2021 to the end of March 2027), Daishi Hokuetsu Bank will reduce its cross-shareholdings by ¥20 billion (book value).

New!

By FY2029 (end of March 2030), the proportion of cross-shareholdings (market value), including deemed holdings, to consolidated net assets will be reduced to less than 20%.

Changes in cross shareholdings



FYE2025/3 Dividends and FYE2026/3 Dividend Forecast

(Increase in year-end dividends)

(Dividend increase forecast)

* Converted retroactively to the dividend amount after the stock split, based on the stock split implemented in October 2024

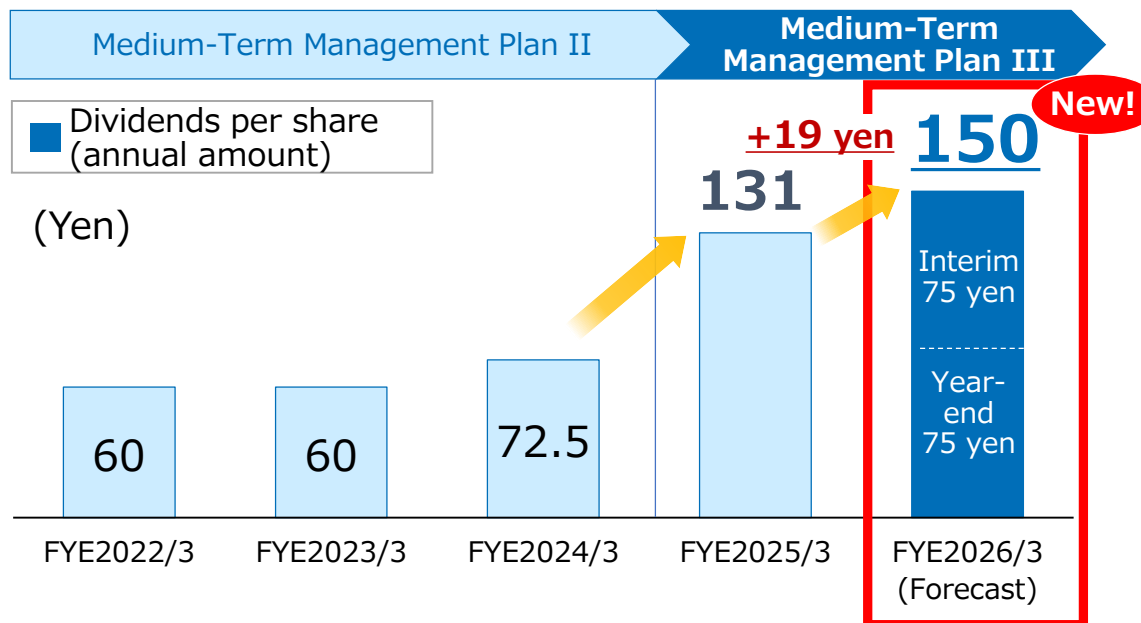
FYE2025/3 Dividends *

| Details of Dividends | Annual dividend per share | | | | |
|----------------------|---------------------------------|--|---|------------------|--------------------------------------|
| | Interim dividend [Completed] | Year-end dividend | | | Annual total |
| | | Initial forecast Announced in May 2024 | Latest forecast Announced in March 2025 | Final amount | |
| FYE2025/3 | 56.00 yen | 40.00 yen | 70.00 yen | 75.00 yen | 131.00 yen (+58.5 yen yoy) |
| FYE2024/3 | 35.00 yen | 37.50 yen | | | 72.50 yen |

New!

Dividends further
increased by 5 yen from
the forecast

FYE2026/3 Dividend Forecast *



Shareholder Return Policy

Considering the public nature of the financial group, our basic policy shall be to continue providing stable returns to shareholders while increasing retained earnings to strengthen our base. Our goal is to continue to meet the expectations of shareholders in the future.

Specifically, dividends per share shall, in principle, be **progressive** and **the payout ratio will be around 40%**. The Company will flexibly repurchase its own shares in light of overall business performance and market conditions.

Our policy is to work to improve ROE based on the increase in profit, with the goal of achieving 7.5% or more in FYE2027/3.

Memorandum of Understanding regarding Business integration with Gunma Bank

*In this context, Gunma Bank and Daishi Hokuetsu Financial Group, along with their respective group companies, are collectively referred to as “both Groups.” Similarly, Gunma Bank and Daishi Hokuetsu Financial Group are designated as “both Companies.”

Changes in the Business Environment

- The growing interest in the progress of depopulation and DX and sustainability, coupled with the ongoing transition to a “world with interest rates” in the financial sector, has led to the emergence of new financial services including entries from other industry sectors. The expected role of regional financial institutions is expanding while the business environment is constantly changing, resulting in intensifying competition and enhanced business opportunities.
- G&DH Group recognizes that its mission as regional banks is to work together for regional revitalization aimed at sustainable growth of Gunma and Niigata prefectures and continuously contribute to the local community.

Changes in the Business Environment

At the time of launch in of
the Alliance December 2021



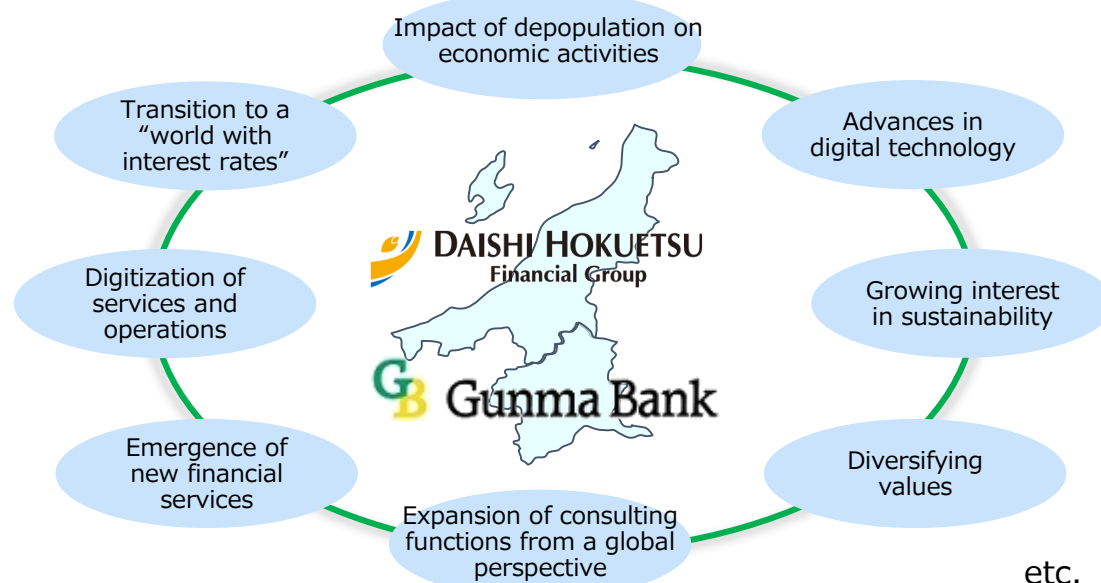
Accelerating changes in the business environment

- ✓ Responding to COVID-19
- ✓ Depopulation due to declining birth rates and aging population
- ✓ Prolonged super low interest rates
- ✓ Accelerated DX
- ✓ Intensifying competition with other industries
- ✓ Pursuit for sustainability

etc.

Accelerating changes in the environment

- Changes in the fabric of society are accelerated by various overlapping factors
- The needs of regional communities, and the issues that need to be addressed are becoming increasingly diverse and complex
- The competitive environment for acquiring customers and improving convenience of services is intensifying



Background of the Business Integration

- Based on such understanding of the changing environment, Gunma Bank and Daishi Hokuetsu Financial Group, which are the top two banks in the region, believe that working together by bringing together each other's strengths is the best approach to meet the expectations of all stakeholders and realize G&DH Group's management philosophy and purpose. Therefore, the two companies have entered into a memorandum of understanding to proceed with discussions toward a business integration (the "Business Integration").

Realizing G&DH Group's Management philosophies and objectives

Further contribute to the local community

Enhance the value provided to customers and the local communities and continue to contribute to their development over the future

Sustainably enhance the corporate value

Establish a strong business foundation even in a challenging business environment and continue to grow sustainably together with the local community



The top two regional banks
working together by bringing
together each other's strengths



Accelerated and multifaceted changes in the environment with increased complexity and uncertainty

Philosophy and Objectives of the Business Integration

- The Business Integration combines the two companies that already have a solid customer base in their respective operating territories, with robust profitability and a strong financial foundation, and aims to enhance scale and quality of management to create a new financial group that ranks among the top regional banks.
- Based on the fundamental principles of mutual trust and Equal Integration, the two companies will continue to contribute to the growth and development of customers and the local communities, while steadily achieving sustainable growth and enhancing corporate value. Its goal is to become a valuable regional financial group that meets the expectations of customers, communities, and shareholders.

Fundamental Principles of the Business Integration



Mutual trust/ Equal integration



Philosophy and objectives of the Business Integration

Two companies will share and leverage each other's strengths through the Business Integration based on their solid customer base, strong profitability, and solid financial foundation

Expand and upgrade consulting services to contribute to customers and local communities

Maximize economies of scale to establish a sustainable business model


Establish a robust group management structure to realize the full potential of their management resources


Aim to become leading regional banks in terms of both the scale and quality of its management

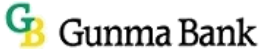

Overview of the New Financial Group

- The asset size of the new financial group to be established will be among the largest of regional banks. The group will contribute to the local communities while pursuing economies of scale and efficiency at the same time.

New Financial Group will be one of the top regional banks in asset size

|  | |
|---|---|
| Head Office | Maebashi, Gunma |
| Establishment | September 1932 |
| Total assets (consolidated) | 10,557.1 billion yen |
| Deposits | 8,672.4 billion yen |
| Loans | 6,845.1 billion yen |
| Assets under Custody (Consolidated) | 1,252.6 billion yen |
| Net Income (consolidated) | 43.9 billion yen |
| Market Capitalization | 470.9 billion yen |
| Employees | 2,927 |
| Banking locations | Japan: 106 Overseas: 4 |
| Group Companies | <div>Financial sector</div> Bank, securities, lease, credit card, credit guarantee, fund management <div>Non-financial sector</div> Consulting/regional trading, system development, transportation & maintenance |

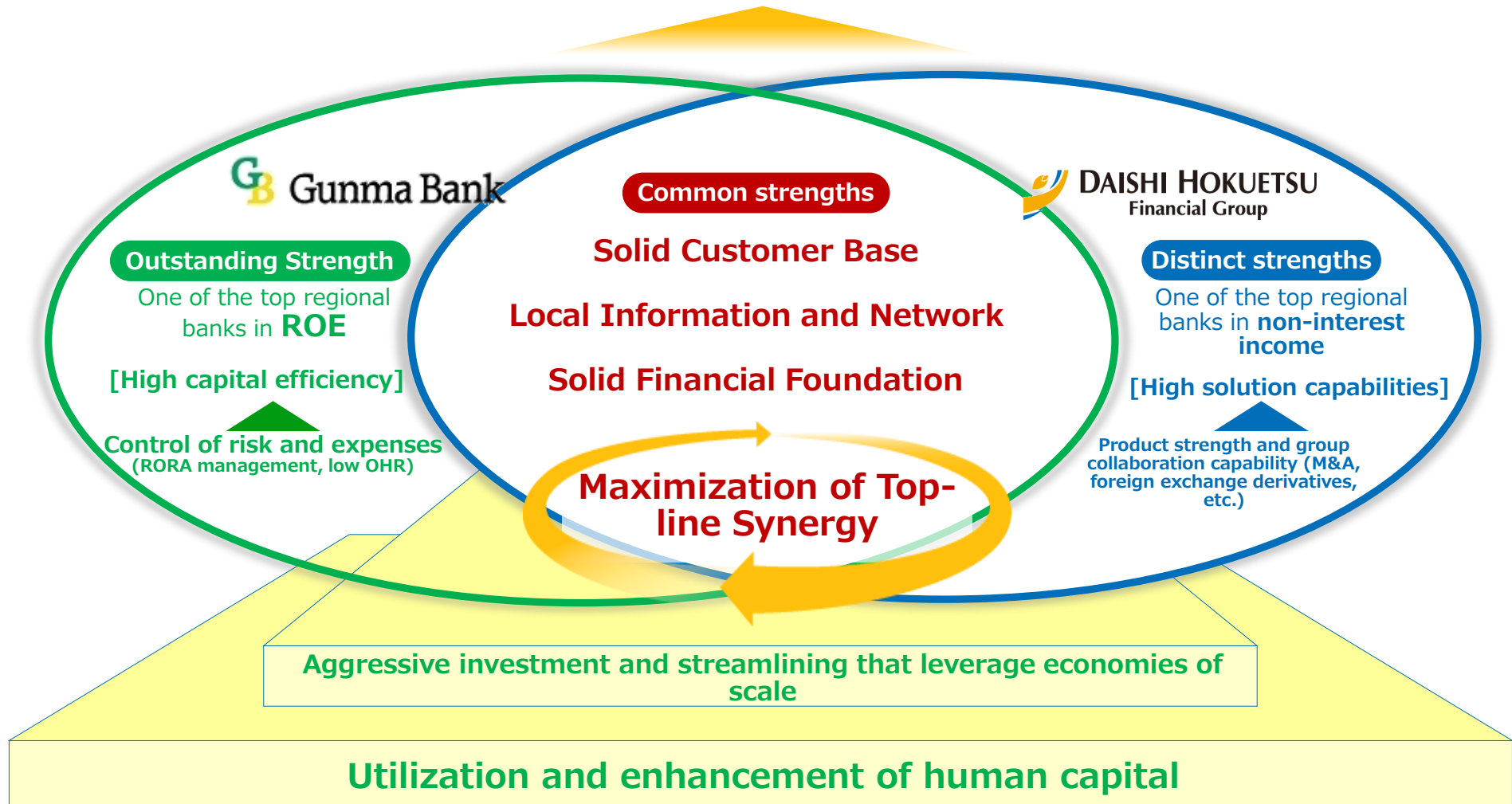
|  | |
|--|--|
| Head Office | Niigata, Niigata |
| Establishment | November 1873 |
| Total assets (consolidated) | 10,977.7 billion yen |
| Deposits | 8,780.3 billion yen |
| Loans | 5,614.3 billion yen |
| Assets under Custody (Consolidated) | 1,537.5 billion yen |
| Net Income (consolidated) | 29.3 billion yen |
| Market Capitalization | 275.3 billion yen |
| Employees | 3,504 |
| Banking locations | Japan: 139 Overseas: 1 |
| Group Companies | <div>Financial sector</div> Bank, securities, lease, credit card, credit guarantee, fund management <div>Non-financial sector</div> Consulting/research, system development, recruiting agency, regional trading |

| New Financial Group (simple sum) One of the top regional banks in asset size | |
|--|---|
| Total Assets (consolidated) | 21,534.9 billion yen |
| Deposits, etc. | 17,452.7 billion yen |
| Loans | 12,459.4 billion yen |
| Assets under Custody (consolidated) | 2,790.1 billion yen |
| Net Income (consolidated) | 73.2 billion yen |
| Market Capitalization | 746.2 billion yen |
| Employees | 6,431 |
| Banking Locations | Japan: 245 Overseas: 5 |
| Group Companies (Business Areas) | 11 businesses |
|  Gunma Bank Market Share within Gunma Prefecture | Share of deposits 38% Share of loans 34% |
|  DAISHI HOKUETSU BANK Market Share within Niigata Prefecture | Share of deposits 43% Share of loans 51% |

Synergy effects anticipated from the Business Integration (synergistic effects)

- The two companies will collaborate by bringing together their common strengths and respective strengths, leveraging economies of scale and the advantages of a vast network and information sharing, with the aim of maximizing top-line synergy

Increased contribution to customers and regions



Expected Synergies of the Business Integration

- The two companies will consider specific measures aimed at expeditiously achieving the purpose of the Business Integration and maximizing the corporate value, with a focus on realizing synergies.

