

The 56th Information Meeting

1H FY2025 Financial Results and Bank Information Meeting

November 27, 2025



HACHIJUNI BANK

Name	The Hachijuni Bank, Ltd.
Head office	Nagano City, Nagano Prefecture
Established	August 1, 1931
Branch network	Domestic: 153 branches (133 in prefecture, 20 outside) Overseas: 1 branch (Singapore) 2 representative offices (Shanghai, Bangkok)
Employees	3,372 (+71 from Mar. 31, 2025)
Capital stock	¥52.2bn
Issued shares	493,767,000
Total assets	¥12,575.5bn (+¥42.6bn from Mar. 31, 2025)
Net assets	¥944.9bn (+¥72.3bn from Mar. 31, 2025)
Deposits	¥8,688.2bn (-¥5.5bn from Mar. 31, 2025)
Loans	¥6,117.2bn (+¥91.1bn from Mar. 31, 2025)
Capital adequacy ratio (Basel III)	Consolidated: 17.07% (+0.78% from Mar. 31, 2025) Non-consolidated: 16.44% (+0.79% from Mar. 31, 2025)
Ratings	S&P Global Ratings: A- R&I: A+ JCR: AA

Topics

- The Hachijuni Bank was selected for inclusion in the **FTSE4Good Index Series**, a leading global index for ESG investment, and the **FTSE Blossom Japan Index**, which is used as a benchmark for the ESG passive fund of the Government Pension Investment Fund (GPIF). These indexes were designed by FTSE Russel, a global index provider, to measure the performance of companies engaged in excellent efforts relating to the environment, society, and governance, and they are used as standards when creating and evaluating sustainable investment funds and other financial products and for making investment decisions.



FTSE4Good



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

Reference: Overview of The Nagano Bank

Name	The Nagano Bank, Ltd.
Head office	Matsumoto City, Nagano Prefecture
Branch network	Domestic: 52 branches (51 in prefecture, 1 outside)
Employees	585
Total assets	¥861.2bn
Net assets	¥17.0bn
Deposits	¥833.7bn
Loans	¥460.3bn

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Summary of 1H FY2025 Financial Results



• Ordinary profit

Ordinary profit grew ¥15.2bn year-on-year due to factors such as a year-on-year increase of ¥10.0bn in the non-consolidated profit on interest of The Hachijuni Bank and a year-on-year increase of ¥4.3bn in gains related to stocks.

• Interim net income attributable to owners of parent

Interim net income attributable to owners of parent grew ¥10.2bn year-on year due to an increase in ordinary profit.

◆ Consolidated	(¥100mn)	9/2024	9/2025	YoY
Consolidated gross business profit		591	724	133
Profit on interest		503	586	82
Profit on fees & commissions		86	112	25
Trading profit		1	2	1
Profit from other business transactions		(0)	23	23
General & administrative expenses		343	360	17
Credit related expenses		(4)	5	9
Gains/losses related to stocks		49	85	36
Gains/losses on money held in trust		2	(1)	(3)
Ordinary profit		267	419	152
Extraordinary gains/losses		3	(0)	(4)
Interim net income attributable to owners of parent		195	297	102

Record profit

Past 1H financial results

Ordinary profit

Previous record:
¥27.9bn (FY2013)

Interim net income

Previous record:
¥26.4bn (FY2023)

Summary of 1H FY2025 Financial Results (The Hachijuni Bank, Non-Consolidated)

