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April 27, 2026

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**Notice Concerning Upward Revision (Re-Revision) of Management Indicator Targets in Third Medium-Term Management Plan**

Daishi Hokuetsu Financial Group, Inc. ("the Company") hereby announces that the Company has made an upward revision (re-revision) of its management index targets for this fiscal year (FY2026), which is the final fiscal year of the third medium-term management plan, as follows.

1. Upward revision of management index targets

(1) Details of revision

Management indicator targets to be revised		Targets for FY2026	
		< Previous revision > (Announced on March 26, 2025)	< Re-revision > (Announced today)
Management indicator targets for financial issues			
Growth potential	Consolidated profit (Profit attributable to owners of parent)	40 billion yen	50 billion yen
Efficiency	Consolidated OHR	In the 54% range	In the 50% range
	Consolidated ROE	7.5% or more	8.7% or more

(2) Reasons for revision

In addition to the fact that interest rates in the domestic market have remained higher than the level at the time of the previous revision of the targets, we have taken the factors such as further accumulation of the risk assets in line with the change to the "foundation internal ratings based approach", profitability improvement in the Treasury and Capital Markets Division through review of the securities portfolio, and steady progress of the third medium-term management plan, including in the non-interest rate business into account, and revised the targets upwards again.

Regarding dividends for FY2026, our policy is to act in accordance with the shareholder return policy of the Company (see reference).

\*This material has been prepared based on information available as of the date of the announcement, and the actual results may differ from the forecast figures due to various factors in the future.

This plan is based on the assumption that the Bank of Japan will raise interest rates by 0.25% at its Monetary Policy Meeting in December this year.

(Reference) Shareholder Return Policy

In view of the public nature of the financial services group, the Company's basic policy is to continue to provide stable returns to shareholders while taking into account the enhancement of internal reserves to strengthen its earnings base in order to reward shareholders into the future.

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

The Company's policy is to improve ROE based on the enhancement of profit, and we aim to achieve at least 10% as soon as possible and to achieve even higher ROE.

# Medium-Term Management Plan III Upward Revision of Key Performance Indicators

April 27, 2026



**DAISHI HOKUETSU**  
Financial Group

第四北越フィナンシャルグループ

Securities  
code 7327

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

# Upward Revision of Key Performance Indicators

Third revision

“Medium-Term Management Plan III final-year consolidated profit increased to **50.0 billion yen**”

Key Performance Indicators (KPI) to be revised	Final Year of the Medium-Term Management Plan III FY2026 (FYE2027/3)					
	Initial targets (2024/4)	First revised targets (2024/11)	Second revised targets (2025/3)	<b>Revised targets</b> (Announced in 2026/4)	Vs. initial targets	Vs. second revised targets
Consolidated Profit*	¥27.0B	¥35.0B	¥40.0B	<b>¥50.0B</b>	<b>+¥23.0B</b>	<b>+¥10.0B</b>
Consolidated OHR	in the 61% range	in the 57% range	in the 54% range	<b>in the 50% range</b>	<b>-11pt</b>	<b>-4pt</b>
Consolidated ROE	≥ 5%	≥ 6.5%	≥ 7.5%	<b>≥ 8.7%</b>	<b>+3.7pt</b>	<b>+1.2pt</b>

\* Profit attributable to owners of parent

Main reasons



**Medium-Term Management Plan III progressing well, exceeding the plan** ( P2 )

- ✓ Through the implementation of groupwide consulting operations, net interest income and services revenue both performed steadily



**Currently, the domestic market interest rate has surpassed expectations** ( P2 )

- ✓ Factored in domestic market interest rates that have been trending above the assumptions at the time of the previous upward revision.



