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[Translation]

Greetings

We would like to express our appreciation for your continued support and patronage.

Under our Group's 3rd Medium-Term Management Plan (Fiscal 2024-2026), guided by the slogan "Isshi Yuyaku" (taking a brave leap under united spirits), we are working across the entire Group to enhance our consulting capabilities and more. As a result, we were able to achieve the consolidated net income target for fiscal 2026 (the final year of the plan), which we had revised upward in March 2025 to 40.0 billion yen, ahead of schedule in the current fiscal year. We owe this entirely to the patronage of all our stakeholders, and we would like to express our deepest gratitude.



This fiscal year will be a crucial one, as we finalize our 3rd Medium-Term Management Plan and lay the groundwork for the launch of the Gunma Niigata Financial Group, which is scheduled to take place in April 2027. All of our group executives and employees are united in our commitment to moving forward with a sense of speed to maximize the synergies resulting from our business integration, make an even greater contribution to the local community, and further improve our corporate value.

We ask for your continued expectations for the future activities of our Group and sincerely request your continued support.



May 2026
Daishi Hokuetsu Financial Group, Inc.
Michiro Ueguri, President and Representative Director

(Stock Exchange Code 7327)
May 29, 2026
(Date of commencement of electronic provision measures: May 21, 2026)

To Shareholders with Voting Rights:

Michiro Ueguri
President and Representative Director
Daishi Hokuetsu Financial Group, Inc.
1071-1 Higashiborimae-dori 7-bancho, Chuo-ku,
Niigata, Niigata, Japan

**NOTICE OF CONVOCAION OF
THE 8TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are hereby notified that the 8th Annual General Meeting of Shareholders of Daishi Hokuetsu Financial Group, Inc. (the “Company”) will be held for the purposes described below.

When convening this general meeting of shareholders, the Company has taken measures for electronically providing information and has posted the matters subject to the electronic provision measures on the websites of the Company and the Tokyo Stock Exchange on the Internet or by mailing the Voting Rights Exercise Form. You are kindly requested to access the following websites to view the information.

[The Company website]	https://www.dhfg.co.jp/english/ Please access the website above, and then click on “Shareholders’ Meeting” to find the information.
[The Tokyo Stock Exchange website] (Listed Company Search)	https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show Please access the website above, and then enter the Company’s name or stock exchange code (7327), and click on “Search,” “Basic information,” and “Documents for public inspection/PR information” in this order to find the information.

If you do not attend the meeting, you can exercise your voting rights in advance via the Internet or in writing. Please review the after-mentioned Reference Documents for the General Meeting of Shareholders and exercise your voting rights **by 5:20 p.m. on Tuesday, June 23, 2026, Japan time.**

- 1. Date and Time:** Wednesday, June 24, 2026, at 10 a.m. Japan time
(The reception begins at 9 a.m.)
- 2. Place:** Daishi Hokuetsu Hall, 2nd Floor, Daishi Hokuetsu Bank, Ltd.'s head office located at 1071-1, Higashiborimae-dori, 7-bancho, Chuo-ku, Niigata, Niigata, Japan
(Please refer to the "Location of General Meeting of Shareholders" attached at the end of this document (Japanese version only).)
- 3. Agenda:**
- Matters to be reported:** The Business Report, and the Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 8th Fiscal Year (April 1, 2025–March 31, 2026) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
- Proposals to be resolved:**
- Proposal 1:** Election of Six (6) Directors Not Serving as Audit & Supervisory Committee Members
- Proposal 2:** Election of Four (4) Directors Serving as Audit & Supervisory Committee Members

4. Instructions for the Exercise of Voting Rights

(1) Methods for the exercise of voting rights

You can exercise your voting rights by three methods: attending the meeting in person, using the Internet, and mailing the Voting Rights Exercise Form.

(2) Handling of duplicate votes

If you have exercised your voting rights both via the Internet and by mailing the Voting Rights Exercise Form, the vote exercised via the Internet shall be deemed effective.

If you have exercised your voting rights several times via the Internet, only the last vote shall be deemed effective.

(3) Exercise of voting rights by proxy

If you are unable to attend the meeting, you may exercise your voting rights by proxy. Such proxy must be a shareholder of the Company who holds voting rights and will be required to submit a document certifying the authority as proxy.

End

Request for exercising voting rights

Voting rights in a general meeting of shareholders are important rights of our shareholders to participate in our management. We request that you exercise your voting rights.

[Note on the Delivery of Paper-based Materials for the General Meeting of Shareholders]

- From a viewpoint of mitigation of the environmental burden by reducing paper usage, and other factors, the Company sends a "simple convocation notice" to shareholders who have not made a request for delivery of documents.
- A complete set of materials for the General Meeting of Shareholders is available on the websites of the Company and the Tokyo Stock Exchange, the addresses of which are provided on page 2 of this document. Please confirm this information.

- Among the matters subject to the electronic provision measures, the following matters will not be provided in the paper copy to shareholders who made a request for delivery of documents in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company. The Audit & Supervisory Committee and the Accounting Auditors audit documents subject to auditing, including the following matters:
 - (i) "Matters concerning Share Acquisition Rights, etc.," "Corporate Structure to Ensure Appropriate Business Operations," "Matters concerning Specified Wholly-Owned Subsidiaries," and "Matters concerning Dealings with Parent Company, etc." in the Business Report
 - (ii) Consolidated Statement of Shareholders' Equity and Notes to the Consolidated Financial Statements
 - (iii) Non-consolidated Statement of Shareholders' Equity and Notes to the Non-consolidated Financial Statements

- Should any amendments be made to the matters subject to the electronic provision measures, the Company will post the notice to that effect with matters before and after the amendment on the Company website and the Tokyo Stock Exchange website, the addresses of which are provided on page 2 of this document.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Documents

Proposal 1: Election of Six (6) Directors Not Serving as Audit & Supervisory Committee Members

The term of office of all of the eight (8) current Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies within this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect six (6) Directors.

The Company has established the Nomination and Remuneration Committee to ensure the opportunity to receive appropriate involvement and advice from Outside Directors on important matters such as the election and dismissal of Directors, and thereby reinforce fairness, transparency, and objectivity (the Committee is an advisory body to the Board of Directors composed of six (6) members: five (5) Outside Directors and one (1) Representative Director). The appointment of the candidates for Director was decided based on the deliberations and findings of this Committee.

This proposal was discussed by the Audit & Supervisory Committee, and there were no special matters to note.

The candidates for Director are as follows:

No.	Name	(Sex)		Current position in the Company	Attendance at Meetings of the Board of Directors (8th term)
1	Michiro Ueguri	(Male)	Reappointment	President and Representative Director	12/12 (100%)
2	Makoto Takahashi	(Male)	Reappointment	Representative Director and Senior Managing Director	12/12 (100%)
3	Ken Shibata	(Male)	Reappointment	Representative Managing Director	12/12 (100%)
4	Toshiyuki Maki	(Male)	Reappointment	Director	12/12 (100%)
5	Takashi Ishizaka	(Male)	Reappointment	Director	11/12 (91%)
6	Yoshiko Baba	(Female)	Reappointment	Director	12/12 (100%)

No.	Name (Date of birth)	Brief career summary, positions and responsibilities		Number of shares of the Company held
1	Michiro Ueguri (December 24, 1962) (Age: 63*) <u>Reappointment</u>	April 1986 April 2008 June 2012 June 2015 June 2016 April 2017 June 2017 June 2018 October 2018 April 2021 June 2024	Joined The Daishi Bank, Ltd. General Manager, Kashiwazaki Minami Office General Manager, Planning Coordination Division General Manager, Tokyo Office, and Chief Representative, Tokyo Representative Office Executive Officer, General Manager, Tokyo Office, and Chief Representative, Tokyo Representative Office Executive Officer and General Manager, Group Strategy Planning Division Director, Executive Officer and General Manager, Group Strategy Planning Division Managing Director Director, the Company President and Representative Director, the Company President (Representative Director), Daishi Hokuetsu Bank, Ltd. President and Representative Director, Chairman of Board of Directors, in charge of Supervision/Audit and Inspection Division, the Company (current position) President (Representative Director), Chairman of Board of Directors, in charge of Supervision/Secretariat Division/Audit and Inspection Division, Daishi Hokuetsu Bank, Ltd. (current position)	38,100
Years in service as Director: 7 years and 9 months*				
[Reason for nomination as Director] Since he assumed the office of Director of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2017, Mr. Michiro Ueguri has supervised the divisions of management planning, general affairs, human resources, administration and sales, thereby accumulating considerable experience and broad knowledge. He has served as Director of the Company since its establishment in October 2018, and was appointed President and Representative Director of the Company and President (Representative Director) of Daishi Hokuetsu Bank, Ltd. in April 2021. He has adequately fulfilled his duties and responsibilities, including leading the formulation and execution of the Group's medium-term management plan and steadily improving corporate value, and he has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.				
[Significant concurrent positions] President (Representative Director), Daishi Hokuetsu Bank, Ltd. Outside Director, HOKURIKU GAS CO., LTD. Outside Director, BSN Media Holdings, Inc.				

No.	Name (Date of birth)	Brief career summary, positions and responsibilities		Number of shares of the Company held
2	Makoto Takahashi (February 23, 1962) (Age: 64*) Reappointment	April 1985	Joined The Hokuetsu Bank, Ltd.	40,400
		July 2009	General Manager, Gosen Office	
		June 2013	General Manager, Loan Division	
		June 2015	General Manager, Business Supervision Division	
		June 2017	Director, General Manager, General Planning Division	
		June 2018	Managing Director, General Manager, General Planning Division	
		October 2018	Director, the Company	
		January 2021	Managing Director, General Manager, Operation Headquarters, Daishi Hokuetsu Bank, Ltd.	
		June 2023	Representative Director and Senior Managing Director in charge of Risk Management Division (currently Risk Management Division and Compliance Division)/Systems Operation Administration Division (currently Systems Management Division and Administration Division), the Company (current position)	
		June 2023	Senior Managing Director (Representative Director), General Manager, Operation Headquarters, in charge of Administration Management Division/System Planning Division/Operation Centralization Division/Operation Support Division/Risk Control Division (currently Risk Management Division and Compliance Division), Daishi Hokuetsu Bank, Ltd. (current position)	
Years in service as Director: 7 years and 9 months*				
[Reason for nomination as Director] Since he assumed the office of Director of The Hokuetsu Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2017, Mr. Makoto Takahashi has supervised the divisions of management planning and consolidation promotion, thereby accumulating considerable experience and broad knowledge. Having served as Director since the establishment of the Company in October 2018, he has served as Representative Director and Senior Managing Director of the Company since June 2023, and now serves as Senior Managing Director (Representative Director) of Daishi Hokuetsu Bank, Ltd.. He has adequately fulfilled his duties and responsibilities, including leading the establishment of an appropriate risk management system in response to environmental changes, and he has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.				
[Significant concurrent position] Senior Managing Director (Representative Director), Daishi Hokuetsu Bank, Ltd.				

No.	Name (Date of birth)	Brief career summary, positions and responsibilities		Number of shares of the Company held
3	Ken Shibata (January 19, 1967) (Age: 59*) Reappointment	April 1989	Joined The Daishi Bank, Ltd.	28,900
		February 2011	General Manager, Tsubame Minami Office	
		June 2015	General Manager, Planning Coordination Division	
		June 2018	Director and Executive Officer, General Manager, Planning Coordination Division	
		October 2018	General Manager, Business Planning Division, the Company	
		June 2020	Director, General Manager, Corporate Planning Division, the Company	
		January 2021	Managing Director, General Manager, Planning Coordination Division, The Daishi Bank, Ltd.	
		June 2023	Director, the Company	
		June 2024	Managing Director, Daishi Hokuetsu Bank, Ltd.	
		June 2024	Senior Managing Director (Representative Director), in charge of Planning Coordination Division/Tokyo Representative Office and Treasury and Capital Markets Division, Daishi Hokuetsu Bank, Ltd. (current position)	
June 2024	Representative Managing Director, in charge of Corporate Planning Division/Group Strategy Promotion Division and Treasury and Capital Markets Division, the Company (current position)			
Years in service as Director: 6 years*				
[Reason for nomination as Director] Mr. Ken Shibata assumed the office of Director of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2018 and has supervised the divisions of corporate planning, risk management, securities operation, thereby accumulating considerable experience and broad knowledge. Having served as Director of the Company since June 2020, he was appointed Senior Managing Director (Representative Director) of Daishi Hokuetsu Bank, Ltd. in June 2023, and has served as Representative Managing Director of the Company since June 2024. He has adequately fulfilled his duties and responsibilities, including leading the advancement of market operations according to the market, in addition to financial strategies and capital policies aimed at improving corporate value, and he has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.				
[Significant concurrent position] Senior Managing Director (Representative Director), Daishi Hokuetsu Bank, Ltd.				

No.	Name (Date of birth)	Brief career summary, positions and responsibilities		Number of shares of the Company held
4	Toshiyuki Maki (December 19, 1966) (Age: 59*) <u>Reappointment</u>	April 1990	Joined The Daishi Bank, Ltd.	11,800
		June 2015	General Manager, Kameda Office	
		June 2017	General Manager, Sanjo Office and General Manager, Sanjo Higashi Office	
		June 2018	Executive Officer and General Manager, Consulting Promotion Division	
		October 2018	General Manager, Business Planning Division, the Company	
		June 2019	Director, Executive Officer and General Manager, Consulting Promotion Division, The Daishi Bank, Ltd. Director, Executive Officer and General Manager, Business Headquarters	
		June 2020	Managing Director, General Manager, Business and Regional Revitalization Headquarters	
		January 2021	Senior Managing Executive Officer and General Manager, Business and Regional Revitalization Headquarters, Daishi Hokuetsu Bank, Ltd.	
		April 2021	General Manager, Regional Revitalization Division, the Company	
		June 2021	Director, General Manager, Regional Revitalization Headquarters and General Manager, Regional Revitalization Division	
			Managing Director and General Manager, Business Headquarters, Daishi Hokuetsu Bank, Ltd.	
		June 2023	Director, General Manager, Regional Revitalization Headquarters, the Company	
		June 2024	Senior Managing Director (Representative Director), General Manager, Business Headquarters, Daishi Hokuetsu Bank, Ltd.	
		July 2024	Senior Managing Director (Representative Director), General Manager, Business Headquarters, and General Manager, Tokyo Business Headquarters, in charge of Consulting Division and Business Development and Planning Division, Daishi Hokuetsu Bank, Ltd.	
		June 2025	Director, General Manager, Regional Revitalization Strategy Headquarters, in charge of Regional Revitalization Strategy Division, the Company (current position)	
	Senior Managing Director (Representative Director), General Manager, Regional Revitalization Business Headquarters, General Manager, Business Headquarters, and General Manager, Tokyo Business Headquarters, in charge of Regional Strategy Division, Daishi Hokuetsu Bank, Ltd.			
February 2026	Senior Managing Director (Representative Director), General Manager, Regional Revitalization Business Headquarters, in charge of Regional Strategy Division, Daishi Hokuetsu Bank, Ltd. (current position)			
Years in service as Director: 5 years*				
[Reason for nomination as Director] Mr. Toshiyuki Maki assumed the office of Director of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2019 and supervised the division of business promotion, thereby accumulating considerable experience and broad knowledge. Having served as Director and General Manager of Regional Revitalization Headquarters of the Company since June 2021, he has served as Senior Managing Director (Representative				

	Director) of Daishi Hokuetsu Bank, Ltd. since June 2024, and now serves as General Manager of Business Headquarters (currently General Manager of Regional Revitalization Business Headquarters). He has adequately fulfilled his duties and responsibilities, including leading overall activities aimed at regional revitalization and actively participating in the creation of large-scale projects within Niigata Prefecture, and he has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.
	[Significant concurrent position] Senior Managing Director (Representative Director), Daishi Hokuetsu Bank, Ltd.

No.	Name (Date of birth)	Brief career summary, positions and responsibilities		Number of shares of the Company held
5	Takashi Ishizaka (January 22, 1964) (Age 62*) Reappointment	April 1986	Joined The Hokuetsu Bank, Ltd.	10,400
		October 2007	General Manager, Yoshida Office	
		June 2009	General Manager, Ichinokido Office	
		April 2014	General Manager, Niitsu Office	
		April 2017	General Manager, Solution Business Division	
		October 2018	General Manager in charge of Business Planning Division, the Company	
		April 2019	General Manager, Business Supervision Division, The Hokuetsu Bank, Ltd.	
		June 2019	Executive Officer, General Manager, Business Supervision Division	
		January 2021	Executive Officer, Deputy General Manager, Business Headquarters, Daishi Hokuetsu Bank, Ltd.	
		June 2021	Deputy General Manager, Regional Revitalization Headquarters, and General Manager in charge of Regional Revitalization Division, the Company	
			Executive Officer, Deputy General Manager, Business Headquarters, and General Manager, Business Development and Planning Division, Daishi Hokuetsu Bank, Ltd.	
		October 2021	President and Representative Director, Daishi Hokuetsu Capital Partners Co., Ltd.	
		June 2023	Director, Deputy General Manager, Regional Revitalization Headquarters, and General Manager, Regional Revitalization Division, the Company	
			Managing Director, Deputy General Manager, Business Headquarters, and General Manager, Business Development and Planning Division, Daishi Hokuetsu Bank, Ltd.	
		June 2024	Managing Director, Deputy General Manager, Business Headquarters, Deputy in charge of Consulting Division and Business Development and Planning Division	
		June 2025	Director, Deputy General Manager, Regional Revitalization Strategy Headquarters, Deputy in charge of Regional Revitalization Strategy Division (current position)	
			Managing Director, Deputy General Manager, Business Headquarters, and Deputy General Manager, Tokyo Business Headquarters, in charge of Consulting Division and Business Development and Planning Division, Daishi Hokuetsu Bank, Ltd.	
		February 2026	Managing Director, Deputy General Manager, Regional Revitalization Business Headquarters, in charge of Consulting Division and Business Development and Planning Division, Daishi Hokuetsu Bank, Ltd. (current position)	
Years in service as Director: 3 years*				
[Reason for nomination as Director] After serving as General Manager at multiple offices of The Hokuetsu Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.), Mr. Takashi Ishizaka assumed the office of General Manager of Solution Business Division, and Executive Officer and General Manager of Business Supervision Division, thereby accumulating considerable experience and broad knowledge. Having served as Director and Deputy General Manager of the Regional Revitalization Headquarters of the Company since June 2023, he now serves as Managing Director and Deputy General Manager of Business Headquarters (currently Regional Revitalization Business Headquarters) of Daishi				

	Hokuetsu Bank, Ltd. He has adequately fulfilled his duties and responsibilities, including leading various measures aimed at regional revitalization and leading to the strengthening of sales division revenues, and he has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.
	[Significant concurrent position] Managing Director, Daishi Hokuetsu Bank, Ltd.

