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April 1, 2026

To whom it may concern,

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Notice Regarding Formulation of New Medium-Term Management Plan

The Hyakujushi Bank, Ltd. (President: Masashi Mori; hereinafter the “Bank”) hereby announces that it has reviewed the sustainability KPIs having to do with its Long-Term Vision for 2030 (“Long-Term Vision 2030”) and has formulated a new Medium-Term Management Plan (“DAKARA IDOMU” That’s why, we challenge.: Shaping a Stronger Future for Our Region) involving the period spanning from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029 as described below.

1. New Medium-Term Management Plan

In order to ensure certainty when it comes to the Bank’s track to sustainable growth in a world with interest rates, the Bank is aiming to strike a balance between the generation of new value and improvements to productivity that are achieved through the undertaking of active investment into the areas of DX and Human Capital.

With respect to DX, the Bank will be boldly pushing ahead with the transformation of operations and business by launching system investments amounting to approximately 20 billion yen, which is significantly higher than the figure outlined in the previous Medium-Term Management Plan.

Regarding "Human Capital", the Bank plans to increase personnel expenses and human capital investment by approximately 5 billion yen compared to the final fiscal year of the previous Medium-Term Management Plan, for the purpose of boosting the competitive advantage of the Hyakujushi Bank Group.

Together with significantly increasing productivity through DX-driven automation and the growth of the value of the Bank’s human capital, the Bank will also be actively promoting initiatives to deepen work involving the combination of consulting and financing, aiming to achieve a loan balance of 4 trillion yen.

As its final fiscal year targets for the new Medium-Term Management Plan, the Bank will be aiming to achieve profit attributable to owners of parent of 35 billion yen and a consolidated ROE of 8%.

- Launch **system investments amounting to approximately 20 billion yen** to facilitate the transformation of operations and business
- Implement **approximately 5 billion yen in additional investments in "Human Capital"**, which is the source of the Bank's competitive advantage
- Achieve a **loan balance of 4 trillion yen** through the deepening of work involving the combination of consulting and financing
- Aim to have **profit attributable to owners of parent amounting to 35 billion yen** and a **consolidated ROE of 8%** in the final fiscal year of the plan

2. Overview of the New Medium-Term Management Plan

The new Medium-Term Management Plan, which is positioned as phase two of the effort to achieve Long-Term Vision 2030, has been given the same name as the main theme of the project undertaken for the commemoration of the 150th anniversary (“DAKARA IDOMU” That’s why, we challenge.)¹ of the founding of the Bank and incorporates the philosophy of being “future-oriented,” which constitutes a key concept. In conjunction with this, the Bank will also be accelerating challenges taken on as a “general consulting group” and work toward the realization of communities that are rooted in well-being and oriented towards the future of the region.

(1) Name

“DAKARA IDOMU” That’s why, we challenge.: Shaping a Stronger Future for Our Region

(2) Plan period

April 1, 2026 to March 31, 2029 (3 years)

(3) Concepts in the plan

- Using as catalysts the generation of human capital value and business transformations achieved through DX, the Bank will put into practice the concept of “select and focus,” which involves balanced resource allocation that is characterized by differentiated use when it comes to strategies and tactics tailored to the characteristics of each specific region.
- The Bank will take on the challenge of generating new value by exploring growth opportunities involving elements such as strategic partnerships entailing, for instance, the leveraging of external resources for the expansion and growth of business in new regions.

¹A commemorative project undertaken in the lead up to the 150th anniversary of the Bank (November 1, 2028), which regards challenges dealt with in the region as its own challenges to tackle while keeping in mind the gratitude the Bank has for everything provided by stakeholders thus far. Based on that mindset, the goal of the project is to contribute to an immensely hopeful future.

(4) Basic themes

Basic theme #1: Empowering Our People

The Bank will put into practice a form of human capital management which has it seeking to transform into an organization armed with the human resources that would be optimal when it comes to having the organization take the form of what is being aimed for. This will be done through the maximization of the value provided by the Hyakujushi Bank Group starting from employee well-being.

Basic theme #2: Revolutionizing through DX

The Bank will achieve the generation of new social impacts and improvement of productivity of the Hyakujushi Bank Group by undertaking sweeping operational reforms through the promotion of the shift to digital in any and all fields of operation.

Basic theme #3: Driving Regional Growth

The Bank will, with a sense of speed, execute balanced strategies tailored to the characteristics of specific individual regions after honing its strengths in order to provide and generate the kind of value that is only possible with the Hyakujushi Bank Group.

Basic theme #4: Building a Resilient Foundation

The Bank will build a resilient and sustainable management foundation as it aims to realize its strategies while responding flexibly to changes occurring in the external environment.

3. Management Indicators

In conjunction with the sustainability indicators established in Long-Term Vision 2030, The Bank has established what are called “challenge indicators” used to gauge proximity to the achievement of its new Medium-Term Management Plan. These actions have been undertaken with the purpose of encouraging mindset shifts and behavioral changes that are rooted in a focus on a more long-term perspective on the future as the Bank aims to assist in the enhancement of sustainability in local communities.

The new indicators set up on this occasion are as follows: “well-being indicators” (which serve to measure the well-being of stakeholders in the business of the Bank), “key financial targets” (which serve to measure the degree to which the sustainability of the Bank has increased), and “regional impact indicators” (which serve to measure the sustainability of regional foundations with an eye to creating enriched regional communities).

<Management indicators>

Indicators	Medium-Term Management plan	Long-Term Vision
	Fiscal Year Ending 2029	Fiscal Year Ending 2031
	Challenge indicators	Sustainability indicators
Well-being indicators		
Employee engagement scores	Continuous increases	Continuous increases
Reduction ratio for CO ₂ emissions (compared to 2013 levels) ^{*1}	Carbon Neutral	Carbon Neutral
Assessment results ^{*2} for “Corporate Customer Questionnaires”	Continuous improvement	Continuous improvement
NPS scores for retail banking customers ^{*3}	Continuous improvement	Continuous improvement
Key Financial Targets		
Consolidated ROE	At least 8%	ROE exceeding capital costs
Consolidated capital adequacy ratio	11.5% to 12.5%	11.5% to 12.5%
Non-consolidated core OHR (based on the gross profit of core operations)	Around 55%	No more than 55%
Profit attributable to owners of parent	At least 35 billion yen	-
Regional impact indicators		
Business Conditions Index (CI) in Kagawa Prefecture	-	Continuous improvement
Net migration rate in relation to the population of Kagawa Prefecture ^{*4}	-	Continuous improvement

*1 Group total for Scope 1 and Scope 2

*2 In cases where the customer’s issue with their business was solved and the customer had provided a response to the effect that they “have a real sense” that their business is growing

*3 A score which expresses the extent to which the customer wants to recommend the products and services of the Bank to their family, friends or others

*4 Net migration rate for one year / Current population (as of October 1 for the reference year) x 100

Please refer to the presentation materials attached to this release for details on the new Medium-Term Management Plan.