**Further accumulation of risk assets accompanying the change to the Foundation Internal Ratings Based (FIRB) approach** ( P3 )

- ✓ Factored in further accumulation of risk assets accompanying the change to FIRB approach from March 31, 2025



**Expansion of Market Investment Division revenue due to improvement in securities portfolio** ( P4 )

- ✓ Factored in revenue improvement effects from portfolio improvements to date

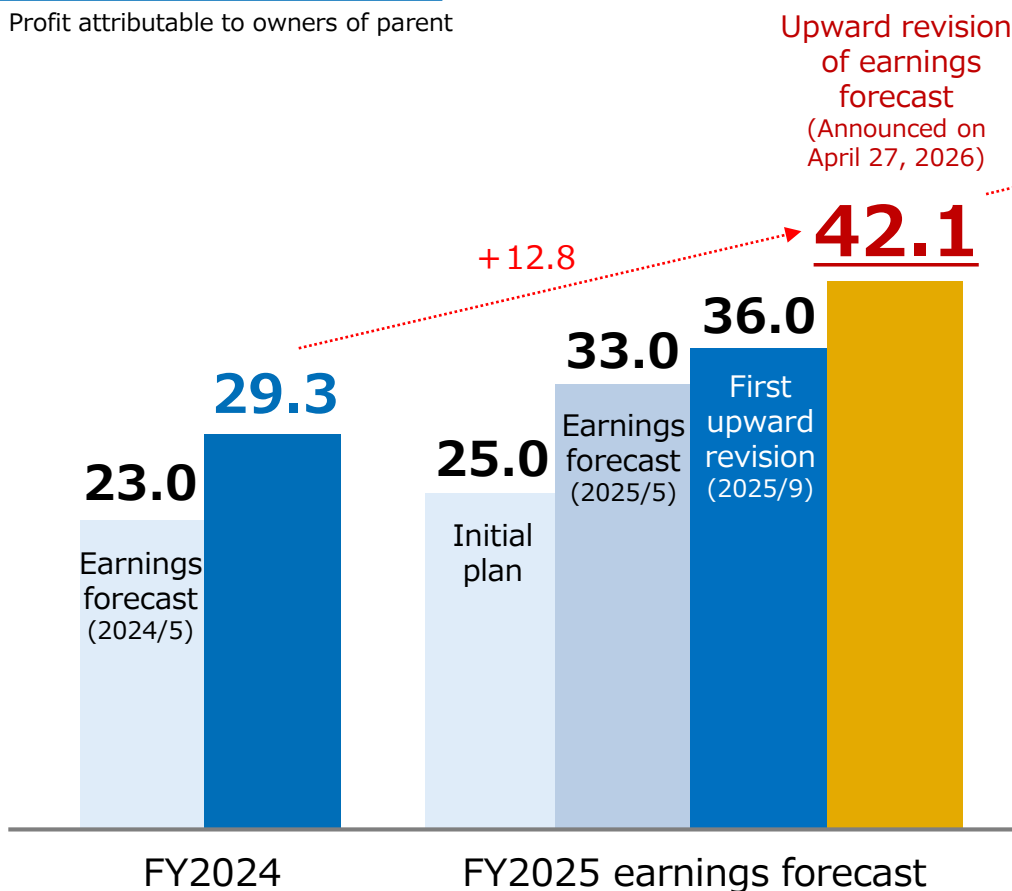
# Medium-Term Management Plan III Key Performance Indicators (KPI)