◆ The Hachijuni Bank	(¥100mn)	9/2024	9/2025	YoY
Gross business profit (A)		489	626	137
Profit on interest		450	550	100
Profit on fees & commissions		50	74	24
Profit from other business transactions		(12)	(0)	11
Gains/losses related to bonds (B)		(21)	(7)	14
General & administrative expenses (C)		282	304	21
Actual net business profit (A-C)		206	322	115
Core net business profit (A-B-C)		228	329	101
Excl. gains/losses on cancellation of investment trusts		240	321	80
Transfer of general allowance for credit losses (D)		—	15	15
Net business profit (A-C-D)		206	307	100
Special profit/losses	Gains/losses related to stocks (E)	41	84	43
	Gains/losses on money held in trust (F)	2	(1)	(4)
	Disposal of NPLs	1	(9)	(11)
	Gains on reversal of allowance for credit losses	0	—	(0)
	Ordinary profit	232	390	158
Extraordinary gains/losses		4	0	(4)
Gains/losses on disposal of non-current assets		4	0	(4)
Interim net income		170	278	108
Profit/losses related to securities (B+E+F)		21	75	53
Credit related expenses		1	5	4

- **Profit on interest**

Profit on interest grew ¥10.0bn year-on-year due to increases in loan interest and interest and dividends on securities in the domestic sector.

- **Core net business profit**

Despite an increase in general & administrative expenses, core net business profit grew ¥10.1bn year-on-year due to increases in profit on interest and profit on fees & commissions.

Record profit

1H ordinary profit and interim net income

- **Ordinary profit**

Ordinary profit grew ¥15.8bn year-on-year due mainly to increases in core net business profit and gains related to stocks.

Previous record: ¥24.5bn (FY2013)

- **Interim net income**

Interim net income grew ¥10.8bn year-on-year to ¥27.8bn.

Previous record: ¥17.0bn (FY2024)

Summary of 1H FY2025 Financial Results

(The Nagano Bank, Non-Consolidated)

◆ The Nagano Bank

	(¥100mn)	9/2024	9/2025	YoY
Gross business profit (A)		35	33	(2)
Profit on interest		46	34	(12)
Profit on fees & commissions		(0)	(0)	0
Profit from other business transactions		(9)	(0)	9
Gains/losses related to bonds (B)		(9)	(0)	9
General & administrative expenses (C)		46	37	(8)
Actual net business profit (A-C)		(10)	(3)	6
Core net business profit (A-B-C)		(0)	(3)	(2)
Excl. gains/losses on cancellation of investment trusts		(3)	(3)	(0)
Transfer to general allowance for credit losses (D)		—	—	—
Net business profit (A-C-D)		(10)	(3)	6
Special profit/losses	Gains/losses related to stocks (E)	13	2	(11)
	Gains/losses on money held in trust (F)	(0)	—	0
	Disposal of NPLs	0	(0)	(0)
	Gains on reversal of allowance for credit losses	5	2	(2)
Ordinary profit		8	2	(5)
Extraordinary gains/losses		(0)	(0)	0
Interim net income		7	1	(5)
Profit/losses related to securities (B+E+F)		3	2	(1)
Credit related expenses		(4)	(3)	1

- **Profit on interest**

Profit on interest decreased ¥1.2bn year-on-year due to a decrease in the balances of loans and securities caused by the transfer of transactions to The Hachijuni Bank.

- **Ordinary profit**

Although labor expenses and other general & administrative expenses were reduced through an increased number of employees on loan to The Hachijuni Bank, ordinary profit decreased ¥500mn year-on-year due mainly to a decrease in profit in interest caused by transactions being transferred to and unified under The Hachijuni Bank.

- **Interim net income**

Interim net income decreased ¥500mn year-on-year to ¥100mn.

- In the domestic sector, profit on interest grew ¥7.9bn year-on-year due mainly to improvements in yields on loans and securities and an increase in the balance of securities.
- In the international sector, profit on interest grew ¥2.0bn year-on-year due to factors such as an increase in securities investment yield and a greater difference between investment yield and funding yield.

