



Company Briefings for the First Half of the Fiscal Year Ending March 2026

November 27, 2025

**President and
Representative Director
Michiro Ueguri**

Securities
Code 7327

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

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Highlights of 1H of Fiscal Year Ending March 2026



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

1H of FYE2026/3

-  **FG consolidated interim profit amounted to 22.8 billion yen, the highest for the interim period for the fourth consecutive year (up 8.1 billion yen year-on-year)**
Upward revision disclosed on September 26, 2025
-  **FG consolidated profit for the fiscal year ending March 2026 is expected to be 36.0 billion yen (up 6.6 billion yen year-on-year)**
-  **Annual dividends per share for the fiscal year ending March 2026 will be 54 yen, up 10.33 yen from the previous year (converted after share split)**
Forecast of dividend increase disclosed on September 26, 2025
-  **Consolidated ROE for 1H of the fiscal year ending March 2026 was 4.5%, making steady progress toward the full-year target of 7.1% (up 1.6 pt year-on-year)**

Financial Results for 1H of the Fiscal Year Ending March 2026

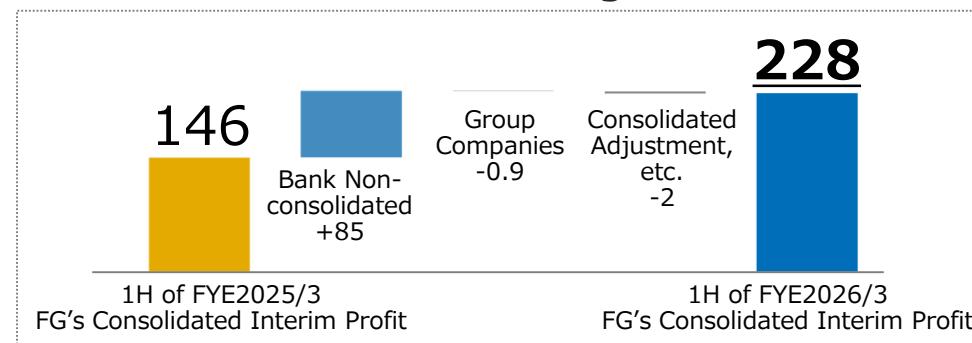
Summary of Financial Results for 1H of the Fiscal Year Ending March 2026

FG's Consolidated (¥100M)	1H of FYE2026/3 Financial Results		Earnings forecast (revised upward in 2025/9)	
	Year-on-year		Vs. Forecast	
Ordinary profit	320	116	310 (234* ²)	10 (86* ²)
Interim profit* ¹	228	81	220 (161* ²)	8 (67* ²)
Consolidated ROE (%)	4.5	1.6		

*1 Profit attributable to owners of parent

*2 Initial earnings forecast announced in May 2025 and relative to initial earnings forecast

<FG's Consolidated> Change Factors (¥100M)



<Highlights of the financial results>

- ◆ **FG's consolidated interim profit increased by 8.1 billion yen year-on-year to 22.8 billion yen, mainly due to an increase in the bank's profit.**

<Bank non-consolidated>

➢ Core gross profit, which is the top line, increased by 10.0 billion yen year-on-year to 58.0 billion yen.

Net interest income and non-interest income (fees and commissions and profit from other businesses) both increased.

➢ Expenses were 30.1 billion yen, up 0.9 billion yen year-on-year, mainly due to higher personnel expenses following a wage increase.

➢ Net credit costs improved by 1.7 billion yen year-on-year, resulting in a ¥0.1 billion reversal.

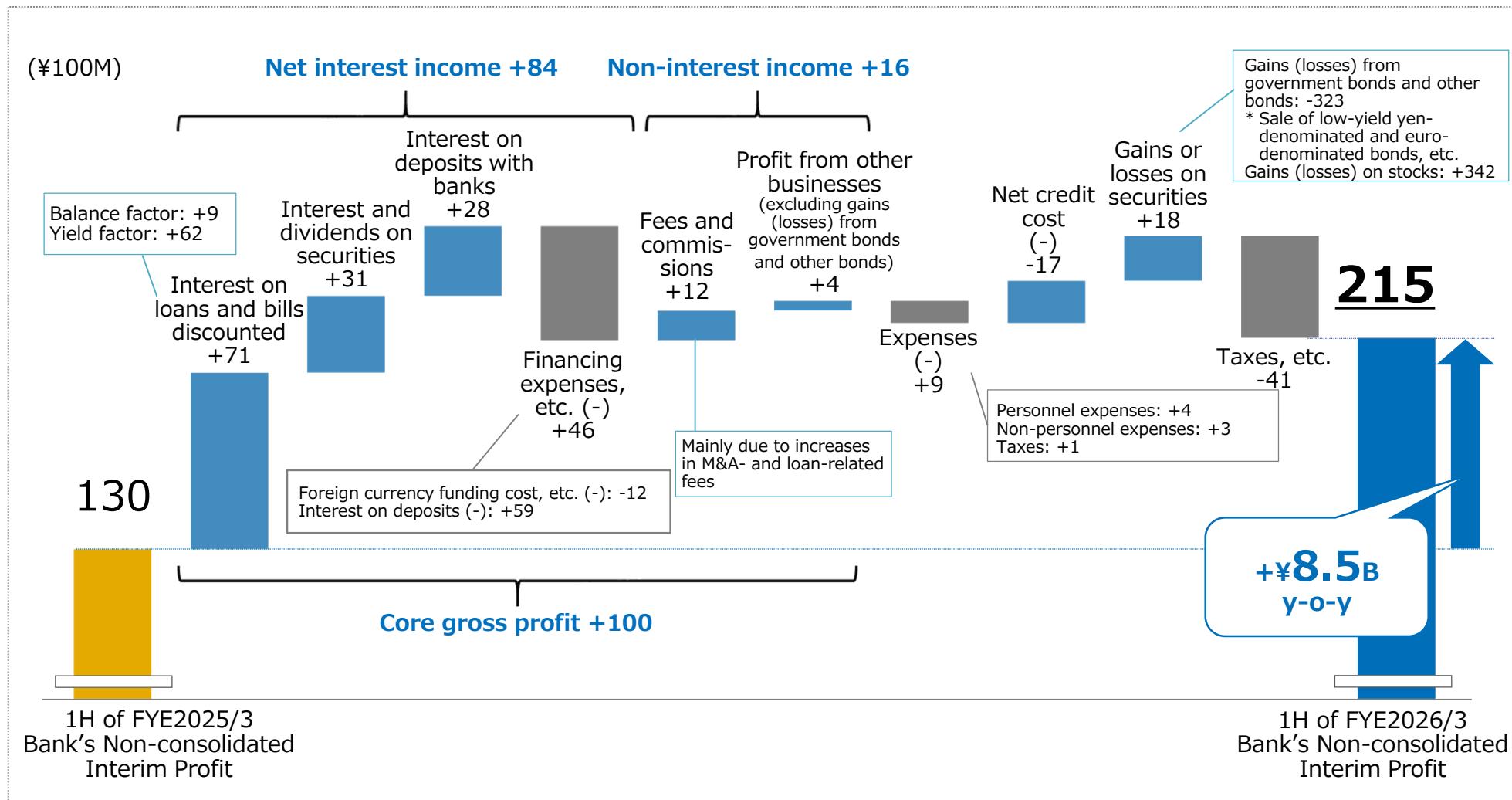
Bank Non-consolidated (¥100M)	1H of FYE2026/3 Financial Results		1H of FYE2025/3 Financial Results
	Year-on-year		
Core gross profit	580	100	479
Net interest income	444	84	360
(Of which, interest on loans and bills discounts)	332	71	260
(Of which, interest and dividends on securities)	269	31	237
(Of which, financing expenses)	229	22	207
Fees and commissions	86	12	73
Profit from other businesses (excluding gains (losses) from	49	4	45
Expenses	301	9	292
Core business profit	279	91	187
(Excluding gains (losses) from cancellation of investment trust)	270	108	161
Ordinary profit	306	125	180
Extraordinary income (losses)	0	-1	2
Interim profit	215	85	130
<Net credit cost>	-1	-17	16
<Gains or losses on securities>	6	18	-12

Group companies excluding the bank (¥100M)	1H of FYE2026/3 Financial Results		1H of FYE2025/3 Financial Results
	Year-on-year		
Interim profit* ³	15	-0.9	16

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

Bank Non-consolidated: Factors Behind the Change in Interim Profit

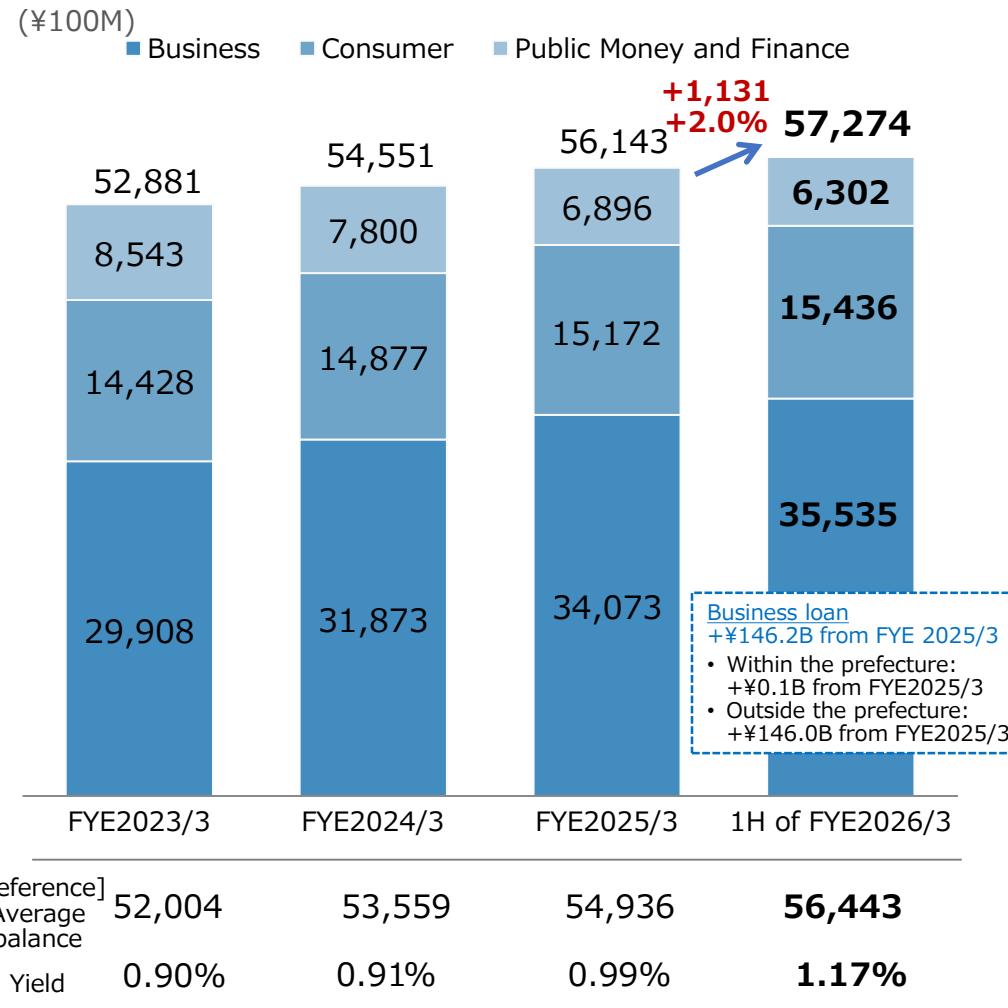
- Bank's interim profit (non-consolidated) amounted to 21.5 billion yen, up 8.5 billion yen year-on-year.
Highest profit for the interim period for the fourth consecutive year.



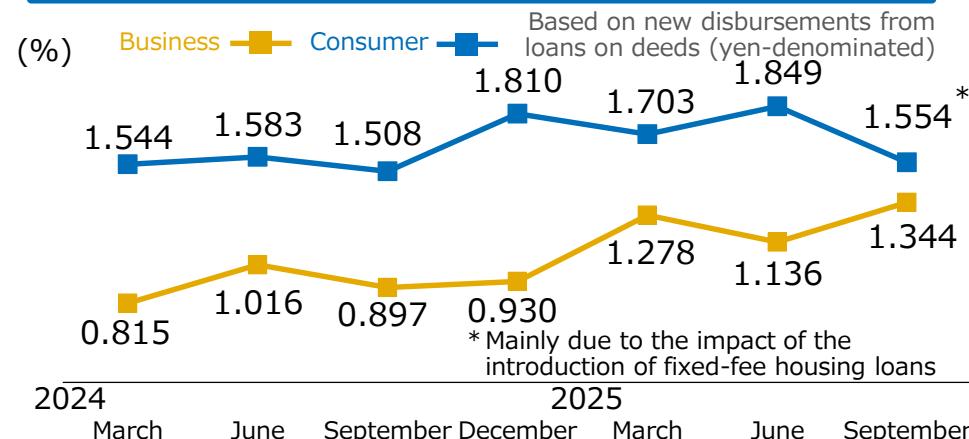
Balance and Yield, etc. of Loans and Bills Discounted

- Balance of loans and bills discounted increased by 113.1 billion yen compared with the fiscal year ended March 2025, mainly due to [an increase in business loans outside the prefecture](#).
- Yield on loans and bills discounted rose due to higher market interest rates and a hike in the short-term prime rate.

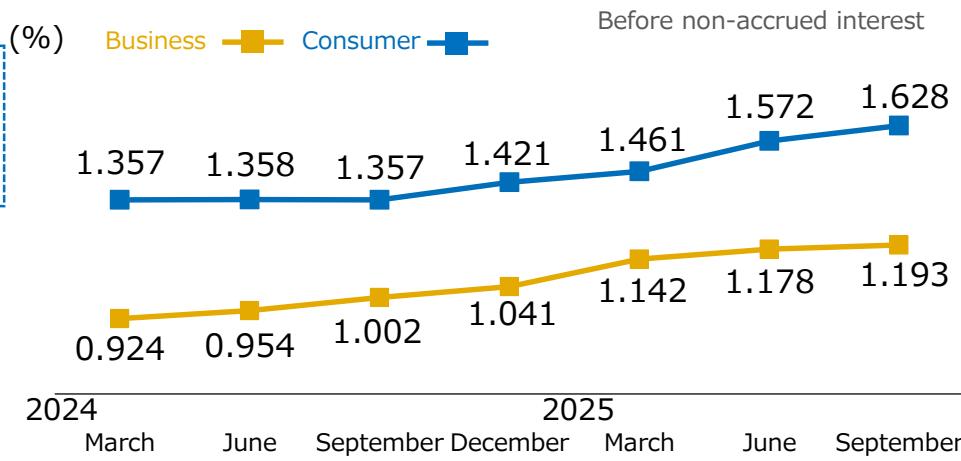
Balance and yield of loans and bills discounted



Changes in interest rates for new disbursements



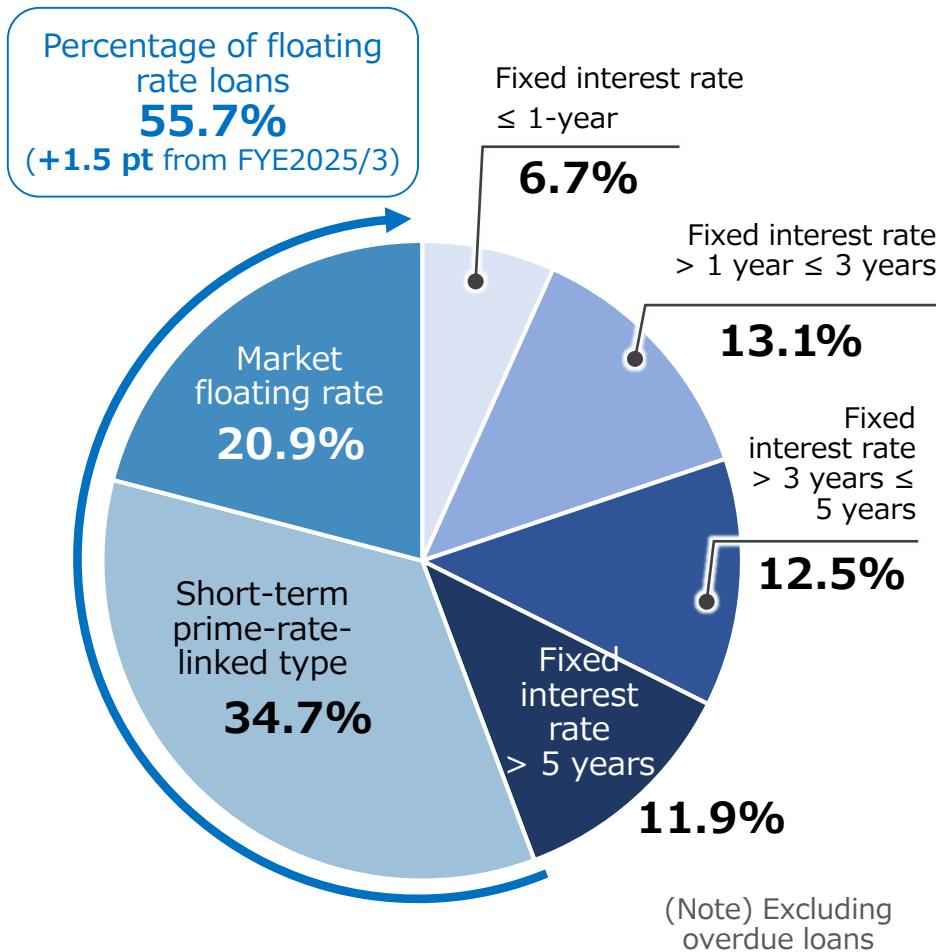
Changes in average yield on loans and bills discounted



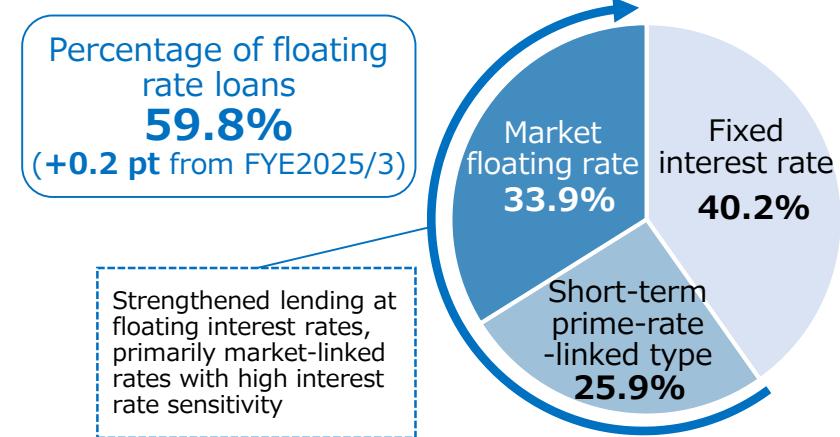
Composition of Loans and Bills Discounted

- The percentage of loans with floating interest rates rose for both business loans and consumer loans.