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

## Medium-Term Management Plan III (FY2024-FY2026)

**Consolidated Profit\*** (Billions of yen)

\* Profit attributable to owners of parent

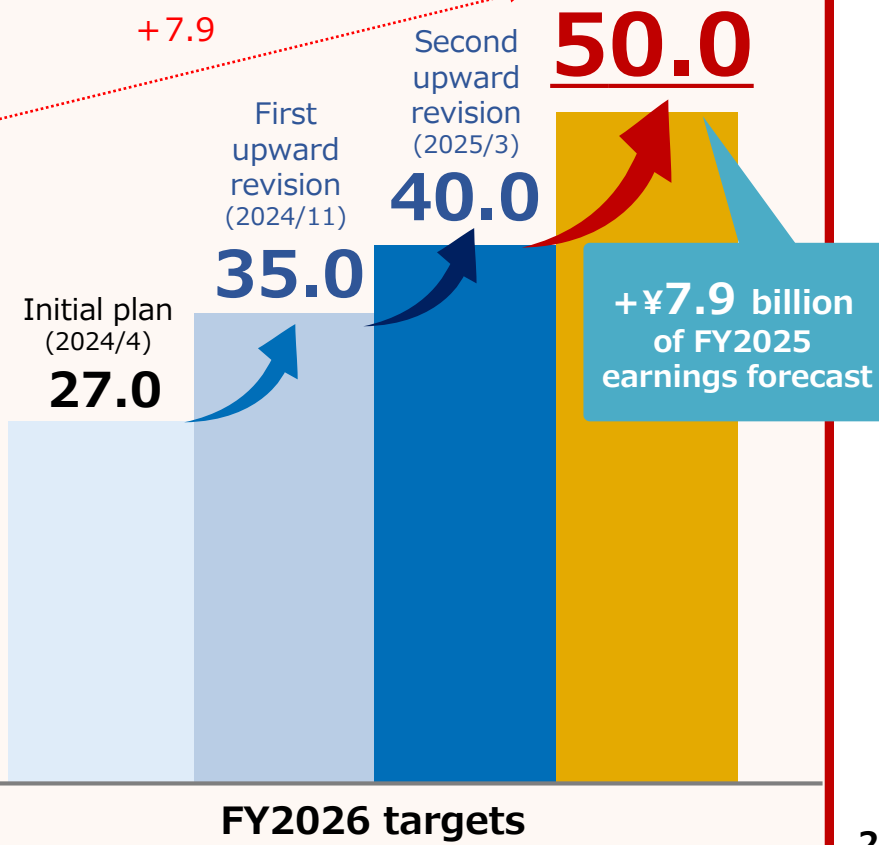


<Assumptions at the time of plan formulation>

◆ BOJ interest rate in December 2026  
0.75%⇒1.00%

**Third upward revision**  
(Announced on April 27, 2026)

**50.0**



# Accumulation of Risk Assets Accompanying the Change to FIRB Approach

## Further increase in management soundness and profitability through optimal risk-taking

- We will utilize increased risk-taking capacity following the change to FIRB approach to accumulate further risk assets in growth areas.

### Change of capital ratio calculation method to FIRB approach

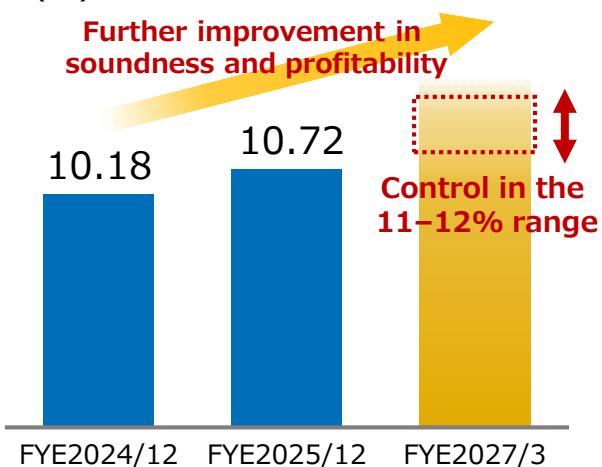
<Applied from end of March 2025>

Changes in Credit Risk Measurement Method	
After change	Before change
Foundation internal ratings based approach	Standardized approach

- Risk amount based on precise risk measurement to be reflected appropriately in the capital ratio.  
The FG's capital ratio is expected to increase in steps.

### FG consolidated capital ratio

(%)