No.	Name (Date of birth)	Brief career summary, positions and responsibilities		Number of shares of the Company held
6	Yoshiko Baba (April 1, 1969) (Age 57*) Reappointment	April 1991	Joined The Daishi Bank, Ltd.	4,884
		February 2016	General Manager, Inada Office	
		May 2019	President and Representative Director, Daishi Hokuetsu Career Bridge Co., Ltd.	
		June 2022	Executive Officer, Daishi Hokuetsu Bank, Ltd.	
		June 2023	Director, General Manager, Minami Niigata Office, Daishi Hokuetsu Bank, Ltd.	
		June 2024	Director, the Company	
		June 2025	Director, General Manager, Human Capital Strategy Division, the Company	
			Director, General Manager, Personnel Division, Daishi Hokuetsu Bank, Ltd. (current position)	
		March 2026	Director, General Manager, Human Capital Strategy Division, and General Manager of Diversity, Equity & Inclusion Promotion Office, the Company (current position)	
Years in service as Director: 2 years*				
[Reason for nomination as Director] After serving as General Manager at an office of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.), Ms. Yoshiko Baba worked as Deputy General Manager of the Human Resources Division and then exercised her abilities to launch Daishi Hokuetsu Career Bridge Co., Ltd. as its President and Representative Director until that company got off the ground, thereby accumulating considerable experience and broad knowledge. Having served as Director and General Manager of Minami Niigata Office of Daishi Hokuetsu Bank, Ltd. since June 2023, she now serves as Director and General Manager of Human Resources Division of the bank, was appointed Director of the Company in June 2024, and now serves as Director, General Manager of Human Capital Strategy Division, and General Manager of Diversity, Equity & Inclusion Promotion Office. She has adequately fulfilled her duties and responsibilities, including leading initiatives aimed at improving human capital value, and she has therefore been nominated as Director in the judgment that she will continue to be able to contribute to the management of the Group, and she is a person who brings diversity to the Group's management as the only female internal Director.				
[Significant concurrent position] Director, Daishi Hokuetsu Bank, Ltd.				

*1 The age and the number of years in service as Director for the renominated candidates are at the closing of this General Meeting Shareholders.

- Notes: 1. There is no special interest between each candidate for Director and the Company.
2. The Company has concluded a directors and officers liability insurance contract based on Article 430-3 Paragraph 1 of the Companies Act with an insurance company to cover legal damages and litigation expenses in the event that a claim for damages is made against the insured parties.
- The insured parties under the insurance contract are Directors of the Company, and Directors and Executive Officers of Group companies. The insurance premiums are fully paid by the Company and Group companies, in proportion to their respective number of insured parties. If this proposal is approved and passed without alteration, then all candidates for the position of Director will be insured under the contract.
- The Company intends to renew the directors and officers liability insurance contract under the same terms when it comes due for renewal.

Proposal 2: Election of Four (4) Directors Serving as Audit & Supervisory Committee Members

Of the six (6) current Directors serving as Audit & Supervisory Committee Members, four (4) Directors, Mr. Kazuaki Matsumoto, Mr. Tadashi Shirai, Mr. Hiroyuki Kikuchi, and Mr. Akira Sato, will complete their term of office at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect four (4) Directors serving as Audit & Supervisory Committee Members.

The Company has established the Nomination and Remuneration Committee to ensure the opportunity to receive appropriate involvement and advice from Outside Directors on important matters such as the election and dismissal of Directors, and thereby reinforce fairness, transparency, and objectivity (the Committee is an advisory body to the Board of Directors composed of six (6) members: five (5) Outside Directors and one (1) Representative Director). The appointment of the candidates for Director was decided based on the deliberations and findings of this Committee.

This proposal has been approved by the Audit & Supervisory Committee.

If Proposal 1 “Election of Six (6) Directors Not Serving as Audit & Supervisory Committee Members” and this proposal are both approved and passed without alteration, then there will be five (5) independent directors based on the regulations of the Tokyo Stock Exchange Inc., and one third or more of the Company’s directors will be independent directors.

The candidates for Director serving as Audit & Supervisory Committee Member are as follows:

No.	Name	Sex		Current position in the Company	Attendance at Meetings of the Board of Directors (8th term)
1	Kazuaki Matsumoto	Male	Reappointment	Director (Audit & Supervisory Committee Member) (Outside Director)	12/12 (100%)
2	Tadashi Shirai	Male	Reappointment	Director (Audit & Supervisory Committee Member) (Outside Director)	12/12 (100%)
3	Hiroyuki Kikuchi	Male	Reappointment	Director (Audit & Supervisory Committee Member) (Outside Director)	12/12 (100%)
4	Akira Sato	Male	Reappointment	Director (Audit & Supervisory Committee Member) (Outside Director)	11/12 (91%)

	Name (Date of birth)	Brief career summary, positions and responsibilities		Number of shares of the Company held
	Kazuaki Matsumoto (November 4, 1970) (Age: 55*) <u>Reappointment</u> <u>Independent</u>	April 2011	Part-time Lecturer, Graduate School of Business Administration, Meiji University (current position)	1,600
		April 2012	Professor, Department of Management, Faculty of Economy and Management, Nagaoka University	
		April 2017	Professor, Department of Economy and Management, Faculty of Economy and Management, Nagaoka University	
		October 2018	Outside Director (Audit & Supervisory Committee Member), the Company (current position)	
		April 2019	Professor, Department of Management, Faculty of Business Administration, Kyoto Sangyo University (current position)	
	Years in service as Director (Audit & Supervisory Committee Member): 7 years and 9 months*			
1	[Reason for nomination as Outside Director and summary of expected roles] Since its establishment in October 2018, Mr. Kazuaki Matsumoto has adequately fulfilled his duties and responsibilities as Outside Director serving as Audit & Supervisory Committee Member of the Company by utilizing a wide range of knowledge and expertise in the study of economy and management as well as of management theory as a university professor. He has therefore been nominated as Outside Director in the judgment that he will continue to be able to contribute to the enhancement of the effectiveness of our Group's auditing function as well as decision-making and supervisory functions of its Board of Directors. For this reason, although he has never been directly involved in corporate management other than as an outside officer, Mr. Kazuaki Matsumoto has been judged to continue to be able to adequately fulfill his duties as Outside Director.			
	[Significant concurrent position] Professor, Department of Management, Faculty of Business Administration, Kyoto Sangyo University			
	[Note on independence] Mr. Kazuaki Matsumoto satisfies the Independence Criteria (please see Reference 1 on Page 19) prescribed by the Company. Mr. Kazuaki Matsumoto teaches as a professor at Faculty of Business Administration of Kyoto Sangyo University, but the university has no business relationship with the Group companies.			

	Name (Date of birth)	Brief career summary, positions and responsibilities	Number of shares of the Company held
	Tadashi Shirai (January 18, 1957) (Age: 69*) Reappointment Independent	September 1981 Joined Deloitte Haskins & Sells LLP Accountant Office (currently Deloitte Touche Tohmatsu LLC) April 1984 Registered as Certified Public Accountant June 1993 Partner, Deloitte Touche Tohmatsu LLC October 2015 Board Member and Chairman of Audit Committee Deloitte Touche Tohmatsu LLC October 2020 Auditor, Kanade Audit Corporation June 2022 Outside Director (Audit & Supervisory Committee Member), the Company (current position) October 2024 Partner, Kanade Audit Corporation (current position)	6,000
	Years in service as Director (Audit & Supervisory Committee Member): 4 years*		
2	[Reason for nomination as Outside Director and summary of expected roles] Since June 2022, Mr. Tadashi Shirai has adequately fulfilled his duties and responsibilities as Outside Director serving as Audit & Supervisory Committee Member of the Company by utilizing extensive experience and broad knowledge from his long-term work as certified public accountant and information processing system engineer in accounting audit and system consulting services for corporations. He has therefore been nominated as Outside Director in the judgment that he will continue to be able to contribute to the enhancement of the effectiveness of our Group's auditing function as well as decision-making and supervisory functions of its Board of Directors. For this reason, although he has not been directly involved in corporate management other than as an outside officer, Mr. Tadashi Shirai has been judged to continue to be able to adequately fulfill his duties as Outside Director.		
	[Significant concurrent position] Partner, Kanade Audit Corporation		
	[Note on independence] Mr. Tadashi Shirai satisfies the Independence Criteria (please see Reference 1 on Page 19) prescribed by the Company. Mr. Tadashi Shirai serves as Partner of Kanade Audit Corporation, but the Partnership has no business relationship with the Group companies. Mr. Tadashi Shirai was once employed by Deloitte Touche Tohmatsu LLC, but resigned therefrom in September 2020. The transactional amount of the Group companies with Deloitte Touche Tohmatsu LLC for fiscal 2025 accounted for less than 1% of the net sales of Deloitte Touche Tohmatsu LLC as well as of the consolidated gross profits of the Company. Therefore, his independence is not affected.		

	Name (Date of birth)	Brief career summary, positions and responsibilities		Number of shares of the Company held
	Hiroyuki Kikuchi (January 6, 1965) (Age: 61*) Reappointment Independent	April 1996 June 2004 April 2005 April 2006 August 2016 June 2022	Registered as an attorney (Member of Niigata Bar Association) Principal, Masayakoji Law & Patent Office (current position) Registered as a patent attorney Registered as a tax accountant President, Niigata Bar Association; Executive Governor, Kanto Federation of Bar Associations Outside Director (Audit & Supervisory Committee Member), the Company (current position)	800
3	Years in service as Director (Audit & Supervisory Committee Member): 4 years*			
	[Reason for nomination as Outside Director and summary of expected roles] Since June 2022, Mr. Hiroyuki Kikuchi has adequately fulfilled his duties and responsibilities as Outside Director serving as Audit & Supervisory Committee Member of the Company by utilizing extensive experience and broad knowledge regarding laws from his long-term work as an attorney. He has therefore been nominated as Outside Director in the judgment that he will continue to be able to contribute to the enhancement of the effectiveness of our Group's auditing function as well as decision-making and supervisory functions of its Board of Directors. For this reason, although he has not been directly involved in corporate management other than as an outside officer, Mr. Hiroyuki Kikuchi has been judged to continue to be able to adequately fulfill his duties as Outside Director.			
	[Significant concurrent position] Principal, Masayakoji Law & Patent Office			
	[Note on independence] Mr. Hiroyuki Kikuchi satisfies the Independence Criteria (please see Reference 1 on Page 19) prescribed by the Company. Mr. Hiroyuki Kikuchi serves as Principal of Masayakoji Law & Patent Office, but neither he nor the office has received any monetary or other economic benefits from the Group companies.			

	Name (Date of birth)	Brief career summary, positions and responsibilities		Number of shares of the Company held
	Akira Sato (January 4, 1958) (Age: 68*) Reappointment Independent	April 1981 March 2016 March 2018 March 2020 March 2022 June 2022 June 2024	Joined The Niigata Nippo, Inc. Director Managing Director Senior Managing Director President and Representative Director (current position) Outside Director, Broadcasting System of Niigata Inc. (currently BSN Media Holdings, Inc.) (current position) Outside Director (Audit & Supervisory Committee Member), the Company (current position)	-
4	Years in service as Director (Audit & Supervisory Committee Member): 2 years* [Reason for nomination as Outside Director and summary of expected roles] Since March 2022, Mr. Akira Sato has served as President and Representative Director of a highly public and ethical news medium by utilizing extensive experience and broad knowledge as a company manager. He has therefore been nominated as Outside Director in the judgment that he will be able to contribute to the enhancement of the effectiveness of our Group's auditing function as well as decision-making and supervisory functions of its Board of Directors. [Significant concurrent position] President and Representative Director, The Niigata Nippo, Inc. Outside Director, BSN Media Holdings, Inc. [Note on independence] Mr. Akira Sato satisfies the Independence Criteria (please see Reference 1 on Page 19) prescribed by the Company. Mr. Akira Sato serves as President and Representative Director of The Niigata Nippo, Inc., but the transactional amount of the Group companies with The Niigata Nippo, Inc. for fiscal 2025 accounted for less than 1% of the net sales of The Niigata Nippo, Inc. as well as of the consolidated gross profits of the Company. Therefore, his independence is not affected.			

*1 The age of and years in service as Director (Audit & Supervisory Committee Member) of newly nominated candidates is at the closing of this General Meeting Shareholders.

- Notes:
- There is no special interest between each candidate for Director serving as Audit & Supervisory Committee Member and the Company.
 - Mr. Kazuaki Matsumoto, Mr. Tadashi Shirai, Mr. Hiroyuki Kikuchi, and Mr. Akira Sato are candidates for Outside Director.
 - The Company has entered into a limited liability agreement pursuant to Article 423, Paragraph 1 of the Companies Act with Mr. Kazuaki Matsumoto, Mr. Tadashi Shirai, Mr. Hiroyuki Kikuchi, and Mr. Akira Sato. The maximum amount of liability in accordance with said agreement shall be the minimum amount of liability stipulated in Article 425, Paragraph 1 of said Act. If the renomination of the four candidates is approved and passed, the Company plans to continue the above limited liability agreement with each of them.
 - The Company has concluded a directors and officers liability insurance contract based on Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover legal damages and litigation expenses in the event that a claim for damages is made against the insured parties.
The insured parties under the insurance contract are Directors of the Company, and Directors and Executive Officers of Group companies. The insurance premiums are fully paid by the Group companies, in proportion to their respective number of insured parties. If this proposal is approved and passed without alteration, then each of the candidates for Director serving as Audit & Supervisory Committee Member will be insured under the contract.
The Company intends to renew the directors and officers liability insurance contract under the same terms when it comes due for renewal.
 - The Company has designated Mr. Kazuaki Matsumoto, Mr. Tadashi Shirai, Mr. Hiroyuki Kikuchi, and Mr. Akira Sato as independent directors in accordance with the regulations of the Tokyo Stock Exchange Inc., and notified the exchange to that effect. If the renomination of the four candidates is approved and passed, the Company plans to continue to designate them as independent directors.

End

Reference 1

In addition to fulfilling the independence criteria established by the Tokyo Stock Exchange Inc. on the appointment of outside directors, the candidates must also satisfy the following “Independence Criteria.”

Independence Criteria

As a general rule, candidates for outside directors must not currently or recently^{*1} qualify in any of the following requirements listed below.

- (1) Major^{*2} customers of the Group or the executive officer of such customers;
- (2) Business operators whose major^{*2} customer is the Group, or the executive officer of such business operators;
- (3) Those who are either consultants, financial experts or legal experts who receive large monetary sums^{*3} or other assets from the Group other than a director’s compensation (where the entity in receipt of such assets are legal entities or any other associations, those who are affiliated to such entities are also included);
- (4) Those who are in receipt of large sums^{*3} of donations from the Group or is the executive officer of such entities;
- (5) Major shareholder^{*4} of the Group or executive officer of such shareholders; and
- (6) Relatives^{*6} of the following (excluding those who are considered to be not important^{*5})
 - A. Those who qualify under (1) to (5) above;
 - B. A director of the Group who is not an executive officer or an executive officer of a subsidiary.

Definitions:

- ^{*1} “recent” means a situation that can substantially mean current where, for instance, it would apply in the event of approving the resolutions at the Annual General Meeting of Shareholders where a new outside director was appointed.
- ^{*2} “major” means recording 1% or more of the consolidated net proceeds (in the case of the Group, consolidated gross profits) of the most recent fiscal year.
- ^{*3} “large sums” means 10 million yen or more per year for the average of the previous three years.
- ^{*4} “major shareholders” means a shareholding equity of 10% or more.
- ^{*5} “those who are considered to be not important” means those who do not hold positions as directors or general managers of a company, and for individuals whose affiliations are with accounting or law firms, those individuals who are not qualified as accountants or lawyers.
- ^{*6} “relatives” mean an individual’s spouse and relatives within a second degree of kinship.

Reference 2

- The Company has identified twelve (12) items as knowledge, experience and ability the Board of Directors need to be equipped with, consisting of nine (9) items common to ordinary corporations and three (3) items special to the Company as a regional financial group.

	Knowledge, experience and ability to be equipped with
Common to ordinary corporations	(1) Corporate management, (2) Management strategy and sustainability, (3) Risk management, (4) HR management, (5) Sales, (6) Management theory, (7) Finance and accounting, (8) Legal affairs and (9) IT systems
Special to a regional financial group	(10) Corporate audit, (11) Market operations and (12) System administration

- The fields in which the internal candidates for Director have experience, and the fields in which Outside Directors (including candidates) are particularly expected to contribute, are shown below. The Board of Directors as a whole has secured necessary skills for the Company to practice management theory and realize the Medium-Term Management plan.

Name	Fields in which the internal candidates for Director have experience (as a corporate officer, general manager, or group company president)						
	(2)	(3)	(4)	(5)	(10)	(11)	(12)
	Management strategy and sustainability	Risk management	HR management	Sales	Corporate audit	Market operations	System administration
Directors not serving as Audit & Supervisory Committee Members							
Michiro Ueguri [Reappointment]	•		•	•			•
Makoto Takahashi [Reappointment]	•	•		•	•		•
Ken Shibata [Reappointment]	•	•				•	
Toshiyuki Maki [Reappointment]				•			
Takashi Ishizaka [Reappointment]				•			
Yoshiko Baba [Reappointment]			•				
Directors serving as Audit & Supervisory Committee Members							
Naruhito Hosaka				•			
Kazuaki Matsumoto [Reappointment] [Outside]							
Tadashi Shirai [Reappointment] [Outside]							
Hiroyuki Kikuchi [Reappointment] [Outside]							
Akira Sato [Reappointment] [Outside]							
Miki Kuwahara [Outside]							

Name	Fields in which the Company's Outside Directors (including candidates) are particularly expected to contribute				
	(1)	(6)	(7)	(8)	(9)
	Corporate management	Management theory	Finance and accounting	Legal affairs	IT systems
Directors serving as Audit & Supervisory Committee Members					
Naruhito Hosaka					
Kazuaki Matsumoto [Reappointment] [Outside]		●			
Tadashi Shirai [Reappointment] [Outside]			●		●
Hiroyuki Kikuchi [Reappointment] [Outside]				●	
Akira Sato [Reappointment] [Outside]	●				
Miki Kuwahara [Outside]	●				

- Notes: 1. [Outside] indicates an Outside Director who fulfills the independence criteria established by the Tokyo Stock Exchange Inc.
2. The table above does not represent all of the expertise possessed by the Company's Outside Directors.
3. Mr. Naruhito Hosaka and Ms. Miki Kuwahara are incumbent Directors serving as Audit & Supervisory Committee Members.

The 8th Business Report

(April 1, 2025 - March 31, 2026)

1. Overview of the Company

(1) Business Progress and Results of the Corporate Group

Principal Business of the Corporate Group

The Group consists of 15 companies in total, comprising the Company, a bank holding company, and 14 consolidated subsidiaries including the Daishi Hokuetsu Bank, Ltd. (“Daishi Hokuetsu Bank”). The Group provides a wide range of financial products and services to customers in the region, mainly through the banking business but also in other areas such as the leasing business, securities business, credit card business, system-related business, and staffing business.

Financial and Economic Environment

Domestic Economy

Looking at the domestic economy in fiscal 2025, although the impact of U.S. trade policies remained, corporate earnings showed signs of improvement, and personal consumption also picked up against the backdrop of improvements in the employment and income environment, resulting in a moderate recovery overall.

Regional Economy

Regarding the economy in Niigata Prefecture, which is the main business base of the Group, although affected by high raw material prices, corporate earnings and the employment and income environment showed a trend of improvement, and personal consumption recovered despite some weakness, resulting in an overall pickup.