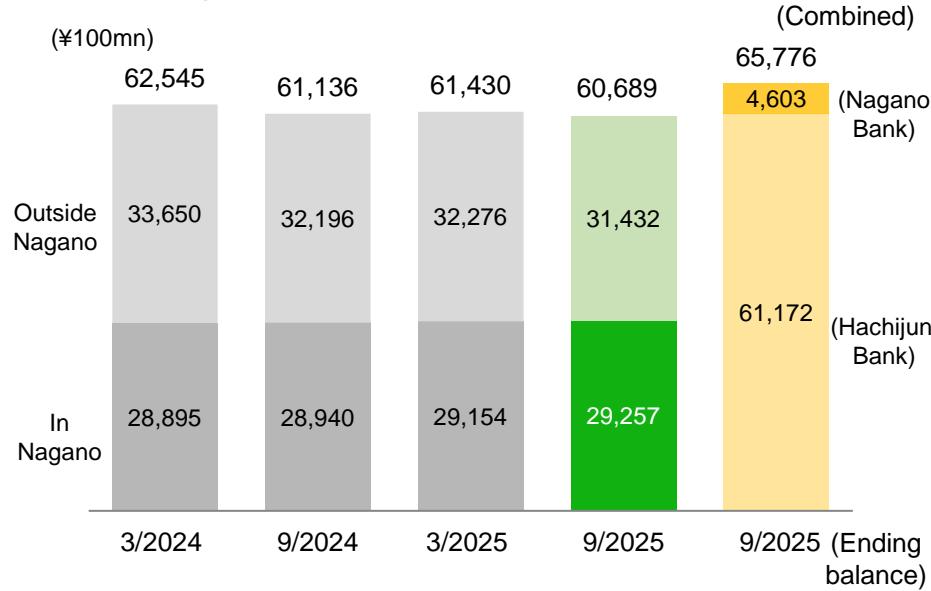
◆ Profit on interest (¥100mn)

	9/2024	9/2025	YoY
Domestic sector	396	475	79
Interest income	425	586	161
Interest on loans	218	301	82
Interest and dividends on securities	171	197	26
Funding costs (-)	29	111	82
Interest on deposits (-)	10	70	59
International sector	54	74	20
Interest income	237	223	(14)
Interest on loans	98	83	(14)
Interest and dividends on securities	131	136	4
Funding costs (-)	183	148	(34)
Interest on deposits (-)	18	15	(2)

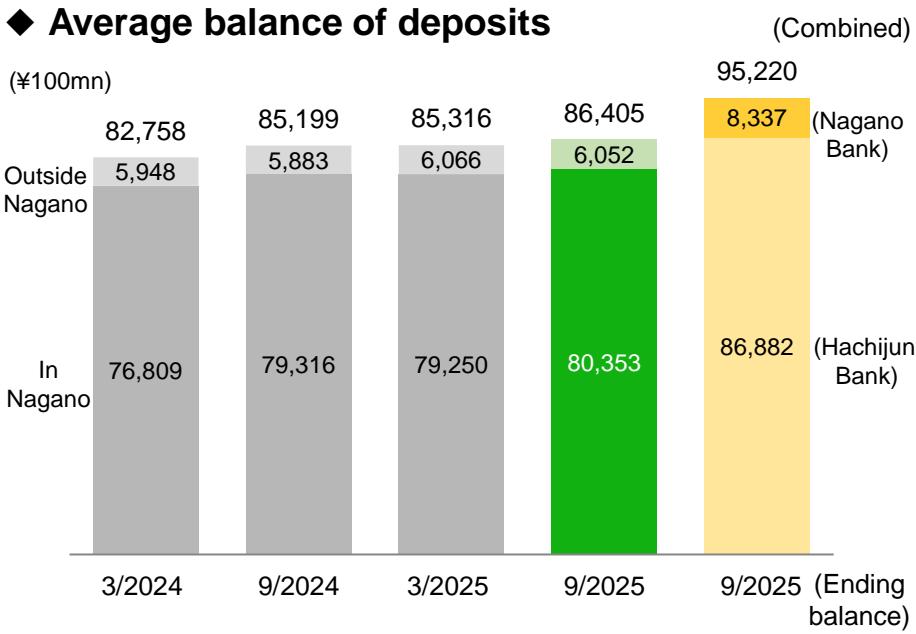
◆ Yield (%)	9/2024	9/2025	YoY
Domestic sector			
Yield	0.72	1.03	0.31
Yield on loans	0.75	1.05	0.30
Yield on securities	1.48	1.70	0.22
Funding yield	0.05	0.20	0.15
Yield on deposits	0.02	0.16	0.14
International sector			
Yield	4.80	4.71	(0.09)
Yield on loans	5.47	4.76	(0.71)
Yield on securities	4.41	4.75	0.34
Funding yield	3.76	3.17	(0.59)
Yield on deposits	3.62	2.90	(0.72)