Enhance profitability management approach using RORA basis

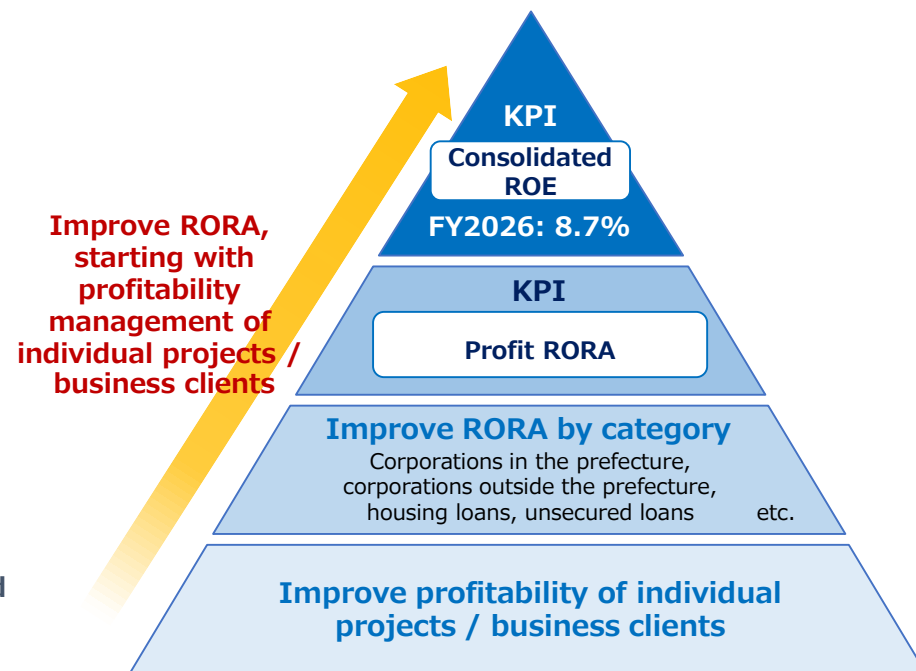
Further accumulated high quality risk assets

Investment of management resources in growth areas and expansion of risk taking

### New profitability management approach based on RORA

<Implemented at all bank branches from April 2026>

- Aim to increase the overall profitability of business clients, starting with the profitability management of individual projects.
- Apply PDCA process to achieve target profit RORA, including increasing RORA by category.



# Expansion of “Market Investment Division Revenue”

## ■ Expansion of Market Investment Division revenue due to improvement in securities portfolio

- Amid steady performance in stock prices, we improved our securities portfolio through measures such as making use of gains on sales of stocks, etc., to sell low-yielding yen- and euro-denominated bonds.
- We will continue to implement portfolio revisions in response to the market environment going forward.

### <Main factors increasing Market Investment Division revenue>

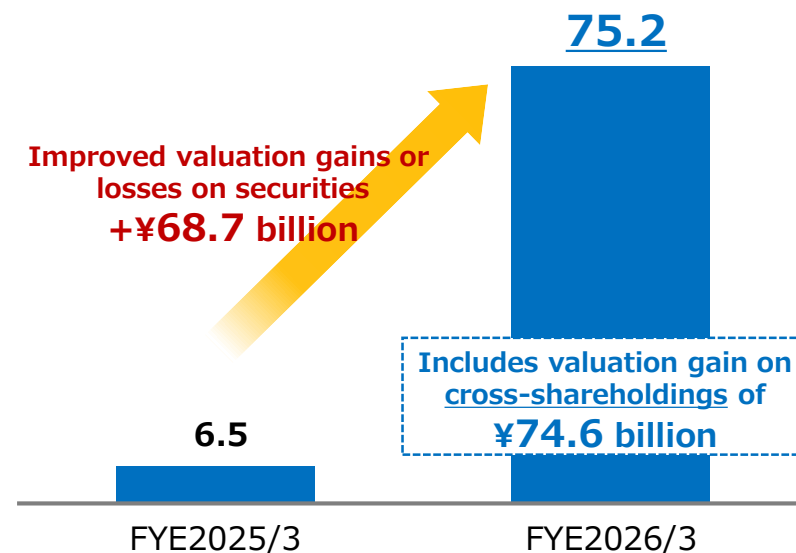
- **Improvement in profitability through the sale of low-yield bonds (implemented in FY2025)**
  - ✓ As stock prices have performed strongly, renewing new record highs, we implemented profit-taking sales of stocks, etc.
  - ✓ Gains on sales of stocks, etc. were used to sell low-yielding yen-denominated and euro-denominated bonds to improve the portfolio
- **Diversified investment in bonds and stocks, etc. based on market trends**
  - ✓ Increase holdings of yen-denominated bonds, such as government and local government bonds, and Ginnie Mae bonds
  - ✓ Purchase of risk assets such as stocks
- **Increase in dividend income from corporate dividend increases**
  - ✓ Increase in dividends through corporate earnings improvement
- **Sale of stocks associated with reduction of cross-shareholdings**
  - ✓ Sale of cross-shareholdings based on “Cross-shareholdings Reduction Policy (reduction target)”

etc.