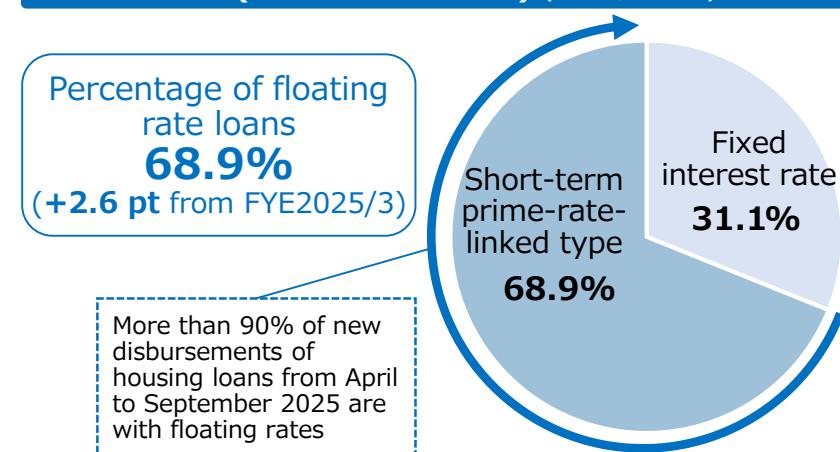
Composition of overall loans and bills discounted (2025/9 End)



Composition of loans and bills discounted (business loans) (2025/9 End)



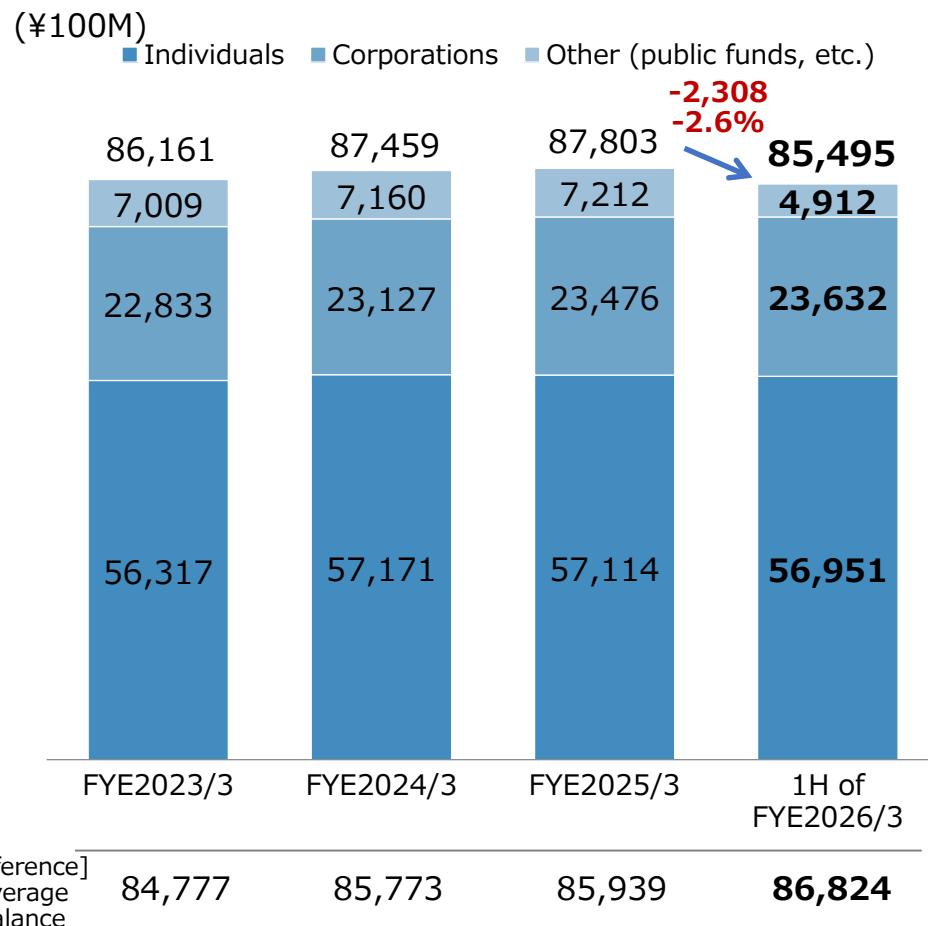
Composition of loans and bills discounted (consumer loans) (2025/9 End)



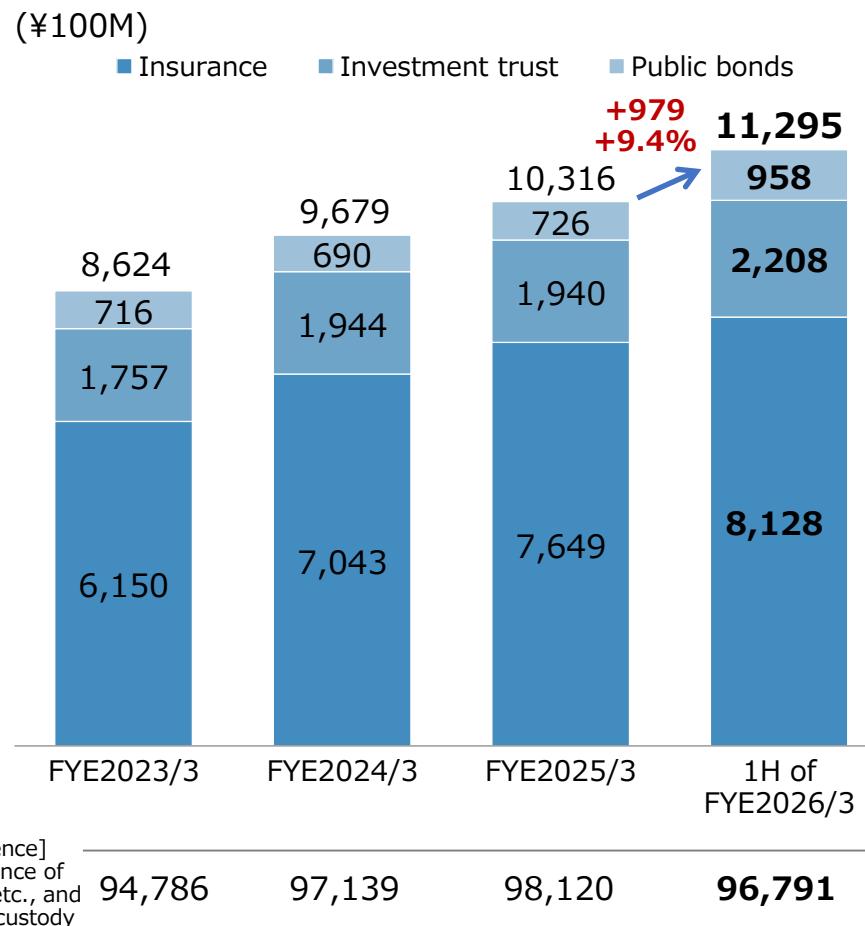
Balance of Deposits, etc., and Assets in Custody

- Ending balance of deposits, etc. decreased mainly due to a decrease in public money. Deposits by individual customers decreased due to a shift to assets under custody, an increase in spending in line with inflation and other factors. Average balance of deposits, etc. increased.
- Ending balance of assets under custody increased for all of insurance, investment trusts and public bonds.

End-Balance of Deposits, etc.



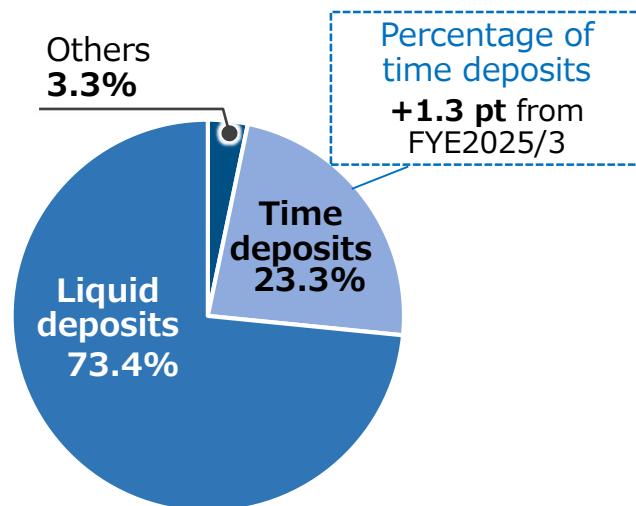
Ending balance of assets in custody



* 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.

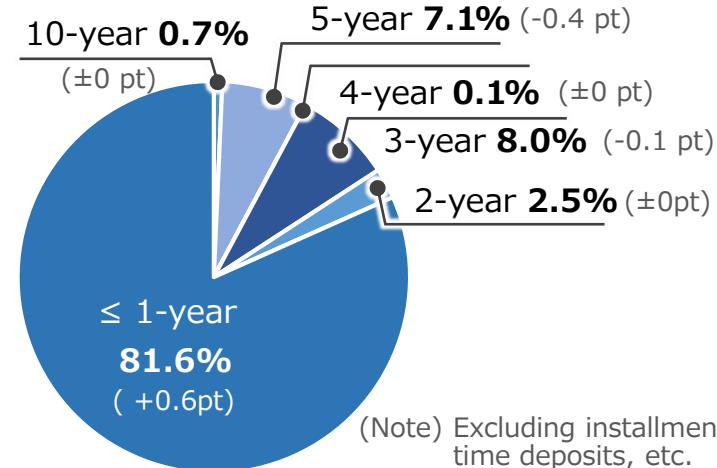
Composition of Deposits, etc.

Composition of deposits, etc.
(2025/9 End)

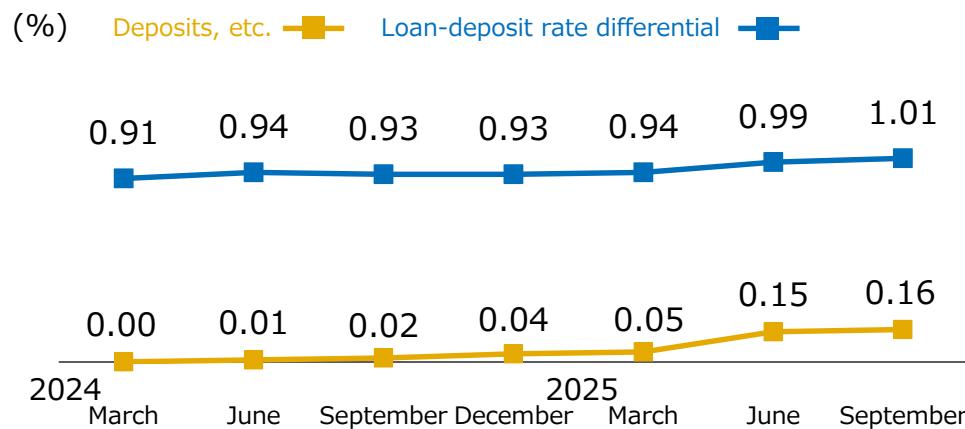


Composition of time deposits
(2025/9 End)

Figures in parentheses denote changes from FYE2025/3

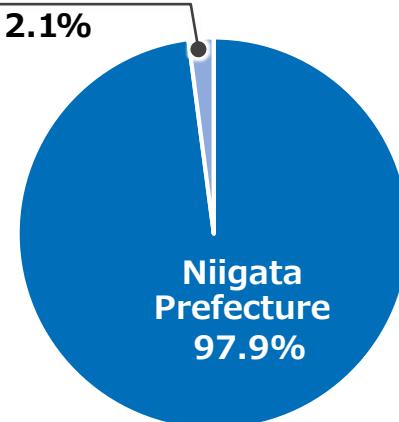


Changes in yields on deposits and loan-deposit rate differential



Percentage of balance of deposits, etc. by region
(2025/9 End)

Outside Niigata
Prefecture

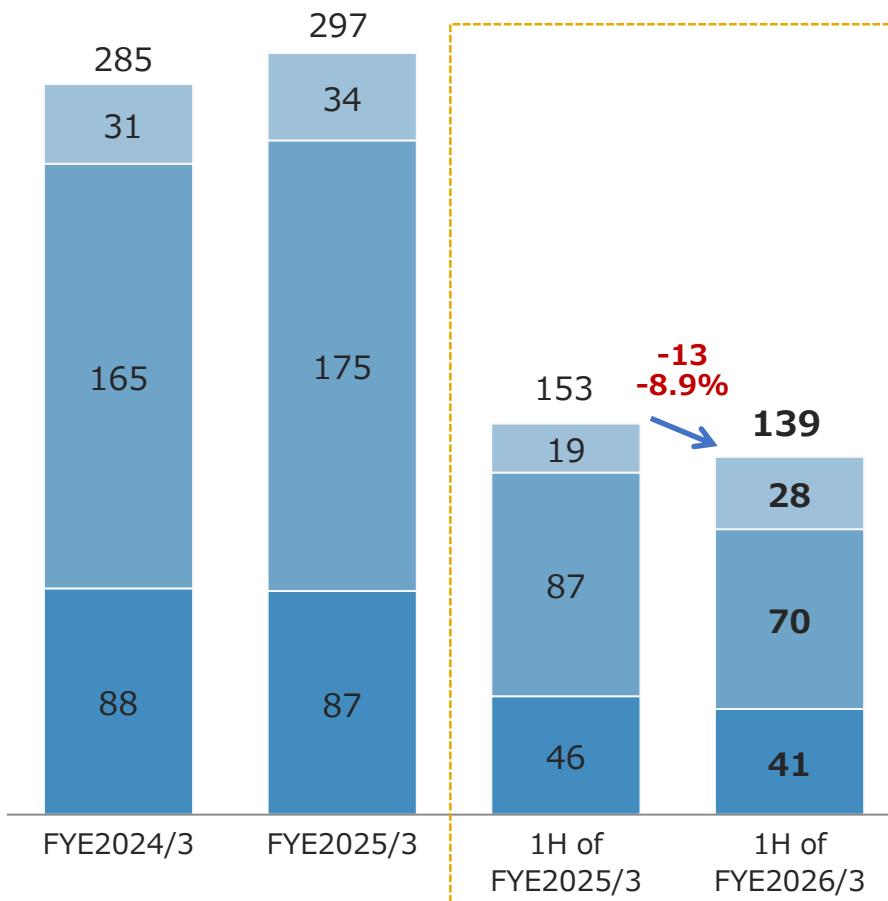


- Non-interest income (Sales Divisions) was 13.9 billion yen, down 1.3 billion yen year-on-year mainly due to a decrease in foreign exchange derivatives transactions owing to foreign exchange market uncertainty.

Non-interest income

(¥100M)

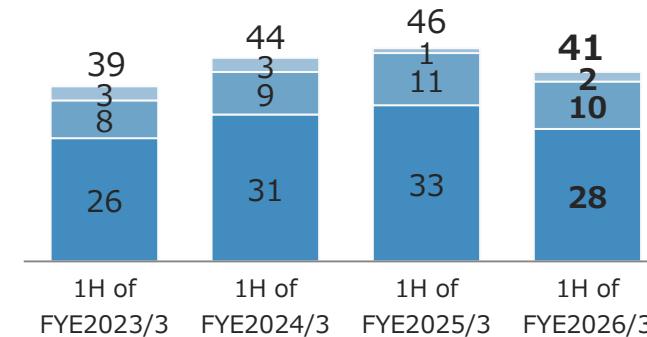
■ Asset management advice ■ Financial solutions ■ Others



Income from asset management advice

(¥100M)

■ Insurance ■ Investment trust ■ Others



-¥0.5B y-o-y (-11.6%)

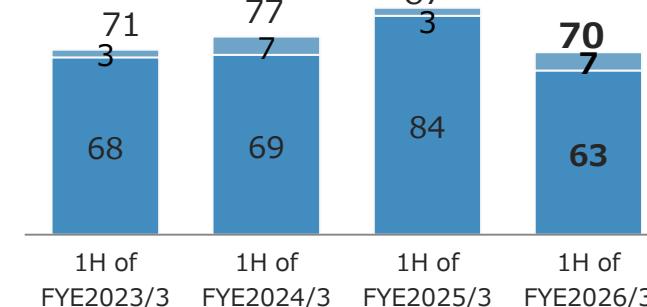
Mainly due to a decrease in commission income resulting from changes to the fee/commission structure

Income from financial solutions

(¥100M)

■ Equity solutions revenue ■ Financial planning revenue

(M&A and business succession, etc.)
(Syndicated loans and currency exchange derivatives, etc.)



-¥1.7B y-o-y (-19.6%)

Although both the number of M&A deals executed and the amount of revenue therefrom reached a record high, currency exchange derivatives decreased

Securities Investment

* Excluding trading securities

- Gains on the sale of stocks, etc. were used to sell low yielding bonds to improve the portfolio.
- Valuation gains (losses) on stocks improved year-on-year even after recording 35.6 billion yen as gains (losses) on stocks.