Increased contribution to customers and regions

- **Enhance the ability to respond to increasingly diverse and complex needs and challenges and provide high value-added services through the mutual use of know-how, information, and networks**
 - ✓ Strengthen the financial intermediary function (such as expanding risk-taking capabilities, jointly arranging syndicate loans and structured finance)
 - ✓ Enhance proposal capabilities for business matching, business succession, M&A, etc., utilizing a wide-area network; provide start-up support
 - ✓ Jointly develop and promote products and services
 - ✓ Provide advanced consulting for asset management needs
 - ✓ Support overseas businesses through overseas offices
 - ✓ Exploring new business domains etc.

Aggressive investment and streamlining that leverage economies of scale

- **Deliberate aggressive investment that leverage the economies of scale in information systems, DX and other priority areas**
 - ✓ Expand customer channels and provide high-quality and convenient services
 - ✓ Enhancement of risk management and other internal control systems
 - **Streamlined operations and management**
 - ✓ Standardize and centralize administrative procedures
 - ✓ Consolidate and streamline HQ operations
 - ✓ Joint use of offices facilities
 - ✓ Optimize the group structure
- * Gunma Bank is considering a transition to the TSUBASA core banking system currently used by Daishi Hokuetsu Bank upon renewal of its core banking system scheduled after January 2029. This system is used by 5 banks, including Daishi Hokuetsu Bank. etc.

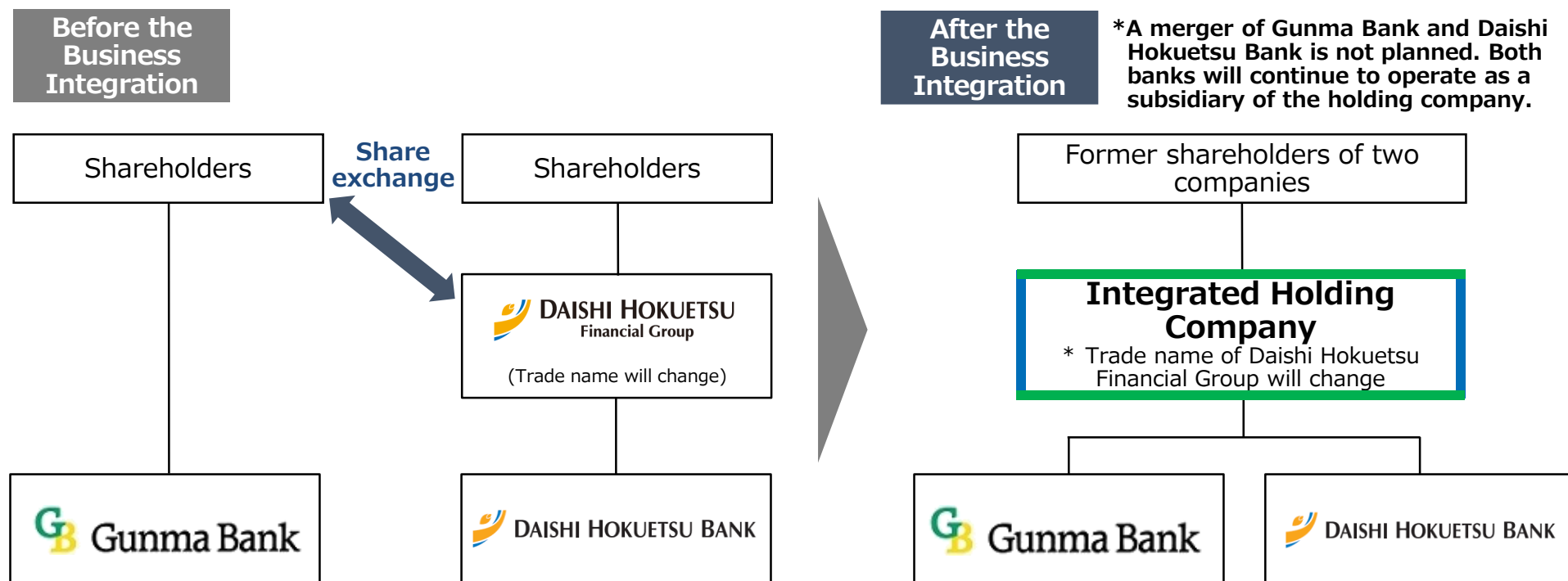
Utilization and enhancement of human capital

- **Improve the value provided across G&DH Group by developing a system that maximizes the skills and expertise of the Two Companies' abundant human resources**
 - **Aim to form a corporate group that is appealing to workers, and where a diverse array of personnel are able to grow through a broad range of careers without being bound by corporate boundaries, by assigning the right people to the right positions and promoting autonomous career development**
- etc.

Form of Integration

- The Business Integration will take the form of a holding company via a commonly used approach. To accelerate the process of business integration, the holding company structure of Daishi Hokuetsu Financial Group will be utilized as the holding company for the new financial group.
- To implement the Business Integration, Gunma Bank will conduct a share exchange with the Integrated Holding Company. The trade name of the holding company of the new financial group will be set forth in the definitive agreement for the Business Integration.

✓ **In order to realize the new financial group's management philosophy and vision and enhance corporate value, the integrated holding company will serve as the command center of the group, responsible for planning, risk management, and other functions, and lead the formulation of the group's management policies and strategies, as well as the group collaboration efforts to maximize the effects of the integration.**



Outline of Holding Company/Timeline

- To facilitate the process of the Business Integration, the two companies set up a preparatory committee for the integration, which will focus on discussions for the Business Integration.

| Key Items | Summary |
|-------------------------------------|--|
| Trade Name | <ul style="list-style-type: none"> ● The name of the integrated holding company at the time of the Business Integration will be specified in the definitive agreement for the Business Integration upon consultation between the two companies. |
| Head Office | <ul style="list-style-type: none"> ● The location of the head office of the integrated holding company at the time of the Business Integration will be specified in the definitive agreement for the Business Integration upon consultation between the two companies. |
| Form of Corporate Governance | <ul style="list-style-type: none"> ● Company with Audit and Supervisory Committee |
| Share Exchange Ratio | <ul style="list-style-type: none"> ● The ratio will be determined based on the due diligence results and the share exchange ratio calculated by third-party valuation firms retained by each company, using methods deemed appropriate by such valuation firms. The share exchange ratio will be announced once determined. |

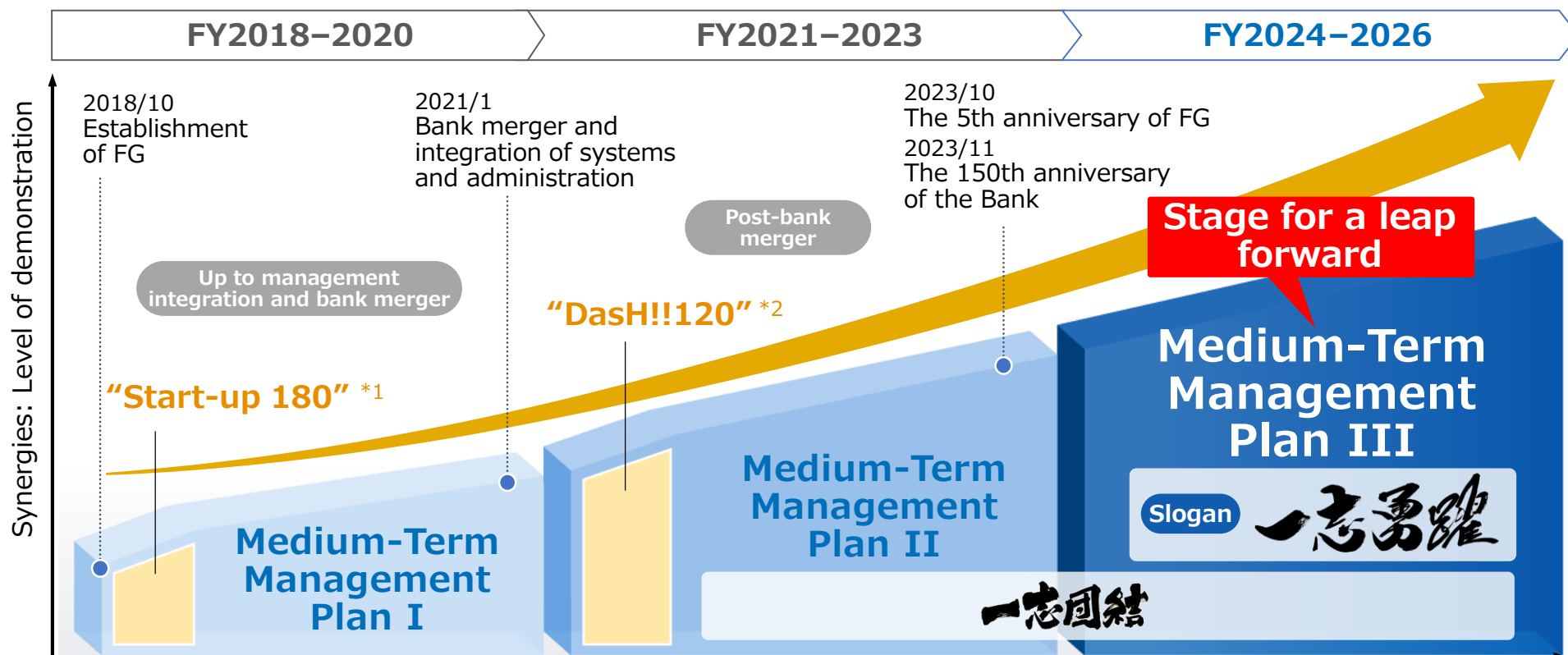
- The following dates are tentative and subject to change based on future discussions between the two companies.
- In addition, since the Business Integration is contingent upon obtaining necessary regulatory approvals (including the filing of a Form F-4 registration statement with the U.S. Securities and Exchange Commission and having it be declared effective), the process may be delayed depending on the approval status. Any such delays will be promptly made public.

| Time | Summary |
|----------------------------------|---|
| April 24, 2025 | Signing of Memorandum of Understanding |
| May 14, 2025 | Setting up a preparatory committee for the integration |
| March 2026 (tentative) | Signing of a definitive agreement |
| December 2026 (tentative) | Extraordinary shareholders' meetings of two companies |
| April 1, 2027 (tentative) | Effective date of share exchange |

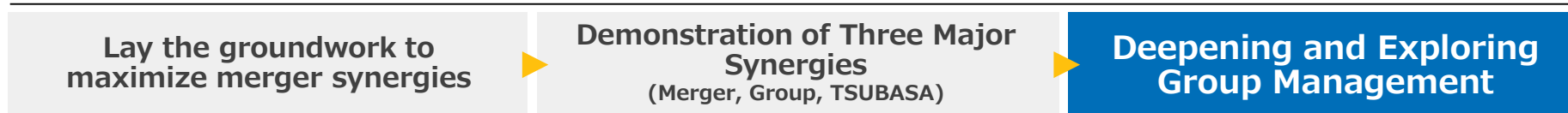
Appendix

Positioning of the Medium-Term Management Plan III

- Medium-Term Management Plan III, defined as “Stage for a leap forward”



[Basic Approach during Each Plan Period]



*1: Period of rapid and intensive implementation of various measures to realize synergies from management integration (180 days)

*2: Period during which various measures were implemented quickly and intensively as the main activity period for the early realization of synergies from the bank merger (120 days)

Key Management Issues(Materiality) in Medium-Term Management Plan III

■ Resolving key management issues to achieve sustainable ■ growth

- Sustainability management that aims to create a virtuous circle of sustainable growth for society and the Company by addressing both “Environmental and Social Challenges” and “Financial Challenges”

Key Management Issues(Materiality) in Medium-Term Management Plan III

“Environmental and Social Challenges”



- E** Active efforts to address global environmental issues
- S** Revitalizing regional economies and society by solving community and customer issues
- G** Strengthen trusted relationships with stakeholders through improved governance, including ensuring diversity

“Financial Challenges”



- Growth potential** *Strengthening profitability*
- Efficiency** *Productivity improvement*
- Soundness of business** *Maintain and improve business health*

Deepening
Sustainability
Management

Changes in the Business Environment

- Progress of declining population, low birth aging population
- Changes in social and industrial structure through DX
- Advances in online banking and cashless transactions
- Changes in people’s lifestyles and consumption behaviors