- Although the balance of business and consumer loans increased, the average balance of loans decreased overall due to a decrease in loans to the central government. The average balance of deposits continued increasing steadily.

◆ Average balance of loans



◆ Average balance of deposits



YoY (%)

	3/2024	9/2024	3/2025	9/2025
All branches	2.66	(1.96)	(1.78)	(0.73)
Outside Nagano	5.13	(4.03)	(4.08)	(2.37)
In Nagano	(0.06)	0.43	0.89	1.09

YoY (%)

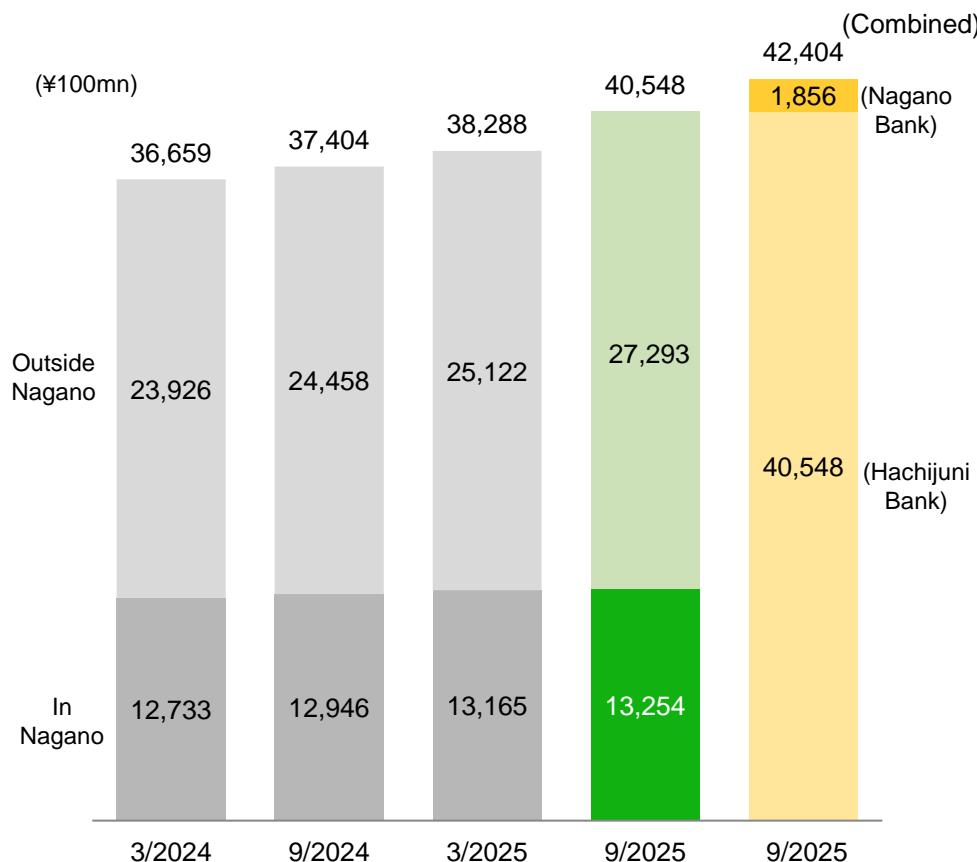
	3/2024	9/2024	3/2025	9/2025
All branches	2.21	3.05	3.09	1.41
Outside Nagano	(3.80)	(1.15)	1.98	2.87
In Nagano	2.71	3.37	3.17	1.30

Reference: Ending balance of loans to central government (¥100mn)

3/2024	9/2024	3/2025	9/2025
4,881	2,235	1,600	100

- The balance of both business loans and SME loans grew due to steady demand for capital investment and working capital.
- The number of borrowers increased due to the integration of loan transactions with The Nagano Bank.