Financial Environment

In the foreign exchange market, the yen started the fiscal year at the 149 yen to the U.S. dollar level. Afterward, strong risk aversion among investors emerged when the Trump administration announced large-scale mutual tariffs, and the yen appreciated to the 140 yen level at one point. However, the yen subsequently weakened as concerns about a global economic slowdown eased due to progress in tariff negotiations. Following inauguration of the Takaichi administration in October, the yen weakened to the 159 yen level against the backdrop of fiscal outlooks and related factors. Furthermore, due to the tightening of the situation in the Middle East from the end of February, the yen reached the 160 yen level at one point in March, but ended the fiscal year at the 158 yen level amid wariness about foreign exchange intervention.

In the stock market, the Nikkei Stock Average started the fiscal year at the 35,000 yen level. It temporarily fell below the 31,000 yen level due to growing concerns about a global economic slowdown caused by the Trump administration's mutual tariffs, but recovered to the 40,000 yen level in June following progress in tariff negotiations by various countries. Subsequently, due to expectations for economic policies by the new Takaichi administration, it recorded an all-time high of 50,512 yen on a closing price basis in October, and further rose to 58,850 yen following the Liberal Democratic Party's landslide victory in the House of Representatives election in February. Thereafter, it fell back against the backdrop of the tight situation in the Middle East, ending the fiscal year at the 51,000 yen level.

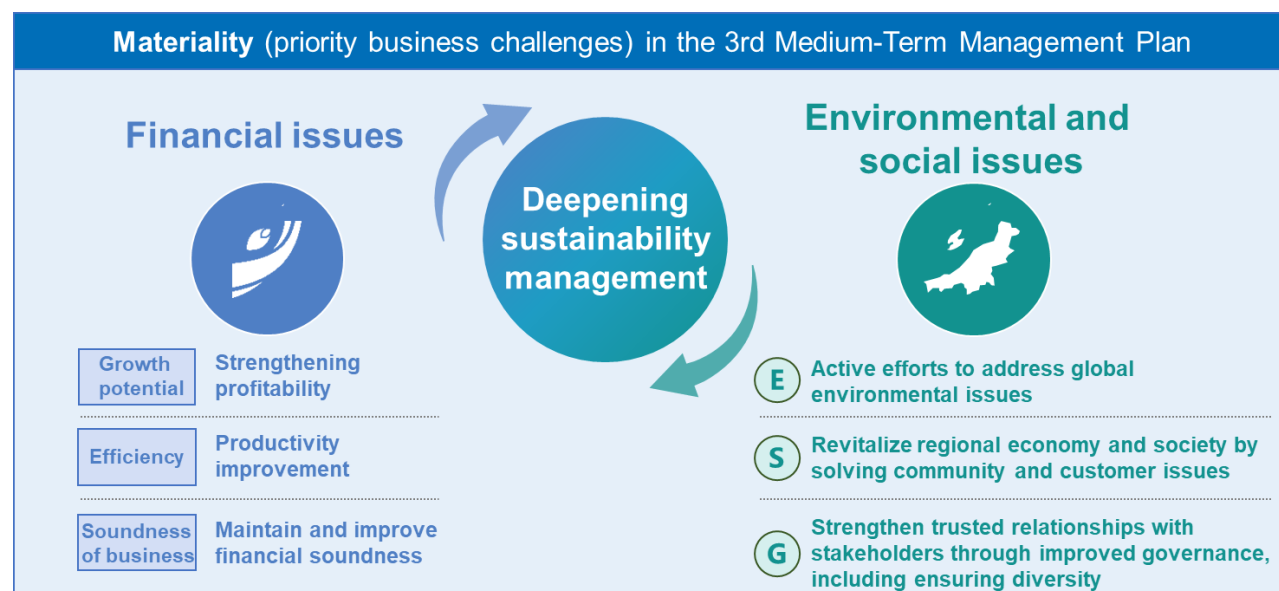
The yield on 10-year Japanese government bonds, an indicator of long-term interest rates, temporarily fell to the 1.1% level from the 1.4% level at the beginning of the fiscal year amid factors such as the plunge in stock prices caused by the impact of mutual tariffs. However, it followed an upward trend as the Bank of Japan proceeded with the normalization of monetary policy, reaching 2.0% in December. Thereafter, interest rates continued to rise due to growing inflation concerns against the backdrop of the situation in the Middle East, ending the fiscal year at the 2.3% level.

Developments and Results of Business Activities

The Group has made united efforts among its officers and employees in the four basic strategies toward the resolution of priority business challenges (“financial issues” and “environmental and social issues”) of the 3rd Medium-Term Management Plan (from April 2024 to March 2027) and has promoted initiatives toward the sustainable growth of local communities and the improvement of the Group’s corporate value.

The main measures implemented during the current fiscal year (from April 2025 to March 2026) are as follows.

<Materiality (priority business challenges) in the 3rd Medium-Term Management Plan>



<Basic strategies of the 3rd Medium-Term Management Plan>

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
(Overarching theme across strategies)	Deepening the TSUBASA Alliance*

* A framework for wide-range regional partnerships among 10 regional banks: Daishi Hokuetsu Bank, Ltd., The ChibaBank, Ltd., The Chugoku Bank, Ltd., THE IYO BANK, LTD., The Toho Bank, Ltd., North Pacific Bank, Ltd., The Musashino Bank, Ltd., THE SHIGA BANK, LTD., Bank of The Ryukyus, Limited, and The Gunma Bank, Ltd.

Basic strategy I	Demonstration of group comprehensive capabilities
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Establishment of Special Consultation Desks due to the tightening situation in the Middle East

Daishi Hokuetsu Bank is providing detailed support, such as financing assistance and management consultation, to support business operators affected by changes in social and economic conditions.

In March 2026, as support for business operators directly or indirectly affected in their businesses by the tightening situation in the Middle East, we established “Middle East Situation-Related Special Consultation Desks” at all branches and began handling “Middle East Situation-Related Special Loans.” We will continue to respond to consultations regarding funds necessary for business continuity and the review of repayment terms for various loans.

Strengthening domestic and international alliances that contribute to the growth of the regional economy

By making maximum use of the Group's network, the Company is tying up with related parties such as customers, government agencies, major domestic and international companies, external experts, and prominent figures active in various fields, while taking on the role of an executive producer for the regional economic zone (ecosystem) and promoting initiatives to realize a sustainable virtuous cycle in the region.

In June 2025, to strengthen our system to further promote regional revitalization, we established the Regional Revitalization Strategy Headquarters and Regional Revitalization Strategy Division in the Company, and the Regional Strategy Division in Daishi Hokuetsu Bank, as departments that focus on regional revitalization projects, etc.

In addition, in November 2025, we opened the Tokyo Head Office within the building of the Tokyo Main Office of the Daishi Hokuetsu Bank as a strategic base for regional revitalization that connects customers in Niigata Prefecture with domestic and international information and networks. By collaborating across the organization among business offices, headquarters, and Group companies with this base at the center, we are aiming to further strengthen our consulting functions and maximize group synergies. Going forward, we will accelerate our initiatives for regional revitalization by strengthening cooperation through the TSUBASA Alliance and enhancing alliances inside and outside the prefecture.



▲ Tokyo Head Office
(6F, DAI-ICHI LIFE
KYOBASHI KINO TERRACE)

Establishment of Niigata Sustainable Regional Revitalization Investment Limited Partnership

In July 2025, Daishi Hokuetsu Bank and Daishi Hokuetsu Capital Partners established the Niigata Sustainable Regional Revitalization Investment Limited Partnership with Niigata Prefecture and other partners.

This fund will support sustainable economic growth and comprehensive regional revitalization of Niigata Prefecture through investment in businesses related to tourism, decarbonization and energy, health and medical care, infrastructure, and agriculture that are indispensable for Niigata Prefecture to solve problems and promote regional development.

Expanding business domains via regional trading company “Bridge Niigata”

Bridge Niigata, a regional trading company, is actively engaged in support businesses such as sales channel development and tourism promotion for the purpose of contributing to the region.

In May 2025, Bridge Niigata newly launched a private brand, “Utsukushiki” to enhance the branding of local specialties and agricultural products, etc. in Niigata Prefecture, started production and sales of rice and edamame, and is also engaged in initiatives such as exporting Niigata-made products overseas.

<New brand logo>



In March 2026, we signed an alliance agreement with Niigata Prefectural Federation of Societies of Commerce and Industry, which has a wide network, and are focusing on supporting the sales channel development of regional companies.

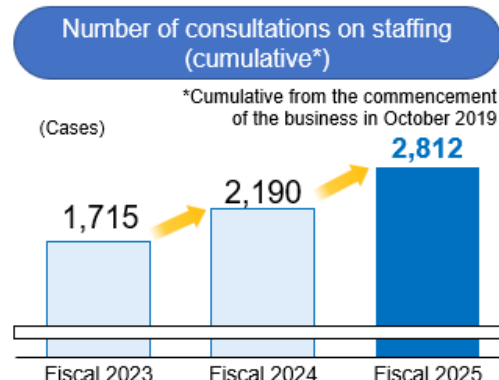
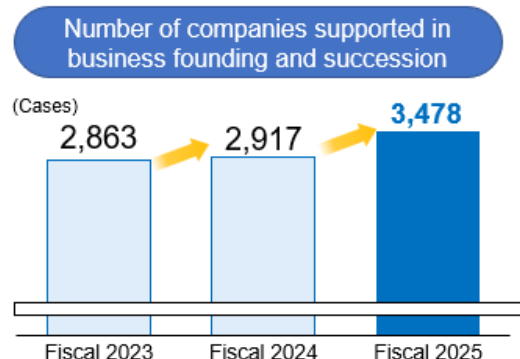
In addition, as new businesses, we launched the “environmental business” in March 2026, dealing in products and services related to the environmental value of carbon credits, etc., and from April 2026, we launched the “travel business” with the aim of further contributing to tourism promotion for regional revitalization.

Support for business partners in solving issues related to business founding, succession, M&A, and human resources

The Group is practicing unified group support toward the resolution of diversifying and complexifying management issues, such as various issues related to business founding, succession, M&A, and human resources faced by corporate managers.

Regarding business succession, including support through investment by Daishi Hokuetsu Capital Partners, the number of business founding and succession support cases in fiscal 2025 reached 3,478.

In addition, regarding support in terms of human resources, the cumulative number of consultations for staffing services at Daishi Hokuetsu Career Bridge reached 2,812 by fiscal 2025, showing a steady increase.

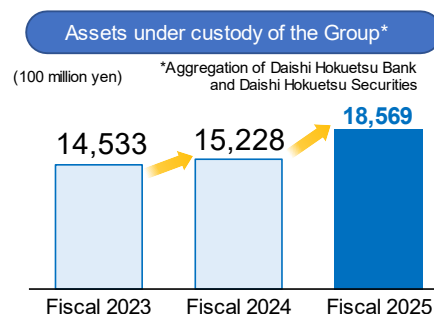


Strengthening asset management and succession consulting

The Group runs customer-first business operations, and practices consulting that responds to customers' diverse needs related to assets management and succession.

In terms of expanding products and services, in July 2025, we newly started handling the Niigata Future Support Asia Pacific Equity Fund (Oriental Niigata), an investment trust exclusively for Daishi Hokuetsu Securities, and in November 2025, Daishi Hokuetsu Bank started handling the discretionary investment service Daishi Hokuetsu Fund Wraps.

Assets under custody of the Group for fiscal 2025 increased by more than 330.0 billion yen from the previous year to 1,856.9 billion yen.



Basic strategy II	Pursuit of productivity improvement
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Strengthening initiatives targeting digital transformation (DX)

As part of its initiatives targeting DX, the Group promotes measures to increase customer convenience and productivity through customer-centric group consulting sales, and the number of digital customers^{*1} of the Group has exceeded 540,000.

We will continue to strive to provide high value-added products and services while accurately grasping the advancement of digital technology and changes in the social environment.

<Main initiatives>

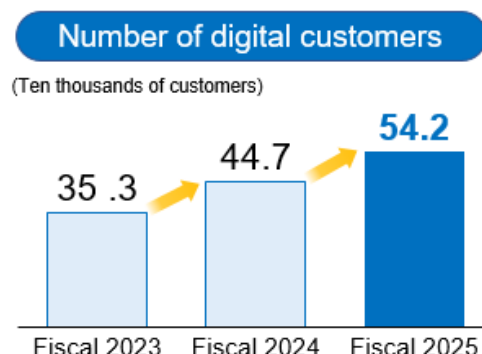
● Individual customers

In March 2026, we expanded the functions of the smartphone application “Daishi Hokuetsu Little Bank” to enable transactions such as “opening, depositing into, and canceling time deposit accounts” and “partial prepayment and re-selection of fixed interest rates for loans.”

● Corporate customers

In addition to continuing to work on improving the functions of the “CONNECT-BIZ”^{*2} portal for businesses, in April 2026, we started handling the “Electronic Contract Service,” which completes the contract procedure for new contracts for business deed loans by affixing electronic signatures to digitized contracts instead of filling out and stamping paper contracts.

^{*2}: A portal site for corporate and sole proprietor customers equipped with optional services such as fund management functions, in addition to basic services such as an internal bulletin board, group messaging, and safety confirmation.



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



Promoting Initiatives for the Strategic Use of AI

The Group is promoting cross-organizational initiatives aimed at the strategic use of AI, centered on the “AI Promotion & Planning Office,” which was established within the Planning Coordination Division of the Daishi Hokuetsu Bank in February 2026.

In our strategic use of AI, our policy is to establish an effective and sustainable environment by combining external services (SaaS^{*}), which offer excellent versatility, with in-house development tailored to the specific business characteristics of the Group.

We will accelerate our efforts toward implementation of AI to establish a competitive advantage, while simultaneously strengthening our governance systems in areas such as cyber security, information management, and compliance with laws and regulations.

^{*}SaaS (Software as a Service)

A service model in which software is utilized via the Internet without being installed in-house.

<Main initiatives>

2025	June	Conclusion of an alliance agreement with Niigata Nippo Generative AI Research Institute Co., Ltd.
	October	Introduction of an “FAQ Search System” using generative AI
	December	Introduction of “Interactive Generative AI”
2026	February	New establishment of AI Promotion & Planning Office within the Planning Coordination Division of Daishi Hokuetsu Bank
	April	Formulation of “AI Policies” and “AI Management Rules” (in collaboration of Gunma Bank)

Support for DX initiatives toward the enhancement of productivity of business partners

As work style reforms progress and labor shortages become increasingly severe, improving productivity has become a more urgent management issue than ever before for corporate managers.

In the Group, Daishi Hokuetsu Bank and Daishi Hokuetsu IT Solutions are working closely together to build a system that provides end-to-end hands-on support for customers from the formulation of concepts for promoting DX to system implementation and operational establishment.

In the DX Declaration Formulation Support Service, which has been provided since April 2024, we organize and visualize the vision that customers want to achieve in the medium to long term and the issues they need to address, and the number of supported cases has reached 130.

Furthermore, from April 2026, we launched a trial of the Daishi Hokuetsu BPO* service “Payroll Complete Outsource,” which handles customers’ back-office operations such as payroll calculation.

The Group will continue to promote the DX transformation of the entire region as a unified group, thereby contributing to the sustainable development of the local community.

Number of cases of DX
Declaration Formulation
Support Service

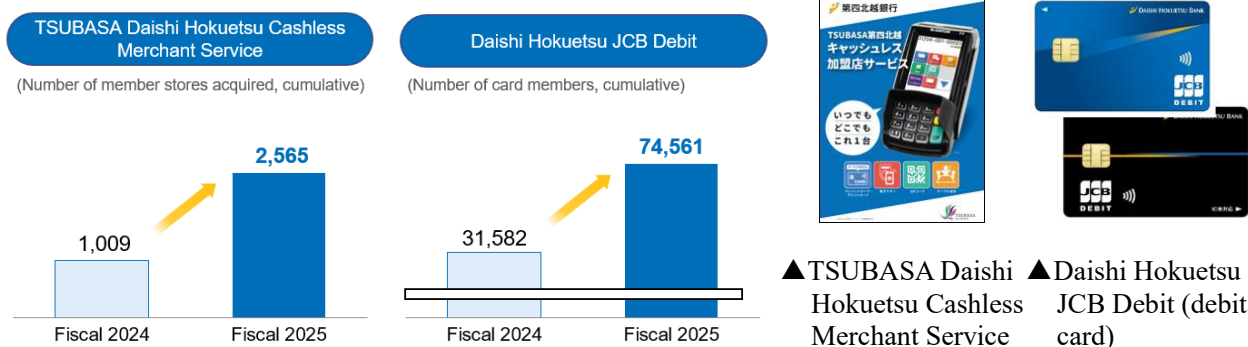
130

(Cumulative from April 2024)

*BPO (Business Process Outsourcing): Outsourcing a part of a company’s business processes to an external company.

Promotion of the move to cashless payment in the region

The Group actively promotes the move to cashless payment in the region. The TSUBASA Daishi Hokuetsu Cashless Merchant Service offered by the Daishi Hokuetsu Bank and the Daishi Hokuetsu JCB Debit are both seeing steady increases in the number of cases handled.

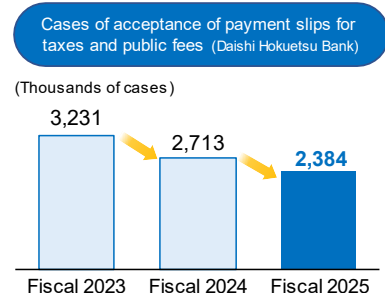


Promotion of Niigata Prefecture-wide Cashless Payment Promotion Project

Daishi Hokuetsu Bank is working to popularize cashless payment of national taxes, etc., based on the Joint Declaration of Niigata Prefecture-wide Cashless Payment Promotion issued jointly in October 2024 with related organizations and financial institutions, including the Niigata Tax Office and the Niigata Tax Payment Savings Association Federation.

Financial institutions in Niigata Prefecture have collaborated to deploy digitalization supporters at each financial institution and promote the distribution of leaflets, etc. regarding direct payment. In addition, from September 2025, the 10th of every month has been designated as “Cashless Payment Promotion Strengthening Day” to further strengthen promotional activities.

We will continue to deepen cooperation in areas where joint initiatives with financial institutions in the prefecture are possible, and strive to provide services aimed at improving customer convenience and productivity.



Basic strategy III	Enhancement of human capital value
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Practice human capital management to maximize the collective strengths of the Group

The Group has established a system in which the Human Capital Value Enhancement Committee, chaired by the President, deliberates and executes various measures for enhancing the Group's human capital value across the organization.