Significant change with increasing complexity and uncertainty

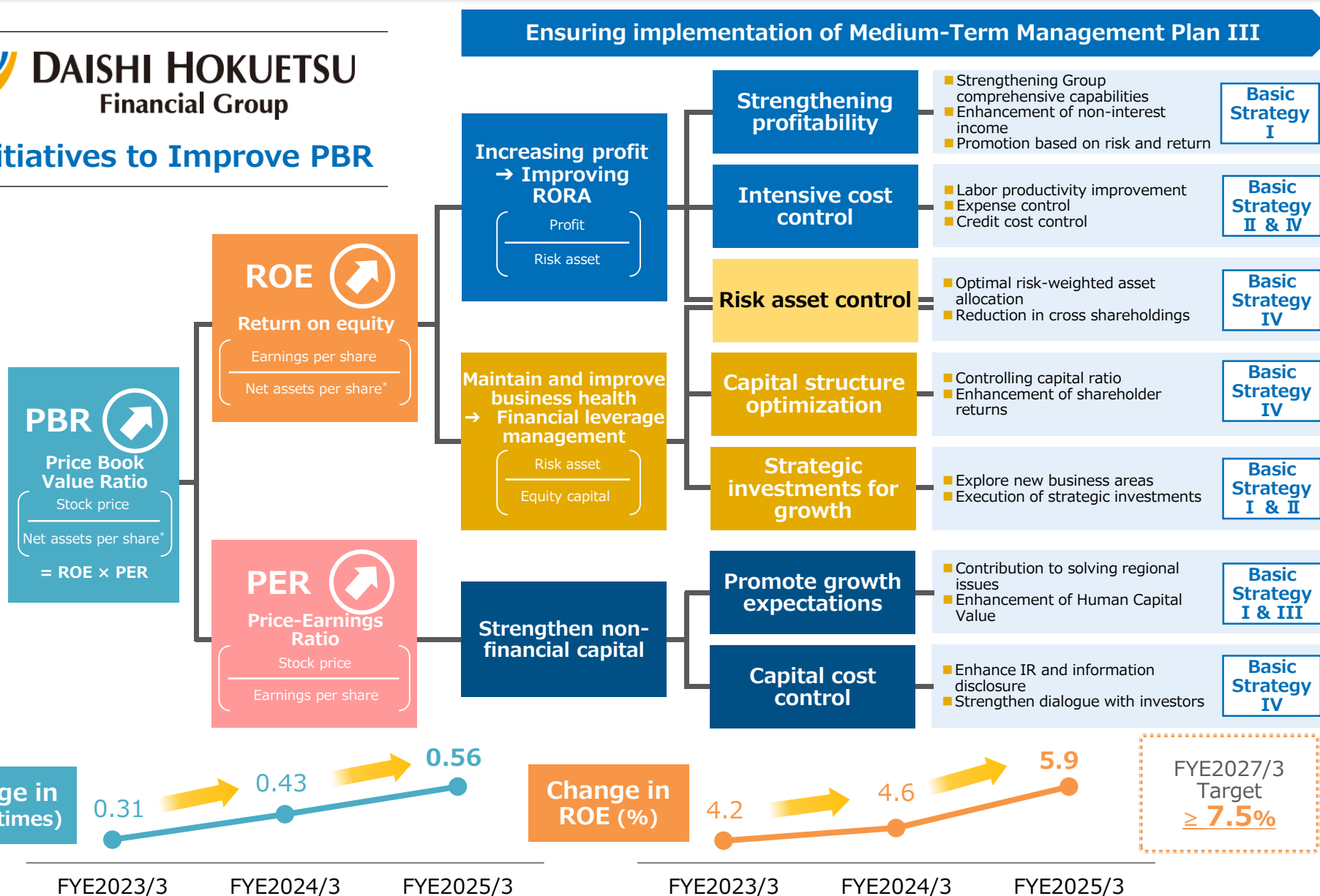
- Acceleration of globalization
- Deregulation
- Entry of other industries into the financial sector

- Acceleration of carbon neutrality
- Growing importance of sustainability management
- Further rise in geopolitical risk
- Shifts in monetary policy between Japan, the U.S. and Europe etc.

Enhancing Corporate Value by Implementation of Medium-Term Management Plan III



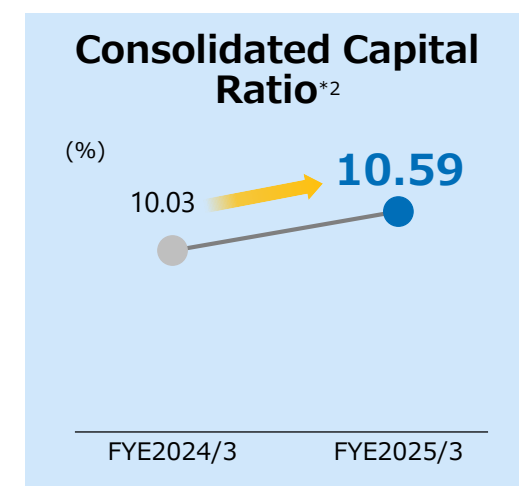
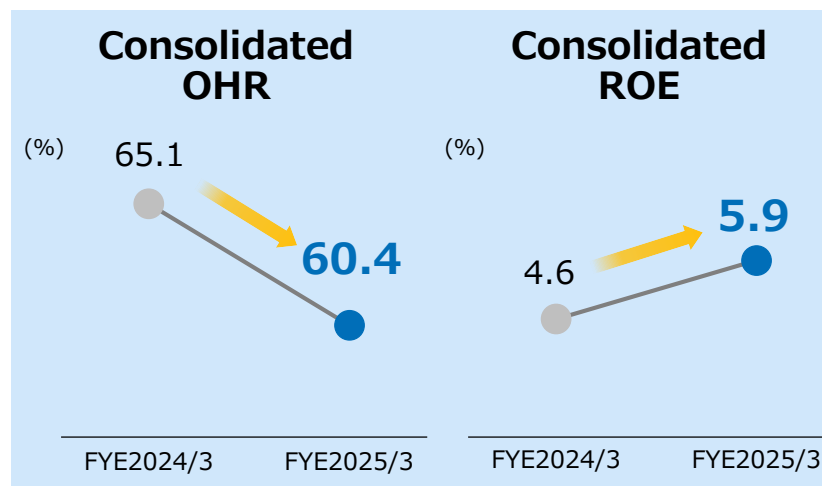
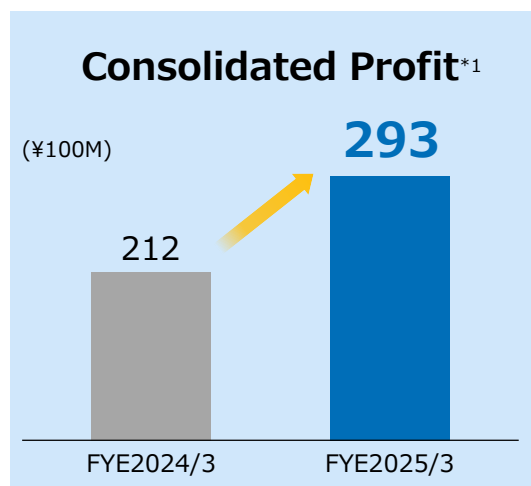
Initiatives to Improve PBR



* Net assets (Average of beginning and end of period, excluding non-controlling interests)

Medium-Term Management Plan III: Key Performance Indicators (Financial Challenges)

| “Financial Challenges” KPI | | FYE2024/3 Results | FYE2025/3 Results | Year on Year |
|--------------------------------------|------------------------------|----------------------|----------------------|--------------|
| Strengthening profitability | Consolidated Profit*1 | ¥21.2B | ¥29.3B | ¥8.1B |
| Productivity improvement | Consolidated OHR | 65.1% | 60.4% | -4.7pt |
| | Consolidated ROE | 4.6% | 5.9% | 1.3pt |
| Maintain and improve business health | Consolidated Capital Ratio*2 | 10.03% | 10.59% | 0.56pt |



*1: Profit attributable to owners of parent

*2: From the fiscal year ended March 2025, our credit risk measurement method has been changed from the Standardized Approach to the Foundation Internal Ratings Based (FIRB) approach

Key Performance Indicators (Environment & Social Challenges)

| “Environmental and Social Challenges” KPI | | FYE2025/3 Results | Year on Year |
|---|--|-------------------|----------------|
| E Active efforts to address global environmental issues | | | |
| CO ₂ emissions reduction rate (vs. FY2013, preliminary figures) | | -67.3% | -11.5% |
| Executed amounts for Sustainable Finance (Cumulative total since FY2021) | | ¥769.6B | ¥335.1B |
| S Revitalizing regional economies and society by solving community and customer issues | | | |
| Number of business start-ups and succession support | | 2,917 cases | 54 cases |
| Number of cases of DX and Productivity Improvement Support | | 136 cases | 46 cases |
| Ratio of business clients with improved indicators, etc. | | 73.5% | -1.7% |
| Number of cases supported to develop a business improvement plan | | 425 cases | -106 cases |
| Number of digital customers* ¹ | | 447,000 clients | 94,000 clients |
| Balance of Group assets under custody | | ¥1,522.8B | ¥69.5B |
| No. of clients supported in sales channel development (Regional trading company)* ² | | 730 clients | 92 clients |
| Number of HR solutions supported | | 246 cases | 86 cases |
| G Strengthen trusted relationships with stakeholders through improved governance, including ensuring diversity | | | |
| % of women managers* ³ | | 26.3% | 0.3% |
| Total no. of Group business clients* ⁴ | | 62,990 clients | 1,478 clients |

*1: Number of Daishi Hokuetsu ID holders (e.g., Little Bank and My Page users) and individual e-net banking users

*2: Cumulative total since the opening of the Nihonbashi Branch in October 2019

*3: Increase the ratio of women managers (deputy level and above) (Bank alone)

*4: Number of corporate clients with recurring business with FG Group companies (total)

Summary of Financial Results for the Fiscal Year Ended March 2025 (Profit/Loss)

| FG Consolidated (¥100M) | FYE2025/3 Financial Results | | Forecast (Announced in March 2025) | |
|----------------------------|--------------------------------|-----|--|---------------------------|
| | Year on Year | | | Vs. Forecast |
| 1 Ordinary profit | 411 | 102 | 391 (332* ¹) | 20 (79* ¹) |
| 2 Profit* ² | 293 | 81 | 280 (230* ¹) | 13 (63* ¹) |

*1 Initial earnings forecast announced in May 2024 and earnings forecast ratio

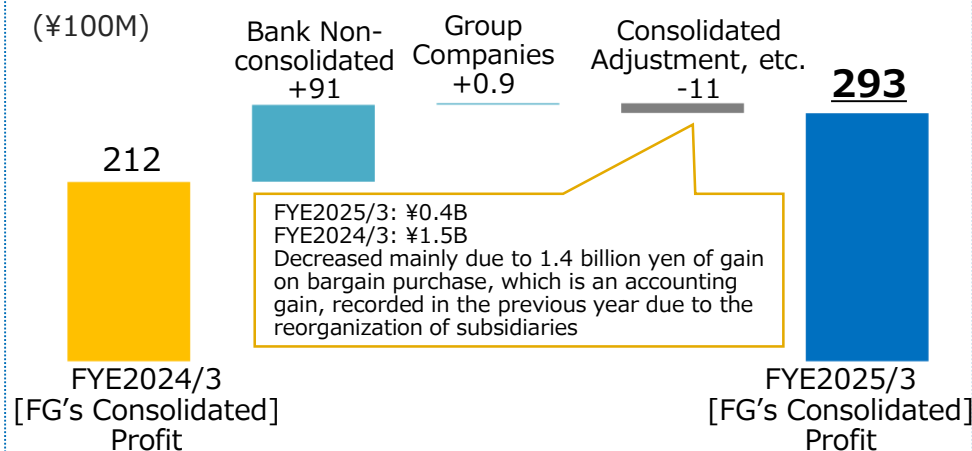
*2 Profit attributable to owners of parent

| Group Companies (¥100M) | FYE2025/3 Financial Results | | Financial Results For Fiscal Year Ended March 2024 |
|-------------------------------|-----------------------------------|---|---|
| | Year on Year | | |
| 3 Profit* ³ | 37 | 0 | 36 |

*3 Total profit attributable to owners of parent of Group companies, excluding the bank

After deducting one-time extraordinary losses (impairment losses) related to intra-group transactions

<FG's Consolidated> Change Factors



| Bank Non-consolidated (¥100M) | FYE2025/3 Financial Results | | Financial Results For Fiscal Year Ended March 2024 |
|---|-----------------------------------|------|--|
| | Year on Year | | |
| 4 Gross profit | 908 | 55 | 852 |
| 5 (Core gross profit) | 983 | 73 | 909 |
| 6 Net interest income | 726 | 86 | 640 |
| 7 (Of which, interest on loans and bills discounts) | 548 | 56 | 492 |
| 8 (Of which, interest and dividends on securities) | 460 | 70 | 390 |
| 9 (Of which, financing expenses) (-) | 414 | 67 | 347 |
| 10 Fees and commissions | 154 | - 1 | 156 |
| 11 Profit from other businesses | 27 | - 28 | 55 |
| 12 (Excluding gains (losses) from government bonds and other bonds) | 101 | - 10 | 112 |
| 13 (Of which, gains (losses) from government bonds and other bonds) | - 74 | - 17 | - 56 |
| 14 Expenses (-) | 585 | 8 | 577 |
| 15 Substantial business profit | 322 | 47 | 274 |
| 16 Core business profit | 397 | 65 | 331 |
| 17 (Excluding gains (losses) from cancellation of investment trust) | 377 | 56 | 321 |
| 18 Business profit | 332 | 59 | 272 |
| 19 Temporary income (losses) | 18 | 37 | - 18 |
| 20 Ordinary profit | 351 | 97 | 254 |
| 21 Extraordinary income (losses) | 0 | 27 | - 26 |
| 22 Profit | 252 | 91 | 160 |
| 23 <Net credit cost (-)> | 35 | - 22 | 57 |
| 24 <Gains or losses on securities> | - 45 | - 16 | - 29 |

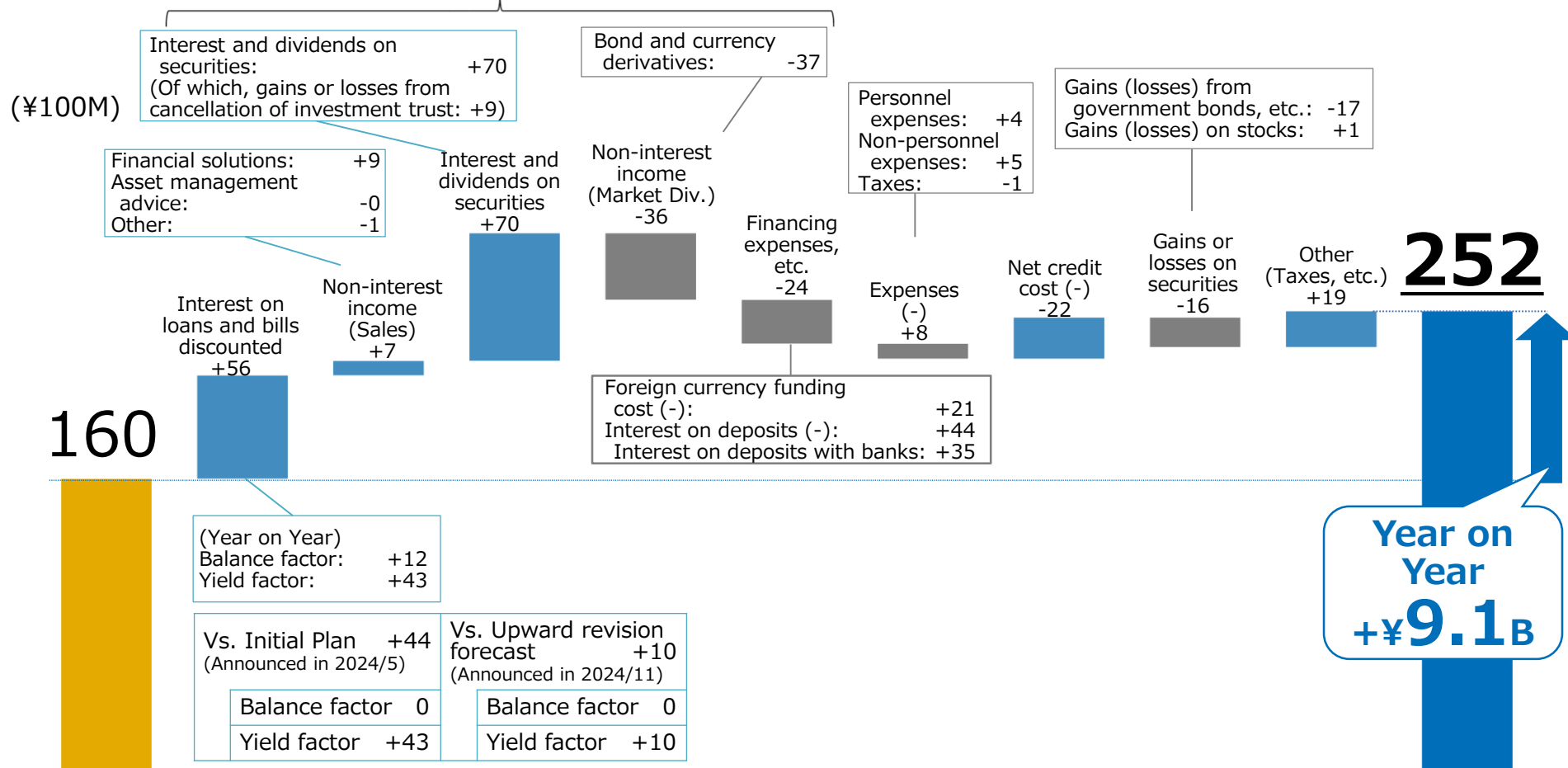
Summary of Financial Results for the Fiscal Year Ended March 2025 (Profit/Loss)