◆ Ending balance of business loans



◆ Number of borrowers

	3/2024	9/2024	3/2025	9/2025
All branches	28,420	28,327	28,604	28,705
Outside Nagano	3,767	3,741	3,807	3,865
In Nagano	24,653	24,586	24,797	24,840

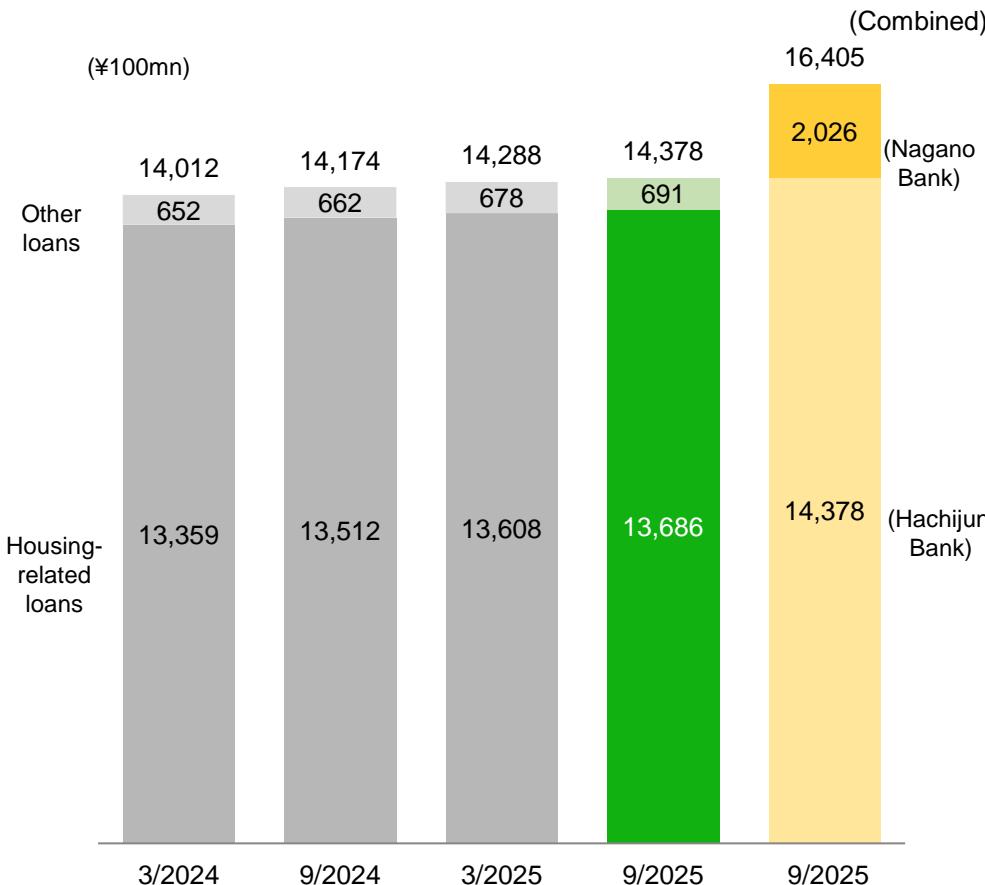
◆ Ending balance of business loans for SMEs*

(¥100mn)	3/2024	9/2024	3/2025	9/2025
Balance	17,203	17,642	18,302	19,026
Ratio of SME loans to total business loans	46.9%	47.1%	47.8%	46.9%

*Small and medium enterprises (excluding local governments and public corporations) and sole proprietorships

- The balance of personal loans reached a record high.
- However, as housing prices remained high due to the high price of building materials, and the Bank of Japan increased its policy rate, housing demand was stagnant, leading to a decrease in the amount of new home loans.