End-balance of securities

■ Domestic bonds ■ Foreign securities ■ Stocks ■ Other securities

(¥100M)

	FYE2023/3	FYE2024/3	FYE2025/3	1H of FYE2026/3
Domestic bonds	16,046	15,551	14,686	12,281
Foreign securities	6,594	7,122	7,556	6,409
Stocks	1,432	2,046	1,984	3,238
Other securities	4,522	5,821	4,664	1,896
	28,595	30,542	28,892	23,826

Valuation gains or losses on securities

(¥100M)

	FYE2025/3	1H of FYE2026/3	vs. FYE2025/3
Valuation gains or losses	65	530	464
Domestic bonds	-675	-505	170
Foreign securities	-182	-20	161
Stocks	938	944	5
Other securities	-15	111	127

Gains or losses on securities

(¥100M)

	1H of FYE2025/3	1H of FYE2026/3	Year-on-year
[1] + [2]	-12	6	18
[1] Gains (losses) from government bonds and other bonds	-25	-349	-323
[2] Gains (losses) on stocks	13	356	342

(¥100M)

Trends in end-balance of securities

	FYE2023/3	FYE2024/3	FYE2025/3	1H of FY2026/3
Government bonds	6,030	5,626	6,999	7,301
Local government bonds	7,682	8,065	6,281	3,358
Public corporate bonds	654	578	475	897
Financial bonds	20	-	-	-
Business bonds	1,658	1,281	929	725
Stocks	1,432	2,046	1,984	1,896
Foreign securities	6,594	7,122	7,556	6,409
Other securities	4,522	5,821	4,664	3,238
Total	28,595	30,542	28,892	23,826

(¥100M)

Breakdown of changes in end-balance of securities
(vs. 2025/3 end)

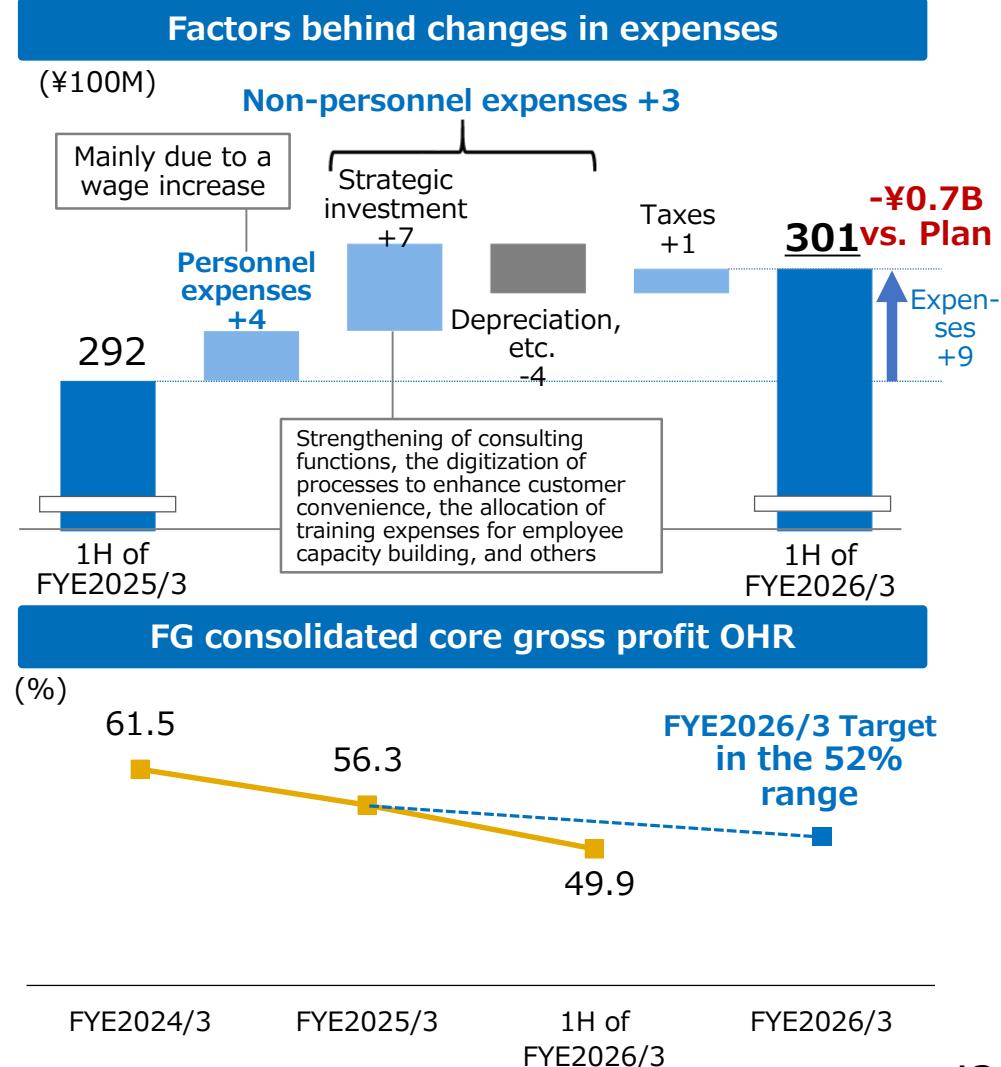
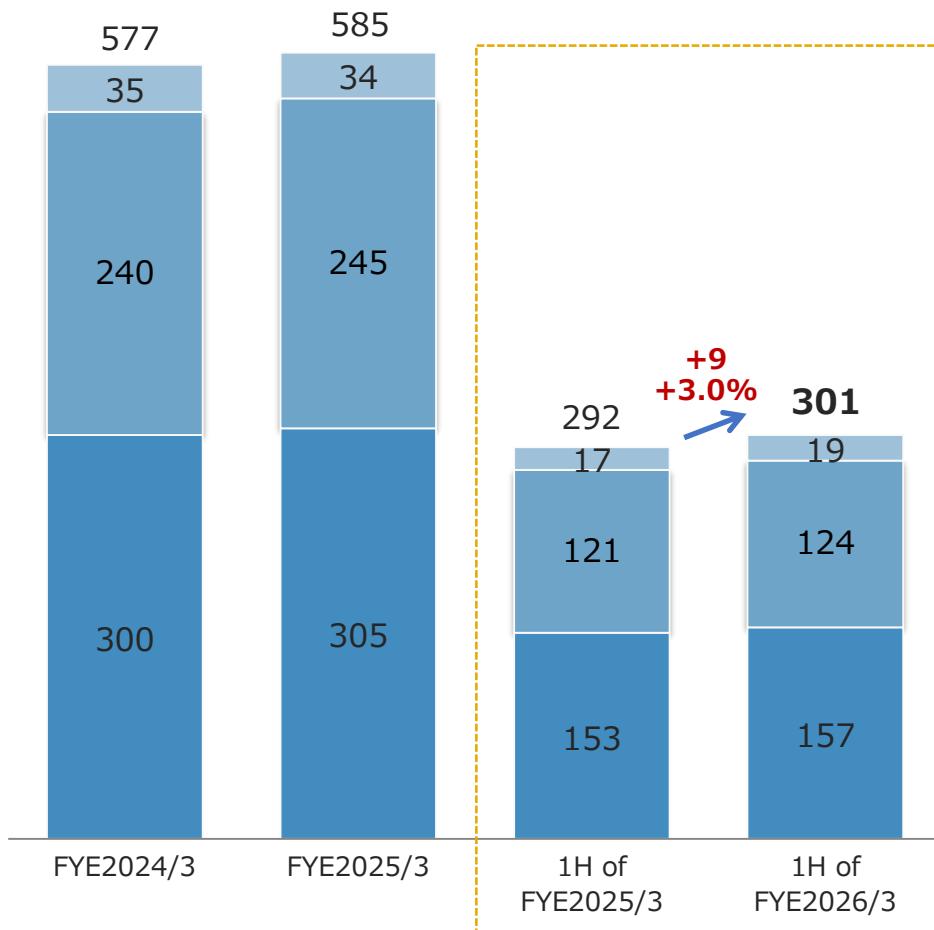
Domestic bonds (yield: 0.69%)	-2,404
Purchase	3,225
Sale	-4,893
Other (redemption, market value factors, etc.)	-737
Stocks (yield: 6.41%)	-87
Purchase	60
Sale	-152
Other (depreciation, market value factors, etc.)	4
Foreign securities (yield: 4.03%)	-1,147
Purchase	604
Sale	-1,677
Other (redemption, market value factors, etc.)	-73
Other securities (yield: 2.27%)	-1,426
Purchase	913
Sale	-2,459
Other (redemption, market value factors, etc.)	119

- For securities, the policy is to accumulate while monitoring future market trends and interest rates

Expenses

- Expenses increased by 900 million yen year-on-year due to investment for the enhancement of human capital value including a wage increase, and strategic investment in the digital field, etc.
- We plan to continue increasing investment that helps to enhance human capital value by 5% or more per year as before.

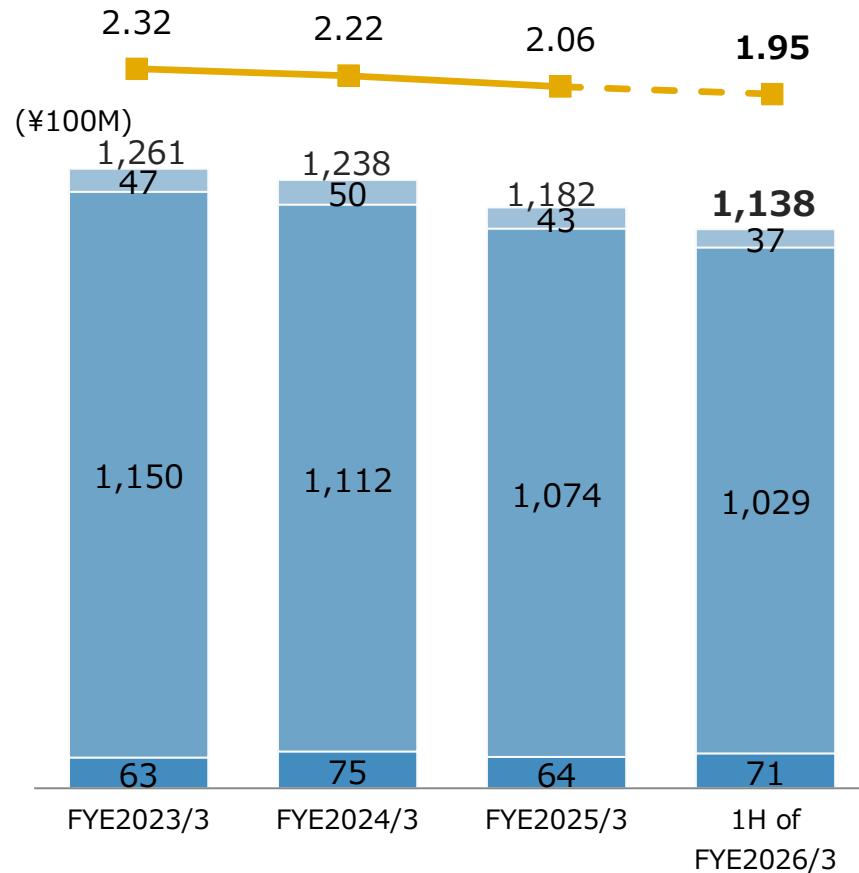
(¥100M) ■ Personnel expenses ■ Non-personnel expenses ■ Taxes



Non-performing loan ratio and amount

■ Distressed receivables ■ Doubtful claims ■ Substandard claims
■ Non-performing loan ratio

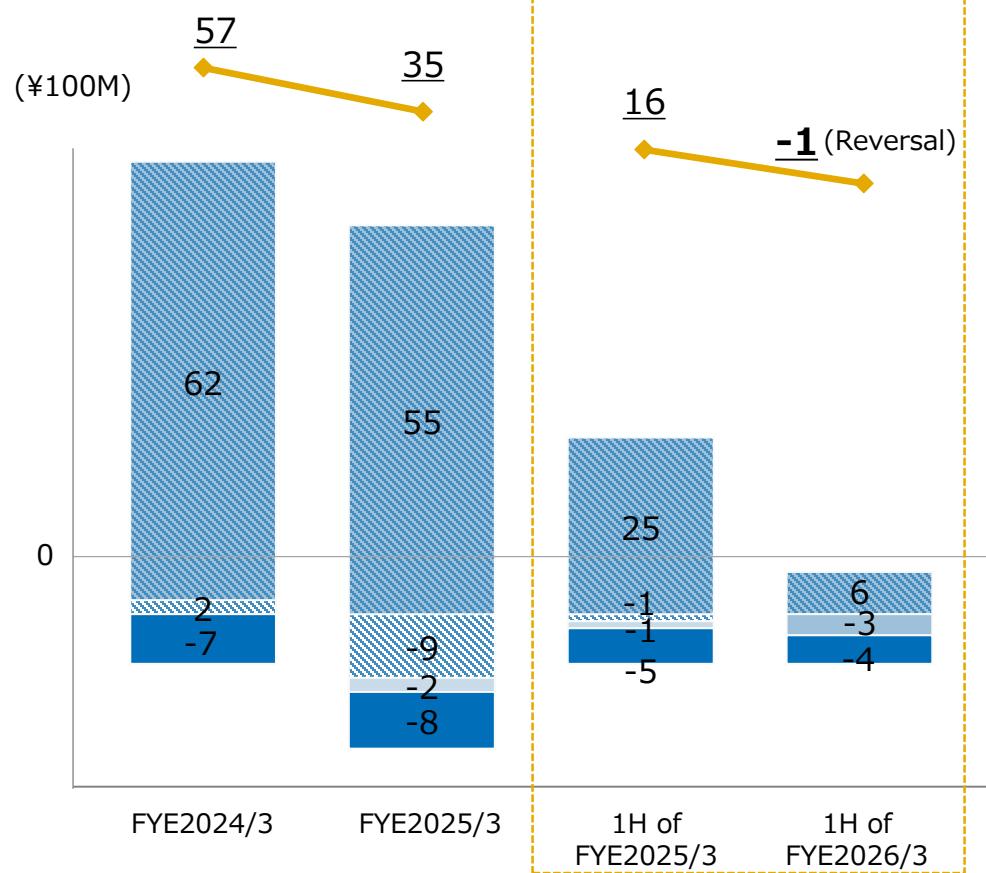
(%)



Net credit cost

■ Provision of general allowance for loan losses
■ Reversal of allowance for loan losses (-)
■ Recoveries of written off receivables (-)

■ Disposal of non-performing loans
■ Reversal of provision for contingent loss (-)
■ Net credit cost



Management Integration Synergy (Single FY)

Synergies from management integration of Daishi Bank and Hokuetsu Bank exceeded the initial plan (formulated in October 2018) to reach 6.5 billion yen

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

**1H of FYE2026/3
(Single FY)**

Result

+¥6.5B
(+¥0.7B vs. Plan)

Breakdown (Unit: ¥100M)	Result	Vs. Plan
	+65	+7
Top-line Synergy	+33	+4
Cost Synergy	+41	+2
Negative Synergy	-10	+0