<Main initiatives>

2025	April	Introduction of "Business Casual"
		Expansion of the "Career Support System ^{*1} " to all Group companies
		Introduction of the "Referral Hiring ^{*2} " system
	June	Appointment of a female Outside Director (a total of 2 female directors including the internal female Director)
	August	Commencement of operation of the "Alumni Network ^{*3} "
	October	Expansion of the "Expert System" (recruitment system for professional human resources)
2026	March	New establishment of the "FG Job Trial System ^{*4} "

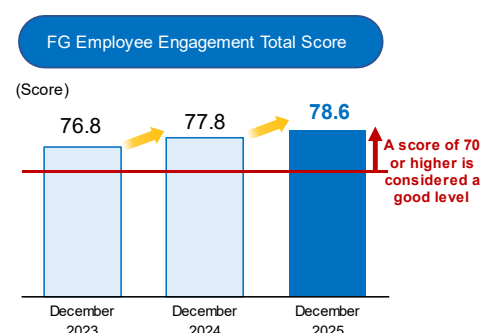
- *1: An information infrastructure system that centralizes, visualizes, and shares human resources information and data.
- *2: A hiring method utilizing employee networks, in which employees who know the company well introduce personnel who match the company.
- *3: A network to build sustainable relationships with former employees who have left the bank.
- *4: A system that allows employees to experience the operations of headquarters or various Group companies while remaining at their assigned branch or department.

In addition, the Group regularly holds briefing sessions by the President for managers and young employees, as well as dialogue and exchange meetings between officers and employees, in order to further instill the corporate philosophy and Medium-Term Management Plan. The Engagement Total Score^{*5} of the Group's employees has been steadily improving every year, and is evaluated to be at a satisfactory level by the external specialized organization.

- *5: An index that quantifies employee motivation and sense of belonging to the company, such as "job satisfaction," "willingness to contribute," and "motivation to grow", based on the results of employee awareness surveys.



▲ Briefing session by the President for young employees



Promotion of women's empowerment and ensuring diversity

The Group has continued various initiatives such as the Empowerment Program for Women to promote women's empowerment, as well as the Female Director Development Program aiming to develop female leaders who will contribute to the management of the next generation.

Through these initiatives, the Group is steadily advancing its efforts to ensure diversity, such as the appointment of 32 women to the positions of presidents and general managers.



▲ A scene from the
Empowerment Program for
Women

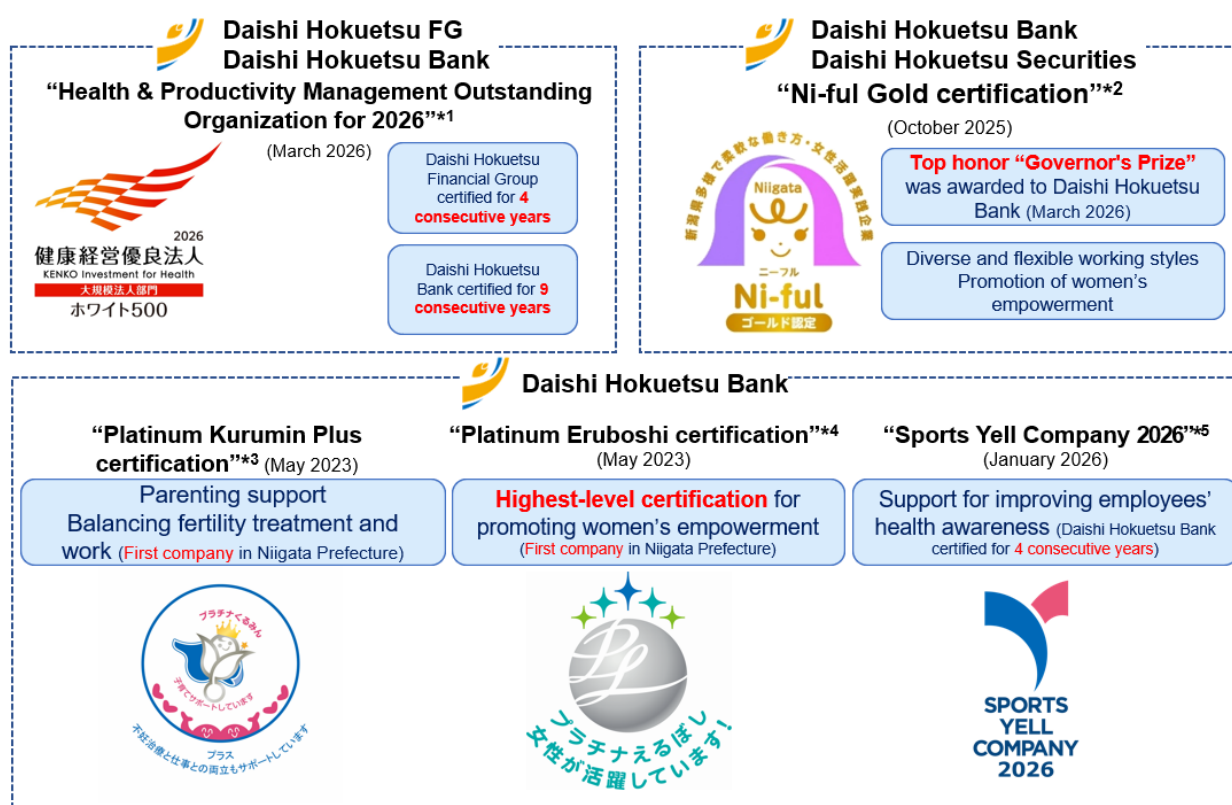
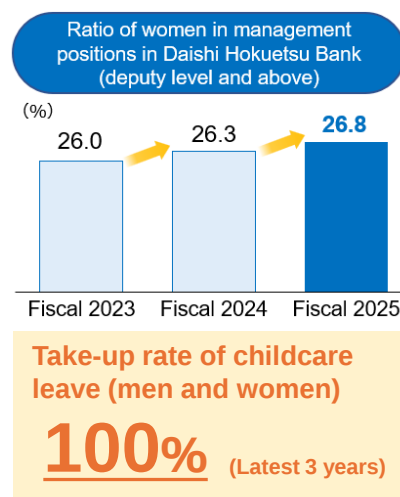
Strengthening the health management system and establishment of a working environment where employees can balance work with childcare and nursing care

The Group aims to create a working environment where employees can work in good health and with peace of mind, and realize their full potential, thereby finding job satisfaction and happiness. Our efforts so far have been highly recognized under various national certification systems.

In May 2023, Daishi Hokuetsu Bank received “Platinum Eruboshi,” the highest-level certification for promoting women’s careers, and “Platinum Kurumin Plus,” a certification for parenting support and balancing fertility treatment and work.

In addition, in March 2026, the Company was recognized for the fourth consecutive year, and Daishi Hokuetsu Bank for the ninth consecutive year, under the “Health & Productivity Management Outstanding Organization for 2026” (“White 500” in the large enterprise category) sponsored by the Ministry of Economy, Trade and Industry and others.

Indeed, in October 2025, Daishi Hokuetsu Bank and Daishi Hokuetsu Securities obtained the gold certification in Niigata Prefecture’s “Niigata Prefecture Certification System for Companies that Practice Diverse and Flexible Workstyles and Women’s Empowerment (Ni-ful),” and in March 2026, Daishi Hokuetsu Bank was awarded the Governor’s Prize, the highest rank under the same system.



*1: A system sponsored by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi that honors companies practicing excellent initiatives regarding “health management,” which strategically considers the health management of employees from a management perspective. Among the large enterprise category, the top 500 companies in the results of the health and productivity management survey are certified as “White 500.”

*2: A system established with the aim of having Niigata Prefecture certify companies in the prefecture that are actively engaged in balancing “work and family” and “promoting women’s empowerment,” etc., and supporting their initiatives, aiming for a society where diverse human resources can work flexibly and everyone can lead fulfilling lives. “Gold certification” is awarded to companies practicing particularly excellent initiatives under this system.

*3: Among the companies that have received "Kurumin" certification as parenting support companies based on the Act on Advancement of Measures to Support Raising Next-Generation Children, companies that have implemented higher-level initiatives are certified as "Platinum Kurumin," and furthermore, companies that actively engage in balancing fertility treatment and work and satisfy certain requirements are certified as "Platinum Kurumin Plus."

*4: Among the companies that have received "Eruboshi" certification as companies with excellent initiatives regarding the promotion of women's empowerment based on the Act on the Promotion of Women's Active Engagement in Professional Life, companies that satisfy certain requirements, such as having particularly excellent achievement of action plan targets and implementation status of initiatives, are certified as "Platinum Eruboshi."

*5: A system in which the Japan Sports Agency certifies companies that are actively implementing initiatives aimed at supporting and promoting sports activities to improve employees' health.

Strengthening internal control systems

The Company has established the “Basic Policy on Internal Controls” by resolution of the Board of Directors to develop a “Corporate Structure to Ensure Appropriate Business Operations” at the Company and Group companies. In order to respond appropriately to changes in the business environment, we will strengthen and enhance our internal control systems.

Advancement of corporate governance

The Company regards the strengthening and enhancement of corporate governance as an important management issue, and strives to enhance auditing and supervisory functions related to corporate management and improve the transparency of management activities. In addition, the Company has established the Nomination and Remuneration Committee for the purpose of ensuring opportunities to obtain appropriate involvement and advice from Outside Directors and strengthening fairness, transparency, and objectivity in considering important matters such as the appointment and dismissal of Directors, compensation, and succession planning.

Furthermore, we are actively working to advance our governance structure by, for example, regularly holding information exchange meetings between Outside Directors and Group company presidents.

*Please refer to page 43 <Reference> for the Company’s governance structure.

Internal control system

With approval from the Financial Services Agency, the Company and Daishi Hokuetsu Bank have changed the method for measuring credit risk in the calculation of the capital adequacy ratio from the standardized approach to the Foundation Internal Ratings Based Approach^{*1} from the fiscal year ended March 31, 2025. In addition, from April 2026, we introduced a profitability management method utilizing RORA^{*2} at Daishi Hokuetsu Bank as part of its efforts to strengthen its revenue management framework aimed at improving corporate value.

Going forward, we will continue to build a sound credit portfolio by accumulating assets through precise risk management and optimal risk-taking, aiming to improve the soundness and profitability of management, and will actively exercise our financial and information intermediary functions in the region to contribute to the revitalization of the regional economy.

*1: A method that more appropriately reflects the risk amount in the capital adequacy ratio by measuring the credit risk of loan assets, etc., using internal bank credit ratings.

*2: RORA (Return on Risk Assets)

Rate of return compared to risk assets. Calculated by dividing income obtained from investments and loans by risk assets.

Strengthening of cyber security measures

In order to respond to increasingly complex and sophisticated cyberattacks, etc., the Company holds IT Risk Management Committee meetings every month and is working to strengthen cyber security, such as regularly conducting training for Group companies aimed at strengthening cyber security.

In addition, we regularly hold meetings of the “Niigata Prefecture Financial Institutions Cyber Security Information Committee,” established in February 2018 with Daishi Hokuetsu Bank as the initiator, and all financial institutions headquartered in Niigata Prefecture collaborate to strive to provide safe and secure services to customers and ensure reliability.

Preventing money laundering*, etc.

The Group is proceeding with the development of systems through public-private partnerships, in collaboration with the banks participating in the TSUBASA Alliance, to prevent money laundering* and terrorist financing, the importance of which is increasing domestically and internationally.

From May 2025, at Daishi Hokuetsu Bank, we began outsourcing transaction monitoring operations to TSUBASA-AML Center, Ltd., which was established together with The ChibaBank, Ltd., The Chugoku Bank, Ltd., North Pacific Bank, Ltd., and Nomura Research Institute, Ltd., and are working to advance and improve the efficiency of our risk management system.

*The act of disguising the source or true owner of proceeds obtained through crime in an attempt to evade discovery and arrest by investigative authorities, etc.

TSUBASA Alliance

TSUBASA Alliance, a wide-area partnership framework in which 10 regional banks including Daishi Hokuetsu Bank participate, celebrated its 10th anniversary in October 2025. Under the common slogan “Fly with the region into the future,” we are utilizing the largest network and economies of scale among regional banks to deepen cooperation in diverse fields such as top-line improvement, cost reduction, utilization of digital technologies like AI, human capital, and risk management.



The Alliance is currently reviewing the TSUBASA Joint Operations Center Plan, which aims to consolidate back-office operations such as account transfers, remittances, and inheritance procedures, and is proceeding with preparations to establish a new jointly funded company in July 2026.

The amount of synergy effects in this alliance at Daishi Hokuetsu Bank has exceeded 20.0 billion yen cumulatively from October 2015 to March 2026, reaching 20.3 billion yen. We will continue to make maximum use of this alliance as the “main engine for accelerating innovation.”

The Gunma and Daishi Hokuetsu Alliance

In the Gunma and Daishi Hokuetsu Alliance, which is an alliance agreement between Daishi Hokuetsu Bank and The Gunma Bank, Ltd., taking advantage of the geographical characteristic of having adjacent business areas, we are working on alliance measures in various fields to achieve the goals of further contribute to the local community and sustainably enhance the corporate value.



群馬・第四北越 アライアンス

In July 2025, to support regional promotion and other initiatives, Daishi Hokuetsu Bank and The Gunma Bank, Ltd. jointly donated 30 million yen each to Niigata Prefecture and Gunma Prefecture. In addition, we have been deepening our cooperation in all fields, such as joint planning of the Regional Revitalization Private Placement Bonds and joint credit card campaigns to promote cashless payments, as well as human resource exchanges through joint training sessions, mutual dispatch of trainees, and sports viewing events.

The combined synergy effects of this alliance for both banks amount to a cumulative total of 16.6 billion yen over the four years to March 2026, significantly exceeding the initial plan (cumulative 8.0 billion yen over 5 years from fiscal 2022).

*Details regarding the business integration between the Company and The Gunma Bank, Ltd. are stated on page48.



▲Jointly planned “Regional Revitalization Private Placement Bonds”



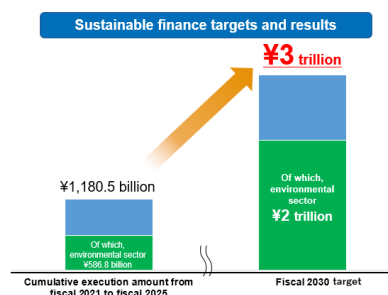
▲A scene from the joint training session (Regional Revitalization Practical Training) held in Shibukawa City, Gunma Prefecture



Sustainability initiatives

Support for customers through sustainable finance*

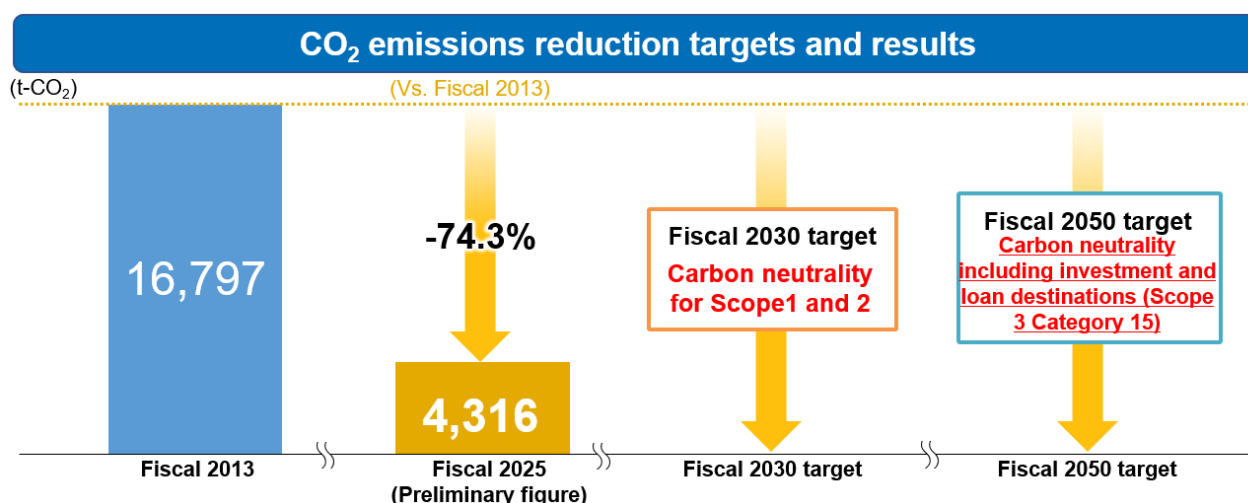
The Group is working to expand its lineup of sustainable finance products to respond to customers' various sustainability needs. They are widely utilized by corporate and individual customers, and the actual results through fiscal 2025 toward the Group's Sustainable Finance Target (cumulative execution amount of 3 trillion yen from fiscal 2021 to fiscal 2030, including 2 trillion yen for the environmental sector) reached 1,180.5 billion yen.



* Financing, investments (including capital contributions), and leasing transactions that contribute to the resolution of environmental and social issues.

CO₂ emissions reduction

The Group has set a CO₂ Emissions Reduction Target and is actively working to reduce its environmental burden. The CO₂ emission reduction rate (Scope 1 and 2^{*1}) for fiscal 2025 was -74.3% (preliminary figure) compared to fiscal 2013. We will continue to work as a unified group on initiatives to reduce our own CO₂ emissions through the introduction of energy-saving equipment, etc., and to provide various types of support for customers' decarbonization, toward achieving the fiscal 2030 target of "Carbon neutrality for Scope 1 and 2^{*2}" and the fiscal 2050 target of "Carbon neutrality including Scope 3 Category 15^{*3}."



- *1 Scope 1: Direct emissions of greenhouse gases by the business operator itself.
Scope 2: Indirect emissions of greenhouse gases from the use of electricity, heat, and steam supplied by other companies.
- *2 Subtracting the "absorption amount" through afforestation, forest management, etc. from the "emission amount" of CO₂ to make the total effectively zero.
- *3 Scope 3: Refers to the emissions of other companies related to the activities of one's own business, and Category 15 refers to the emissions of investment and loan destinations.

Recognized as the highest “A List” rank by CDP*, an international environmental non-profit organization

Under our corporate philosophy, the Group is undertaking regional decarbonization as an important mission in deepening sustainability management aimed at simultaneously solving financial issues and environmental and social issues. We were recognized in the highest rank “A List” in the 2025 climate change survey by CDP*, an international environmental non-profit organization. We will continue to contribute to the realization of sustainable local communities.

* An international non-profit organization that operates the world’s only independent environmental disclosure system. CDP* comprehensively assesses companies’ target setting related to climate change and their initiatives to reduce greenhouse gas emissions, and evaluates them on an 8-point scale from “A” to “D-.”



Topic 1: The 3rd Medium-Term Management Plan

Upward revision of management targets

Regarding the management indicator targets for fiscal 2026, which is the final year of the 3rd Medium-Term Management Plan, we have revised them upward as shown in the table below, taking into account that domestic market interest rates are trending higher than the level at the time of the previous target revision, as well as the further accumulation of risk assets associated with the change to the foundation internal ratings based approach, the improvement of market operations division revenues through the review of the securities portfolio, and the fact that the 3rd Medium-Term Management Plan is progressing smoothly recently, including in the non-interest fields.

Under the slogan of all officers and employees, “Isshi Yuyaku” (taking a brave leap under united spirits), we will continue to work as a unified group to achieve the targets of the 3rd Medium-Term Management Plan.