<Bank Non-consolidated> Change Factors



DAISHI HOKUETSU BANK

Core gross profit +73



FYE2024/3
Bank's Non-
consolidated Profit

FYE2025/3
Bank's Non-
consolidated Profit

Earnings Forecast for the Fiscal Year Ending March 2026: Key Performance Indicators (KPI)

■ “Financial Challenges” KPI

| | |
|-----------------------------------|------------------------------|
| Consolidated Profit* ¹ | FY2025 Target ¥33.0B |
| Consolidated OHR | FY2025 Target 56% level |
| Consolidated ROE | FY2025 Target 6.4% |
| Consolidated Capital Ratio | FY2025 Target 11% or more |

[Reference] Indicators for transformation of business portfolios

| | | | |
|--|-------------------------|---|-------------------------|
| Interest on business loans and bills discounted (After considering foreign currency funding cost) | FY2025 Target ¥38.4B | Interest on consumer loans and bills discounted | FY2025 Target ¥23.5B |
| Corporate relations revenue* ² | FY2025 Target ¥19.7B | Individual relations revenue* ³ | FY2025 Target ¥10.5B |
| Group company revenues* ⁴ | FY2025 Target ¥3.8B | | |

*1: Profit attributable to owners of parent
 *2: Total corporate wealth management advisory (including securities), equity solutions and financial planning revenues
 *3: Personal wealth management advisory revenue (including securities revenue)
 *4: Total profit for all Group companies excluding banks

■ “Environmental and Social Challenges” KPI

| | |
|---|--|
| CO ₂ emission reduction rate (vs. FY2013) | |
| FY2025 Target | -70% level |
| Executed amounts for Sustainable Finance | |
| FY2025 Target | ¥1,080B (Cumulative total since FY2021) |
| % of women managers* ¹ | |
| FY2025 Target | ≥ 26.5% |
| Total No. of Group business clients* ² | |
| FY2025 Target | 66,000 clients |

| | |
|--|--|
| Number of business start-ups and succession support | |
| FY2025 Target | 2,950 cases |
| Number of cases of DX and Productivity Improvement Support | |
| FY2025 Target | 220 cases (Cumulative total since FY2024) |
| Ratio of business clients with improved indicators, etc. | |
| FY2025 Target | ≥ 75% |
| Number of cases supported to develop a business improvement plan | |
| FY2025 Target | 430 cases |

| | |
|---|--|
| Number of digital customers* ³ | |
| FY2025 Target | 620,000 partners |
| Balance of Group assets under custody | |
| FY2025 Target | ¥1,587B |
| No. of clients supported in sales channel development* ⁴ (Regional trading company) | |
| FY2025 Target | 820 clients |
| Number of HR solutions supported | |
| FY2025 Target | 460 cases (Cumulative total since FY2024) |

*1: Increase the ratio of women managers (deputy level and above) (Bank alone)
 *2: Number of corporate clients with recurring business with FG Group companies (total)
 *3: Number of Daishi Hokuetsu ID holders (e.g., Little Bank and My Page users) and individual e-net banking users
 *4: Cumulative total since the opening of the Nihonbashi Branch in October 2019

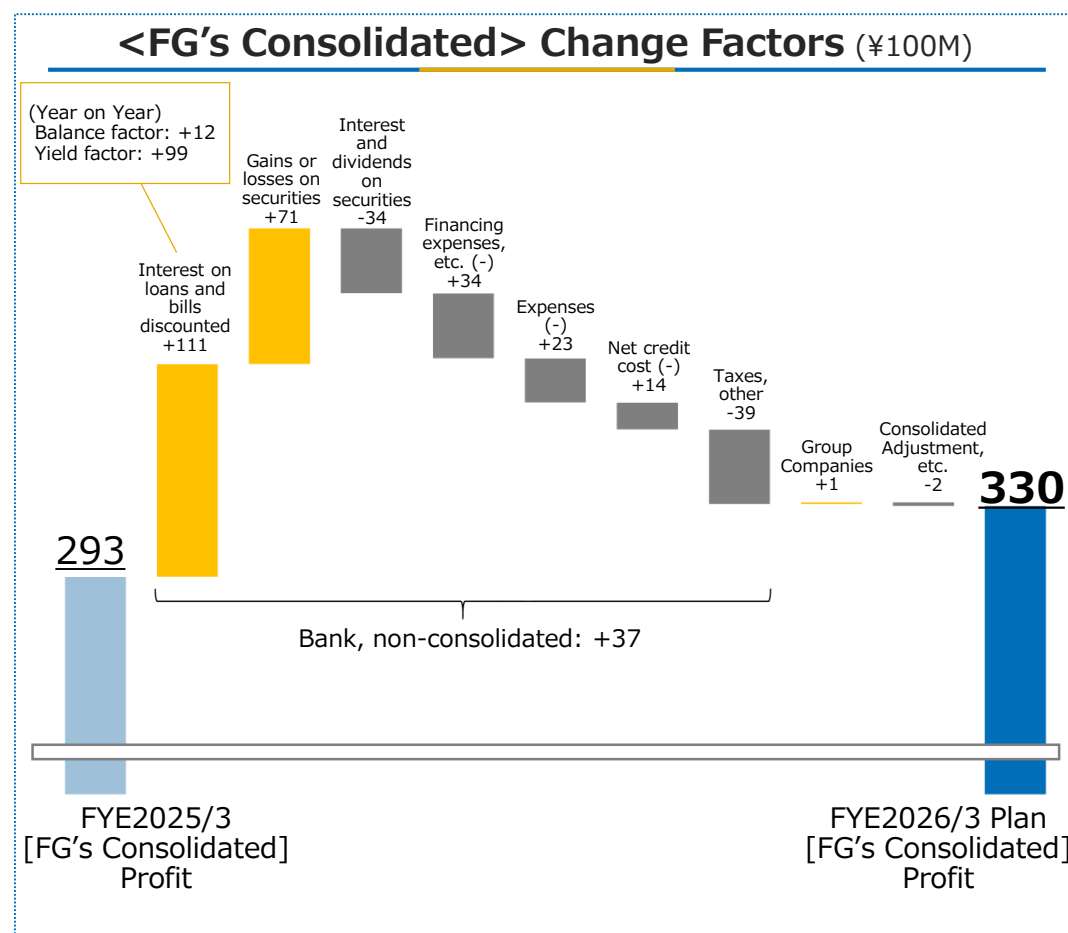
Earnings Forecast for Fiscal Year Ending March 2026

- **FG's consolidated profit is expected to increase 3.6 billion yen (+12.4%) year on year to 33 billion yen**
- We expect to increase profits for both the banking and group company divisions by further strengthening our customer- and region-oriented group consulting functions
 - The banking division strengthens its support for enhancing customer business value by promoting domestic and overseas alliances, sustainable finance and others
 - The Group company divisions strengthen "double-track collaboration," in which the companies work together to provide optimal solutions
- Through optimal risk-taking, we accumulate assets as we transition to the Foundation Internal Ratings Based (FIRB) approach. We will also contribute further to regional revitalization by proactively utilizing our financial and information intermediary functions

| FG Consolidated (¥100M) | | Earnings Forecast for the Fiscal Year Ending March 2026 | | Year on Year |
|---|--|---|----|--------------|
| 1 | Ordinary profit | 480 | 68 | |
| 2 | Profit ^{*1} | 330 | 36 | |
| ^{*1} Profit attributable to owners of parent | | | | |
| Bank Non-consolidated (¥100M) | | Earnings Forecast for the Fiscal Year Ending March 2026 | | Year on Year |
| 3 | Core gross profit | 1,027 | 44 | |
| 4 | Net interest income | 757 | 31 | |
| 5 | Net fees and commissions and profits from other businesses, etc., excluding gains (losses) from government bonds and other bonds | 270 | 13 | |
| 6 | Expenses | 609 | 23 | |
| 7 | Core business profit | 418 | 20 | |
| 8 | Ordinary profit | 419 | 67 | |
| 9 | Profit | 290 | 37 | |
| 10 | <Net credit cost> | 50 | 14 | |
| 11 | <Gains or losses on securities> | 26 | 71 | |
| Group Company Division (¥100M) | | Earnings Forecast for the Fiscal Year Ending March 2026 | | Year on Year |
| 12 | Group company revenue ^{*2} | 38 | 1 | |

^{*1} Profit attributable to owners of parent

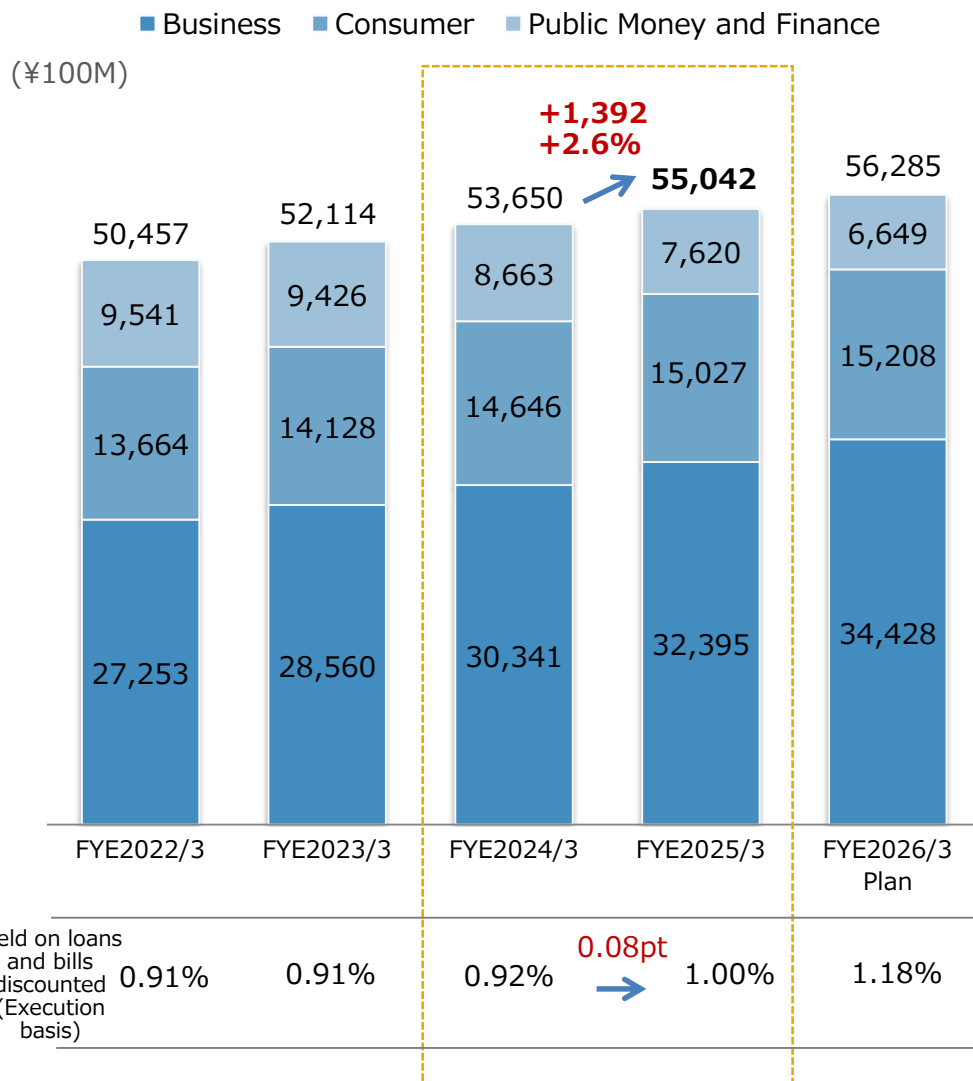
^{*2} After deducting one-time extraordinary losses (impairment losses) related to intra-group transactions



Changes in interest and yield on loans and bills discounted

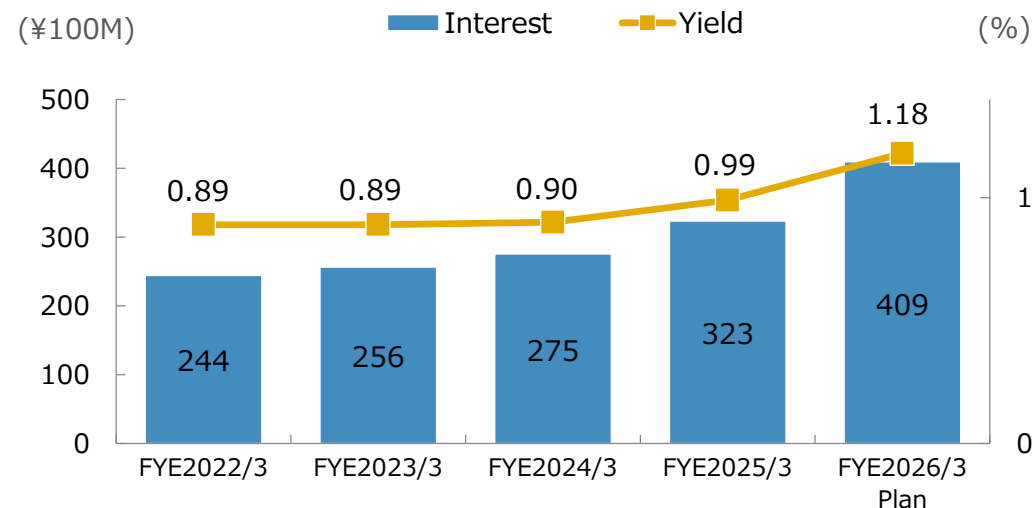
Average balance of loans and bills discounted