<Details of Each Synergy>

Top-line Synergy

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

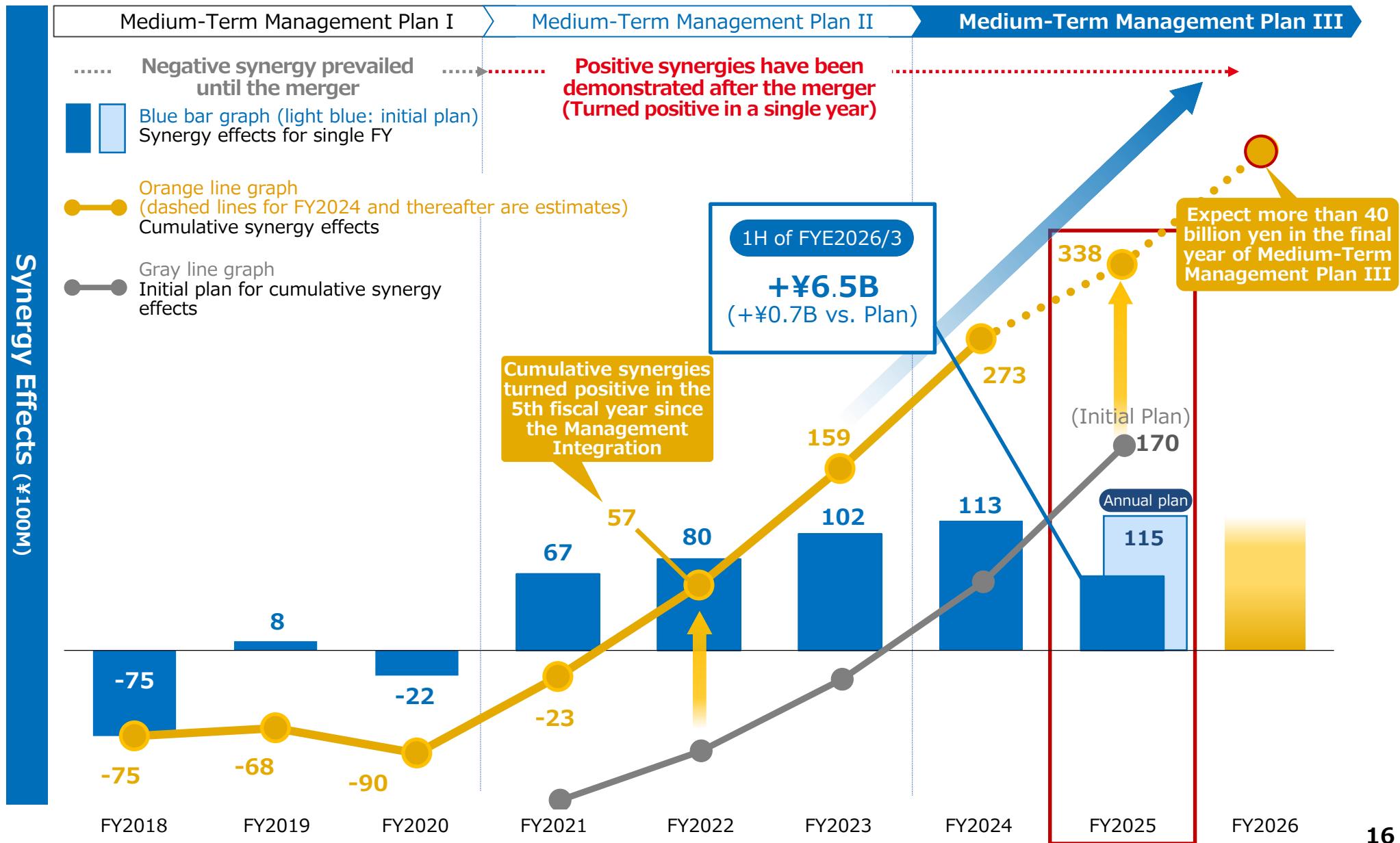
Cost Synergy

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

Negative Synergy

- Management integration expenses

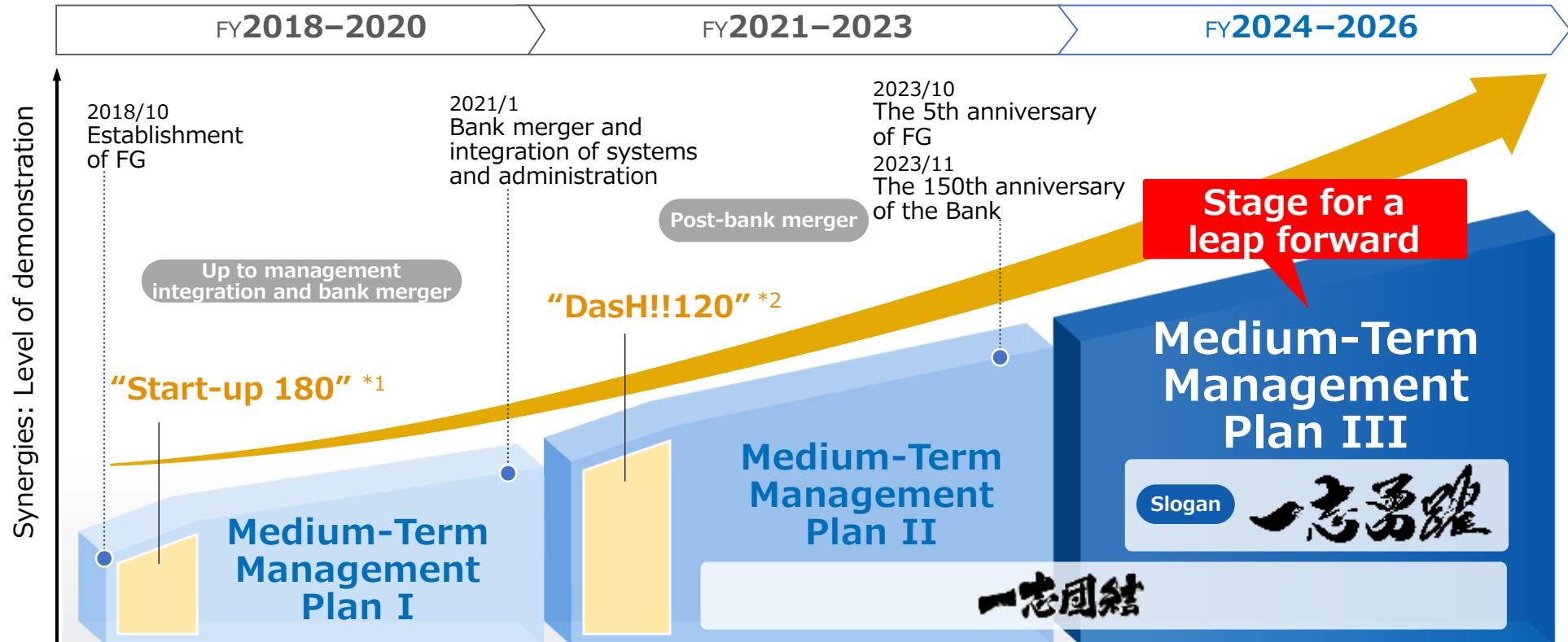
Management Integration Synergy (Cumulative Total Since October 2018)



Plan period: 2024/4 – 2027/3

Medium-Term Management Plan III

“Medium-Term Management Plan III” (2024/4 to 2027/3)



[Basic Approach during Each Plan Period]

Lay the groundwork to maximize merger synergies

Demonstration of three major synergies
(Merger, Group, TSUBASA)

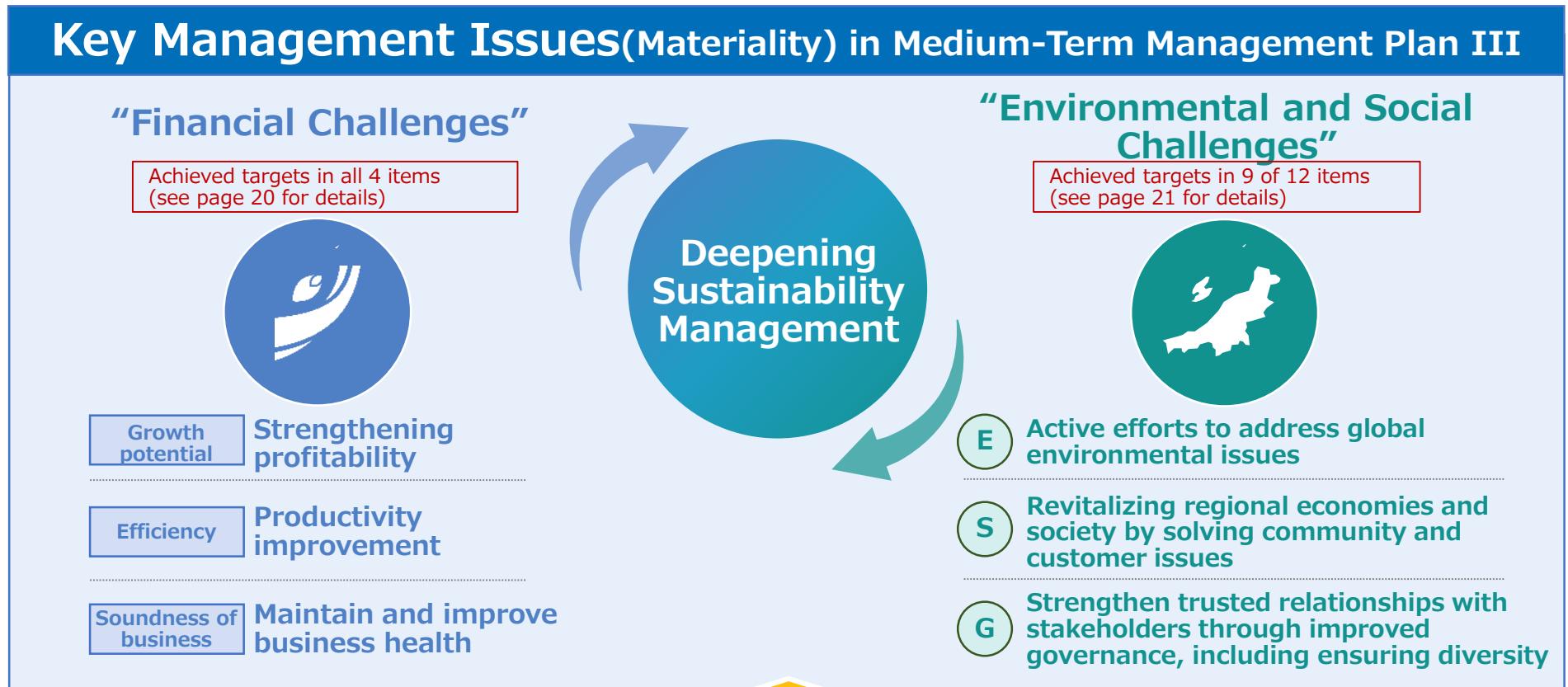
Deepening and exploring group management

*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

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



Changes in the Business Environment

- Progress of declining population, low birth rate, and aging population
- Changes in social and industrial structure through DX, including AI
- 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

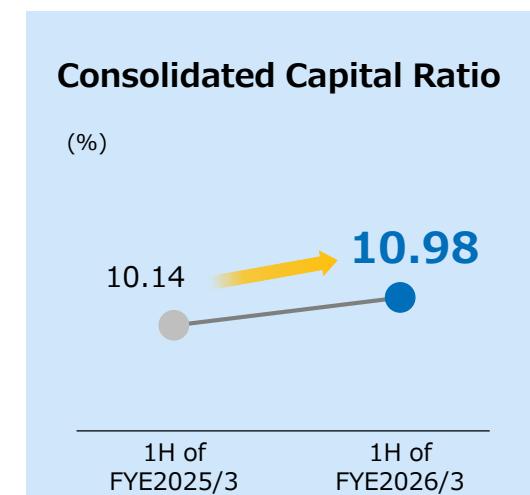
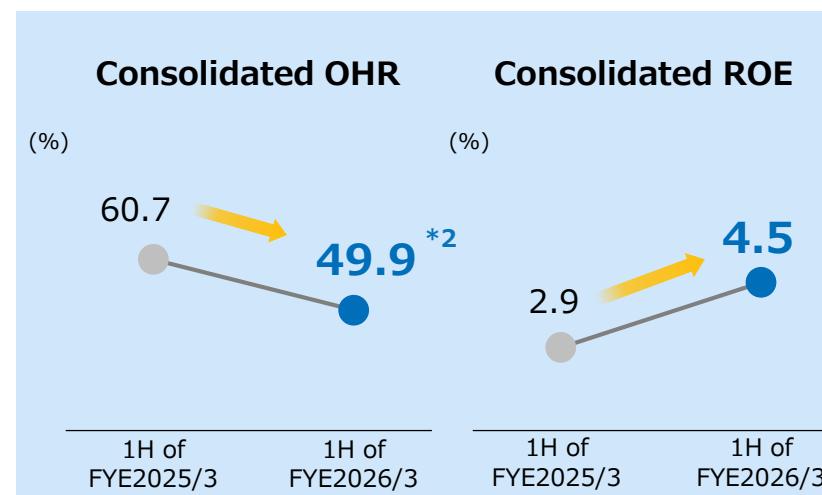
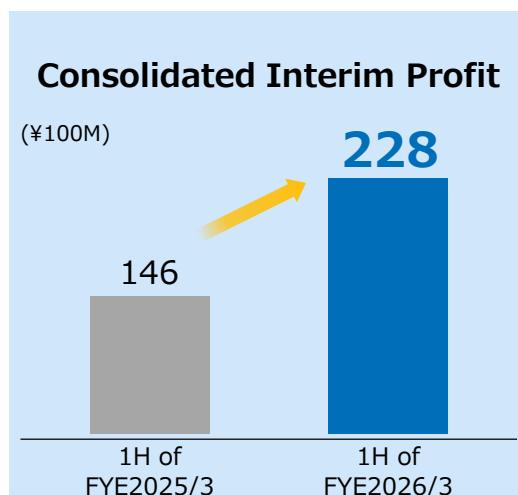
- Acceleration of carbon neutrality
- Growing importance of sustainability management
- Further rise in geopolitical risk
- Shifts in monetary policy between Japan, the U.S. and Europe etc.

FYE2026/3 Key Performance Indicators (Financial Challenges)

"Financial Challenges" KPI		1H of FYE2025/3 Results	1H of FYE2026/3 Results	Vs. target	FYE2026/3 Annual Plan
Strengthening profitability	Consolidated (Interim) Profit* ¹	¥14.6B	¥22.8B	¥6.6B	¥36.0B
Productivity improvement	Consolidated OHR	60.7%	49.9%* ²	-6.9pt	in the 52% range* ²
	Consolidated ROE	2.9%	4.5%	63.3%* ³	
Maintain and improve business health	Consolidated Capital Ratio	10.08%	10.98%	0.90pt	≥ 11%

*1: (Interim) profit attributable to owners of parent *2: Calculated excluding gains (losses) from government bonds and other bonds

*3: The target for "consolidated ROE" is an annual target and the rate of progress against the annual target is shown



FYE2026/3 Key Performance Indicators (Environmental/Social Challenges)

"Environmental and Social Challenges" KPI	1H of FYE2026/3 Results	Vs. target	FYE2026/3 Target
E Active efforts to address global environmental issues			
CO ₂ emissions reduction rate (vs. FY2013, annual forecast, preliminary figures)	(Rate of progress) 48.4%	-1.6pt	70% range
Executed amounts for Sustainable Finance (Cumulative total since FY2021)	¥939.8B	¥43.4B	¥1,080B
S Revitalizing regional economies and society by solving community and customer issues			
Number of business start-ups and succession support	1,666 cases	316 cases	2,950 cases
Number of cases of DX and Productivity Improvement Support (Cumulative total since FY2024)	218 cases	40 cases	220 cases
Ratio of business clients with improved indicators, etc.	73.5%	-1.5pt	≥ 75%
Number of cases supported to develop a business improvement plan	252 cases	22 cases	430 cases
Number of digital customers* ¹	492,000 clients	-24,000 clients	620,000 clients
Balance of Group assets under custody	¥1,707.6B	¥173.5B	¥1,587.0B
No. of clients supported in sales channel development (Regional trading company)* ²	806 clients	29 clients	820 clients
Number of HR solutions supported (Cumulative total since FY2024)	409 cases	59 cases	460 cases
G Strengthen trusted relationships with stakeholders through improved governance, including ensuring diversity			
% of women managers* ³	26.7%	0.1pt	≥ 26.5%
Total No. of Group business clients* ⁴	65,038 clients	228 clients	66,000 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: Ratio of women managers (deputy level and above) (Bank alone) *4: Number of corporate clients with recurring business with FG Group companies (total)

Earnings Forecast for Fiscal Year Ending March 2026

Upward revision disclosed on September 26, 2025

- FG's consolidated profit for the fiscal year ending March 2026 is forecast at 36.0 billion yen (up 6.6 billion yen year-on-year).

(¥100M)

FG's Consolidated	Earnings Forecast for Fiscal Year Ending March 2026	Year on Year
Ordinary profit	523	111
Profit* ¹	360	66

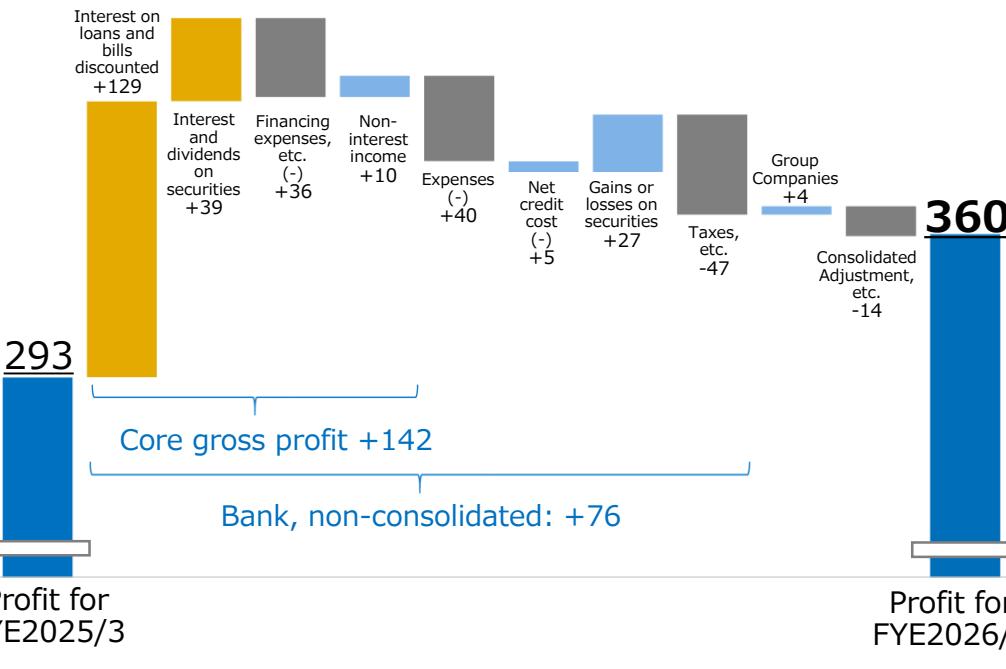
*1 Profit attributable to owners of parent

Bank Non-consolidated	Earnings Forecast for Fiscal Year Ending March 2026	Year on Year
Core gross profit	1,125	142
Net interest income	858	132
Net fees and commissions and profits from other businesses, etc., excluding gains (losses) from government bonds and other bonds	266	10
Expenses	626	40
Core business profit	499	102
Ordinary profit	472	121
Profit	329	76
<Net credit cost>	40	5
<Gains or losses on securities>	-17	27

Group companies excluding the bank	Earnings Forecast for Fiscal Year Ending March 2026	Year on Year
Group company revenue	35	4

<FG's Consolidated> Change Factors (¥100M)