Management targets (KPIs) revised this time	The final year of the 3rd Medium-Term Management Plan Fiscal 2026 (FY2027/3)					
	Initial target (2024/4)	1st revised target (2024/11)	2nd revised target (2025/3)	Revised target (Announced on 2026/4)	Difference from the initial target	Difference from the 2nd revised target
Consolidated net income*1	¥27.0 billion	¥35.0 billion	¥40.0 billion	¥50.0 billion	+¥23.0 billion	+¥10.0 billion
Consolidated OHR*2	61% range	57% range	54% range	50% range	-11pt	-4pt
Consolidated ROE	5% or more	6.5% or more	7.5% or more	8.7% or more	+3.7pt	+1.2pt

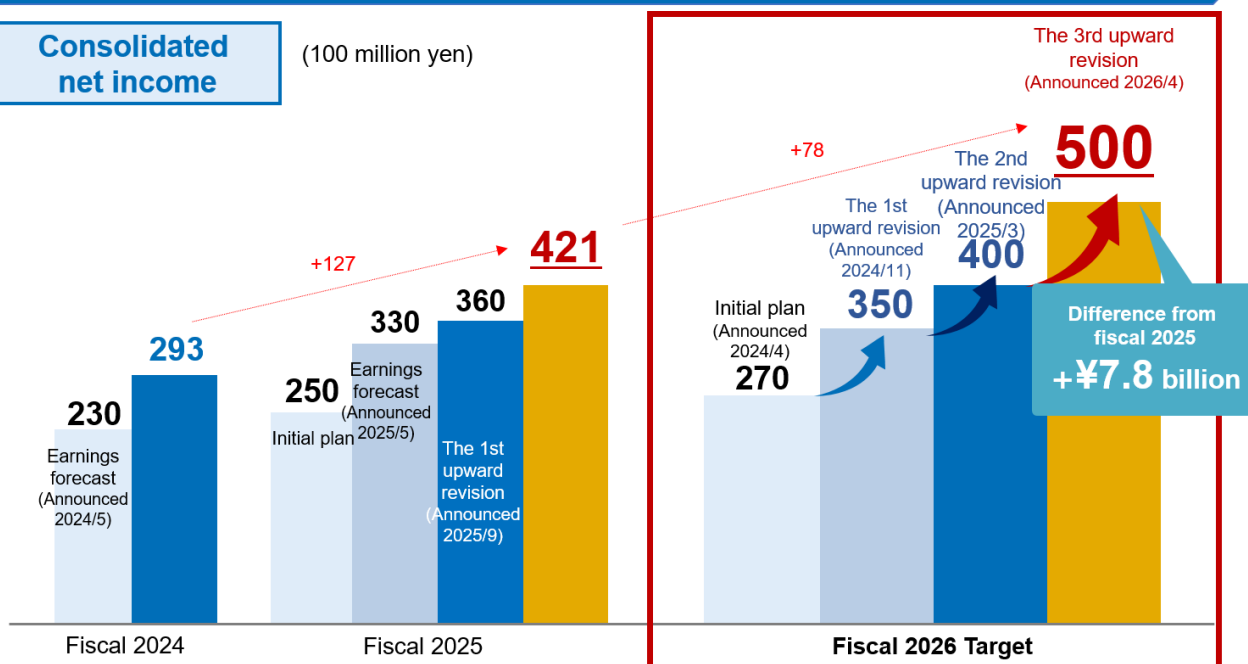
*1: Profit attributable to owners of parent

*2: Percentage of consolidated operating expenses in consolidated gross profit (excluding gains or losses on bonds)

The 3rd Medium-Term Management Plan (Fiscal 2024–2026)

Consolidated net income

(100 million yen)



Topic 2: Enhance shareholder returns

Policy on shareholder returns

The Company is working to improve corporate value by enhancing shareholder returns based on the policy below.

Policy on shareholder returns

In consideration of the public nature of the financial group and in order to reward every one of our shareholders moving forward, our basic policy is to continue offering stable returns to shareholders while also taking into account the need to enhance internal reserves to strengthen our earnings base.

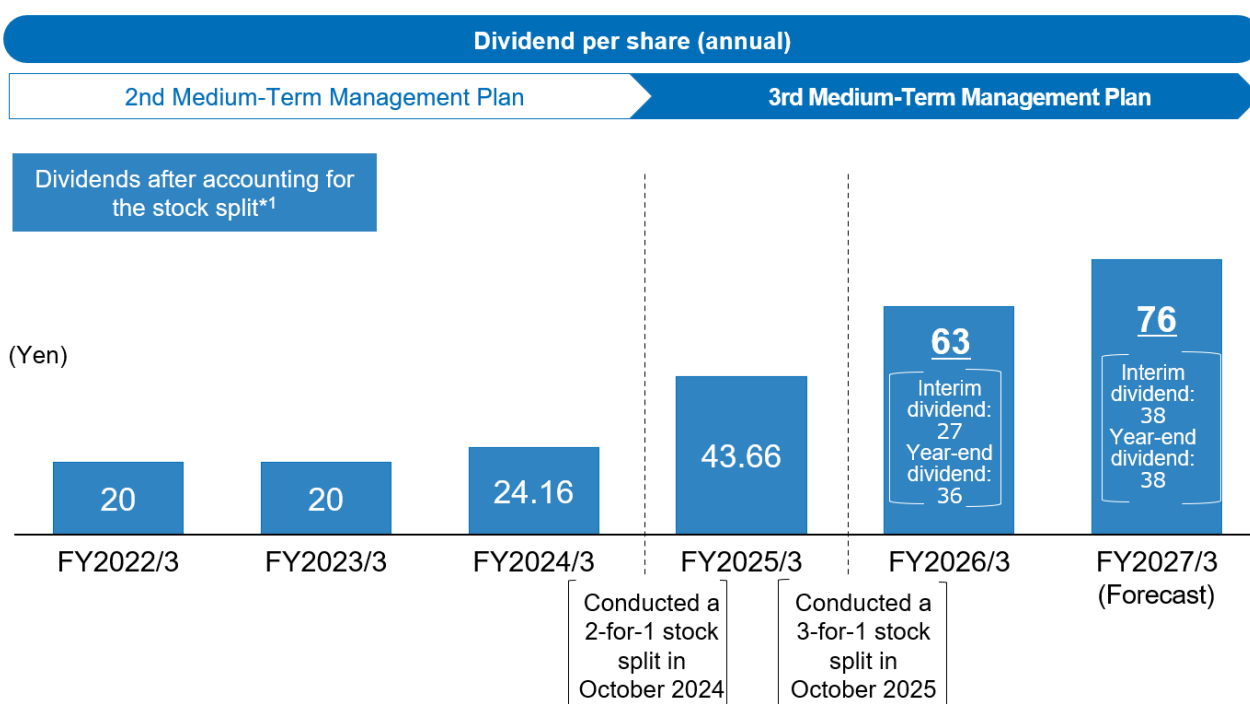
Specifically, we aim to offer a progressive dividend per share in principle and a dividend payout ratio of roughly 40%. We will flexibly implement share buybacks, taking into consideration factors such as our business performance and the market environment.

Furthermore, we will work to improve ROE by basically increasing net income, with the aim of achieving a level of 10% or higher at an early stage and ultimately targeting even higher levels.

Dividend increase for the year-end dividend and dividend increase forecast for the fiscal year ending March 31, 2027

Based on the policy on shareholder returns, the year-end dividend for the fiscal year ended March 31, 2026, was increased by 9 yen from the 27 yen per share (forecast) announced in September 2025 to 36 yen. As a result, the annual dividend for the fiscal year ended March 31, 2026 was 63 yen per share, an increase of 19.33 yen (after adjusting for the stock split) from the previous fiscal year, and the dividend payout ratio against current earnings was 40.0%.

Furthermore, regarding the annual dividend for the fiscal year ending March 31, 2027, we plan for 76 yen per share (an increase of 13 yen from the previous fiscal year).



*1: Dividends after reflecting the stock split implemented on October 1, 2024 and October 1, 2025

Topic 3: Further reduction of cross-shareholdings

In order to further improve capital efficiency and strengthen our financial position, the Company is working to reduce cross-shareholdings.

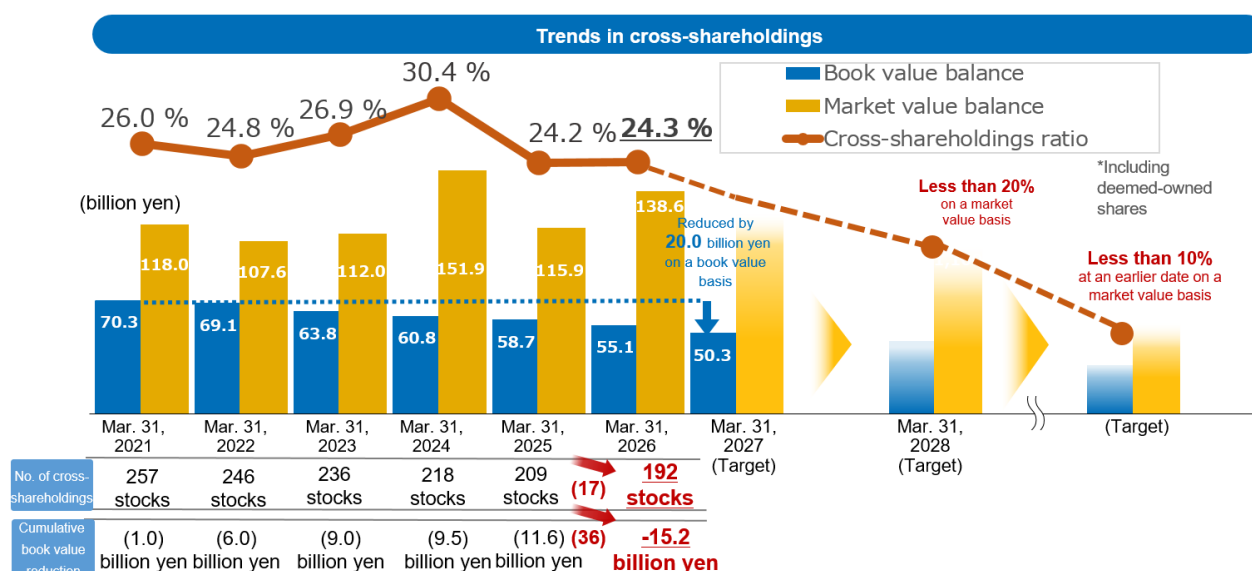
In the fiscal year ended March 31, 2026, we reduced the book value of cross-shareholdings by 3.6 billion yen (cumulative reduction of 15.2 billion yen since the end of March 2021, against the reduction target of 20.0 billion yen).

Toward further reduction, we have revised upward the reduction targets for cross-shareholdings as shown below. We will continue to proceed with the reduction of cross-shareholdings in light of the intent of the Corporate Governance Code.

Targets for reduction of cross-shareholdings

From fiscal 2020 (the year Daishi Hokuetsu Bank was formed through a merger) through the final year of the 3rd Medium-Term Management Plan (from the end of March 2021 to the end of March 2027), Daishi Hokuetsu Bank will reduce its cross-shareholdings by **20.0 billion yen** (book value).

By fiscal 2027 (until the end of March 2028), we will aim to reduce the proportion of cross-shareholdings (market value) including deemed owned shares (cross-shareholdings ratio) to less than 20% of consolidated net assets, and strive to reduce it to less than 10% at an earlier date.



<Cross-shareholding basic policy> (Article 4 in the Company's Corporate Governance Guidelines)

Our company and Daishi Hokuetsu Bank will hold only a limited number of cross-shareholdings when it is judged that such holdings will contribute to the maintenance and improvement of the medium- to long-term corporate value of the Company's business partners and the Group, and will reduce cross-shareholdings after sufficient dialogue with business partners to control shareholding risks, capital efficiency, and other factors.

The Board of Directors establishes the Cross-Shareholding Basic Policy, etc., and will periodically review the appropriateness of individual cross-shareholdings from the perspectives of medium- to long-term economic rationality based on return and risk, growth potential, future outlook, or revitalization of business partners, relevance of business partners to the regional economy, and business alliances and other strategies, and will make a comprehensive judgment on the suitability of shareholdings.

Reference: Results of Management Indicators (KPIs)

Regarding KPIs for financial issues in the 3rd Medium-Term Management Plan, consolidated net income amounted to 42.1 billion yen, an increase of 12.7 billion yen from the previous fiscal year, due to the exercise of our consulting functions, as well as increases in interest on loans and interest and dividends on securities owing to factors such as higher domestic market interest rates. Consolidated ROE also improved due to factors including the strengthening of our profitability, and the consolidated capital adequacy ratio increased by 1.48 percentage points from the previous fiscal year due to factors such as the change to the foundation internal ratings based approach.

In addition, regarding KPIs for environmental and social issues, the results of our various initiatives are steadily appearing as actual performance.

Management indicators (KPIs) for financial issues			FY2025/3	FY2026/3
Growth potential	Strengthening profitability	Consolidated net income* ¹ (billion yen)	29.3	42.1
Efficiency	Productivity improvement	Consolidated OHR* ² (%)	56.3	47.9
		Consolidated ROE (%)	5.9	8.0
Soundness of business	Maintain and improve financial soundness	Consolidated capital adequacy ratio (%)	10.59	12.07

*1 Profit attributable to owners of parent

*2 Percentage of consolidated operating expenses in consolidated gross profit (excluding gains or losses on bonds)

Management indicators (KPIs) for environmental and social issues		FY2025/3	FY2026/3
E (Environment): Active efforts to address global environmental issues			
	CO ₂ emissions reduction rate (vs. fiscal 2013) (%)	-67.3	(Preliminary) -74.3
	Executed amounts for sustainable finance (cumulative total from fiscal 2021) (billion yen)	769.6	1,180.5
S (Social): Revitalize regional economy and society by solving community and customer issues			
	Number of companies supported in business founding and succession (cases)	2,917	3,478
	Number of DX/productivity improvement support (cases)	136	183
	Percentage of business partners with improved management indicators, etc. (%)	73.5	73.4
	Number of companies supported in formulating management improvement plans (cases)	425	436
	Number of digital customers* ³ (customers)	440,000	540,000
	Assets under custody of the Group* ⁴ (billion yen)	1,522.8	1,856.9
	Number of clients supported in sales channel development (regional trading company)* ⁵ (clients)	730	842
	Number of companies supported in human resources solution (cases)	246	271
G (Governance): Strengthen relationships of trust with stakeholders by enhancing governance, such as ensuring diversity			
	Proportion of female managers* ⁶ (%)	26.3	26.8
	Total number of business partners of the Group* ⁷ (partners)	62,990	66,206

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

*4 Total amount of assets under custody of the Daishi Hokuetsu Bank (investment trusts, public bonds, and insurance) and assets under custody of the Daishi Hokuetsu Securities (stocks, bonds, and investment trusts excluding MRF, etc.)

*5 Cumulative total from October 2019

*6 Ratio of female managers (deputy level and above) (Non-consolidated)

*7 Number of corporate clients with recurring business with the Group companies (total number)

<Consolidated ROE>

The Company is working to improve ROE based primarily on increasing net income, and aims to achieve 10% or more at an early stage, but ROE for the fiscal year ended March 31, 2026 improved by 2.0 percentage points from the previous fiscal year to 8.0%. We aim to achieve 8.7% or higher in the final year of the 3rd Medium-Term Management Plan (fiscal year ending March 31, 2027).

The financial results for Daishi Hokuetsu Bank, a major subsidiary, were as follows.

Deposits

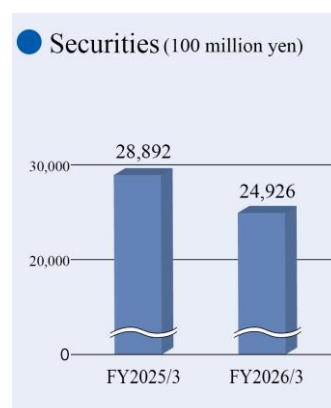
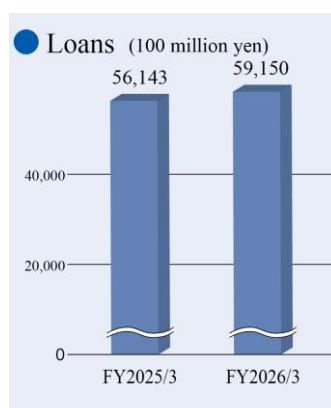
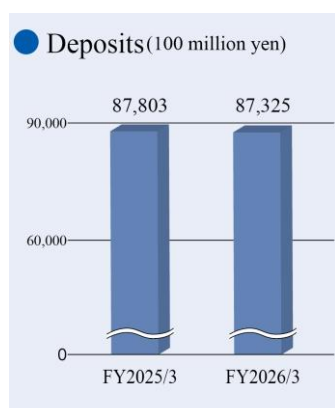
Deposits, including negotiable certificates of deposit, decreased by 47.8 billion yen during the period, resulting in a balance of 8,732.5 billion yen at the end of the period.

Loans

Loans increased by 300.7 billion yen during the period, resulting in a balance of 5,915.0 billion yen at the end of the period. Of this amount, the balance of personal loans at the end of the period was 1,587.0 billion yen, and the balance of SME loans at the end of the period was 2,110.8 billion yen.

Securities

Securities decreased by 396.6 billion yen during the period, resulting in a balance of 2,492.6 billion yen at the end of the period.



Profit and loss

In terms of profit and loss, ordinary profit amounted to 56.7 billion yen, an increase of 21.5 billion yen from the previous fiscal year, and net income amounted to 38.5 billion yen, an increase of 13.3 billion yen from the previous fiscal year, primarily due to increases in interest income on loans, as well as interest and dividends on securities.

In addition, the Company's consolidated ordinary profit amounted to 61.1 billion yen, an increase of 20.0 billion yen from the previous fiscal year, and profit attributable to owners of parent amounted to 42.1 billion yen, an increase of 12.7 billion yen from the previous fiscal year.

<Reference> Corporate Governance Structure

– **Basic Policy** –

In order to obtain high recognition and establish unshakeable trust from stakeholders including customers, local residents, and shareholders, the Group endeavors to improve financial health and profitability, while also striving to augment auditing and supervisory functions for corporate management, as well as to increase the transparency of management activities, based on our recognition that strengthening and enhancing corporate governance is an important management issue.

Please access the following URL for the Company’s “Corporate Governance Guidelines” and “Corporate Governance Report.”

URL: <https://www.dhfg.co.jp/esg/governance/> (in Japanese only)

– **Structure** –

1) Board of Directors

The Board of Directors decides on basic matters concerning the management of the entire Group and important business execution, and also supervises the status of business execution by each Director.

Chairperson	President and Representative Director
Composition	Proportion of Outside Directors: 35.7% (5 out of 14)
Number of meetings held in fiscal 2025	12 (once a month in principle)

* In addition to the above number of meetings of the Board of Directors, there were three written resolutions deemed to be a resolution of the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and Article 27, Paragraph 2 of the Articles of Incorporation of the Company.

2) Audit & Supervisory Committee

In accordance with laws and regulations, the Articles of Incorporation, and Regulation of the Audit & Supervisory Committee, etc., the Audit & Supervisory Committee assumes a supervisory function similar to the Board of Directors, and also audits the business execution of each Director.