*Before partial direct write-offs



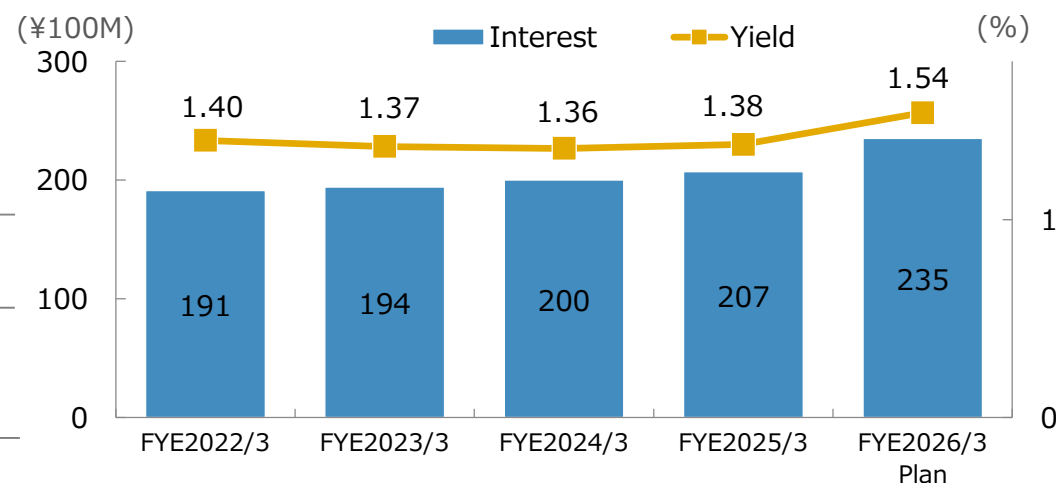
Interest and yield on business loans and bills discounted

*Before non-accrued interest



Interest and yield on consumer loans and bills discounted

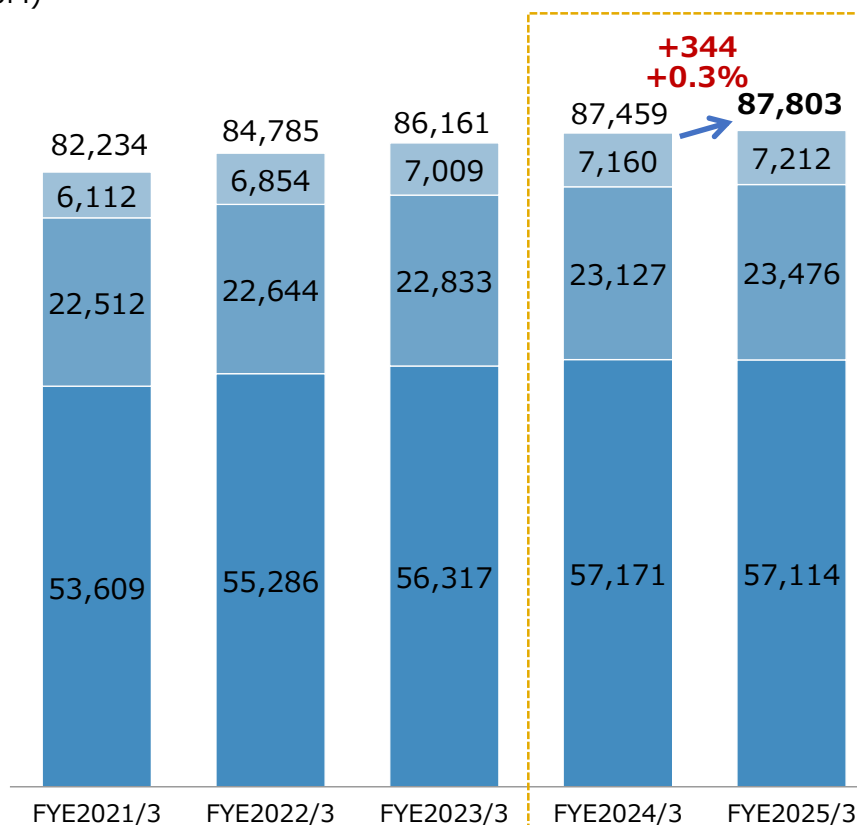
*Before non-accrued interest



Balance of deposits, etc., and assets in custody

Ending balance of deposits, etc. (including negotiable certificates of deposit)

(¥100M) ■ Individuals ■ Corporations ■ Other (public funds, etc.)

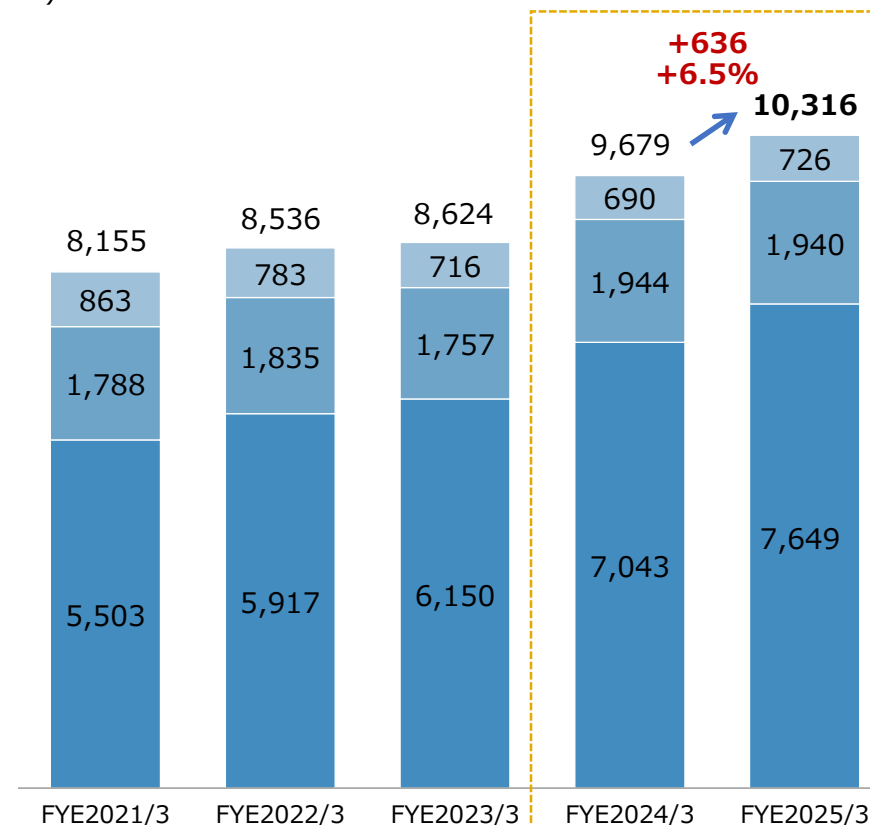


| | | | | |
|-------------|-----------------|--------|--------|--------|
| [Reference] | | | | |
| | Average balance | 79,679 | 82,749 | 84,777 |
| | | 85,773 | 85,939 | |

+165
+0.1%

Ending balance of assets in custody

(¥100M) ■ Insurance* ■ Investment trust ■ Public bonds



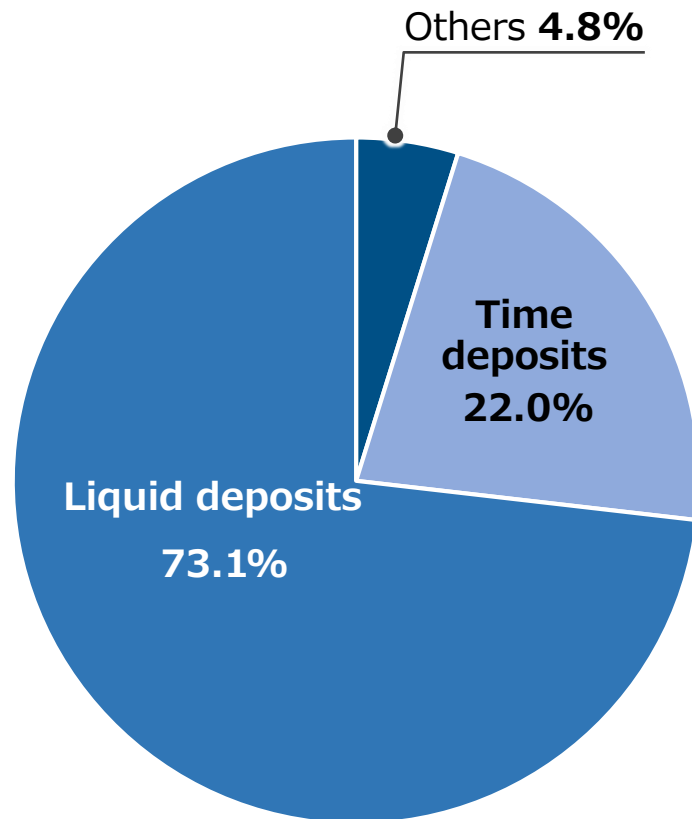
| | | | | |
|-------------|--|--------|--------|--------|
| [Reference] | | | | |
| | End-balance of deposits, etc., and assets in custody | 90,390 | 93,322 | 94,786 |
| | | 97,139 | 98,119 | |

+980
+1.0%

* The insurance balance is presented in comparison with the retroactively restated figures for the purpose of comparison with prior periods, as the calculation method was standardized following the merger of the subsidiary banks.

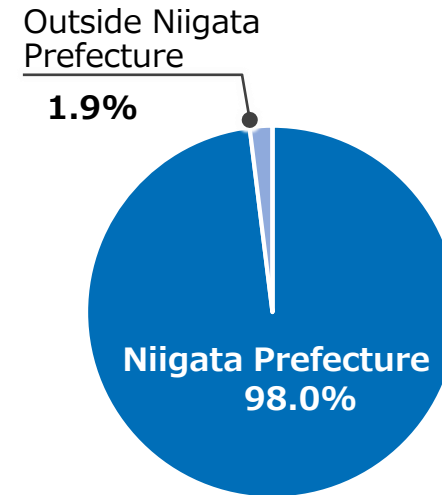
Composition of Deposits, etc.

Composition of deposits, etc. (2025/3 End)

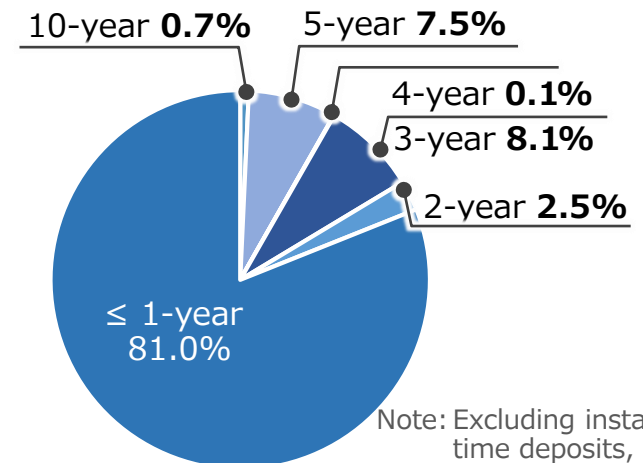


Note: Excluding foreign
currency deposit

Percentage of balance of deposits, etc. by Region (2025/3 End)



Composition of time deposits (2025/3 End)



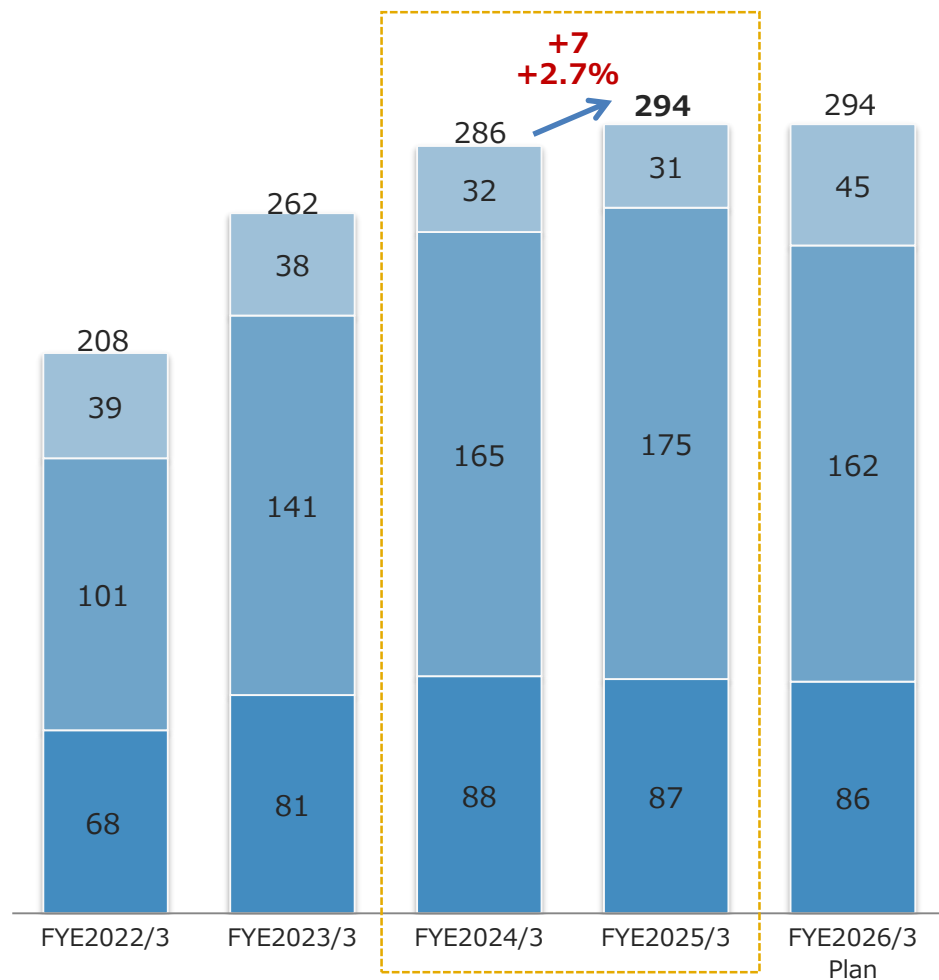
Note: Excluding installment
time deposits, etc.