Net interest income +132



Core gross profit +142

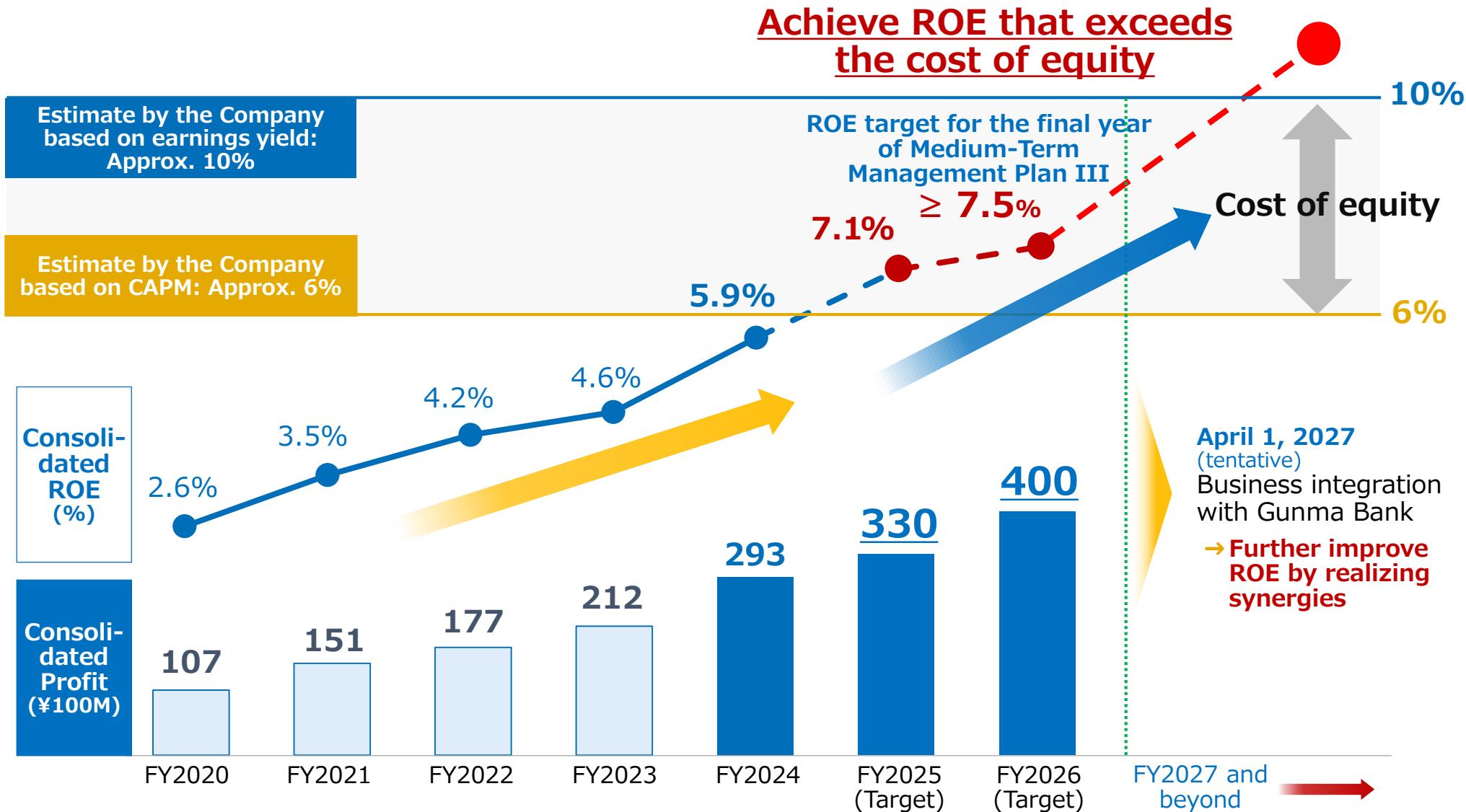
Bank, non-consolidated: +76

Profit for FYE2025/3

[Interest rate assumption] Policy interest rate will increase from 0.50% to 0.75% in January 2026

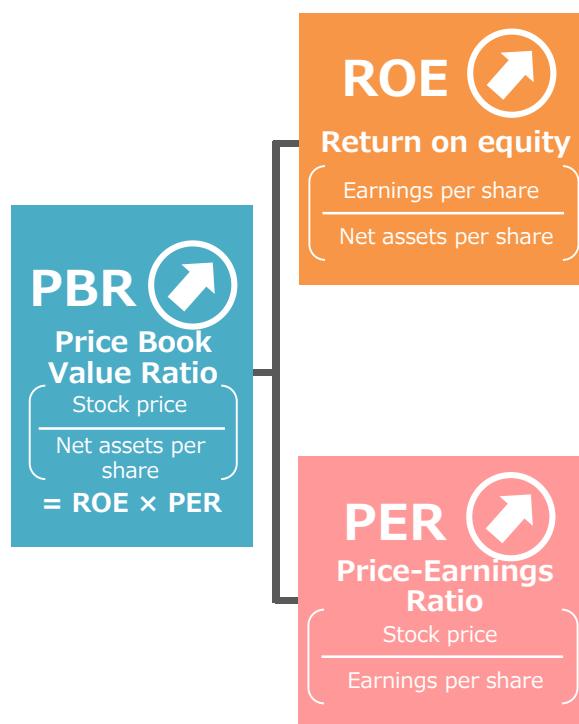
Target ROE Level

- We aim to achieve ROE that exceeds the cost of equity based on the increase in profit.





Initiatives to Improve PBR



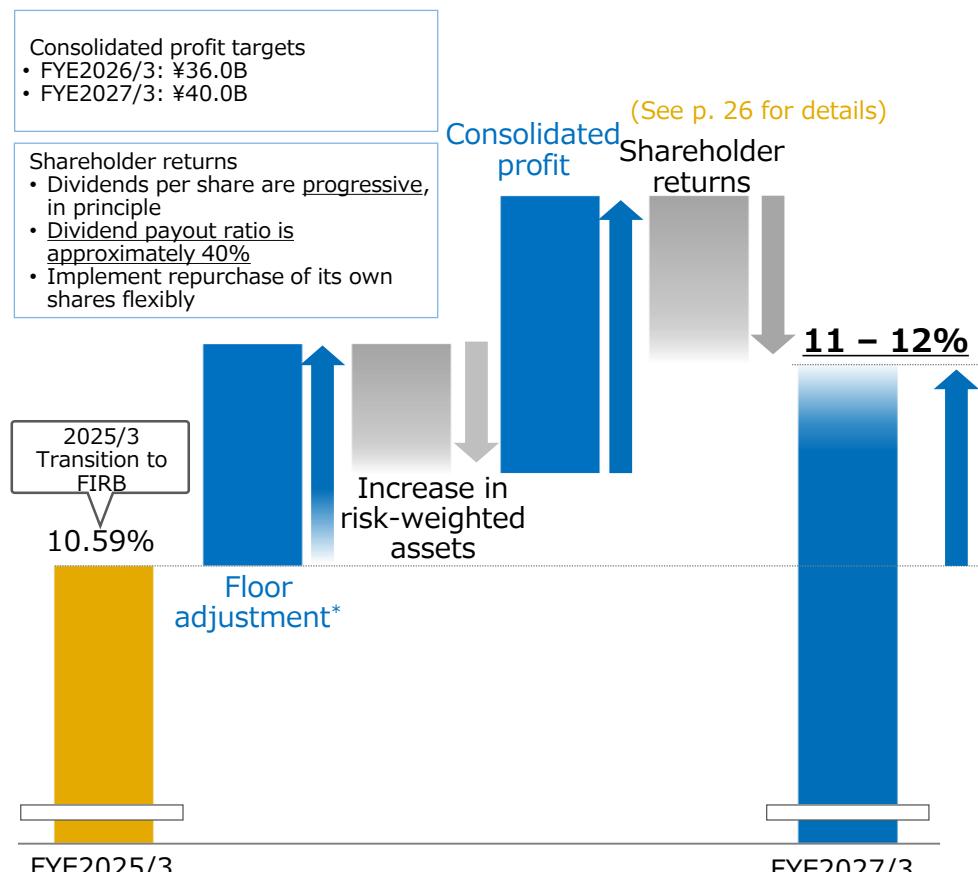
Ensuring implementation of Medium-Term Management Plan III



Capital Management

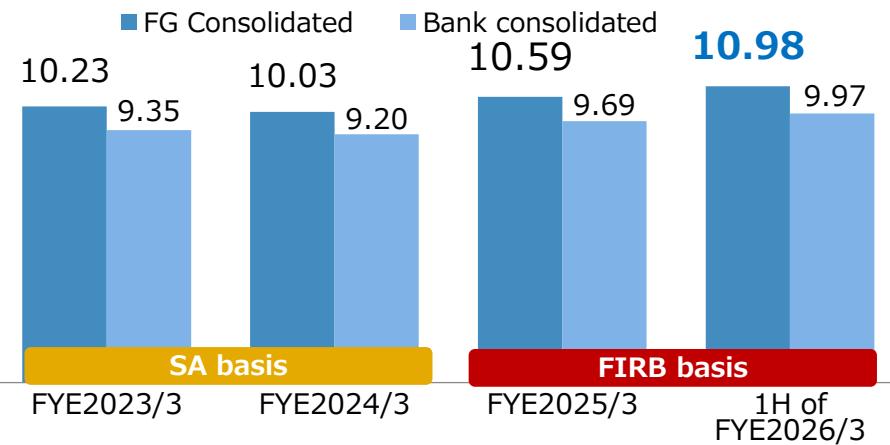
- Set the range of consolidated capital ratio to be 11 to 12% in implementing capital management.
- From the fiscal year ended March 2025, our credit risk measurement method has been changed from the Standardized Approach (SA) to the Foundation Internal Ratings Based (FIRB) approach. Under a sophisticated risk management system, we will expand risk-taking, including investment in growth areas.

Change factors in capital ratio



* Adjustment for a sharp decline in risk-weighted assets associated with the transition to the Foundation Internal Ratings Based (FIRB) approach relative to the SA. The floor adjustment rate decreases gradually, which will be a factor causing risk-weighted assets to decrease and capital ratio to increase.

Consolidated Capital Ratio (%)



■ Invest management resources in growth areas / Expand risk-taking

- Strengthen efforts in structured finance (See p. 31 for details)
- Accumulate high-quality assets by practicing RORA management (See p. 32 for details)
- Improve productivity through digital investments (See p. 33 for details)
- Invest in human capital, (See p. 34 for details)

and others

Strengthen profitability and enhance shareholder returns

Improve ROE: 7.5% or higher (FYE2027/3)

Shareholder Returns

Daishi Hokuetsu FG 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%**.

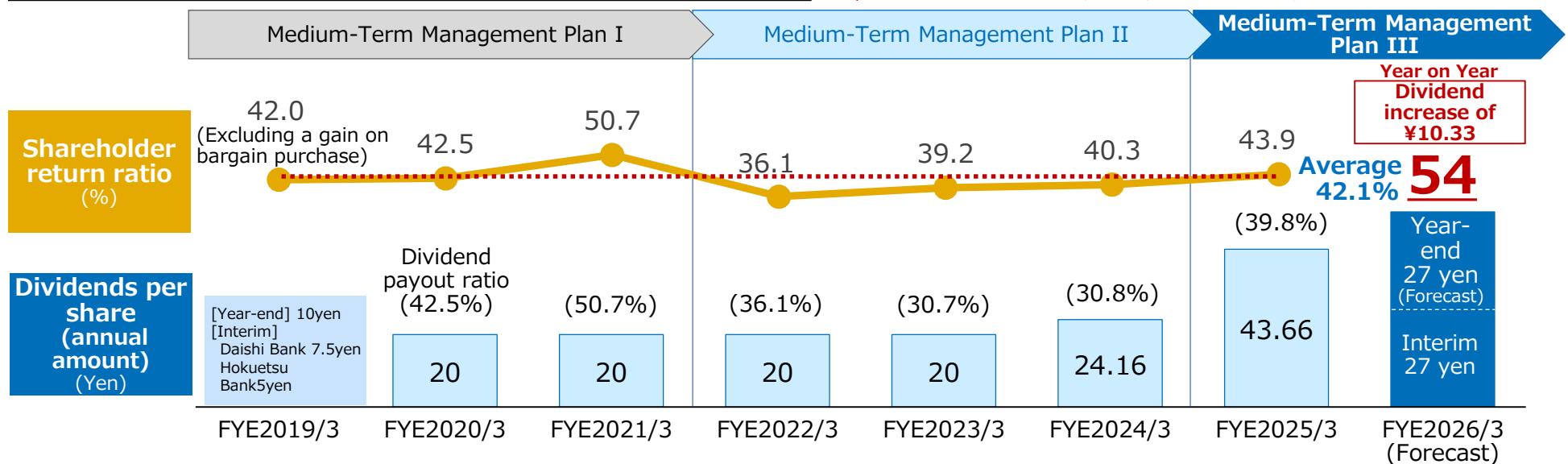
The Company will flexibly repurchase its own shares in light of overall business performance and market conditions.

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.

■ FYE2026/3 dividend forecast

Forecast of dividend increase
disclosed on September 26, 2025

* Dividends per share (annual amount): Converted retroactively to the dividend amount after the stock split, based on the stock split implemented on October 1, 2024, and October 1, 2025



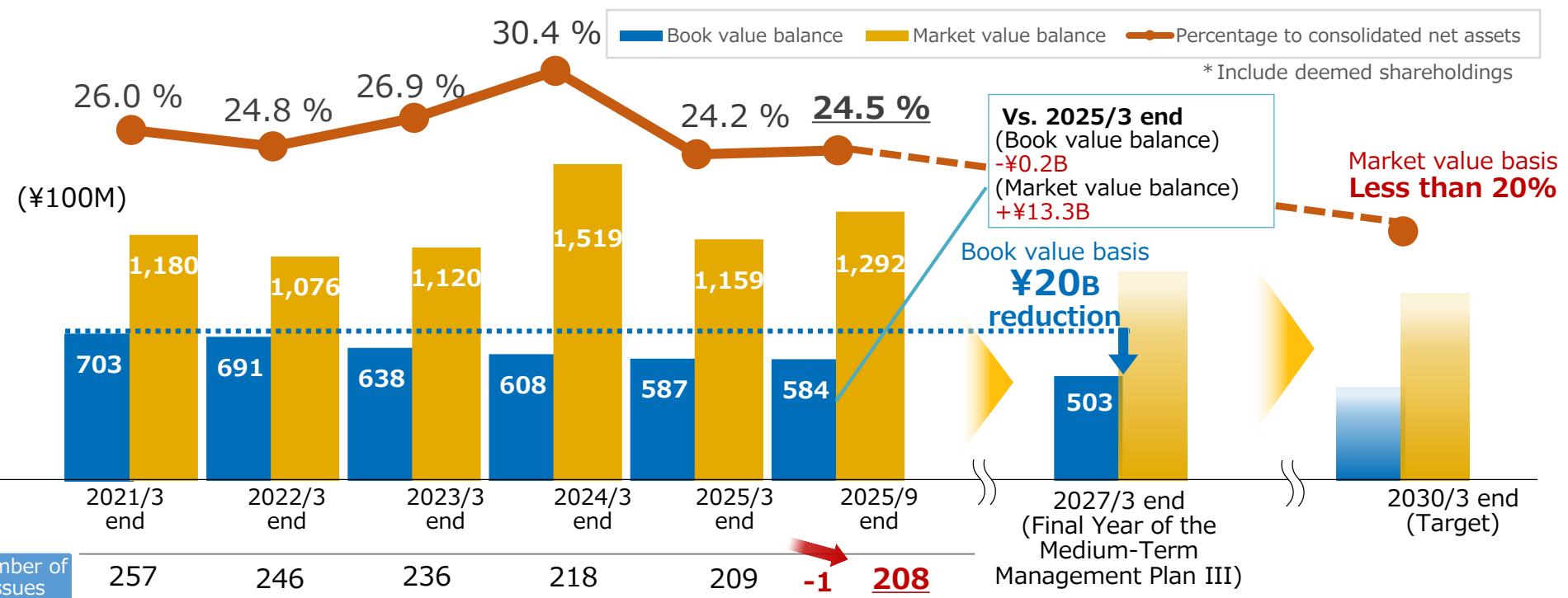
Reduction in Cross-shareholdings

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 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)**. 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



(Reference) Stock Split

- Develop an environment that makes it easier for investors to invest with the aim of expanding our investor base and further increasing the number of shareholders.

Implementation of stock split

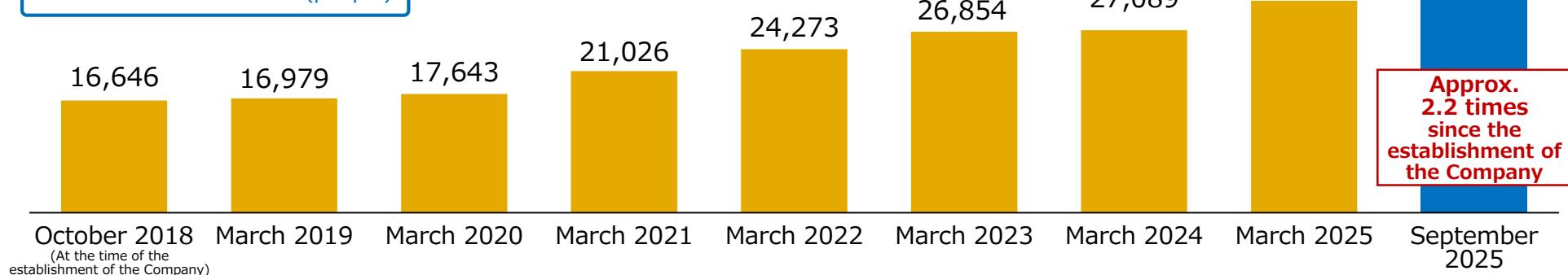
Three-for-one stock split

- By reducing the amount per unit price of investment of the Company's shares (the minimum investment amount), we develop an environment that makes it easier for investors to invest with the aim to expand our investor base and further increase the number of shareholders.