◆ Ending balance of personal loans



◆ New home loan amounts

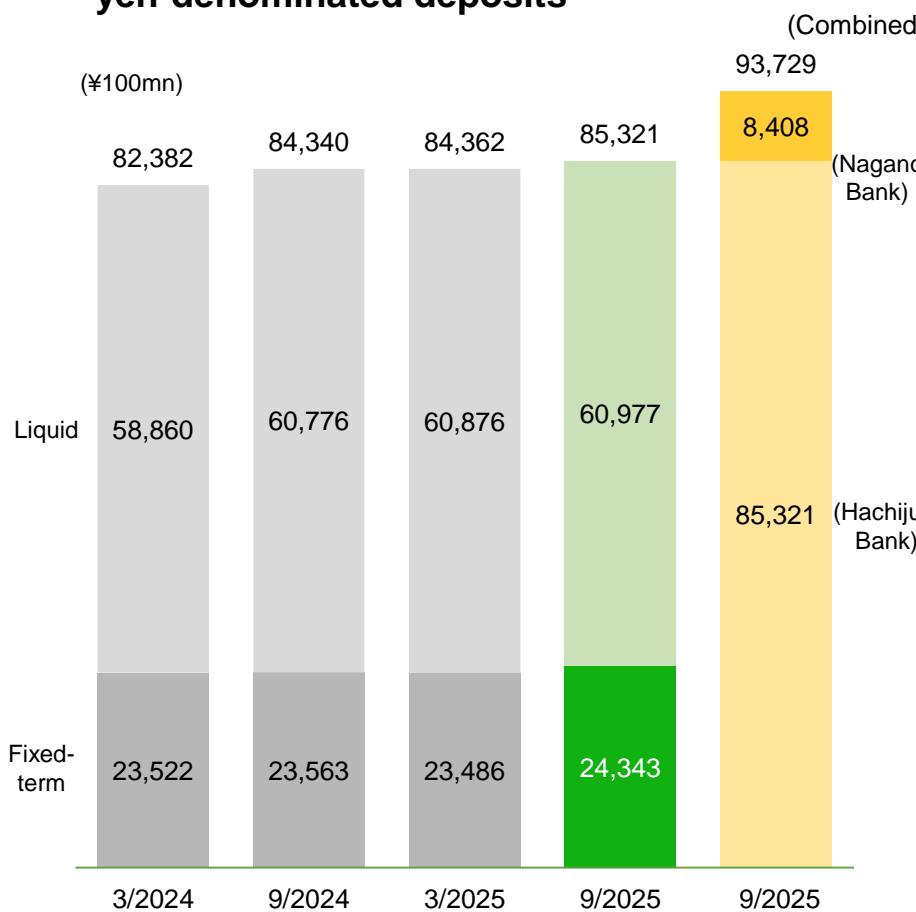
	3/2024 (Full year)	9/2024	3/2025 (Full year)	9/2025
New loan amounts	1,177	584	1,137	505
Variable	1,147	577	1,119	488
(% of total)	(97.4%)	(98.8%)	(98.4%)	(96.5%)
10-year fixed	21	3	9	12
(% of total)	(1.7%)	(0.6%)	(0.7%)	(2.5%)

◆ Ending balance of home loans by interest rate

	3/2024	9/2024	3/2025	9/2025
Ending balance	12,886	13,028	13,142	13,230
Variable	7,429	7,997	8,450	8,804
(% of total)	(57.7%)	(61.4%)	(64.3%)	(66.5%)
10-year fixed	4,658	4,362	4,030	3,785
(% of total)	(36.1%)	(33.5%)	(30.7%)	(28.8%)

- Yen-denominated deposits are increasing steadily. Average interest rates are increasingly gradually due to the influence of the increased policy rate.