Non-Interest Income/Expenses

Non-interest income *

(¥100M)

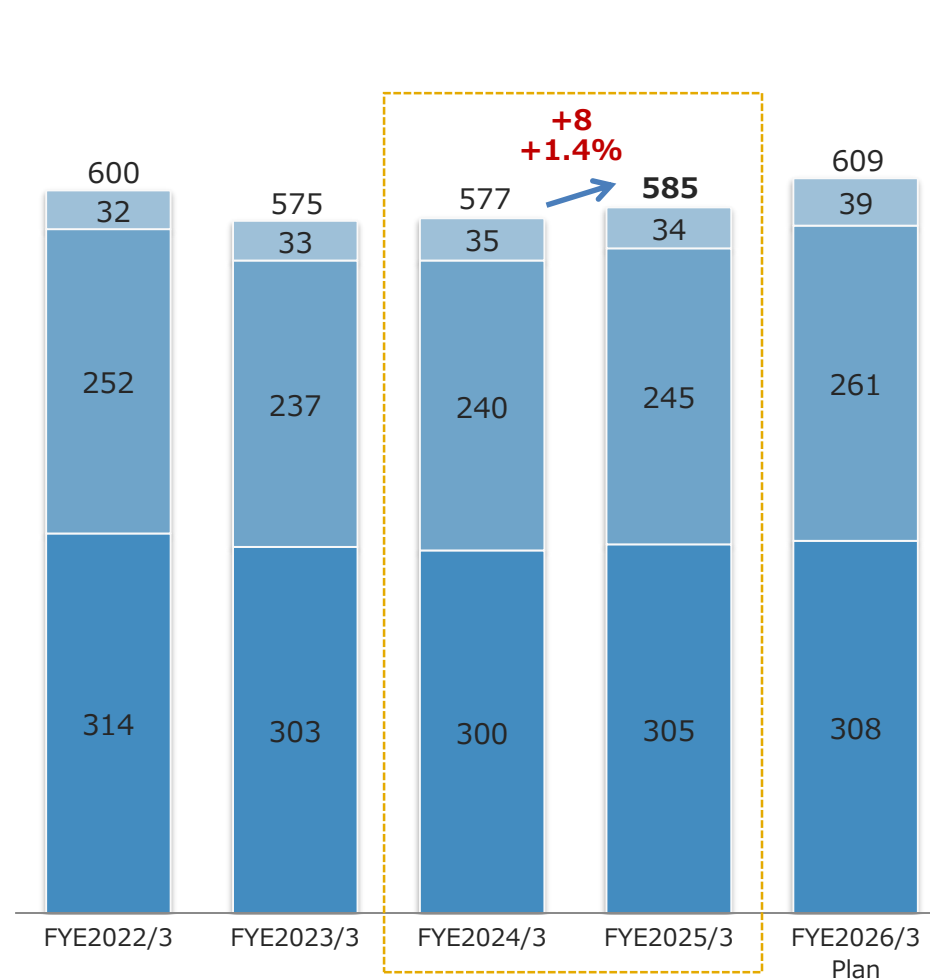
■ Asset management advice ■ Financial Solutions ■ Others



Expenses

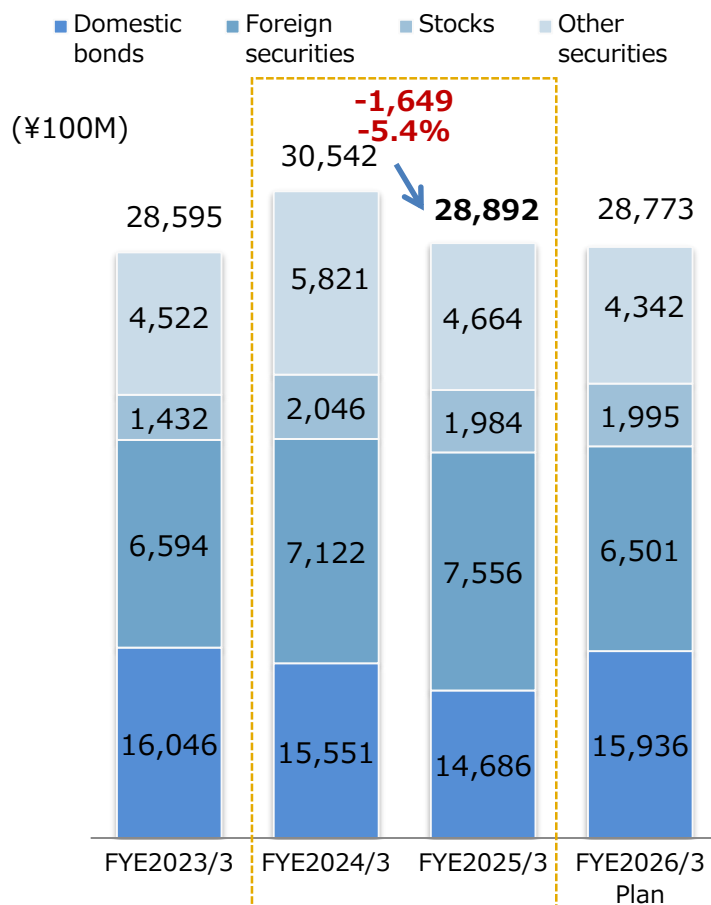
(¥100M)

■ Personnel expenses ■ Non-personnel expenses ■ Taxes



* The total amount of profit from other businesses, etc., excluding fees and commissions and other profit, and gains and losses on government bonds (excluding foreign currency funding costs and revenue of Treasury and Capital Markets division)

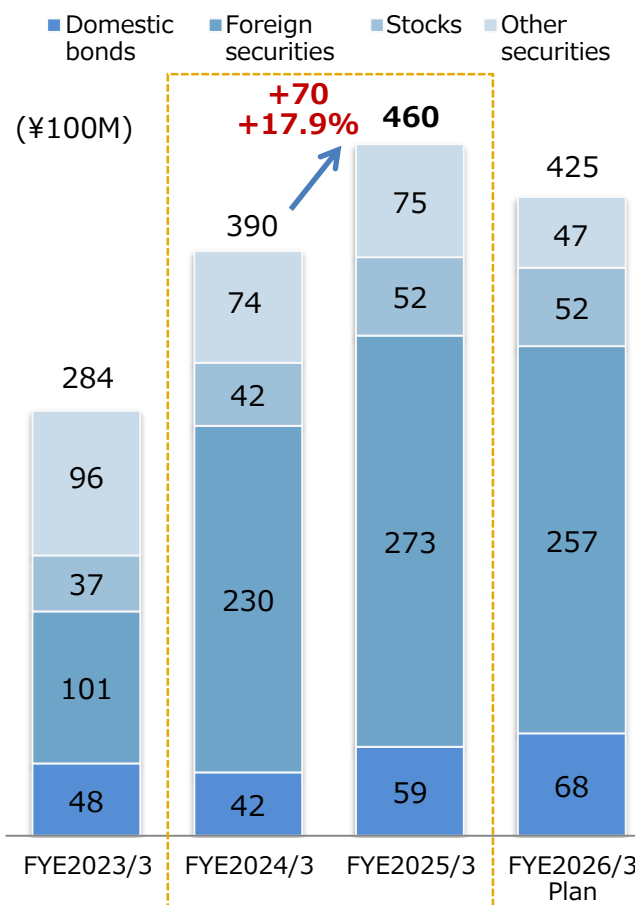
End-Balance of Securities



| | | | | |
|----------|--|--------------------------|--------------------------|--------------------------|
| Yield | 1.09% | 1.39% | 1.58% | 1.46% |
| Duration | [Yen bonds] 5.67 years [Foreign bonds] 2.94 years | 4.63 years 2.86 years | 4.25 years 3.04 years | 5.17 years 2.17 years |

* Duration is calculated after taking into account interest rate swap hedges

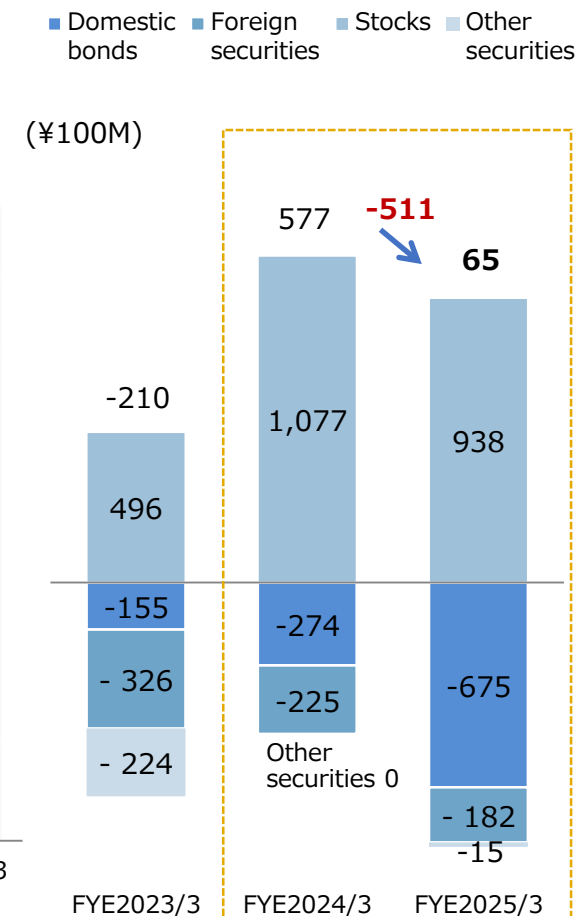
Interest and dividends on securities



| | | | |
|----------|-----|-----|-----|
| Vs. Plan | +57 | +10 | +29 |
|----------|-----|-----|-----|

* Vs. Plan is after considering foreign currency financing and other costs
 * In FYE2025/3, a gain on cancellation of investment trusts of ¥2 billion was recorded in other securities.
 The total revenue of the Market Division exceeded the previous year, when gains (losses) on securities for FYE2026/3 are combined.

Valuation gains or losses



¥6.5 billion, down ¥51.1 billion year on year, primarily due to deterioration in gain (loss) on the valuation of domestic bonds and stocks caused by rising domestic interest rates and falling stock prices

* Valuation gains/losses on domestic bonds and foreign securities are after taking into account deferred hedging by interest rate swaps

Trends in end-balance of securities

(¥100M)

| | FYE2023/3 | FYE2024/3 | FYE2025/3 |
|------------------------|-----------|-----------|-----------|
| Government bonds | 6,030 | 5,626 | 6,999 |
| Local government bonds | 7,682 | 8,065 | 6,281 |
| Public corporate bonds | 654 | 578 | 475 |
| Financial bonds | 20 | 0 | 0 |
| Business bonds | 1,658 | 1,281 | 929 |
| Stocks | 1,432 | 2,046 | 1,984 |
| Foreign securities | 6,594 | 7,122 | 7,556 |
| Other securities | 4,522 | 5,821 | 4,664 |
| Total | 28,595 | 30,542 | 28,892 |

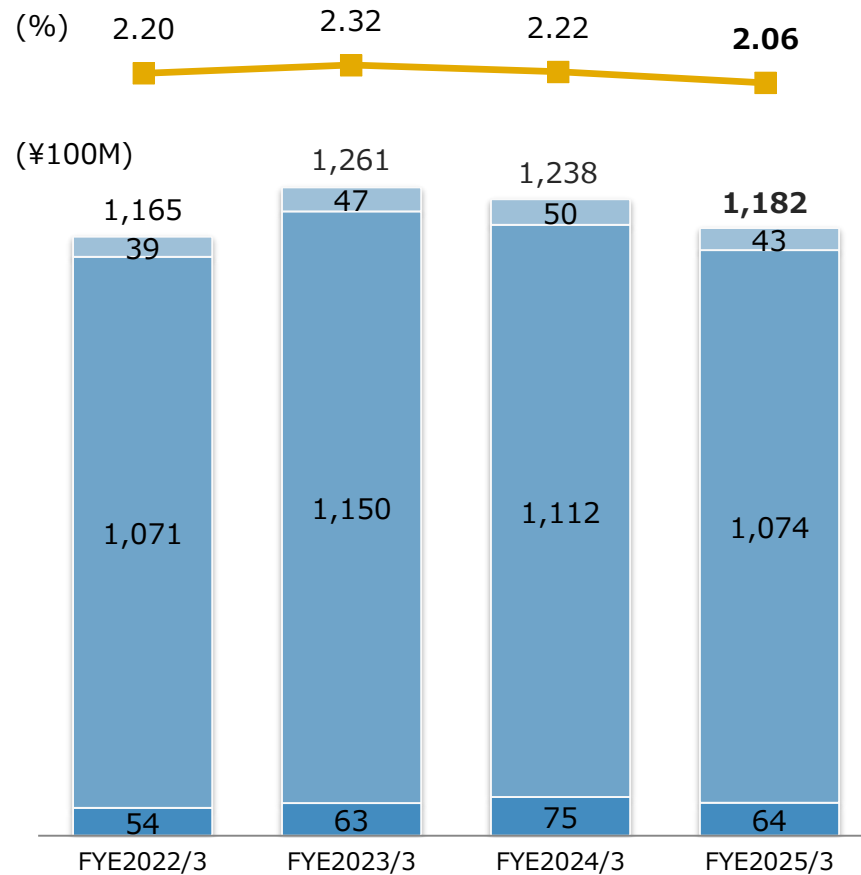
Breakdown of changes
in end-balance of securities
(Vs. March 31, 2024)

(¥100M)

| | |
|--|---------|
| Domestic bonds (yield: 0.37%) | - 865 |
| Purchase | 4,585 |
| Sale | - 3,859 |
| Other (redemption, market value factors, etc.) | - 1,591 |
| Stocks (yield: 5.17%) | - 62 |
| Purchase | 176 |
| Sale | - 99 |
| Other (depreciation, market value factors, etc.) | - 139 |
| Foreign securities (yield: 3.60%) | 434 |
| Purchase | 3,518 |
| Sale | - 2,566 |
| Other (redemption, market value factors, etc.) | - 517 |
| Other securities (yield: 1.59%) | - 1,156 |
| Purchase | 3,247 |
| Sale | - 4,375 |
| Other (redemption, market value factors, etc.) | - 29 |

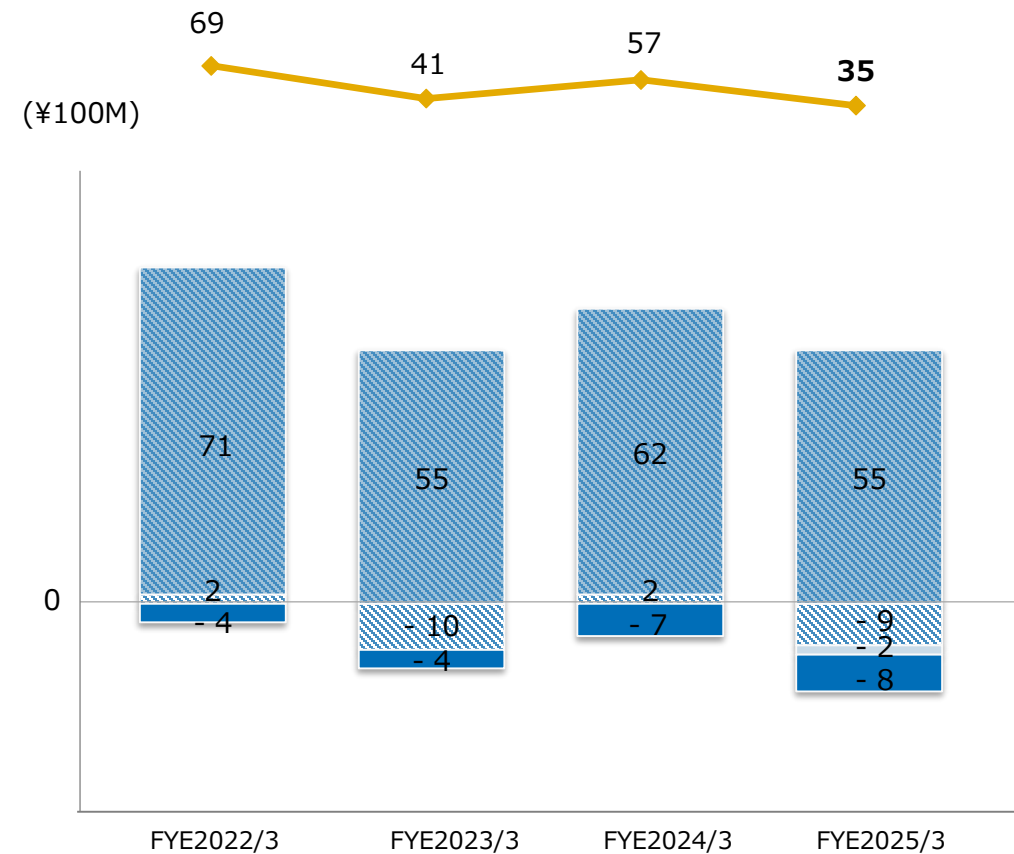
Non-performing loan ratio and amount

- Distressed Receivables
- Substandard Claims
- Doubtful Claims
- Non-performing loan ratio