### Valuation gains or losses on securities (Bank non-consolidated)

(Billions of yen)

After taking into account deferred hedging

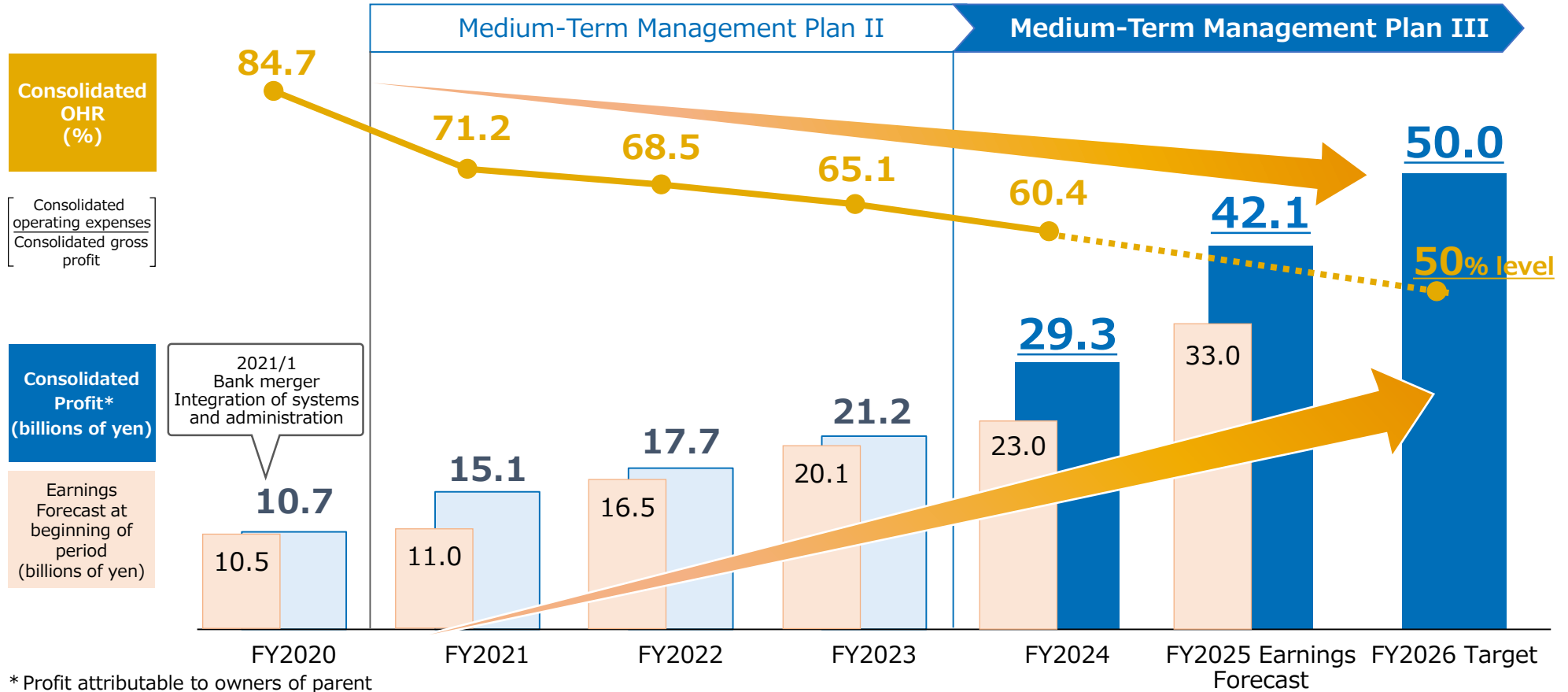


Yield	1.58%	+0.44pt	2.02%
		→	

→ Improved yield, mainly reflecting sales of low-yielding bonds

Reference

# Trends in Consolidated Profit and Consolidated OHR



## Daishi Hokuetsu Financial Group 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 10% or higher at an early stage, and aim for an even higher level.



**DAISHI HOKUETSU**  
Financial Group

**第四北越フィナンシャルグループ**

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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.