<Number of shares to be increased by stock split>

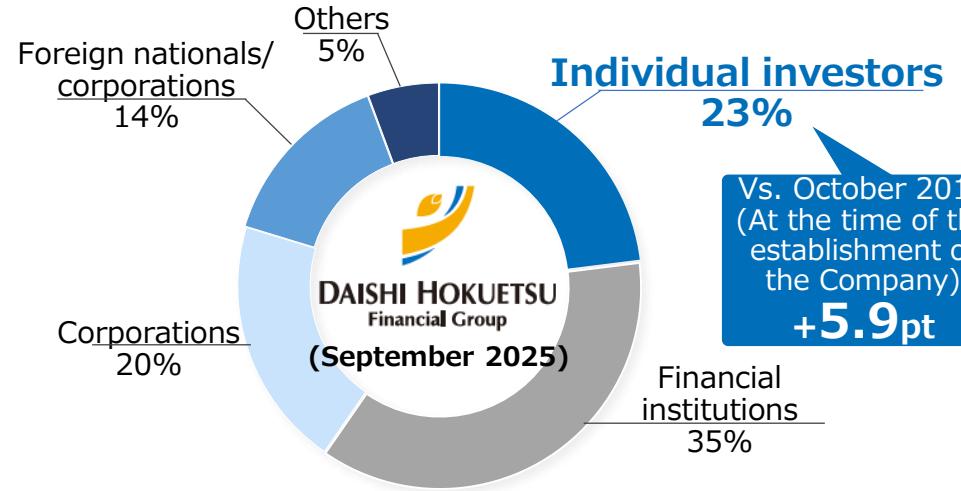
Total number of issued shares before stock split	91,885,956 shares
Number of shares to be increased by stock split	183,771,912 shares
Total number of issued shares after stock split	275,657,868 shares
Total number of authorized shares after stock split	600,000,000 shares

Changes in number of individual shareholders (people)



Shareholder composition (Percentage of the number of shares held)

- Total number of issued shares: 275,657,868 shares
- Number of shareholders at the end of September 2025: 38,725



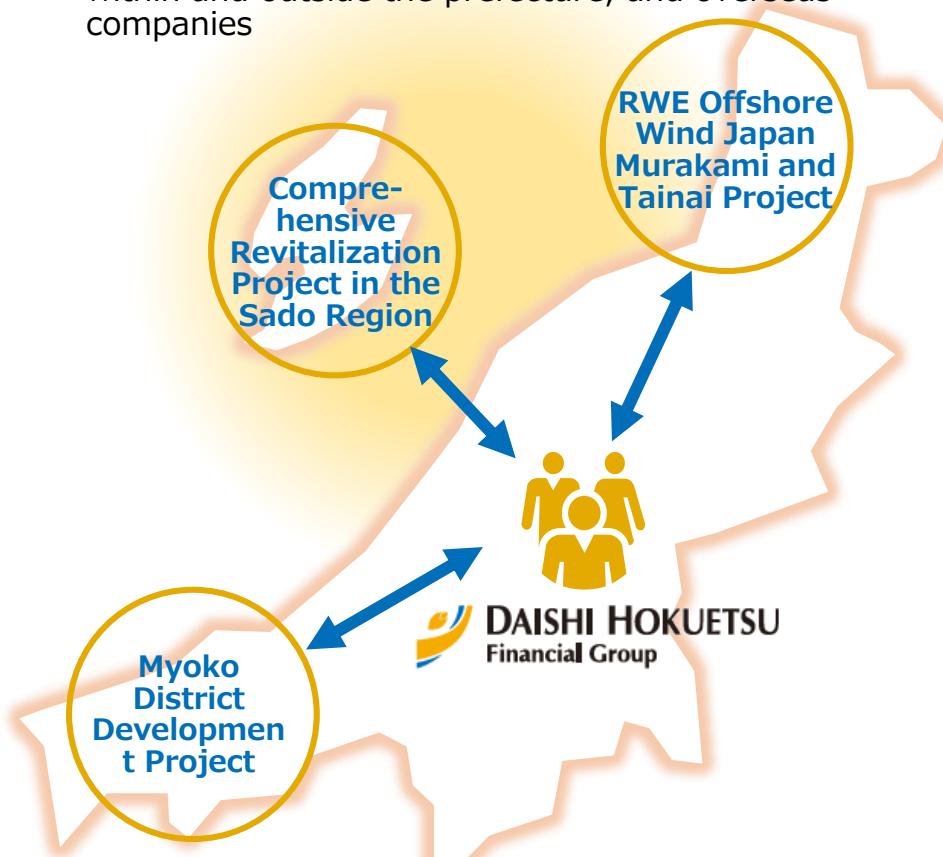
Medium-Term Management Plan III

Major Initiatives for Sustainable Growth

Initiatives for Regional Revitalization

Support for comprehensive regional revitalization

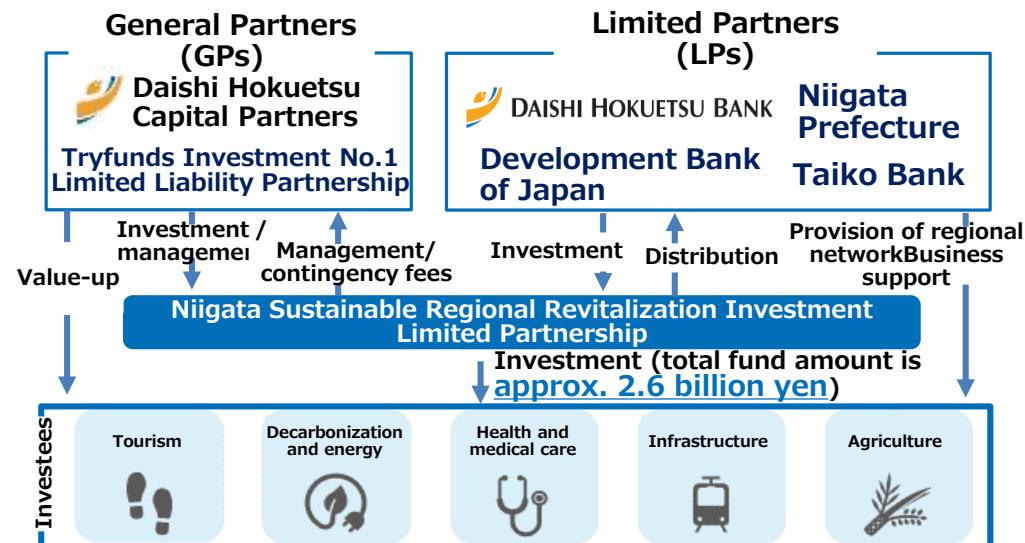
- As the coordinator of the ecosystem, we are committed to promoting comprehensive regional revitalization through the Daishi Hokuetsu FG network, in collaboration with government agencies, companies within and outside the prefecture, and overseas companies



New!

Establishment of a public-private fund for regional revitalization

- Niigata Sustainable Regional Revitalization Investment Limited Partnership** (July 2025)
 - We support sustainable economic growth and comprehensive regional revitalization through investment in areas essential to addressing Niigata Prefecture's challenges and revitalizing the region



New!

Strengthening of structure for sustainable growth of regions and the FG

- New establishment of "Regional Strategy Division" and "Regional Revitalization Strategy Headquarters"** (June 2025)
 - Design, plan and execute new projects for regional revitalization
 - Concentrate management resources to strengthen initiatives for regional revitalization
 - Oversee FG's initiatives for regional revitalization

Strengthen Cooperation Framework Both Inside and Outside Niigata Prefecture

New!

Strengthen sales promotion framework outside Niigata Prefecture

- Developed sales promotion framework aimed at strengthening intra- and extra-prefectural cooperation contributing to Niigata Prefecture's economic growth and customer growth

■ Establishment of the Tokyo Head Office (November 2025)

- Strategic bases for regional revitalization that serve as hubs for information and personal connections necessary for regional revitalization
- Cooperation between sales offices and sales / administrative divisions of headquarters



→ Strategic allocation of human capital to the Tokyo metropolitan area market, which is a growth area

◀ Tokyo Head Office
(6th Floor, Dai-ichi Seimei Kyobashi Kino Terrace)

Approx. 80 in total

(including those who hold concurrent posts within the headquarters)

* As of the end of November 2025

■ Renamed Tokyo Main Office and Tokyo Chuo Main Office

(Scheduled for February 2026)

- We will strengthen our presence in the Tokyo metropolitan area market and contribute to regional economic development and regional revitalization

<Before change>

Tokyo Branch and
Tokyo Chuo Branch

<After change>

Tokyo Main Office
and Tokyo Chuo
Main office

Now an important base, along with the Head Office Business Division, Nagaoka Main Office and Takada Main Office

<Balance of business loans*1 (average balance)>

(¥100M)

	FYE2024/3	FYE2025/3	1H of FYE2026/3	Vs. FYE2025/3	FYE2026/3 (Target)
Business loan	30,341	32,395	34,280	+1,885	34,954
Outside the prefecture	13,384	15,635	17,686	+2,051	18,302
Structured finance*2	6,435	7,759	8,785	+1,026	

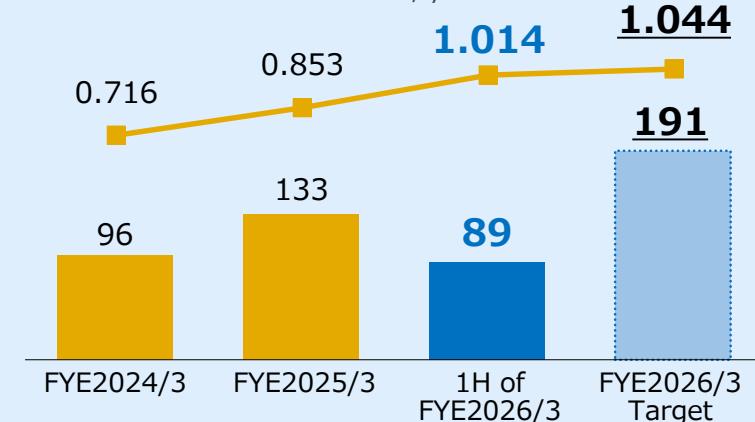
*1: Before partial direct write-offs

*2: Project finance, real estate non-recourse loans, LBO loans, etc. (on an ending balance basis)

<Interest and yield on extra-prefecture loans and bills discounted>

(Profit: in 100 million yen; yield: %)

* Before non-accrued interest; yield is on a contractual basis



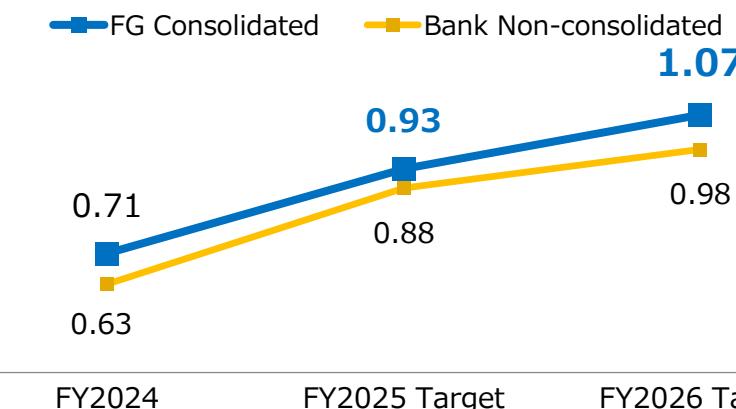
Initiatives to Improve RORA

- Build a highly profitable balance sheet through integrated management of profit, risks and soundness using RORA (Return on Risk Assets) as an indicator.

Enhancement of RORA-based profit management framework

- Newly establish profit RORA as a KPI. Introduce "standard and minimum margins" to manage profitability in order to achieve the target

Profit RORA target (%)



RORA management utilizing "standard and minimum margins"

- Sales offices and the headquarters cooperate to ensure the entire organization works together to improve the profitability of individual projects / business clients.

◆ Standard margin

"Target margin level" set to achieve the profit RORA target

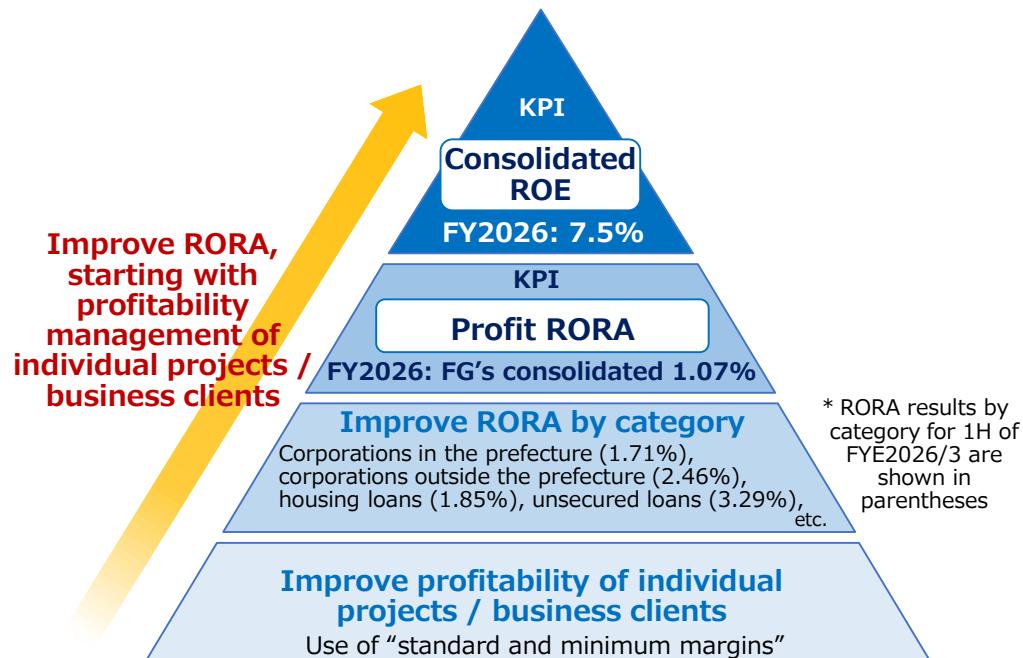
◆ Minimum margin

"Lowest margin level" set based on ROE level and capital ratio

<New profit management framework to improve ROE>

- We will improve the overall profitability of our business clients, starting with the profitability management of individual projects using "standard and minimum margins."
- RORA will be managed by category, and the PDCA process will be applied to meet the target profit RORA.

* Plan to put it into practice at all offices promptly after a trial run



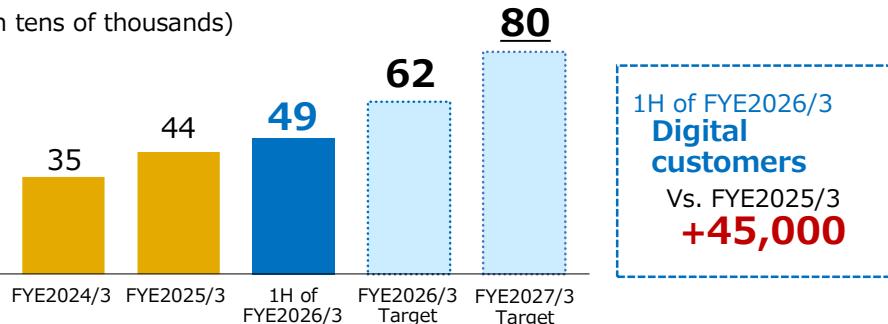
Initiatives to Improve Productivity

Expansion of “digital customers”

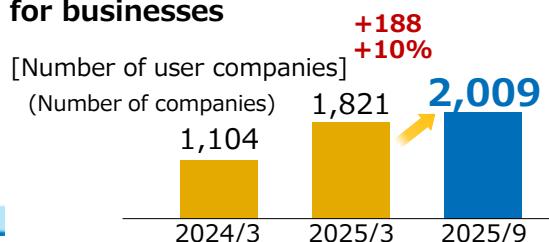
- Strive to improve productivity by increasing the number of digital customers that form the basis for non-face-to-face transactions

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

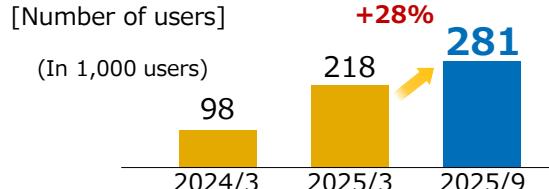
(in tens of thousands)



“CONNECT-BIZ” portal for businesses



Smartphone application “Daishi Hokuetsu Little Bank”

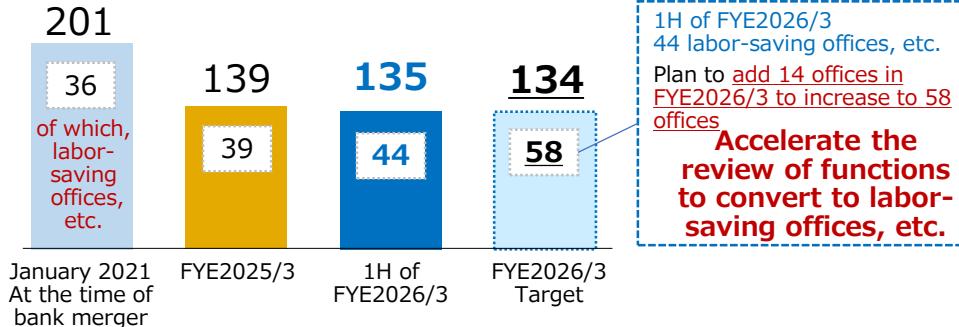


Optimization of office network

- Optimize office network through office integration and review of office functions

■ **<Bank Division> Number of bases**

(Number of bases)



Expansion of comprehensive sales framework

- Realize efficient human resource development and advanced consulting functions by concentrating human capital

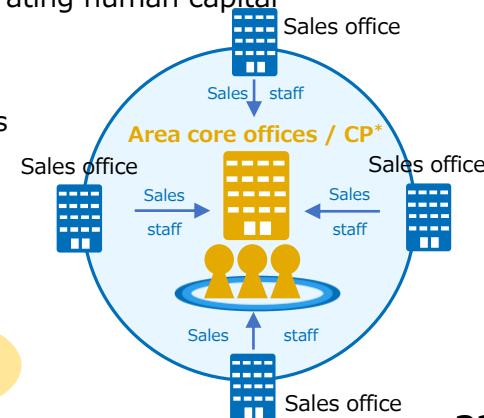
Consolidate sales staff of
nearby offices for seven
districts in Niigata Prefecture as
a broader operational area

Develop comprehensive sales framework

Human capital
development
and skill
improvement



Strengthen
consulting
functions



Initiatives for Enhancement of Human Capital Value [1]

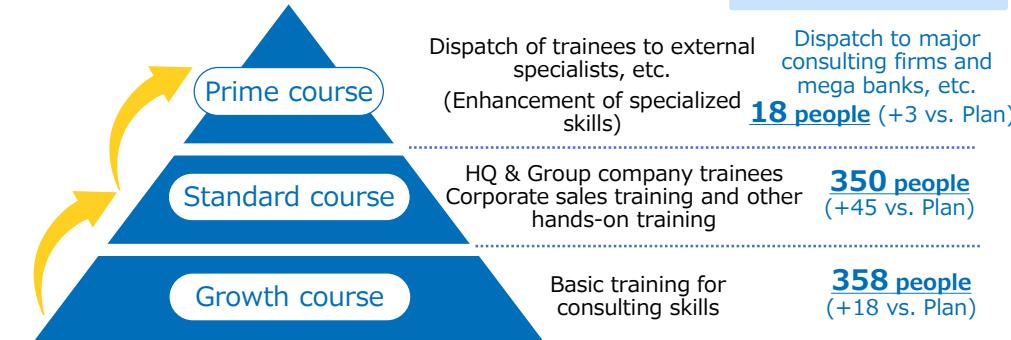
Enhancement of human capital value for sustainable value creation

- We plan to continue increasing investment that helps to enhance human capital value (human capital investment) by 5% or more per year as before.