Net credit cost

- Recoveries of written off receivables (-)
- Reversal of allowance for loan losses (-)
- Provision of general allowance for loan
- Reversal of provision for contingent loss (-)
- Disposal of non-performing loans
- Net credit cost



| (Unit: ¥100M) | | FYE2025/3 | | | 1H of FYE2026/3 (plan) |
|---|---|-----------------------------|-------------------------|-------------|-----------------------------|
| | | Allocated capital amount | Risk Amount (Actual) | Utilization | Allocated capital amount |
| Allocated capital | | 3,450 | 1,246 | 36.1% | 3,158 |
| | Credit risk (loans and bills discounted) | 430 | 247 | 57.4% | 430 |
| | Market risk | 2,250 | 827 | 36.7% | 2,250 |
| | Cross-shareholding risk | 45 | 41 | 91.1% | 70 |
| | Operational risk | 135 | 131 | 97.0% | 145 |
| | Stress-event capital (capital held assuming a sudden change in the environment) | 590 | 0 | 0.0% | 263 |
| Risk buffer (unallocated capital) | | 278 | 0 | 0.0% | 571 |
| Allocation resources, net of allowance for doubtful accounts | | 3,728 | - | - | 3,729 |

Risk calculation method

● Market Risk, Credit Risk, Cross-shareholding Risk

- ▣ Confidence interval: 99% for all
- ▣ Holding period: 1 year for loans,
6 months for non-loans

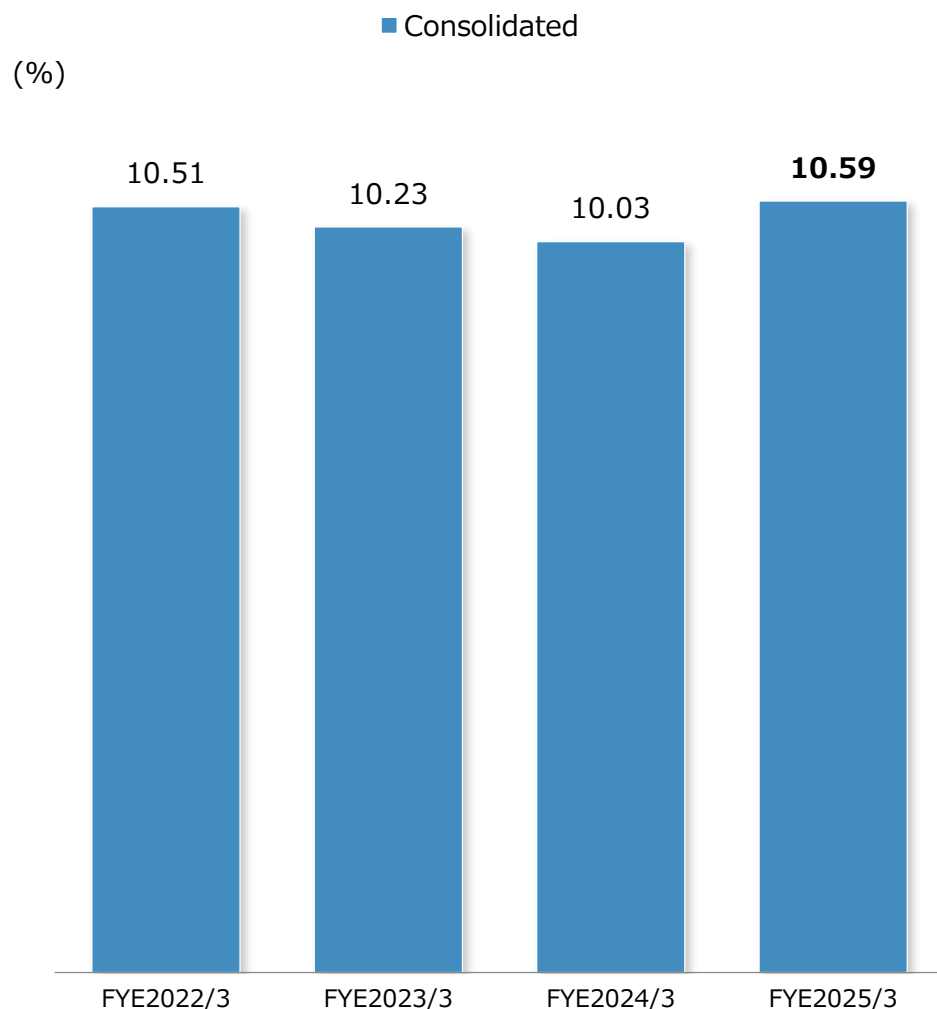
- ▣ For cross-holdings, risk amount
= (VaR – valuation gains/losses) ≥ 0

● Operational risk

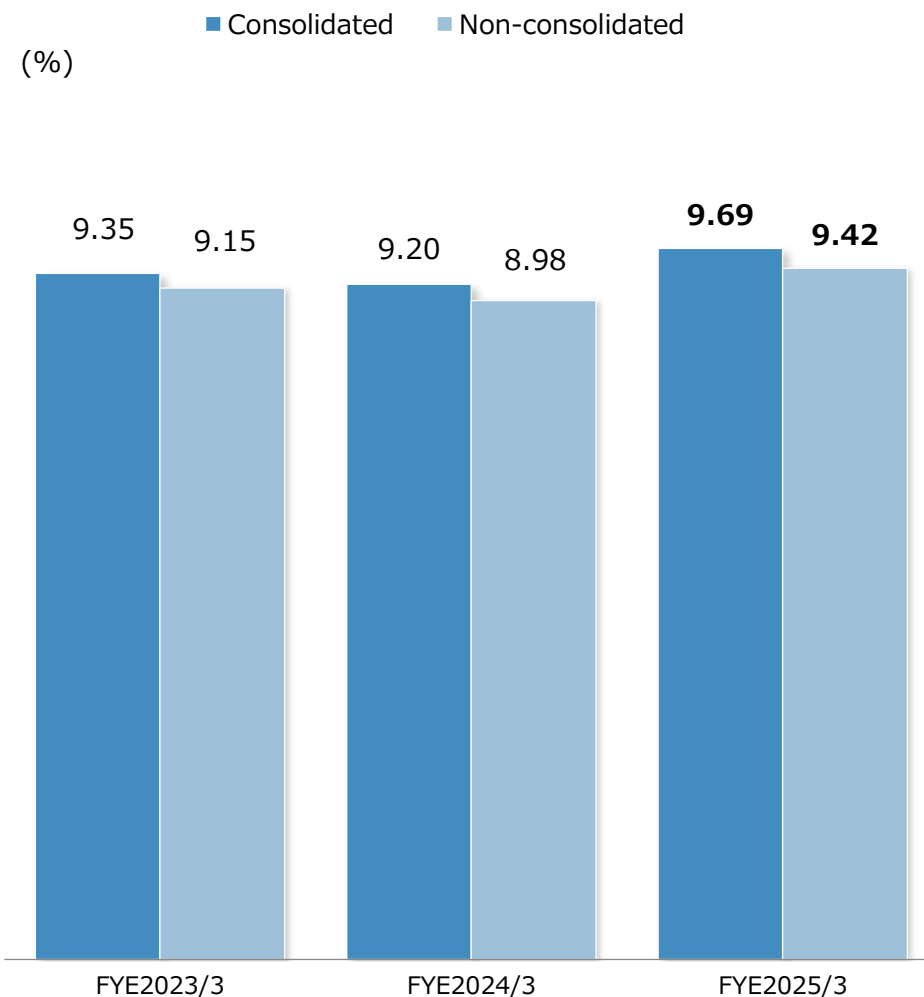
- ▣ Gross profit distribution method

Capital Ratio

FG's Consolidated



Daishi Hokuetsu Bank



* From the fiscal year ended March 2025, our credit risk measurement method has been changed from the Standardized Approach to the Foundation Internal Ratings Based (FIRB) approach.

Training Program for Enhancement of Human Capital Value

| In-house training, Trainee Program/Project, External dispatch | | | | | | | |
|---|--|--|---|--|---|-----------------|--|
| | Target tier | Entry-level banker (Beginner) | Middle-level banker (Mid-level) | Executive banker (Supervisor) (Executive) | Executive banker (Manager) (Professional, etc.) | Senior level | |
| Human skills | Motivation Membership | Orientation for new bankers Junior employees | New/Mid-career | | | | |
| | Management | | | New/Deputy VP R | Development of executive candidates Development of women executive candidates Branch Manager/Management Keio Business School, etc. | | |
| | Career design | | Mid-career design R | Middle career | | R Career design | |
| | Diversity | DE&I, unconscious bias | | | | | |
| | Communication and problem-solving skills | | Project 2030 | | | | |
| | Group comprehensive capabilities | | Group company trainee Securities, staffing, trading companies, credit card, IT, etc. | | | | |
| Technical skills (Banking business) | Corporate consulting | R Corporate sales basics | Corporate marketing (Feasibility assessment, sustainability) | | | | |
| | | R Corporate owner (Beginner) | Corporate owner (Middle and Advanced level) | | | | |
| | | Derivative | Corporate consulting leader | | | | |
| | | Business insurance master | | | | | |
| | | R Basic loan training | R Corporate Master Plan | | | | |
| | | (External) Dispatch to mega-banks, securities companies, and other companies | | | | | |
| | | (External) External training by Regional Banks Association of Japan, etc. | | | | | |
| | Sustainability | | | | | | |
| | Personal consulting | R External relations starter | | | | | |
| | | Asset management advice | (External) Courses by Regional Banks Association of Japan, Trainees dispatched to TSUBASA banks | | | | |
| | | Pension, nursing care, inheritance, gift, asset management advice | | | | | |
| | Screening | R Loan beginner | Support for business improvement | | | | |
| | | | R Loan Examination Division trainee (short-term) | | R Loan Examination Division trainee (long-term) | | |
| Administration/operations | Various administration basics | Improvement of administration level | Manager position | | | | |
| Risk management Compliance | | | Audit and Inspection Division trainee | | | | |
| | | | Office Manager Training | | | | |
| Compliance at Dept./Branch | | | | | | | |

Major Reskilling Programs

Sustainability Conference

Online course
(Business Breakthrough)

FP Grade 1

Small and Medium Enterprises
Management Consultant

Securities Analyst

External courses for IT
passport holders

IT Coordinator

etc.

<Number of participants per training program>

* The individual training programs in the chart are color-coded according to the following participation scale

Attendance scale:
All employeesAttendance scale
≥ 100 peopleAttendance scale
≥ 10 peopleAttendance scale
<10 peopleR Menu designed for
reskilling both men and
womenR Menu designed
primarily for reskilling
women

(External) External dispatch

Daishi Hokuetsu FG Sustainability Initiatives



Daishi Hokuetsu FG Basic Sustainability Policy: Key Action Areas

- 1** Address Regional Issues
- 2** Address Environmental Issues
- 3** Build Trust of Society
- 4** Practice of Human Capital Management

- Key Initiatives to Date -

FY2021

- Endorsement of TCFD Recommendations
- Formulation of the “Basic Sustainability Policy”
- Establishment of “Sustainability Promotion Committee”
- Initiatives on the Ministry of the Environment “FY2021 ESG Community Finance Promotion Project”
- Initiatives on the Ministry of the Environment “Support Project for Scenario Analysis Pilot Program on Climate Risks and Opportunities in line with TCFD Recommendations”

FY2022

- Formulation of “Investment & Financing Policies that consider Environment and Society”
- “Sustainable Finance Targets” and “CO₂ Emission Reduction Target” established
- Announcement of the “2050 Carbon Neutral Declaration”
- “Declaration on Building Partnerships” announced
- President appointed to the Board of “SDGs Niigata”
- Initiatives on the Ministry of the Environment “FY2022 ESG Community Finance Promotion Project”
- Introduction of environmentally friendly offices

FY2023

- Participation in the “GX League”
- Participation in the “TNFD Forum”
- Participation in the Tokyo Stock Exchange Carbon Credit Market
- Participation in the “Niigata City J-Credit Promotion Council”
- Initiatives on the Ministry of the Environment “FY2023 TCFD Disclosure-based Practical Engagement Program for Regional Financial Institutions”
- Introduction of renewable-energy-derived CO₂-free electricity

Promotion structure

Sustainability Promotion Committee Chairperson:
FG President

Sustainability Promotion Office

Regional Business Promotion Subcommittee

CO₂ Reduction Subcommittee

BCM*1 Subcommittee

Geopolitical Risk Management Subcommittee

FG HQ departments

Bank HQ departments

Group companies

*1: Business Continuity Management

- Various initiatives in which Daishi Hokuetsu FG participates -



GX League
(May 2023)



TNFD Forum
(February 2024)



Sustainability Data Standardization Consortium
(August 2023)

Energy conservation regional partnership
(July 2024)

TNFD Adopter
(September 2024)

Climate change initiatives
(October 2024)