◆ Monthly average balance of yen-denominated deposits



◆ Monthly average balance of yen-denominated deposits

(¥100mn)	3/2023	3/2024	9/2024	3/2025	9/2025
Personal	54,635	56,030	56,535	56,723	57,046
(% of total)	(68.8%)	(68.0%)	(67.0%)	(67.2%)	(66.8%)
Corporate	20,172	21,061	21,368	21,629	22,295
(% of total)	(25.4%)	(25.5%)	(25.3%)	(25.6%)	(26.1%)
Government	3,857	4,560	5,500	5,008	5,023
(% of total)	(4.8%)	(5.5%)	(6.5%)	(5.9%)	(5.8%)
Total	79,404	82,382	84,340	84,362	85,321

◆ Average interest rate of yen-denominated deposits

	3/2023	3/2024	9/2024	3/2025	9/2025
Liquid	0.001%	0.001%	0.083%	0.165%	0.173%
Fixed-term	0.009%	0.016%	0.034%	0.083%	0.181%
Total	0.003%	0.005%	0.070%	0.142%	0.175%

Reference

March 2024: End of negative interest rate policy
 July 2024: Policy rate raised to 0.25%
 January 2025: Policy rate raised to 0.50%

- Profit on fees and commissions grew ¥2.4bn year-on-year to ¥7.4bn due to increases in syndicated loan and M&A fees.

	(¥100mn)	3/2024 (Full year)	9/2024	3/2025 (Full year)	9/2025
Profit on fees & commissions		103	50	104	74
Fee & commission income		186	93	192	113
(Major items)					
Deposit/loan services	92	48	99	65	
Exchange services	51	25	54	28	
Securities-related services	20	10	20	9	
Agency services	10	3	6	3	
Fee & commission payments		83	42	88	39
(Major items)					
Fees related to payment of loans	63	32	67	27	
Exchange services	6	3	7	3	



◆ Corporate banking (major items)

	(¥100mn)	3/2024 (Full year)	9/2024	3/2025 (Full year)	9/2025
		34	22	42	35
Major items (total)					
Syndicated loans, private placement bonds, etc.	12	6	16	21	
Derivatives	10	9	14	5	
M&A, consulting	11	6	11	8	

◆ Personal banking: Investment product income

(The Hachijuni Bank and Hachijuni Securities;
excluding intermediary fees to The Hachijuni Bank)

	(¥100mn)	3/2024 (Full year)	9/2024	3/2025 (Full year)	9/2025
		54.0	21.6	42.2	21.3
The Hachijuni Bank and Hachijuni Securities					
The Hachijuni Bank		29.9	13.0	26.0	12.4
(Major items)	Public bonds	0.5	0.2	0.7	0.5
	Life & non-life insurance	8.0	2.0	4.1	2.3
	Investment trusts	14.1	8.0	16.3	7.6
	Financial instruments intermediation/referral	1.8	0.2	0.2	0
	Foreign currency deposits	5.3	2.3	4.5	1.9
Hachijuni Securities		24.0	8.6	16.2	8.9
(Major items)	Structured bonds	1.4	0.1	0.2	0
	Trust fees	3.9	2.2	4.4	2.3
	Investment trust sales	3.6	1.0	1.9	0.6
	Stocks	15.0	5.3	9.7	5.8

* The above figures show income from consulting services and also include amounts other than profit on fees and commissions, such as profit from other business transactions.



- Investment product balance and the number of investment trust savings accounts are both increasing steadily.

◆ Investment product balance (fair value)*

	3/2024 (Full year)	9/2024	3/2025 (Full year)	9/2025
Total (¥100mn)	6,318	6,514	6,851	7,574
Life insurance	3,153	3,059	3,042	3,059
Investment trusts	2,258	2,384	2,538	2,928
Public bonds	729	882	1,090	1,405
Financial instruments intermediation/referral	77	88	83	82
Foreign currency deposits	101	101	98	100

◆ Investment trust savings accounts (monthly fixed-amount deposit accounts)

We continue to be one of the leading regional banks in terms of number of investment trust savings accounts, Tsumitate NISA accounts, and monthly investment amount.