■ Investment for the enhancement of human capital value



■ Program for development of human resources with high level of expertise



Deepening “DE&I”* initiatives

* Diversity, Equity & Inclusion

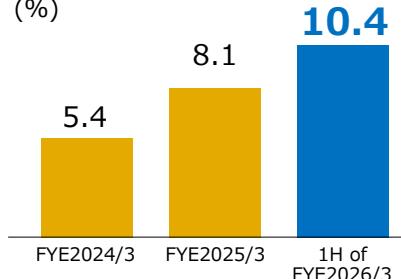
- We will deepen DE&I initiatives and develop an environment where diverse human resources can play an active role.

Daishi Hokuetsu FG

Ratio of women in positions equivalent to General Manager

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

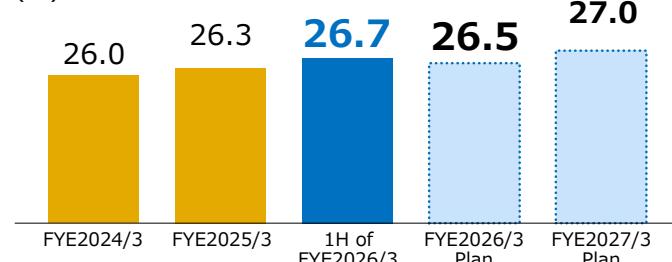
(%)



Daishi Hokuetsu Bank

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

(%)

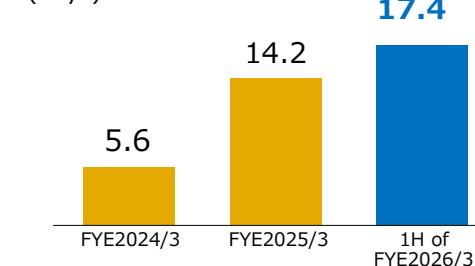


The percentage of male employees' taking childcare leave has been at 100% or higher

Daishi Hokuetsu Bank

Average number of days of childcare leave taken by male employees

(days)



Initiatives for Enhancement of Human Capital Value [2]

Development of a work environment that realizes well-being

- We endeavor to realize well-being by actively hosting dialogue between the management and FG employees, and through other measures.

Conducted dialogue and exchange between management and staff

Dialogue and exchange meetings with officers

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

Regular meetings with employees of FG Group companies on various topics



▲ "Issh Koryukai Next"

FG President's briefing for managers, "Issh Koryukai"

38 times
Attended by approx. 1,800 people
(Cumulative total from FY2021)

FG President's briefing for young employees, "Issh Koryukai Next"
4 times
Attended by approx. 160 people in total
(Cumulative total from FY2022)

Bank received for eight consecutive years



"White 500" certification for the Excellent Corporations for Health Management 2025

Major certification systems under which the Group receives certification



Platinum Kurumin Plus certification



Platinum Eruboshi certification



Sports Yell Company 2025

New!



"Ni-ful" Gold certification*

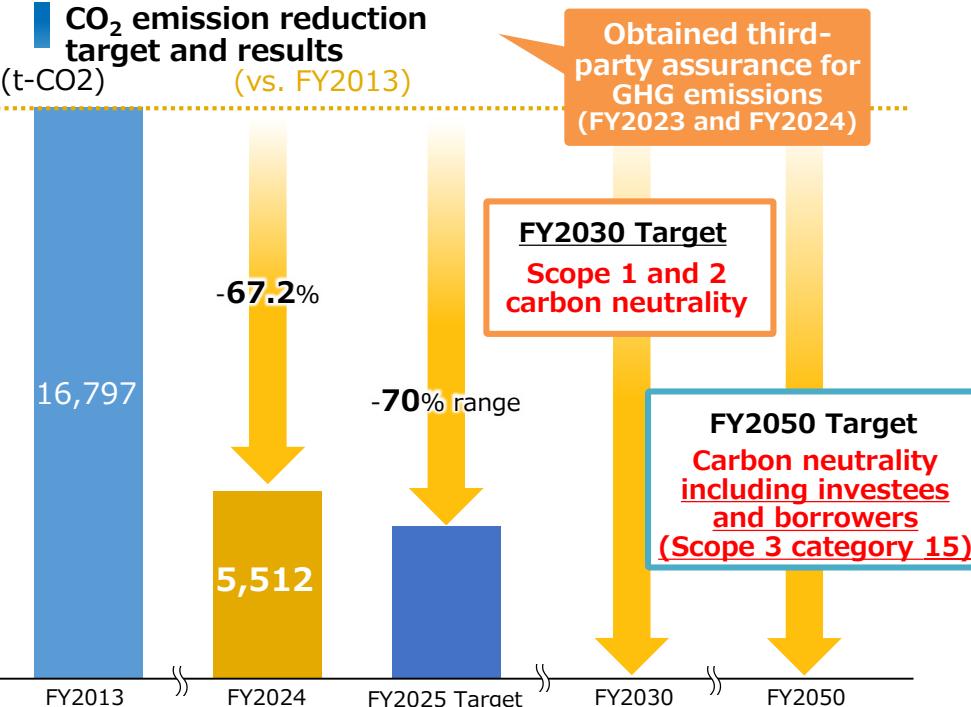
* Niigata Prefecture certification system for companies that practice diverse and flexible workstyles and women's empowerment

Sustainability Initiatives [1]

Reduction of CO₂ emissions

- Contribute to sustainable regional growth by working toward decarbonization on a continuing basis

CO₂ emission reduction target and results (t-CO₂) (vs. FY2013)



Implementation of "GX all-office campaign" (July 2024-)



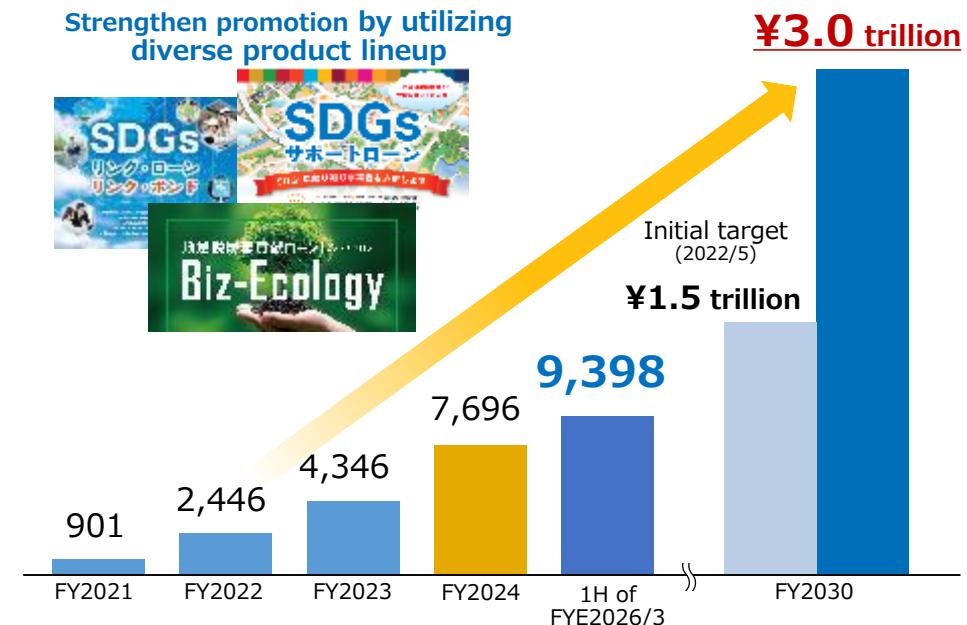
Number of cases for the introduction of GHG emission calculation tools: 2,155 cases
(Business matching)

(Cumulative total from FY2022)

Strengthen efforts for Sustainable Finance

- Support sustainability management of customers who work to address SDGs and ESG Issues

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



Efforts for Sustainable Finance with the third party evaluation

- Positive Impact Finance
- Sustainability Linked Finance
- SDGs-linked Finance
- Sustainability Finance
- SDGs Green Finance

Handling result
265 transactions
¥180.5B

(Cumulative total from August 2021) **36**

Sustainability Initiatives [2]

Communication with regional communities

■ Joint donation to Niigata and Gunma prefectures by Daishi Hokuetsu FG and Gunma Bank

(July 2025)

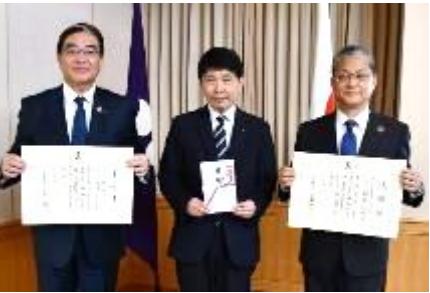
- Donated jointly with Gunma Bank, with which we concluded the Memorandum of Understanding regarding Business Integration, a total of 30 million yen (15 million yen from each company) to Niigata Prefecture and another 30 million yen (15 million yen from each company) to Gunma Prefecture



Daishi
Hokuetsu FG
President
Ueguri

Niigata
Prefecture
Governor
Hanazumi

Gunma Bank
Deputy
President
Irisawa



Gunma
Bank
President
Fukai

Gunma
Prefecture
Governor
Yamamoto

Daishi
Hokuetsu FG
Senior
Managing
Director
Takahashi

■ Donation of PCs whose lease contracts have matured

(August 2025)



- As part of social contribution activities aimed at solving environmental and social issues of local communities and customers, we repaired 30 PCs whose lease contracts have matured and donated them to organizations supporting the disabled and others in Niigata Prefecture

■ Granting scholarships through the "Daishi Hokuetsu Scholarship Society" (1962-)



Number of scholarship recipients
(cumulative total)

(Period: FYE1963/3 –
1H of FYE2026/3)

1,336 people



▲ Scholarship recipients' exchange meeting (August 2025)

■ "Daishi Hokuetsu Academy" financial education activities (2013-)



Number of children participated
(cumulative total)

(Period: FYE2014/3 –
1H of FYE2026/3)

17,502 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



◀ "Sado crested ibis conservation" volunteers (September 2025)

(Reference) 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 -

Medium-Term Management Plan II

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 under the Ministry of the Environment's "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

Medium-Term Management Plan III

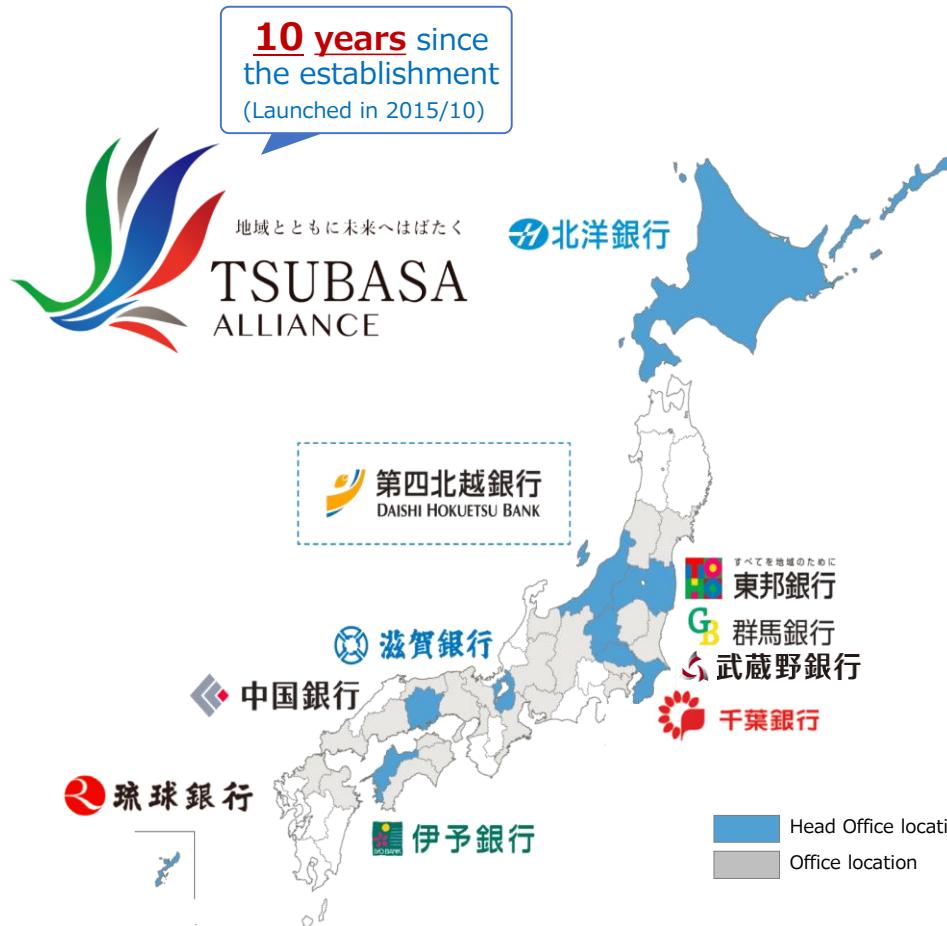
FY2024

- Upward revisions to "Sustainable Finance Targets" and "CO₂ Emission Reduction Target"
- Obtained third-party assurance of greenhouse gas (GHG) emissions
- Joined "Keidanren Initiative for Biodiversity Conservation"
- Participated in "Climate Change Initiatives"
- Participated in "30by30 Alliance for Biodiversity"
- Registered as "TNFD Adopter"
- Concluded the "Partnership Agreement for Local Communities' Promotion of Sustainability" with Nippon Life Insurance Company

*1: Business Continuity Management

TSUBASA Alliance

Started Review on the “TSUBASA Joint Operations Center Plan”



Participating financial institutions **10 banks**
(As of 2025/9 end)

Daishi Hokuetsu Bank on a non-consolidated basis

Synergies from cooperation measures
(2015/10-2025/9 cumulative total)

Total asset balance of **¥98 trillion**
(1H of FYE2026/3 on a consolidated basis)

Cumulative **¥17.7B**

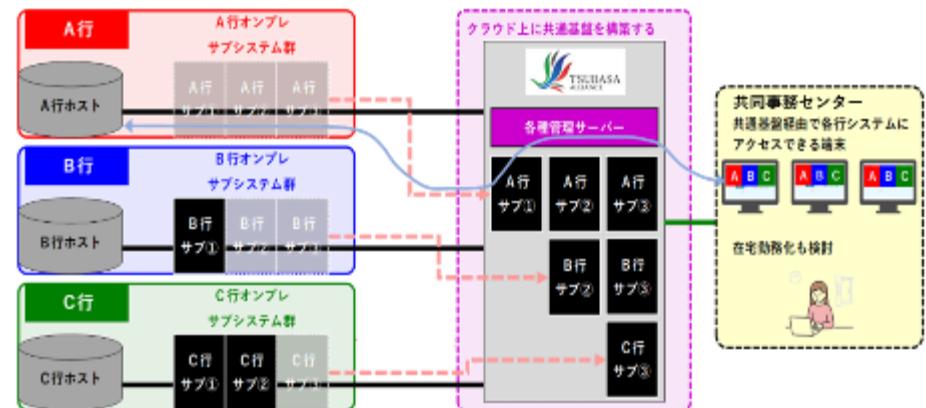
New!