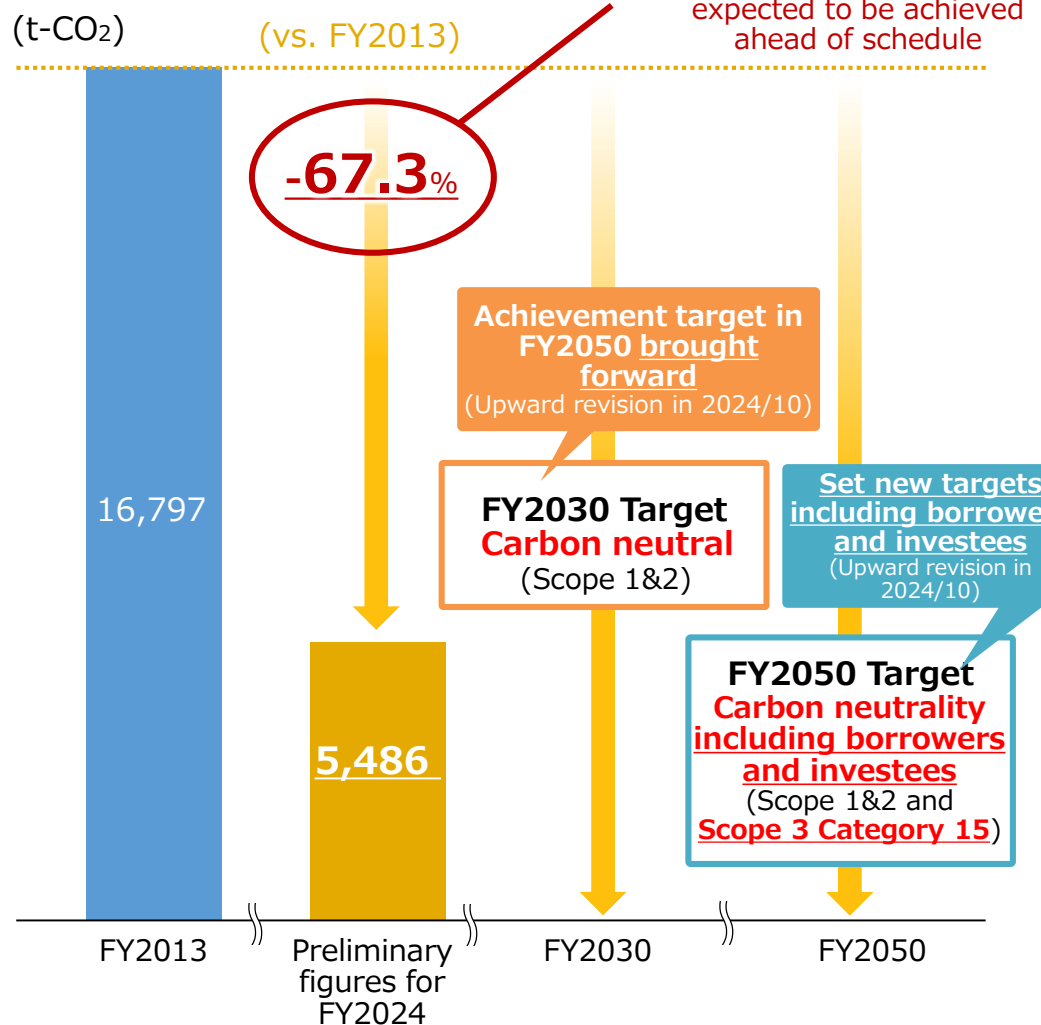
30by30 Alliance for Biodiversity
(October 2024)

Keidanren Initiative for Biodiversity Conservation
(November 2024)

Daishi Hokuetsu FG Initiatives

Daishi Hokuetsu FG's own initiatives to achieve sustainability

CO₂ emission reduction target and results

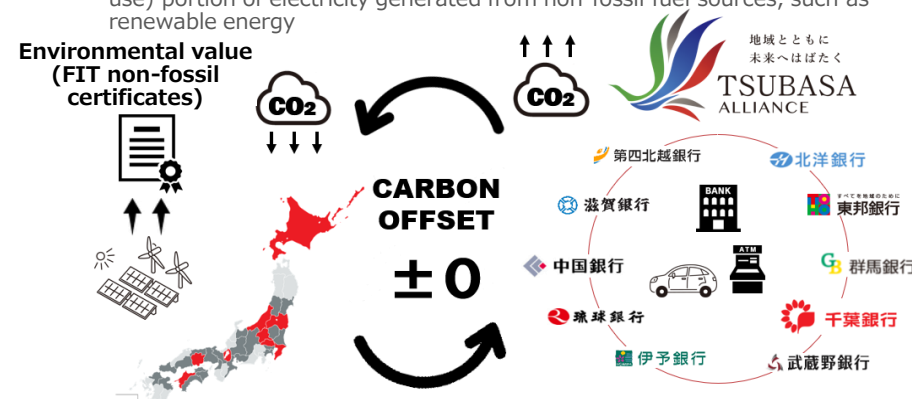


Purchase of the "FIT non-fossil certificates"

Joint purchase by TSUBASA Alliance (March 2025)

- Purchased the "FIT non-fossil certificates" issued in each bank's business area jointly with TSUBASA Alliance member banks
- Used to offset CO₂ emissions from electricity use

* This certificate is a form of verification that enables to separate and trade the "environmental value" (which can offset CO₂ emissions by fossil fuel use) portion of electricity generated from non-fossil fuel sources, such as renewable energy



Human capital development and sustainability awareness activities / Bank events

FG events

Organization of the "S-1 Grand Prix" (Sustainability No. 1 Grand Prix)

→ The staff competes in knowledge in the form of a quiz

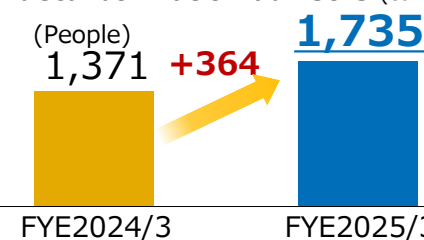
Bank events **DAISHI HOKUETSU BANK**

"SF Championship" (Sustainability Future Creation Championship)

→ Commendation system to assess the process of consulting activities

Daishi Hokuetsu FG

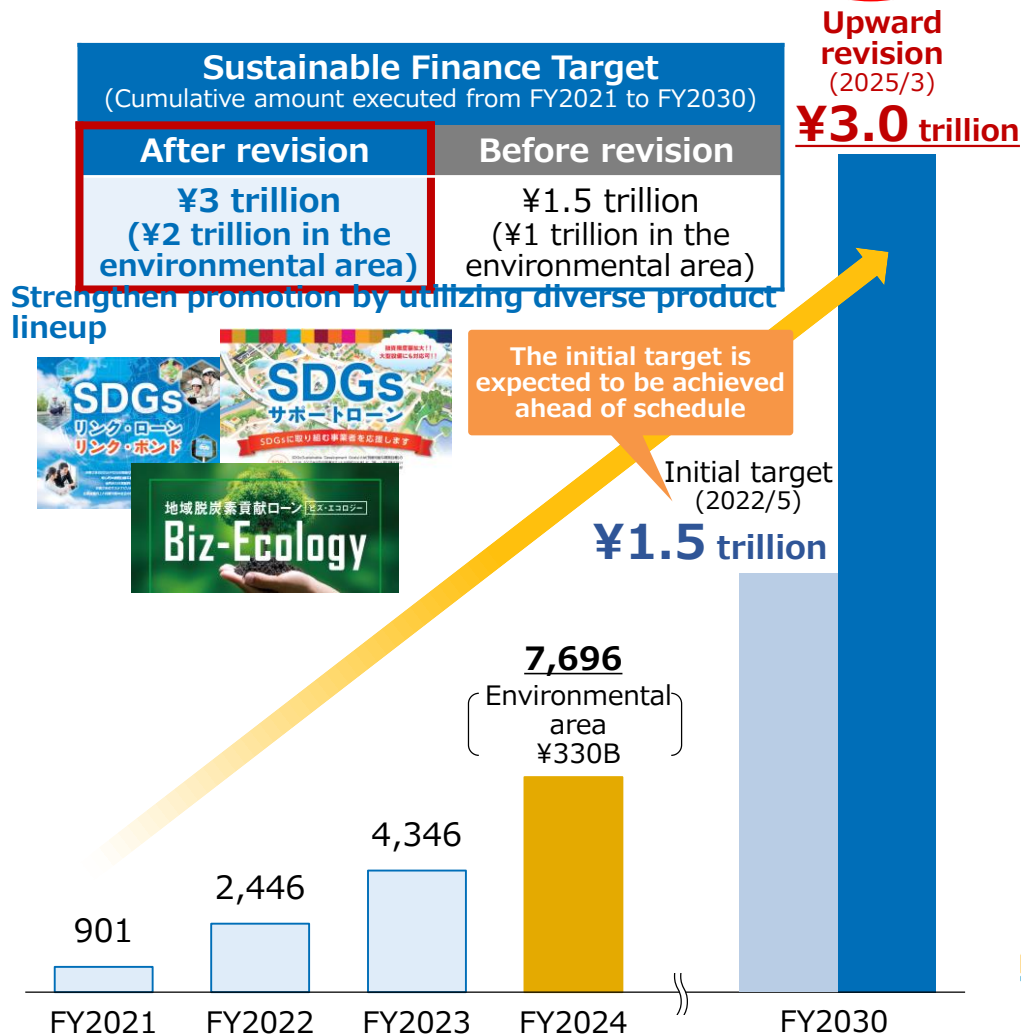
Number of qualified decarbonization advisors (cumulative)



Addressing Issues faced by Regions and Customers

Initiatives to promote sustainability and SDGs

Cumulative total of executed amounts for Sustainable Finance (¥100M)



Support for decarbonization

第四北越リサーチ&コンサルティング

Daishi Hokuetsu SDGs Consulting Service (September 2021 – March 2025)

GX Consulting Services (January 2025–)



Diagnostic service
(Diagnosing status of efforts)

Consulting Services
(Support for formulation of SDGs Declaration, etc.)

Cumulative total
4,129 cases

Cumulative total
239 cases



DAISHI HOKUETSU BANK

The GX all-office campaign to support customers in their decarbonization management efforts (July 2024–)

Three steps toward decarbonization management

Visualization of GHG emissions

Formulation of reduction plan

Execution of concrete reduction measures

Number of cases for the introduction of GHG emission calculation tools: 1,321 cases
(Business matching) (Cumulative total from FY2022)

ブリッジにいがた

Entrustment of the "Project to promote the creation of carbon offset products in Niigata Prefecture"

- Support for the creation of carbon offset products for business operators in the prefecture (December 2024)

第四北越リース

Commenced handling the "Carbon offset leases"
(April 2025)

Addressing Issues faced by Regions and Customers

■ Communication with local communities for social contribution

- Four Hokuriku Prefecture (Niigata, Fukui, Ishikawa, Toyama) Partnership Project

Donation to “Ashinaga Santa 2024: Not Alone” (December 2024)



- Donated 5 million yen to the Niigata Prefecture Food Bank Liaison Council. This donation is intended to support single-parent households facing financial difficulties and households with children living in harsh conditions due to earthquakes and heavy rain disasters



▲ Presentation ceremony

- “Donation of food loss reduction boxes” using sustainable finance revenues (December 2024)



- Daishi Hokuetsu Leasing donated food loss reduction boxes and food contained in the boxes to Ronald McDonald House Charities Japan as part of its 50th anniversary commemorative project



▲ Presentation ceremony

- Implementation of “Food Drive Activity” (December 2024)



- Participated in the “Material Support Project” carried out by the Japanese Bankers’ Association and donated foods and daily necessities that were unused in employees’ homes to the Food Bank



▲ Donated foods, etc.

- Granting scholarships through the “Daishi Hokuetsu Scholarship Society” (1962–)



Number of scholarship recipients (cumulative total)

(Period: FYE1963/3 – FYE2025/3)

1,306 people



▲ Scholarship recipients' exchange meeting (August 2024)

- “Daishi Hokuetsu Academy” financial education activities (2013–)



Number of children participated (cumulative total)

(Period: FYE2014/3 – FYE2025/3)

16,642 people



- Volunteer activities of “Daishi Hokuetsu Magokoro no Kai” (1993–)

(Fundraising organization with voluntary participation by officers and employees)



- Participated in volunteer activities for nature conservation in Niigata Prefecture. Continuing donations to local government and environmental protection and social welfare organizations



◀ The Gosen togoso conservation volunteering (October 2024)

Financial Position of Group Companies

(Millions of yen)

| Company | Core Business | Share capital | Net sales (ordinary revenue) | | | Ordinary profit | | | Profit | | |
|---|---|---------------|------------------------------|-----------|-----------|-----------------|-----------|-----------|-----------|-----------|-----------------|
| | | | FYE2023/3 | FYE2024/3 | FYE2025/3 | FYE2023/3 | FYE2024/3 | FYE2025/3 | FYE2023/3 | FYE2024/3 | FYE2025/3 |
| Daishi Hokuetsu Bank, Ltd. | Banking business | 32,776 | 122,639 | 149,027 | 160,834 | 22,568 | 25,417 | 35,127 | 14,847 | 16,062 | 25,242 |
| Daishi Hokuetsu Securities Co., Ltd. | Securities business | 600 | 4,183 | 5,219 | 5,174 | 1,268 | 2,039 | 1,948 | 670 | 1,157 | 1,386 |
| Daishi Hokuetsu Leasing Co., Ltd. | Leasing business | 100 | 16,604 | 17,771 | 19,567 | 118 | 709 | 857 | 96 | 469 | 575 |
| Hokuetsu Leasing Co., Ltd. | Leasing business | 100 | 3,896 | 2,956 | 2,090 | 248 | 213 | 203 | 164 | 163 | 134 |
| Daishi Hokuetsu JCB Card Co., Ltd. | Credit card and credit guarantee services | 30 | 1,579 | 1,648 | 1,765 | 454 | 532 | 640 | 300 | 349 | 425 |
| Daishi DC Card Co., Ltd. | Credit card services | 30 | 876 | 920 | 1,006 | 46 | 68 | 59 | 31 | 43 | 41 |
| Hokuetsu Card Co., Ltd. | Credit card services | 20 | 732 | 670 | 654 | 162 | 48 | 108 | 107 | 31 | 48 [*] |
| Daishi Hokuetsu IT Solutions Co., Ltd. | System-related operations | 100 | 3,177 | 3,260 | 2,974 | 240 | 188 | 74 | 152 | 109 | 55 |
| Daishi Hokuetsu Research & Consulting Co., Ltd. | Consulting business and research/study, information provision services related to economy and society | 30 | 389 | 416 | 462 | 25 | 53 | 80 | 16 | 34 | 53 |
| Daishi Hokuetsu Capital Partners Co., Ltd. | Fund creation and management | 20 | 35 | 55 | 67 | 4 | 15 | 19 | 3 | 10 | 13 |
| Daishi Hokuetsu Career Bridge Co., Ltd. | Staffing agency and consulting business related to corporate human resources | 30 | 199 | 239 | 242 | 67 | 62 | 72 | 51 | 43 | 50 |
| Bridge Niigata, Ltd. | Sales channel development, tourism promotion | 70 | 248 | 292 | 364 | 10 | 15 | 6 | 8 | 10 | 28 |
| Daishi Hokuetsu Credit Guarantee Co., Ltd. | Credit guarantee business | 50 | 1,843 | 1,906 | 1,943 | 1,538 | 1,203 | 1,072 | 1,011 | 791 | 719 |
| Hokuetsu Credit Guarantee Co., Ltd. | Credit guarantee business | 210 | 655 | 594 | 446 | 588 | 533 | 261 | 421 | 384 | 171 |

* After deducting one-time extraordinary losses (impairment losses) related to intra-group transactions

As of April 1, 2025

February 2025: Changed the trade name to Daishi Hokuetsu Credit Guarantee Co., Ltd. from Daishi Credit Guarantee Co., Ltd.
April 2025: Changed the trade name to Daishi Hokuetsu JCB Card Co., Ltd. from Daishi JCB Card Co., Ltd., and became a wholly-owned subsidiary of the FG



Contact for Inquiries

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Corporate Planning Division

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This document contains forward-looking statements. Such statements are not guarantees of future performance and involve risks and uncertainties. Please note that future results may differ from our targets due to changes in the business environment and other factors.