Chairperson	Full-time Audit & Supervisory Committee Member
Composition	Proportion of Outside Directors: 83.3% (5 out of 6)
Number of meetings held in fiscal 2025	12 (once a month in principle)

3) Nomination and Remuneration Committee

Established as an advisory body voluntarily established by the Board of Directors for the purpose of ensuring opportunities to obtain appropriate involvement and advice from Outside Directors and strengthening fairness, transparency, and objectivity, the Committee deliberates on important matters concerning the appointment and dismissal of Directors, compensation, and succession planning, and reports to the Board of Directors.

Chairperson	President and Representative Director
Composition	Proportion of Outside Directors: 83.3% (5 out of 6)
Number of meetings held in fiscal 2025	2
Main items deliberated	1. Appointment and dismissal of Directors 2. Selection and dismissal of Representative Directors 3. Selection and dismissal of Directors with special duties 4. Compensation, etc. for Directors (excluding Audit & Supervisory Committee Members) (maximum amount of compensation and individual compensation amounts) 5. Compensation, etc. for Directors (Audit & Supervisory Committee Members) (excluding matters related to allocation of individual compensation)

Company to possess the required qualities and capabilities.

The status of the development of presidential candidates based on the plan is systematically reported on a regular basis to the Nomination and Remuneration Committee.

Issues to be addressed

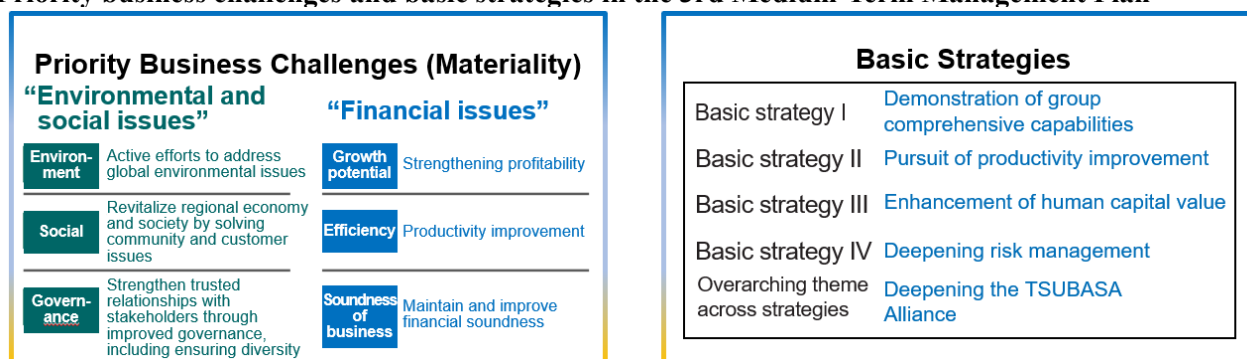
In the business environment surrounding the Group, we are facing an unprecedented convergence of events occurring simultaneously, including population decline accompanying the low birthrate and aging population, which is becoming more serious by the day; the rise and normalization of geopolitical risks stemming from factors such as the situation in the Middle East; the frequent occurrence of various disasters, including climate change and wildlife damage; and the rapid evolution of AI. As a result, the outlook remains extremely uncertain.

Meanwhile, in Japan, as the economy transitions from a deflationary economy to one focused on creating added value, a “world with interest rates” is becoming firmly established. The Group views this as an opportunity to rebuild its earnings structure by capturing changes in the interest rate environment under sound risk management.

The current Third Medium-Term Management Plan, which we are currently implementing (from April 2024; hereinafter, the “Mid-Term Plan”), is positioned as a plan to complete the foundation for the Group to move forward strongly with local communities into the next era under this business environment. The current fiscal year is the final year of the plan, and a year for putting the finishing touches on it.

In this fiscal year, which marks an extremely important milestone, the entire Group will work together on four basic strategies: “I. Demonstration of group comprehensive capabilities,” “II. Pursuit of productivity improvement,” “III. Enhancement of human capital value,” and “IV. Deepening risk management”—to simultaneously resolve the two issues of “financial issues” and “environmental and social issues” (double materiality), which are the priority business challenges in the Group’s Mid-Term Plan (see figure below). In executing all of these basic strategies, we will also make maximum use of the scale benefits of the TSUBASA Alliance, the largest wide-area alliance among regional banks.

Priority business challenges and basic strategies in the 3rd Medium-Term Management Plan



As a leading financial and information services group in Niigata Prefecture, our Group is committed to supporting the sustainable growth of the regional economy and the well-being of people, including our employees, even as the population continues to decline. Niigata Prefecture, which serves as our primary business base, is home to numerous resources that serve as sources of value creation, including history and culture representative of Japan, abundant natural beauty, and industries equipped with cutting-edge technology, alongside multiple large-scale projects currently underway. Through close collaboration with a diverse range of stakeholders, including government agencies, major domestic and international companies, and external experts, we will enhance the value of these resources, drive project progress, and promote comprehensive regional revitalization.

Regarding capital policy, in order to further enhance the investment appeal of the Company’s shares, we are taking measures in accordance with our shareholder return policy to “offer a progressive dividend per share in principle and a dividend payout ratio of roughly 40%.” In addition, with the aim of enhancing liquidity and attracting investment from a wider range of shareholders, we carried out stock splits in October 2024 and October 2025. Going forward, the Group will continue to provide stable shareholder returns in line with this policy, while considering the enhancement of retained earnings to strengthen our earnings base.

In addition, to ensure that trust in the Group, the cornerstone of our business, remains unwavering, we will practice business operations with the highest priority on compliance (observance of laws and regulations, etc.) as a unified group, and strive to foster strong integrity, namely establishing a higher sense of ethics. At the same time, we will continue to strive to build a high-quality group governance system based on the intent of

the Corporate Governance Code.

Furthermore, in March 2026, with the aim of further strengthening our management foundation and further developing the regional economy, we reached a final agreement with The Gunma Bank, Ltd. regarding business integration. In April 2027, we will embark on a new chapter as the Gunma Niigata Financial Group, and strive to become a top-class financial group in regional banking in terms of both the quality and scale of management.

By bringing together the strengths of the two companies and the relationships of trust we have built with customers in our respective business bases, we will make further efforts to contribute to the region and continuously improve our corporate value. We sincerely request your continued and even greater support.

Regarding the Final Agreement on Business Integration with The Gunma Bank, Ltd.
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Final agreement on business integration

According to the memorandum of understanding executed between the Company and The Gunma Bank, Ltd. on April 24, 2025, the two companies resolved, by the resolution of its respective board of directors on March 26, 2026, to carry out a business integration based on the basic policy of mutual trust and an equal integration, and have executed a share exchange agreement and a business integration agreement between the two companies.

The business integration aims to grow into a new financial group that constitutes one of the top regional banks in terms of both scale and quality of management by combining the two companies, each of which has a solid customer base in its respective business area, as well as strong profitability and a robust financial foundation.

We will continue to contribute to the growth and development of customers and communities, and aim to meet the expectations of all stakeholders, including customers and regions, employees, and shareholders, by steadily achieving sustainable growth and enhancing corporate value.

<Overview of the integrated holding company>

Name	Gunma Niigata Financial Group, Inc. (abbreviated name: GNFG)
Corporate mark	 The logo design depicts the two symbols of the regions — the crane, evoked by the shape of Gunma prefecture, and the crested ibis that flies across the skies of Niigata — meeting in the open sky and setting out together on a new journey. It expresses our commitment to crossing prefectural boundaries, connecting our regions to the future, and delivering value that goes beyond the traditional scope of finance.
Location of principal office	Tekko Building, 1-8-2 Marunouchi, Chiyoda-ku, Tokyo, Japan (Note) The locations of the head offices of Gunma Bank (Maebashi, Gunma Prefecture) and Daishi Hokuetsu Bank (Niigata, Niigata Prefecture) will not change.

<Philosophy of the new financial group>

MISSION	Creating the Future of Our Communities with Two Wings
VISION	Becoming a Regional Solutions Group that, grounded in trust, goes beyond the scope of finance to connect and deliver value.
VALUES	(1) Four-way satisfaction We act to enhance the well-being and prosperity of our customers and communities, our company, our colleagues and business partners, and our shareholders. (2) Integrity We work with integrity as professionals, steadily building unwavering trust. (3) Challenge We continue to take on challenges without fear of failure, creating a new wind for the future of our communities. (4) Co-creation We connect people, goods, and services across regions, creating new value through the power of solutions.

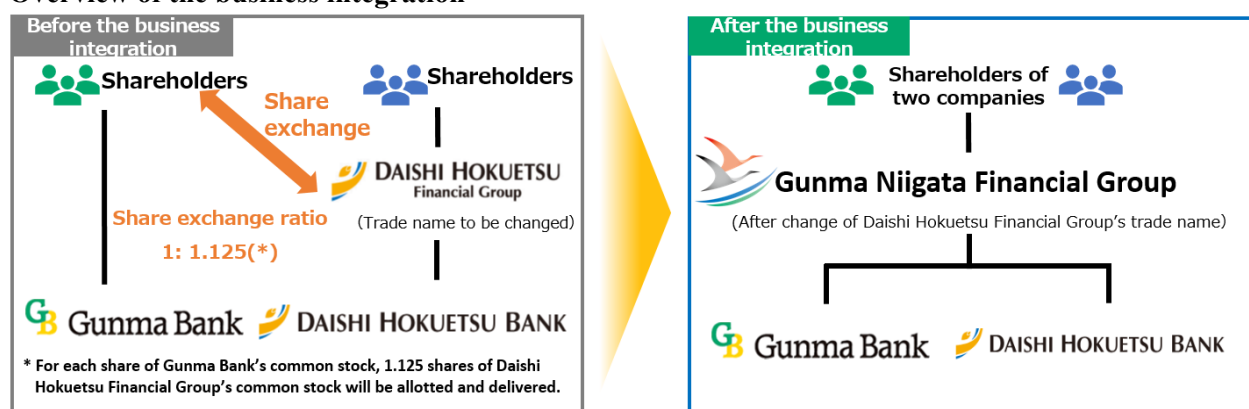
<Objectives of the business integration>



In the business integration, we aim to grow into a financial group that constitutes one of the top regional banks in terms of both scale and quality of management, by building on the common strengths of both companies and complementing them with each party's outstanding strengths to realize top-line synergies and further sophisticate management and governance.

Through these initiatives, we aim to enhance the well-being and prosperity of all stakeholders, including our customers and communities, employees and business partners, and shareholders.

<Overview of the business integration>



The business integration will be structured as a holding company model, and from the perspective of proceeding efficiently, the two companies will utilize Daishi Hokuetsu Financial Group, which has already adopted a holding company structure, as the holding company of the new financial group. Specifically, Gunma Bank and Daishi Hokuetsu Financial Group will carry out a share exchange, and Daishi Hokuetsu Financial Group will change its trade name to Gunma Niigata Financial Group, Inc.

Regarding the share allotment ratio for the share exchange, 1.125 common shares of Daishi Hokuetsu Financial Group will be allotted and delivered for each common share of Gunma Bank.

(Note) There is no plan to merge the Gunma Bank and Daishi Hokuetsu Bank. Both banks will continue to operate as subsidiaries of the integrated holding company. Also, we have no plans to consolidate or close any branches due to the business integration.

<Timeline>

December 23, 2026 (tentative)	Extraordinary shareholders' meetings of two companies
April 1, 2027 (tentative)	Effective date of share exchange

(Note) The details above constitute the current plan and are subject to change depending on future discussions between the two companies. In addition, execution of the business integration is subject to the necessary approvals and permits being obtained from relevant authorities, and if any event occurs that delays the schedule of the business integration due to the status of obtainment of those approvals and permits, then an announcement will be promptly made to that effect.

(2) Status of Assets and Income of the Corporate Group and the Company

a. Status of assets and income of the Corporate Group

(In millions of yen)

	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Ordinary income	148,759	182,058	194,646	260,253
Ordinary profit	25,048	30,868	41,112	61,115
Profit attributable to owners of parent	17,768	21,203	29,349	42,103
Comprehensive income	(10,643)	94,399	(11,612)	103,852
Net assets	415,949	499,902	478,870	569,451
Total assets	10,518,089	11,138,009	10,977,796	10,840,284

(Notes) 1. Amounts have been rounded down to the nearest unit.

2. The “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Implementation Guidance No.28, October 28, 2022) has been applied from fiscal 2024. The figures for the fiscal 2022 and fiscal 2023 reflect retrospective application.

b. Status of assets and income of the Company

(In millions of yen, unless otherwise specified.)

	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Operating revenue	8,320	8,469	9,635	16,651
Dividends received	7,399	7,433	8,417	13,949
Subsidiaries conducting banking business	7,399	7,433	8,417	13,949
Other subsidiaries	—	—	—	—
Net income	7,401	7,992	8,577	13,923
Profit (loss) per share (yen)	163.19	89.47	32.72	53.10
Total assets	325,026	325,444	324,235	325,414
Equity securities of subsidiaries conducting banking business	305,587	305,498	305,498	302,486
Equity securities of other subsidiaries	15,789	16,604	16,611	19,623

(Notes) 1. Amounts have been rounded down to the nearest unit.

2. Profit (loss) per share is calculated based on the average number of shares outstanding during the period.

The average number of shares outstanding during the period excludes treasury shares.

3. The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2024. Therefore, profit (loss) per share is calculated on the assumption that the stock split was conducted at the beginning of fiscal 2023.

4. The Company conducted a 3-for-1 stock split of its common shares effective October 1, 2025. Therefore, profit (loss) per share is calculated on the assumption that the stock split was conducted at the beginning of fiscal 2024.

(3) Status of Employees of the Corporate Group

	As of the end of fiscal year under review			
	Banking	Leasing	Securities	Others
Number of employees	2,893	61	204	298

(Notes) 1. The number of employees indicates the number of workers.

2. The number of employees excludes temporary and contract employees.

(4) Principal Business Locations of the Corporate Group

a. Banking

[Daishi Hokuetsu Bank]

1) Number of business locations

	As of the end of current fiscal year (Note 1)		Number of business locations (Note 2)	
		Sub-offices		Sub-offices
Niigata	190 branches	(6)	122 branches	(5)
Tokyo	3	(-)	2	(-)
Saitama	3	(-)	2	(-)
Gunma	2	(-)	2	(-)
Hokkaido	1	(-)	1	(-)
Fukushima	1	(-)	1	(-)
Kanagawa	1	(-)	1	(-)
Toyama	1	(-)	1	(-)
Aichi	1	(-)	1	(-)
Osaka	1	(-)	1	(-)
Total	204	(6)	134	(5)

(Notes) 1. The number of business locations includes branch offices that have been integrated via the branch-in-branch method, counted as one branch, and excludes transfer-only branches (2 branches), internet branches (1 branch), and convenience store ATM branches (1 branch). In addition to the above, one overseas representative office has been established as of the end of the current fiscal year.

2. Indicates the number of business locations as of the end of the current fiscal year, excluding branches integrated via the branch-in-branch method.

2) New business locations established in current fiscal year

Name of business location	Address
Ishiyama Chuo Sub-office	2-5-16 Higashinakajima, Higashi-ku, Niigata-shi

b. Leasing, securities, and other businesses

For status of leasing, securities, and other businesses, please refer to “b. Subsidiaries, etc.” under “(6) Status of Significant Parent Company and Subsidiaries, etc.”

(5) Status of Capital Expenditure of the Corporate Group

a. Total amount of capital expenditure

(In millions of yen)

	Banking	Leasing	Securities	Others	Total
Total amount of capital expenditure	5,002	218	99	90	5,410

(Note) Amounts have been rounded down to the nearest unit.

b. Establishment of significant facilities, etc.

(In millions of yen)

	Name of company	Facilities	Amount of investment
Banking	Daishi Hokuetsu Bank, Ltd.	Software	1,649
		Niitsu Office	498

(Notes) 1. Amounts have been rounded down to the nearest unit.

2. Above software includes software in progress.

3. Niitsu Office was relocated to a newly built location in March 2026. The amount indicates the investment amount during the current fiscal year.

(6) Status of Significant Parent Company and Subsidiaries, etc.

a. Parent company

Not applicable.

b. Subsidiaries, etc.

(As of the end of current fiscal year)

Name of company	Address	Main business activities	Capital stock	Percentage of voting rights of subsidiaries, etc. held by the Company	Other
Daishi Hokuetsu Bank, Ltd.	1071-1 Higashiborimae-dori 7-bancho, Chuo-ku, Niigata-shi, Niigata	Banking	32,776 million yen	100.00%	—
Daishi Hokuetsu Securities Co., Ltd.	3-10 Ote-dori 2-chome, Nagaoka-shi, Niigata	Securities	600 million yen	100.00%	—
The Daishi Hokuetsu Lease Co., Ltd.	2-10 Akashi 2-chome, Chuo-ku, Niigata-shi, Niigata	Leasing	100 million yen	100.00%	—
The Hokuetsu Leasing Co., Ltd.	3-10 Ote-dori 2-chome, Nagaoka-shi, Niigata	Leasing	100 million yen	(100.00%)	—
The Daishi Hokuetsu JCB Card Co., Ltd.	1-18 Higashiodori 2-chome, Chuo-ku, Niigata-shi, Niigata	Credit cards and credit guarantees	30 million yen	100.00%	—
The Daishi DC Card Co., Ltd.	1-18 Higashiodori 2-chome, Chuo-ku, Niigata-shi, Niigata	Credit cards	30 million yen	100.00%	—
The Hokuetsu Card Co., Ltd.	9-20 Kesajiro 1-chome, Nagaoka-shi, Niigata	Credit cards	20 million yen	100.00%	—
Daishi Hokuetsu IT Solutions Co., Ltd.	11-21 Nuttari-Higashi 2-chome, Chuo-ku, Niigata-shi, Niigata	System-related business	100 million yen	100.00%	—
Daishi Hokuetsu Research & Consulting, Ltd.	1-18 Higashiodori 2-chome, Chuo-ku, Niigata-shi, Niigata	Consulting services and survey, research, and information provision services related to the economy and society	30 million yen	100.00%	—
Daishi Hokuetsu Capital Partners Co., Ltd.	1-18 Higashiodori 2-chome, Chuo-ku, Niigata-shi, Niigata	Operations related to the composition and management of funds	20 million yen	100.00%	—

Name of company	Address	Main business activities	Capital stock	Percentage of voting rights of subsidiaries, etc. held by the Company	Other
Daishi Hokuetsu Career Bridge, Co., Ltd.	2-25 Higashi-odori 1-chome, Chuo-ku, Niigata-shi, Niigata	HR recruitment services and consulting services related to corporate HR	30 million yen	100.00%	—
Bridge Niigata Co., Ltd.	1071-1 Higashiborimae-dori 7-bancho, Chuo-ku, Niigata-shi, Niigata	Sales channel development and tourism promotion businesses	70 million yen	95.00%	—
The Daishi Hokuetsu Credit Guarantee Co., Ltd.	2-25 Higashi-odori 1-chome, Chuo-ku, Niigata-shi, Niigata	Credit guarantees	50 million yen	100.00%	—
The Hokuetsu Credit Guarantee Co., Ltd.	2-25 Higashi-odori 1-chome, Chuo-ku, Niigata-shi, Niigata	Credit guarantees	210 million yen	(100.00%)	—

- (Notes) 1. Amounts of capital stock have been rounded down to the nearest unit.
2. The percentage of voting rights of subsidiaries, etc. held by the Company is shown with fractions less than the second decimal place truncated.
3. Figures in parentheses under “Percentage of voting rights of subsidiaries, etc. held by the Company” represent the percentages of indirect voting rights.
4. Above 14 companies are consolidated subsidiaries.
5. The Daishi JCB Card Co., Ltd. renamed to The Daishi Hokuetsu JCB Card Co., Ltd. on April 1, 2025.