Started review on the “TSUBASA Joint Operations Center Plan”

- New initiative for consolidating back-office operations across banks
- To reduce operational costs at respective banks and address the issue of staff shortage in the future
- To review including the establishment of a new company and aim for full-scale operation by the end of FY2027

→ Create further synergies by consolidating operations and system

<Illustrated image of Joint Operations Center>



Leverage **economies of scale** and **advantages in information collaboration** of the **largest regional bank alliance**

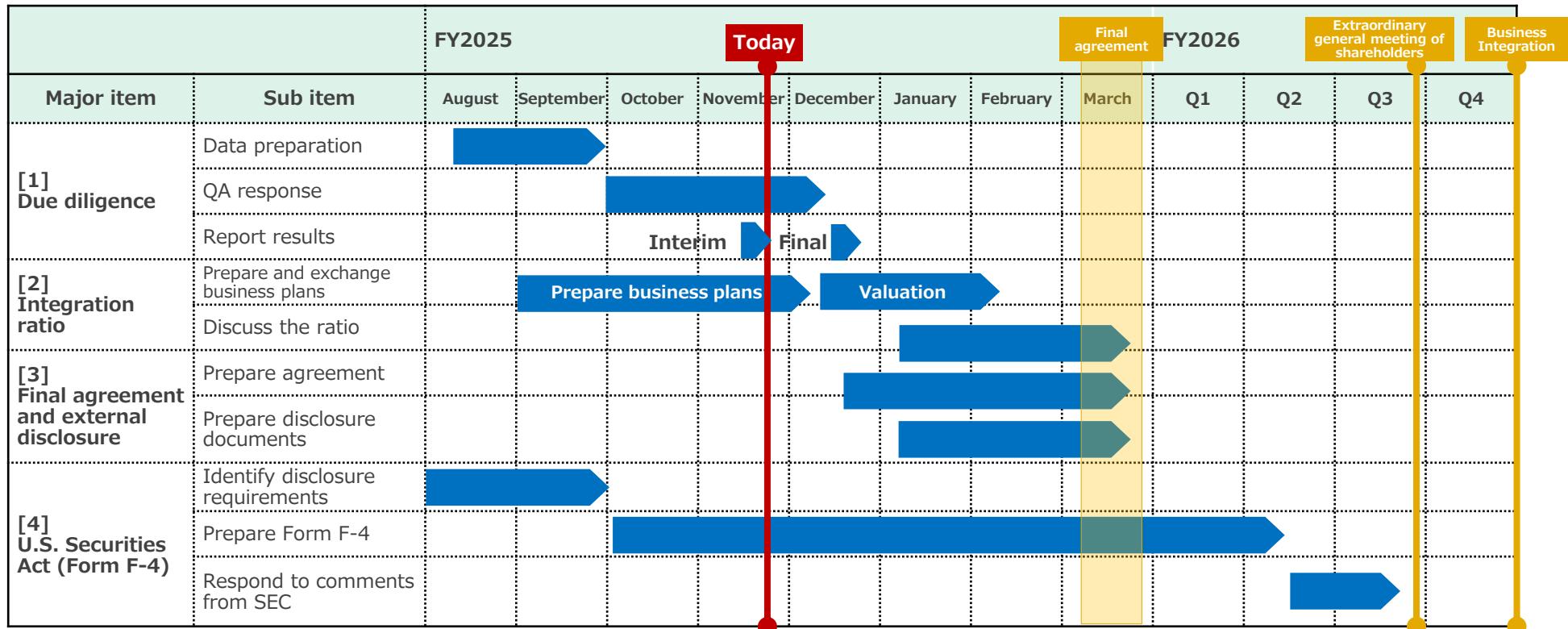
Progress regarding Business Integration with Gunma Bank

Progress regarding Business Integration [1]

Key schedule

Progress is being made without delay on matters necessary for business integration, such as **due diligence** and compliance with the U.S. Securities Act (**Form F-4**)

Received a "Notice of Decision Not to Issue a Cease-and-Desist Order" (**clearance**) from Fair Trade Commission in August 2025



In addition to the above, full-scale discussions have begun at various levels and across different areas, including the Integration Preparation Committee, attended by the heads of both organizations, and 10 specialized subcommittees, to carry out a **review aimed at realizing synergies**.

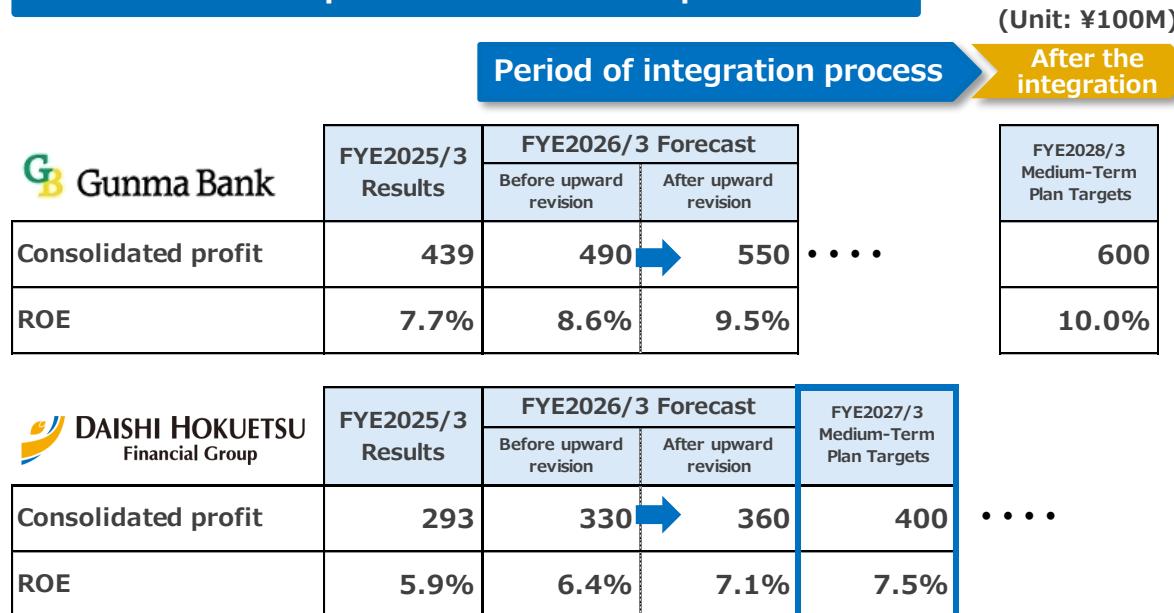
Integration Preparation Committee Key considerations

- New FG's **management philosophy** (currently under review, taking into account the opinions of officers and employees of both companies (approximately 3,400 employees surveyed))
- New FG's **governance system and headquarters organizational structure** (planned to have FG take care of numerical plans and risk management for the entire group)
- Direction of the new FG's **numerical plans** (numerical plans are currently under review, focusing on synergies in sales and markets areas)

Progress regarding Business Integration [2]

Numerical plans of the two companies

Period of integration process (Unit: ¥100M)



Gunma Bank

	FYE2025/3 Results	FYE2026/3 Forecast		FYE2028/3 Medium-Term Plan Targets
		Before upward revision	After upward revision	
Consolidated profit	439	490	550	600
ROE	7.7%	8.6%	9.5%	10.0%

DAISHI HOKUETSU Financial Group

	FYE2025/3 Results	FYE2026/3 Forecast		FYE2027/3 Medium-Term Plan Targets
		Before upward revision	After upward revision	
Consolidated profit	293	330	360	400
ROE	5.9%	6.4%	7.1%	7.5%

At the time of the announcement of the basic agreement (April 24, 2025)



Toward the achievement of the new financial group's ROE target of 10%

- By leveraging the strengths and management resources of the two banks, we will achieve sustainable **earnings growth** and **improved capital efficiency**.

Photo of the Integration Preparation Committee (September 24, 2025)



Maximization of top-line synergy

Common effects

- Increase earnings by **expanding customer base**
- Aggressive investment and streamlining that leverage **economies of scale**
- Higher external ratings** due to strengthening of profitability and more stable financial positions
- Reduction of system costs** through the adoption of shared systems and joint development thereof
- Reduction of administrative costs** through shared and common administrative processes
- Personnel optimization** and shared use of facilities
- Joint development and roll-out of **new products**

Effects on Daishi Hokuetsu FG

→ Increase **net interest income**

- Leverage Gunma's office channels and networks in the **metropolitan area and overseas**
- Improve profitability and efficiency through RORA management and advance risk management

Effects to Gunma Bank

→ Increase **non-net interest income**

- Install/deploy Daishi Hokuetsu's **products and know-how**



Progress regarding Business Integration [3]

Implementation of “pre” PMI (post-merger integration)

- In order to realize synergies early, we have defined the period from October 2025 to March 2026 as an “intensive implementation period” of the measures (“**Pre-Action 180**”), and are working to increase awareness and momentum toward integration.
- Since cooperative actions prior to the integration may violate cartel regulations, we will first execute measures that can be implemented from the perspective of integrating employee awareness, thereby laying the groundwork for synergies.

Pre-Action 180

We will focus on the advancement of operations in areas other than sales, among “integration of awareness” and “integration of operations.”

Category		Details of measures
Integration of awareness		<ul style="list-style-type: none"> ● Conduct joint training by level / business area (Examples: Branch manager training, women's management training, overseas training, qualification acquisition support, etc.) ● Hold joint events for employees, distribute news jointly, and so on
Integration of operations	Advancement of operations	<ul style="list-style-type: none"> ● Launch the work to standardize risk management, profit management, auditing, etc. ● Standardization of disclosure methods in the sustainability area, joint research in the generative AI area, and so on

In the next step (from April 2026 after the final agreement is reached), we will accelerate the development of strategies and joint measures in the sales field so that **top-line synergies** can be realized immediately after the integration

Integration of operations	Top line	<ul style="list-style-type: none"> ● Common products (campaigns), mutual use of channels, customer referral ● Standardization of know-how and promotion methods, inorganic investment in common customers, and so on
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Appendix

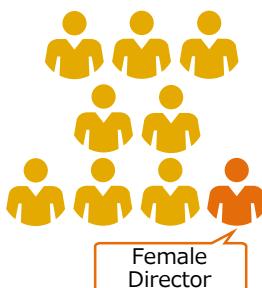
Governance Structure Supporting Sustainable Growth

Governance System of the Board of Directors

Composition of the Board of Directors

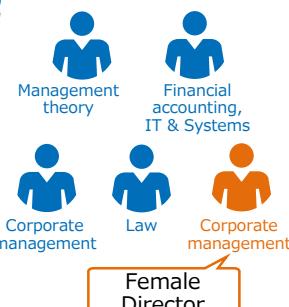
Composition of the Board of Directors
June 2025

Internal: 9



Ratio of Outside Directors
35.7%
(+2.4 pt yoy)

Outside: 5



Ratio of Female Directors
14.2%
(+7.6 pt yoy)

Stakeholder dialogue to increase corporate value

Corporate briefings for institutional investors

Corporate briefings for individual investors

Dialogue with shareholders and institutional investors

1H of FY2025

Number of stakeholder dialogues
40 times
or more in total

Company briefings for corporate clients

Company briefings for retired employees

etc.

Ensuring diversity, Diversity Initiatives



For promotion of more female officers

Promotion to General Manager and Branch Manager

"TSUBASA Cross Mentoring Program" for the development of women executive candidates (FY2022 -)



Female Director Development Program

Women's Empowerment Program (FY2021 -)

DAISHI HOKUETSU Financial Group
DAISHI HOKUETSU BANK

Two female directors were appointed (one internal and one outside)
One female director and one executive officer were appointed (June 2025)

- Women in management and executive positions - (As of the end of September 2025)

FG

Female Director: One (internal Director)

Bank Division

Female Director: 1 (concurrently served by the above FG officer)

Female Executive Officer: 1

Female General Manager: 4

Female Branch Manager: 20

Group Company Division

Female President and Representative Director: 1

Female Director: 1 第四北越証券

Fourth Hokkaido Career Bridge

Training Program for Enhancement of Human Capital Value (Daishi Hokuetsu Bank)

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	Development of executive candidates Development of women executive candidates Branch Manager/Management Keio Business School, etc.	
	Career design		Mid-career design	Middle career	R Career design
	Diversity		Women's Empowerment Program		DE&I, unconscious bias
	Communication and problem-solving skills		Project 2030	Communication skill improvement	
	Group comprehensive capabilities		Group company trainee Securities, staffing, regional trading companies, credit card, IT, etc.		
Technical skills (Banking business)	Corporate consulting	Corporate sales basics	Corporate marketing (Feasibility assessment, sustainability)	Human Capital Value Enhancement PT	
		Corporate owner (Beginner)	Corporate owner (Middle and Advanced level)		
		Derivative	Corporate consulting leader		
		Business insurance master			
		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	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 people who already hold the IT Passport certification
- 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 employees

Attendance scale ≥ 100 people

Attendance scale ≥ 10 people

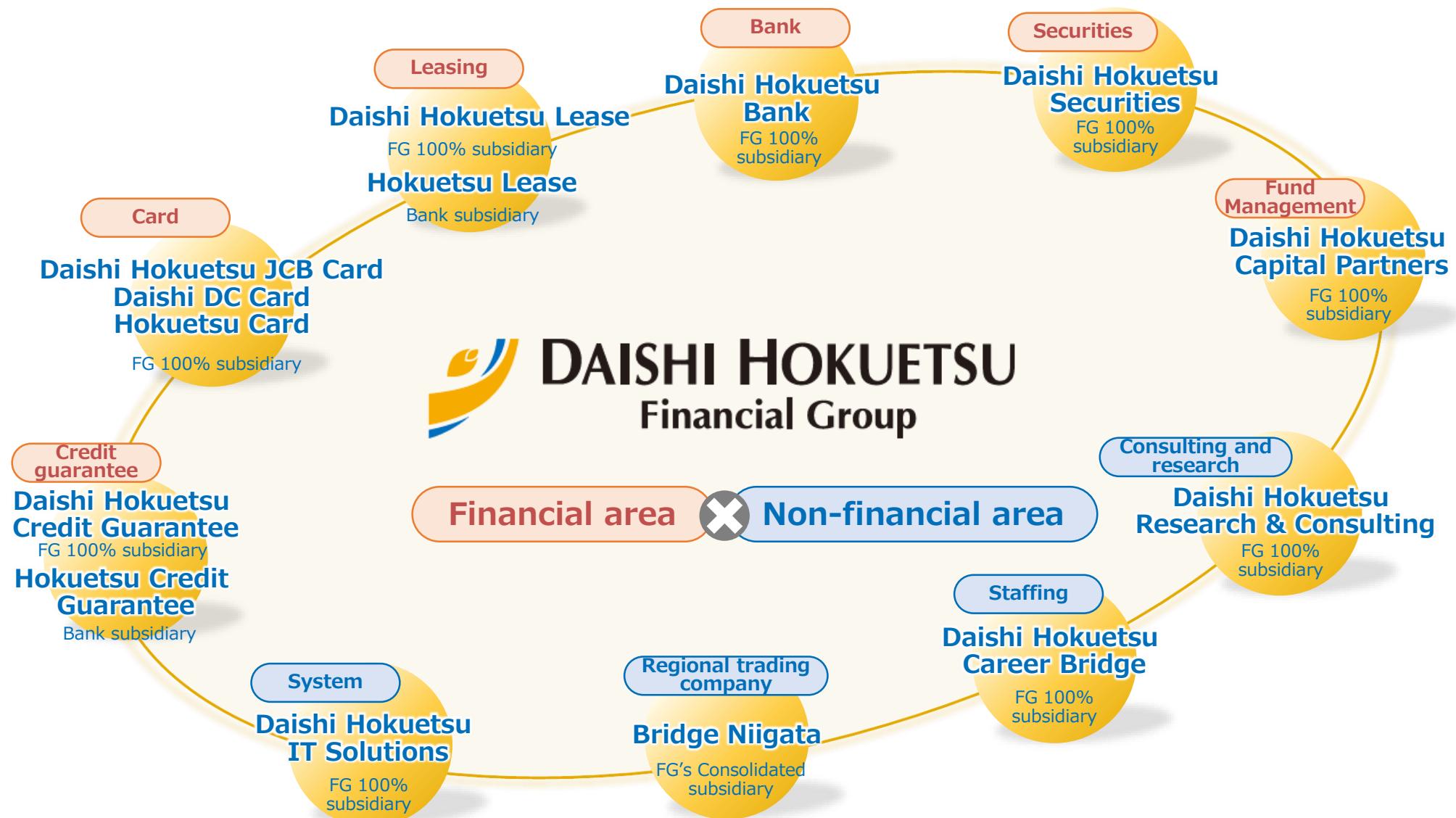
Attendance scale <10 people

R Menu designed for reskilling both men and women

R Menu designed primarily for reskilling women

(External) External dispatch

Overall Picture of Daishi Hokuetsu Financial Group



* As of 2025/9 end

Financial Position of Group Companies

(Millions of yen)

Company	Core Business	Share capital	Net sales (ordinary revenue)			Ordinary profit			Profit		
			FYE2024/3	FYE2025/3	1H of FYE2026/3	FYE2024/3	FYE2025/3	1H of FYE2026/3	FYE2024/3	FYE2025/3	1H of FYE2026/3
Daishi Hokuetsu Bank, Ltd.	Banking business	32,776	149,027	160,834	126,685	25,417	35,127	30,606	16,062	25,242	21,572
Daishi Hokuetsu Securities Co., Ltd.	Securities business	600	5,219	5,174	2,674	2,039	1,948	990	1,157	1,386	784
Daishi Hokuetsu Leasing Co., Ltd.	Leasing business	100	17,771	19,567	10,588	709	857	495	469	575	329
Hokuetsu Leasing Co., Ltd.	Leasing business	100	2,956	2,090	735	213	203	98	163	134	66
Daishi Hokuetsu JCB Card Co., Ltd	Credit card and credit guarantee services	30	1,648	1,765	1,093	532	640	377	349	425	252
Daishi DC Card Co., Ltd.	Credit card services	30	920	1,006	543	68	59	28	43	41	18
Hokuetsu Card Co., Ltd.	Credit card and credit guarantee services	20	670	654	123	48	108	-11	31	-531	-17
Daishi Hokuetsu IT Solutions Co., Ltd.	System-related operations	100	3,260	2,974	1,552	188	74	-32	109	55	-21
Daishi Hokuetsu Research & Consulting Co., Ltd.	Consulting business and research/study, information provision services related to economy and society	30	416	462	268	53	80	67	34	53	44
Daishi Hokuetsu Capital Partners Co., Ltd.	Fund creation and management	20	55	67	56	15	19	27	10	13	18
Daishi Hokuetsu Career Bridge Co., Ltd.	Staffing agency and consulting business related to corporate human resources	30	239	242	116	62	72	20	43	50	13
Bridge Niigata, Ltd.	Sales channel development, tourism promotion	70	292	364	169	15	6	-16	10	28	-16
Daishi Hokuetsu Credit Guarantee Co., Ltd.	Credit guarantee business	50	1,906	1,943	975	1,203	1,072	27	791	719	22
Hokuetsu Credit Guarantee Co., Ltd.	Credit guarantee business	210	594	446	211	533	261	112	384	171	77



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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 due to changes in the business environment and other factors.