(Overview of significant business alliances)

1. Daishi Hokuetsu Bank, Ltd. has concluded the “Basic Agreement concerning Joint Operation of Core Systems” with The ChibaBank, Ltd., The Chugoku Bank, Ltd., North Pacific Bank, Ltd., The Toho Bank, Ltd., IBM Japan, Ltd., and Kyndryl Japan KK.
2. Daishi Hokuetsu Bank, Ltd. signed the Basic Agreement on the TSUBASA Alliance between The ChibaBank, Ltd., The Chugoku Bank, Ltd., THE IYO BANK, LTD., The Toho Bank, Ltd., North Pacific Bank, Ltd., The Musashino Bank, Ltd., THE SHIGA BANK, LTD., Bank of The Ryukyus, Limited, and The Gunma Bank, Ltd.
3. Daishi Hokuetsu Bank, Ltd. has entered into the Gunma and Daishi Hokuetsu Alliance with The Gunma Bank, Ltd.

(7) Major Creditors
Not applicable.

(8) Business Transfer, etc.
Not applicable.

(9) Other Important Information concerning the Corporate Group
The business integration with The Gunma Bank, Ltd., is as stated in (1) Business Progress and Results of the Corporate Group (Issues to be addressed).

2. Company Officers (Directors)

(1) Company Officers

(As of the end of current fiscal year)

Name	Position and responsibilities	Significant concurrent positions	Other
Fujio Namiki	Chairman Supervision	—	—
Michiro Ueguri	President and Representative Director Chairman of Board of Directors In charge of Supervision/Audit and Inspection Division	President (Representative Director), Daishi Hokuetsu Bank, Ltd. Outside Director, HOKURIKU GAS CO., LTD. Outside Director, BSN Media Holdings, Inc.	—
Makoto Takahashi	Representative Director and Senior Managing Director In charge of Risk Management Division/Compliance Division/Systems Management Division/Administration Division	Senior Managing Director (Representative Director) and General Manager, Operation Headquarters, Daishi Hokuetsu Bank, Ltd.	—
Ken Shibata	Representative Managing Director In charge of Corporate Planning Division/Group Strategy Promotion Division/Treasury and Capital Markets Division	Senior Managing Director (Representative Director), Daishi Hokuetsu Bank, Ltd.	—
Toshiyuki Maki	Director General Manager, Regional Revitalization Strategy Headquarters	Senior Managing Director (Representative Director) and General Manager, Regional Revitalization Business Headquarters, Daishi Hokuetsu Bank, Ltd.	—
Takayoshi Tanaka	Director In charge of Human Capital Strategy Division/General Affairs Division	Managing Director, Daishi Hokuetsu Bank, Ltd.	—
Takashi Ishizaka	Director Deputy General Manager, Regional Revitalization Strategy Headquarters	Managing Director and Deputy General Manager, Regional Revitalization Business Headquarters, Daishi Hokuetsu Bank, Ltd.	—

Name	Position and responsibilities	Significant concurrent positions	Other
Yoshiko Baba	Director General Manager, Human Capital Strategy Division and General Manager, Diversity, Equity & Inclusion Promotion Office	Director and General Manager, Personnel Division, Daishi Hokuetsu Bank, Ltd.	—
Naruhito Hosaka	Director (Audit & Supervisory Committee Member)	—	—
Kazuaki Matsumoto	Director (Audit & Supervisory Committee Member) (Outside Director)	Professor, Department of Management, Faculty of Business Administration, Kyoto Sangyo University	—
Tadashi Shirai	Director (Audit & Supervisory Committee Member) (Outside Director)	Partner, Kanade Partnership	He has knowledge in finance and accounting.
Hiroyuki Kikuchi	Director (Audit & Supervisory Committee Member) (Outside Director)	Principal, Masayakoji Law & Patent Office	
Akira Sato	Director (Audit & Supervisory Committee Member) (Outside Director)	President and Representative Director, The Niigata Nippo, Inc. Outside Director, BSN Media Holdings, Inc.	
Miki Kuwahara	Director (Audit & Supervisory Committee Member) (Outside Director)	President and CEO, The Niigata Television Network 21, Inc.	

- (Notes) 1. The Company has designated Mr. Kazuaki Matsumoto, Mr. Tadashi Shirai, Mr. Hiroyuki Kikuchi, Mr. Akira Sato, and Ms. Miki Kuwahara as independent directors in accordance with the regulations of the Tokyo Stock Exchange, Inc.
2. In order to enhance the effectiveness of audits and supervision by the Audit & Supervisory Committee Members, through the sharing among all Audit & Supervisory Committee Members of information obtained by persons familiar with internal affairs attending important meetings, etc. and closely communicating with the Accounting Auditor and the Audit and Inspection Division, we have appointed Mr. Naruhito Hosaka as a full-time Audit & Supervisory Committee Member.
3. Please refer to <Reference 2> on page 20 for the fields in which internal Directors have experience and the fields in which the Company particularly expects Outside Directors to contribute.

Directors who retired during the current fiscal year

Name	Retirement date	Reason for retirement	Position and responsibilities when retired
Tadanori Miyakoshi	June 25, 2025	Expiration of the term of office	Director
Takayoshi Konomura	June 25, 2025	Expiration of the term of office	Director (Audit & Supervisory Committee Member)
Kunio Mori	June 25, 2025	Expiration of the term of office	Director (Audit & Supervisory Committee Member) (Outside Director)

(2) Compensation, etc. for Company Officers

1) Total amount of compensation, etc. for the current fiscal year

(In millions of yen)

Classification	Number of persons compensated	Compensation, etc.	Total amount of compensation, etc. by type		
			Basic compensation	Bonuses	Non-monetary compensation, etc.
Directors (excluding Audit & Supervisory Committee Members) (excluding Outside Directors)	9 persons	87	41	25	20
Directors (Audit & Supervisory Committee Members) (excluding Outside Directors)	2 persons	25	25	—	—
Outside Directors	6 persons	34	34	—	—
Total	17 persons	147	101	25	20

(Notes) 1. Amounts have been rounded down to the nearest unit.

2. The above table includes officers who retired at the conclusion of the 7th Annual General Meeting of Shareholders held on June 25, 2025: one internal Director who was not an Audit & Supervisory Committee Member, one internal Director who was an Audit & Supervisory Committee Member, and one Outside Director who was an Audit & Supervisory Committee Member.
3. Bonuses are stated as the amount of provision for directors' bonuses recorded for the current fiscal year.
4. The Company has introduced the share-based payment plan utilizing a trust. For non-monetary compensation, etc., the amount of expenses recorded concerning the share delivery points granted during the current fiscal year based on the said plan is stated.
5. The above table does not include compensation for Directors concurrently serving as employees.

2) Policy for determining compensation, etc. for Directors

The Company has resolved the policy for determining the content of individual compensation, etc. for Directors at the Board of Directors. In determining the content of individual compensation, etc. for Directors, the Nomination and Remuneration Committee conducts multifaceted examinations including the consistency between the original proposal and the determination policy, and the Board of Directors respects that report and judges that it aligns with the said determination policy.

The outline of the policy for determining individual compensation, etc. for Directors is as follows.

(Outline of policy for determining compensation, etc. for Directors)

The amount of officer compensation for each Director of the Company shall be determined each fiscal year based on the following policy, by resolution of the Board of Directors following deliberations and a report by the Nomination and Remuneration Committee for the amount of individual compensation for Directors not serving as Audit & Supervisory Committee Members, and by discussion among Directors serving as Audit & Supervisory Committee Members for the amount of individual compensation for Directors serving as Audit & Supervisory Committee Members.

- Compensation shall be fair and highly reasonable, to ensure accountability to shareholders and other stakeholders.
- Levels of compensation, etc. shall take into consideration levels at other companies, etc., and shall be appropriate to reward the roles and responsibilities of the Group's officers in aiming to become a financial group that contributes to the regional economy and society by achieving

sustainable and stable growth through the sincere execution of business operations, etc. • Compensation for Directors not serving as Audit & Supervisory Committee Members shall consist of compensation able to ensure that excellent human resources are retained for the Group's senior management, and that also increases incentives to performance in each fiscal year and increase corporate value over the medium to long term. • Specifically, compensation for Directors not serving as Audit & Supervisory Committee Members shall consist of basic compensation paid according to their roles and responsibilities, and for Directors who are not Outside Directors, bonuses linked to the degree of achievement of performance indicators for a single fiscal year, and trust-type stock compensation to increase incentives to increase corporate value over the medium to long term. • Compensation for Directors serving as Audit & Supervisory Committee Members shall be limited to basic compensation in consideration of the audit and supervisory functions and independence of Directors serving as Audit & Supervisory Committee Members.

The Company and the subsidiary banks have the same compensation system. In principle, the amount of compensation for directors who serve concurrently as Directors of the Company and a subsidiary bank, and who are not Audit & Supervisory Committee Members, is the amount obtained by multiplying the amount of compensation of the subsidiary bank where they concurrently serve by a certain percentage.

(i) Basic compensation

Classification	Details
Directors not serving as Audit & Supervisory Committee Members	It shall consist of fixed monthly compensation. The amount of basic compensation determined for each position shall be determined by the Board of Directors after deliberation and a report by the Nomination and Remuneration Committee.
Directors serving as Audit & Supervisory Committee Members	It shall consist of fixed monthly compensation. The amount of basic compensation shall be determined according to whether the director is a full-time or part-time member of the Audit & Supervisory Committee, and shall be determined by discussion among the Directors serving as Audit & Supervisory Committee Members.

(ii) Performance-linked compensation, etc.

Bonuses are performance-linked compensation based on business performance in each fiscal year. Payment tables in accordance with target levels of profit and the degree of achievement of those targets are determined each fiscal year by the Board of Directors after deliberation and a report by the Nomination and Remuneration Committee.

	Details
Performance indicators and reasons for selecting the performance indicators	Performance indicators consist of consolidated profit attributable to owners of parent of the Company, which is the basis for calculating the shareholder return ratio; core business net profit, which indicates the level of profits from the main businesses of the subsidiary banks, which are our major subsidiaries; and achievement ratio of KPIs related to environmental and social issues.
Formula	Bonus = Standard amount of bonus for each position × Performance-linked coefficient
Performance-linked coefficient	Performance-linked coefficient = Applicable ratio of consolidated profit attributable to owners of parent of the Company × 0.4 + Applicable ratio of the core business net profit for the subsidiary banks × 0.4 + Applicable ratio of achievement ratio of KPIs related to environmental and social issues × 0.2
Applicable ratio	The applicable ratio fluctuates within a range of 70% to 130%, in accordance with the level of achievement of target for consolidated profit attributable to owners of parent of the Company; the level of achievement of target for core business net profit for the subsidiary banks; and achievement ratio of KPIs related to environmental and social issues.

	If consolidated profit attributable to owners of parent of the Company or core business net profit of the subsidiary banks is 50% or less of the target, or the dividend is reduced, the application ratio will be deliberated by the Nomination and Remuneration Committee. In addition, if factors arise that were unforeseeable when the payment table was established and that should be considered as temporary special factors, or if it is otherwise deemed appropriate to evaluate business performance, etc., after eliminating the impact of such factors, the Nomination and Remuneration Committee may deliberate on the applicable ratio.
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The targets and payment tables for the indicators in the current fiscal year are as follows.

(Target for the current fiscal year)

Consolidated profit attributable to owners of parent of the Company of 33.0 billion yen

Core business net profit for the subsidiary banks of 41.4 billion yen

Please refer to page 40 for the KPIs related to environmental and social issues

Ratio	Consolidated profit attributable to owners of parent of the Company	Core business net profit for the subsidiary banks	Achievement of KPIs related to environmental and social issues
130%	42.9 billion yen or more	53.82 billion yen or more	
120%	39.6 billion yen or more and less than 42.9 billion yen	49.68 billion yen or more and less than 53.82 billion yen	To be decided as necessary based on achievement status
110%	36.3 billion yen or more and less than 39.6 billion yen	45.54 billion yen or more and less than 49.68 billion yen	To be decided as necessary based on achievement status
100%	33.0 billion yen or more and less than 36.3 billion yen	41.4 billion yen or more and less than 45.54 billion yen	All 12 KPI indicators achieved
90%	29.7 billion yen or more and less than 33.0 billion yen	37.26 billion yen or more and less than 41.4 billion yen	10 KPI indicators achieved
80%	26.4 billion yen or more and less than 29.7 billion yen	33.12 billion yen or more and less than 37.26 billion yen	9 or less KPI indicators achieved
70%	Less than 26.4 billion yen	Less than 33.12 billion yen	

The actual results of the indicators related to performance-linked compensation in the current fiscal year are 42.1 billion yen for consolidated profit attributable to owners of parent of the Company, 59.6 billion yen for the core business net profit of the subsidiary banks, and 10 items achieved for KPIs related to environmental and social issues.

(iii) Non-monetary compensation

Non-monetary compensation consists of trust-type stock compensation, and the standard amount of compensation is determined for each position by the Board of Directors after deliberation and a report by the Nomination and Remuneration Committee. Points corresponding to the amount of compensation are granted once a year, and upon retirement from all positions as a director (including a Director serving as Audit & Supervisory Committee Member) or an executive officer of the Company or its subsidiary banks, shares of the Company equivalent to the accumulated points and money equivalent to the conversion value of the Company's shares are delivered or paid through the trust.

(iv) Composition ratios of compensation

Compensation for Directors not serving as Audit & Supervisory Committee Members consists of basic compensation, bonuses, and trust-type stock compensation, which is non-monetary compensation, and standard amounts for each position have been set for each type of compensation. In terms of the composition ratios of compensation, a benchmark of 50:25:25 is generally used for the ratio of basic compensation to bonuses to trust-type stock compensation when the performance-linked coefficient for bonuses is 100%.

3) Resolution at the General Meeting of Shareholders on compensation, etc. for Directors

The maximum amount of compensation for Directors not serving as Audit & Supervisory Committee Members was resolved at the 1st Annual General Meeting of Shareholders held on June 25, 2019, to be within 300 million yen per year (not including the employee portion of salaries for directors concurrently serving as employees). The number of Directors not serving as Audit & Supervisory Committee Members at the conclusion of the said Annual General Meeting of Shareholders was eight.

As a separate framework from this maximum amount, it was resolved at the 3rd Annual General Meeting of Shareholders held on June 25, 2021, that the stock compensation for Directors not serving as Audit & Supervisory Committee Members would be for three fiscal years, with an upper limit of 390 million yen for the money contributed by the Company, and an upper limit of 90,000 points (1 point = 1 share of the Company) for the number of points granted by the Company in one fiscal year. The number of Directors not serving as Audit & Supervisory Committee Members at the conclusion of the said Annual General Meeting of Shareholders was eight. With the stock splits of the Company's shares on October 1, 2024, and October 1, 2025, the number of the Company's shares relative to the number of points granted has been changed from one share to six shares per point.

In addition, the maximum amount of compensation for Directors serving as Audit & Supervisory Committee Members was resolved at the 1st Annual General Meeting of Shareholders held on June 25, 2019, to be within 85 million yen per year. The number of Directors serving as Audit & Supervisory Committee Members at the conclusion of the said Annual General Meeting of Shareholders was five (including four Outside Directors).

(3) Liability Limitation Agreements

Name	Outline of liability limitation agreements
Kazuaki Matsumoto	The Company has entered into an agreement to limit the compensation liability stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability based on the agreement shall be the minimum amount stipulated in Article 425, Paragraph 1 of the same Act.
Tadashi Shirai	Same as above
Hiroyuki Kikuchi	Same as above
Akira Sato	Same as above
Miki Kuwahara	Same as above

(4) Compensation Contracts

- a. Compensation contracts with company officers in office
Not applicable.
- b. Matters concerning the execution of compensation contracts, etc.
Not applicable.

(5) Directors and Officers Liability Insurance Contract

Persons insured under the contract	Outline of the directors and officers liability insurance contract
The Company's Directors (including Directors serving as Audit & Supervisory Committee Members)	The Company has concluded a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1, of the Companies Act with an insurance company to cover legal damages and litigation expenses in the event that a claim for damages is made against the insured parties. The insured parties under the insurance contract are Directors of the Company, and Directors and Executive Officers of Group companies. The insurance premiums are fully paid by the Company and Group companies, in proportion to their respective number of insured parties. However, in order to ensure that the appropriateness of the execution of duties by the insured persons is not impaired, claims for damages arising from the insured person illegally obtaining private profits or provision of conveniences are excluded from coverage.
Daishi Hokuetsu Bank's Directors Group Company Directors (including Directors serving as Audit & Supervisory Committee Members), Corporate Auditors, and Executive Officers	

3. Outside Officers

(1) Concurrent Positions and Other Matters concerning Outside Officers

Name	Concurrent positions and other matters
Kazuaki Matsumoto	Professor, Department of Management, Faculty of Business Administration, Kyoto Sangyo University
Tadashi Shirai	Partner, Kanade Partnership
Hiroyuki Kikuchi	Principal, Masayakoji Law & Patent Office
Akira Sato	President and Representative Director, The Niigata Nippo, Inc. Outside Director, BSN Media Holdings, Inc.
Miki Kuwahara	President and CEO, The Niigata Television Network 21, Inc.

(Note) There are no transactional relationships, etc. required to be disclosed between the Company and any of the significant concurrent positions held by the outside officers.

(2) Main Activities of Outside Officers

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at the meetings of the Board of Directors and other activities
Kazuaki Matsumoto	7 years and 6 months	He attended 12 out of 12 meetings of the Board of Directors and 12 out of 12 meetings of the Audit & Supervisory Committee held in the current fiscal year. Additionally, he attended 2 out of 2 meetings of the Nomination and Remuneration Committee which was voluntarily established by the Board of Directors.	Utilizing his extensive knowledge, insight, and expertise in business administration as a university professor, and as the lead independent outside director, he acts as a member of the Board of Directors and the Audit & Supervisory Committee, as well as a member of the Nomination and Remuneration Committee which was voluntarily established by the Board of Directors, and he has been making active remarks, contributing to improving the effectiveness of the Group's auditing function and the decision-making and supervisory functions of the Board of Directors.
Tadashi Shirai	3 years and 9 months	He attended 12 out of 12 meetings of the Board of Directors and 12 out of 12 meetings of the Audit & Supervisory Committee held in the current fiscal year. Additionally, he attended 2 out of 2 meetings of the Nomination and Remuneration Committee which was voluntarily established by the Board of Directors.	Utilizing his extensive experience and broad knowledge regarding finance, accounting, and systems as a certified public accountant and an information processing system audit engineer, he acts as a member of the Board of Directors and the Audit & Supervisory Committee, as well as a member of the Nomination and Remuneration Committee which was voluntarily established by the Board of Directors, and he has been making active remarks, contributing to improving the effectiveness of the Group's auditing function and the decision-making and supervisory functions of the Board of Directors.

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at the meetings of the Board of Directors and other activities
Hiroyuki Kikuchi	3 years and 9 months	He attended 12 out of 12 meetings of the Board of Directors and 12 out of 12 meetings of the Audit & Supervisory Committee held in the current fiscal year. Additionally, he attended 2 out of 2 meetings of the Nomination and Remuneration Committee which was voluntarily established by the Board of Directors.	Utilizing his broad knowledge, insight, and expertise regarding laws as a lawyer, he acts as a member of the Board of Directors and the Audit & Supervisory Committee, as well as a member of the Nomination and Remuneration Committee which was voluntarily established by the Board of Directors, and he has been making active remarks, contributing to improving the effectiveness of the Group's auditing function and the decision-making and supervisory functions of the Board of Directors.
Akira Sato	1 year and 9 months	He attended 11 out of 12 meetings of the Board of Directors and 11 out of 12 meetings of the Audit & Supervisory Committee held in the current fiscal year. Additionally, he attended 2 out of 2 meetings of the Nomination and Remuneration Committee which was voluntarily established by the Board of Directors.	Utilizing his extensive experience and broad knowledge as a manager of a highly public and ethical news medium, he acts as a member of the Board of Directors and the Audit & Supervisory Committee, as well as a member of the Nomination and Remuneration Committee which was voluntarily established by the Board of Directors, and he has been making active remarks, contributing to improving the effectiveness of the Group's auditing function and the decision-making and supervisory functions of the Board of Directors.
Miki Kuwahara	9 months	She attended 9 out of 10 meetings of the Board of Directors and 9 out of 10 meetings of the Audit & Supervisory Committee held in the current fiscal year after assuming the position of Director serving as Audit & Supervisory Committee Member. Additionally, she attended 1 out of 1 meeting of the Nomination and Remuneration Committee which was voluntarily established by the Board of Directors.	Utilizing her extensive experience and broad knowledge as a manager of a highly public and ethical news medium, as well as her perspective as a woman, she acts as a member of the Board of Directors and the Audit & Supervisory Committee, as well as a member of the Nomination and Remuneration Committee which was voluntarily established by the Board of Directors, and she has been making active remarks, contributing to improving the effectiveness of the Group's auditing function and the decision-making and supervisory functions of the Board of Directors.

(Note) In addition to the above number of meetings of the Board of Directors, there were three written resolutions deemed to be resolutions of the Board of Directors pursuant to the provisions of

Article 370 of the Companies Act and Article 27, Paragraph 2 of the Articles of Incorporation of the Company.

(3) Compensation, etc. for Outside Officers

(In millions of yen)

	Number of persons compensated	Compensation, etc. from the Company	Compensation, etc. from the parent of the Company
Total compensation	6 persons	34	—

(Notes) 1. Amounts have been rounded down to the nearest unit.

2. The table above includes one Director who was an Audit & Supervisory Committee Member and retired at the conclusion of the 7th Annual General Meeting of Shareholders held on June 25, 2025.

(4) Opinions from Outside Officers

There are no opinions regarding the content stated in the matters concerning outside officers.

4. Status of Shares of the Company

(1) Number of Shares	Total number of authorized shares	600,000 thousand shares
	Total number of issued shares	275,657 thousand shares

(Note) The number of shares is shown with amounts of less than one thousand shares rounded down.

(2) Number of Shareholders as of the Current Fiscal Year	44,493 persons
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(3) Major Shareholders

Name of shareholders	Ownership in the Company	
	Shares held	Percentage
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	24,088	8.99
Custody Bank of Japan, Ltd. (Trust Account)	15,769	5.89
Meiji Yasuda Life Insurance Company	9,744	3.64
Employee Shareholding Association of Daishi Hokuetsu Financial Group	7,781	2.90
Nippon Life Insurance Company	6,941	2.59
STATE STREET BANK AND TRUST COMPANY 505223	4,052	1.51
JP MORGAN CHASE BANK 385781	3,489	1.30
DFA INTL SMALL CAP VALUE PORTFOLIO	3,454	1.29
STATE STREET BANK AND TRUST COMPANY 505001	3,165	1.18
Sumitomo Life Insurance Company	3,088	1.15

(Notes) 1. The number of shares held is shown with amounts of less than one thousand shares rounded down.

2. The Company holds 7,998 thousand treasury shares, but this is excluded from the above major shareholders. In addition, the shareholding percentage is calculated by deducting treasury shares, and is shown with fractions less than the second decimal place rounded down.

(4) Other Important Matters concerning Shares

As a result of a 3-for-1 stock split implemented on October 1, 2025, the total number of authorized shares increased to 600,000 thousand shares, and the total number of issued shares increased to 275,657 thousand shares.

(5) Shares Held by Officers

The details of stock compensation delivered to the Company's officers as consideration for execution of duties during the current fiscal year are as follows.

Classification	Number of shares	Persons to be granted
Directors (excluding Directors serving as Audit & Supervisory Committee Members) (excluding Outside Directors)	972 shares	1 person

(Note) The above is the delivery related to the trust-type stock compensation for one retired director, and of the 972 shares, 472 shares were disposed of by converting them into cash, and an amount equivalent to the proceeds from the conversion into cash was paid. Additionally, since the delivery date is July 2025, the figures are based on the number of shares prior to the stock split on October 1, 2025.

5. Accounting Auditor

(1) Status of the Accounting Auditor

Name	Compensation, etc. for the current fiscal year	Other
KPMG AZSA LLC Kanako Ogura, Designated Limited Liability Partner Atsunori Sadahiro, Designated Limited Liability Partner Hidekazu Takahashi, Designated Limited Liability Partner	17 million yen	Through obtaining necessary information and receiving reports from internal related departments and the Accounting Auditor, the Audit & Supervisory Committee of the Company examined the matter in accordance with the “Criteria for Determining Agreement on Audit Fees of Accounting Auditor” formulated based on the Practical Guidance for Cooperation with Accounting Auditors published by the Japan Audit & Supervisory Board Members Association. As a result, the Committee judged that the compensation, etc. for the Accounting Auditor was at a reasonable level for maintaining and improving audit quality, and has given consent under Article 399, Paragraph 1 of the Companies Act. In addition, as a non-audit service, we have outsourced due diligence operations related to the business integration.

(Notes) 1. Amounts have been rounded down to the nearest unit.

2. Regarding compensation, etc., the audit contract between the Company and the Accounting Auditor does not distinguish between audit compensation for the audit based on the Companies Act and the audit based on the Financial Instruments and Exchange Act, and since they cannot be substantially distinguished, the above amounts indicate the total of these.
3. The total amount of monetary and other property benefits payable by the Company and its consolidated subsidiaries is 566 million yen.
Additionally, the total amount of monetary and other pecuniary benefits payable by the Company and its consolidated subsidiaries includes 413 million yen of audit compensation for the consolidated financial statements stated in the registration statement, etc. based on the U.S. Securities Act.

(2) Liability Limitation Agreements

Not applicable.

(3) Indemnity Agreements

- a. Indemnity agreements with the Accounting Auditor in office
Not applicable.
- b. Matters concerning the execution of indemnity agreements, etc.
Not applicable.

(4) Other Matters concerning Accounting Auditor

Policy for determining the dismissal or non-reappointment of the Accounting Auditor

Audit & Supervisory Committee will dismiss the Accounting Auditor upon the consent of all Audit & Supervisory Committee Members if it acknowledges that the Accounting Auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act and it is difficult for them to execute appropriate audits.

In addition, when there is a fact that falls under statutory grounds for dismissal, or when it is judged necessary to appoint another Accounting Auditor who is expected to perform more appropriate audits after evaluating their independence, reliability, efficiency, etc. as an Accounting Auditor, the Committee will determine the content of a proposal to the General Meeting of Shareholders concerning the dismissal or non-reappointment of the Accounting Auditor.

6. Basic Policy on the Composition of Persons to Control Decision-Making over the Financial and Business Policies

Not specified.

7. Accounting Advisor

There is no accounting advisor, so there are no applicable matters.

8. Others

Policy regarding the exercise of authority granted to the Board of Directors by provisions of the Articles of Incorporation pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act

Regarding matters stipulated in the items of Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus, the Articles of Incorporation stipulate that these can be decided by resolution of the Board of Directors without resolution of the General Meeting of Shareholders, unless otherwise provided by laws and regulations.

In consideration of the public nature of the financial group and in order to reward every one of our shareholders moving forward, our basic policy is to continue offering stable returns to shareholders while also taking into account the need to enhance internal reserves to strengthen our earnings base. Specifically, we aim to offer a progressive dividend per share in principle and a dividend payout ratio of roughly 40%. We will flexibly implement share buybacks, taking into consideration factors such as our business performance and the market environment.

Consolidated Balance Sheet

(As of March 31, 2026)

(In millions of yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Cash and due from banks	2,026,292	Deposits	8,513,335
Monetary claims bought	14,158	Negotiable certificates of deposit	169,685
Trading account securities	2,355	Securities sold under repurchase agreements	179,628
Money trusts	4,943	Payables under securities lending transaction	355,430
Securities	2,513,197	Borrowed money	784,182
Loans and bills discounted	5,872,093	Foreign exchanges	503
Foreign exchanges	29,129	Borrowed money from trust account	24,530
Other assets	280,274	Other liabilities	188,419
Tangible fixed assets	53,456	Provision for bonuses	2,797
Buildings	17,135	Provision for directors' bonuses	174
Land	26,713	Provision for share-based payment	1,055
Leased assets	143	Retirement benefit related liabilities	700
Construction in progress	2,407	Provision for directors' retirement benefits	48
Other tangible fixed assets	7,055	Provision for reimbursement of deposits	630
Intangible fixed assets	5,142	Provision for contingent loss	1,815
Software	4,180	Provision for loss on dismantling of fixed assets	650
Leased assets	5	Reserves under the special laws	31
Other intangible assets	956	Deferred tax liabilities	24,196
Assets related to retirement benefits	51,784	Deferred tax liabilities for land revaluation	4,537
Deferred tax assets	3,024	Acceptances and guarantees	18,479
Customers' liabilities for acceptances and guarantees	18,479	Total Liabilities	10,270,833
Allowance for loan losses	(34,048)	Net assets	
		Capital stock	30,000
		Capital surplus	102,988
		Retained earnings	356,138
		Treasury stocks	(8,271)
		Shareholders' equity	480,854
		Valuation difference on available-for-sale securities	14,946
		Deferred gains or losses on hedges	41,496
		Revaluation reserve for land	8,657
		Remeasurements of defined benefit plans	23,486
		Total accumulated other comprehensive income	88,586
		Non-controlling interests	9
		Total net assets	569,451
Total assets	10,840,284	Total liabilities and net assets	10,840,284

Consolidated Statement of Income

(April 1, 2025 - March 31, 2026)

(In millions of yen)

Description	Amount	
Ordinary income		260,253
Financing income	137,566	
Interest on loans and discounts	69,770	
Interest and dividends on securities	53,310	
Interest on call loans and bills bought	95	
Interest on deposits with banks	10,571	
Other interest income	3,819	
Trust fees	134	
Fees and commissions	40,390	
Other ordinary income	38,129	
Other income	44,031	
Recoveries of written off receivables	737	
Other	43,293	
Ordinary expenses		199,138
Financing expenses	47,486	
Interest on deposits	15,489	
Interest on negotiable certificates of deposit	380	
Interest on bills sold	7,390	
Interest on payables under securities lending transactions	14,642	
Interest on borrowings and rediscounts	63	
Other interest expenses	9,520	
Fees and commissions payments	11,132	
Other ordinary expenses	60,403	
General and administrative expenses	64,595	
Other expenses	15,518	
Provision of allowance for loan losses	8,539	
Other	6,979	
Ordinary profit		61,115
Extraordinary income		288
Gain on disposal of noncurrent assets	102	
Gain on reversal of provision for dismantling of fixed assets	185	
Extraordinary loss		1,657
Loss on disposal of noncurrent assets	251	
Impairment loss	1,403	
Transfer to reserve for financial products transaction liabilities	2	
Income before income taxes		59,746
Income taxes-current	20,190	
Income taxes-deferred	(2,550)	
Income taxes		17,640
Net income		42,106
Profit attributable to non-controlling interests		2
Profit attributable to owners of parent		42,103

Non-consolidated Balance Sheet

(As of March 31, 2026)

(In millions of yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	2,509	Current liabilities	1,276
Cash and deposits	686	Accrued expenses	612
Accrued revenue	1,810	Dividends payable	88
Other current assets	12	Income taxes payable	465
Non-current assets	322,905	Provision for bonuses	50
Tangible fixed assets	1	Provision for directors' bonuses	25
Tools, furniture and fixtures	1	Other current liabilities	34
Intangible fixed assets	49	Non-current liabilities	3,384
Trademark right	3	Long-term borrowings	1,088
Software	0	Provision for share-based payment	218
Software in progress	45	Long-term deposits received	1,000
Investments and other assets	322,854	Other non-current liabilities	1,078
Investment securities	0	Total Liabilities	4,661
Shares of subsidiaries and associates	322,109	Net assets	
Deferred tax assets	496	Shareholders' equity	320,752
Other	248	Capital stock	30,000
		Capital surplus	287,607
		Legal capital surplus	7,500
		Other capital surplus	280,107
		Retained earnings	11,416
		Other retained earnings	11,416
		Retained earnings brought forward	11,416
		Treasury stocks	(8,271)
		Total net assets	320,752
Total assets	325,414	Total liabilities and net assets	325,414

Non-consolidated Statement of Income

(April 1, 2025 - March 31, 2026)

(In millions of yen)

Description	Amount	
Operating revenue		16,651
Dividends from subsidiaries and associates	13,949	
Commissions from subsidiaries and associates	2,701	
Other operating revenue	0	
Operating expenses		1,439
Selling, general and administrative expenses	1,439	
Operating profit		15,212
Non-operating income		62
Guarantee commission income	50	
Miscellaneous income	12	
Non-operating expenses		1,150
Miscellaneous losses	1,150	
Ordinary profit		14,124
Profit before income taxes		14,124
Income taxes-current	465	
Income taxes-deferred	(264)	
Income taxes		201
Net income		13,923

Independent Auditor's Report

(English Translation)

May 15, 2026

To the Board of Directors
Daishi Hokuetsu Financial Group, Inc.

KPMG AZSA LLC	
Tokyo Office	
Designated Limited Liability Partner	Kanako Ogura, CPA
Engagement Partner	
Designated Limited Liability Partner	Atsunori Sadahiro, CPA
Engagement Partner	
Designated Limited Liability Partner	Hidekazu Takahashi, CPA
Engagement Partner	

Audit Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Daishi Hokuetsu Financial Group, Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2026 and for the year from April 1, 2025 to March 31, 2026 in accordance with Article 444, Paragraph 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements (including the provisions related to audits of financial statements of public interest entities) that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain, based on the audit we conducted, reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in our auditor's report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The selection and application of audit procedures are based on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the methods of their application, and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to express a qualified opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, and whether the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit for the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed

Our firm and its engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

(English Translation)

May 15, 2026

To the Board of Directors
Daishi Hokuetsu Financial Group, Inc.

KPMG AZSA LLC

Tokyo Office

Designated Limited Liability Partner

Engagement Partner

Kanako Ogura, CPA

Designated Limited Liability Partner

Engagement Partner

Atsunori Sadahiro, CPA

Designated Limited Liability Partner

Engagement Partner

Hidekazu Takahashi, CPA

Audit Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") for the 8th fiscal year of Daishi Hokuetsu Financial Group, Inc. ("the Company") as at March 31, 2026 and for the year from April 1, 2025 to March 31, 2026 in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules section of our report. We are independent of the Company in accordance with the ethical requirements (including provisions related to audits of financial statements of public interest entities) that are relevant to our audit of the financial statements and the accompanying supplementary schedules in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibilities are to obtain, based on the audit we conducted, reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion, in our auditor's report, on the financial statements and the accompanying supplementary schedules from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The selection and application of audit procedures are based on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the methods of their application, and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to express a qualified opinion on the financial statements and the accompanying supplementary schedules. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, and whether the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We provide reports to the Audit & Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or

safeguards applied.

Interest required to be disclosed

Our firm and its engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report (English Translation)

The Audit & Supervisory Committee audited the performance of duties by the Directors for the 8th fiscal year from April 1, 2025 to March 31, 2026. We report the methods and results as follows.

1. Summary of Auditing Methods

The Audit & Supervisory Committee periodically received reports from Directors, employees, and other relevant personnel regarding the details of the Board of Directors' resolutions concerning the matters set forth in Article 399-13, Paragraph 1, Item 1, (b) and (c) of the Companies Act, as well as the status of the establishment and operation of the systems (internal control systems) developed based on such resolutions. We requested explanations as necessary, expressed our opinions, and conducted the audit by the following methods.

- 1) In accordance with the Standard for Audit, etc. of Audit & Supervisory Committee established by the Audit & Supervisory Committee, and following the audit policies, allocation of duties, etc., and in coordination with the internal control department, we participated in important meetings, received reports from the Directors, employees and other relevant personnel regarding the matter related to performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions of the Company. With respect to subsidiaries, we communicated and exchanged information with Directors and Audit & Supervisory Committee Members of subsidiaries as well as received reports from subsidiaries as necessary.
- 2) We monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, and received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that “the system for ensuring that duties are performed properly” (matters set forth in each item of Article 131 of the Regulations for Corporate Accounting) had been prepared in accordance with the Quality Control Standard for Auditing (issued by the Business Accounting Council) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the Business Report and the supplementary schedules thereof, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and non-consolidated notes) and the supplementary schedules thereof, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and consolidated notes) related to the relevant fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

- 1) In our opinion, the Business Report and the supplementary schedules are in accordance with the related laws and regulations, and the Articles of Incorporation, and fairly represent the Company's condition.
- 2) We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to performance of duties by the Directors.
- 3) In our opinion, the contents of the resolutions of the Board of Directors related to the internal control systems are fair and reasonable. In addition, we have found no matters on which to remark regarding the description in the Business Report and the performance of duties by the Directors related to such internal control systems.

(2) Results of Audit of Non-consolidated Financial Statements and Supplementary Schedules

In our opinion, the methods and results employed and rendered by Accounting Auditor KPMG AZSA LLC are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by Accounting Auditor KPMG AZSA LLC are fair and reasonable.

May 15, 2026

Audit & Supervisory Committee, Daishi Hokuetsu Financial Group, Inc.

Audit & Supervisory Committee Member	Naruhito Hosaka	(Seal)
Audit & Supervisory Committee Member	Kazuaki Matsumoto	(Seal)
Audit & Supervisory Committee Member	Tadashi Shirai	(Seal)
Audit & Supervisory Committee Member	Hiroyuki Kikuchi	(Seal)
Audit & Supervisory Committee Member	Akira Sato	(Seal)
Audit & Supervisory Committee Member	Miki Kuwahara	(Seal)

(Note) Audit & Supervisory Committee Members Kazuaki Matsumoto, Tadashi Shirai, Hiroyuki Kikuchi, Akira Sato, and Miki Kuwahara are Outside Directors provided for in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.