	3/2024	9/2024	3/2025	9/2025
Monthly investment amount (¥1mn)	2,092	2,440	2,718	2,980
Number of investment trust savings accounts	60,673	66,196	70,204	74,222
Tsumitate NISA accounts	40,803	48,732	54,374	58,918

* The above figures show income from consulting services and also include amounts other than profit on fees and commissions, such as profit from other business transactions.

- Despite recording a loss on bond sales due to the sale of ultra long-term (10+ year) bonds and other factors, profit/losses related to securities (trading) grew ¥5.4bn year-on-year due to an increase in profit on stock sales.
- Despite an increase in domestic stock prices, valuation profit/losses on securities decreased ¥59.8bn (net) year-on-year due to greater valuation losses on securities caused by a rise in domestic interest rates.

◆ Profit/losses related to securities (trading)

(¥100mn)	3/2024 (Full year)	9/2024	3/2025 (Full year)	9/2025
Profit/losses related to stocks	100	41	295	84
Profit/losses related to bonds	(62)	(21)	(119)	(7)
Profit/losses on money held in trust	(9)	2	(2)	(1)
Total	28	21	173	75

◆ Valuation profit/losses on securities

(¥100mn)	3/2024 (Full year)	9/2024	3/2025 (Full year)	9/2025
Stocks	6,416	5,966	4,671	5,518
Strategic shareholdings	5,666	4,787	1,116	1,418
Bonds	(509)	(690)	(1,208)	(1,497)
Others	(28)	14	(70)	45
Total	5,878	5,291	3,393	4,066
Valuation P/L on hedged interest rate swaps	500	458	815	1,085
Net	6,378	5,749	4,208	5,151

- Total realized profit was ¥5.2bn due to reinvesting returns in medium to long-term bonds and efforts to reduce risks for ultra long-term (10+ year) bonds, etc. with low yields.

	3/2024 (Full year)	9/2024	3/2025 (Full year)	9/2025
Realized profit/losses (¥100mn)				
Profit on bond sales	4	0	0	0
Losses on bond sales	(162)	(34)	(131)	(22)
Interest on bonds	100	61	132	76
P/L on cancellation of asset swaps, etc.	103	15	34	11
Interest on swaps received/paid	(29)	(13)	(28)	(13)
Total realized profit/losses	17	28	7	52
*March figures: Realized P/L for full year; September figures: Realized P/L for half year				
Valuation profit/losses and balance (¥100mn)				
Japanese government bonds	5,311	6,580	6,793	7,257
Municipal bonds	3,806	3,707	3,309	3,107
Corporate bonds, etc.	9,790	9,738	8,677	8,298
Total	18,907	20,025	18,779	18,661
Valuation profit/losses excluding hedging	(524)	(707)	(1,242)	(1,541)
Valuation profit/losses including hedging	(135)	(288)	(508)	(519)

- Total realized profit was ¥1.1bn due to expanding investment mainly in floating-rate bonds with limited interest risks and efforts to limit the risk of portfolio valuation losses and negative yields.

	3/2024 (Full year)	9/2024	3/2025 (Full year)	9/2025
Realized profit/losses (¥100mn)				
Profit on bond sales	0	0	0	1
Losses on bond sales	(10)	0	(7)	(34)
Interest on bonds	150	90	182	88
Funding costs	(184)	(107)	(201)	(84)
P/L on cancellation of asset swaps, etc.	0	0	(8)	31
Interest on swaps received/paid	38	20	35	9
Total realized profit/losses	(5)	3	1	11

*March figures: Realized P/L for full year; September figures: Realized P/L for half year

Valuation profit/losses and balance (¥100mn)				
USD	3,273	3,241	3,331	3,420
EUR, etc.	570	587	512	557
Total	3,843	3,828	3,842	3,977
Valuation profit/losses excluding hedging	(162)	(94)	(153)	(117)
Valuation profit/losses including hedging	(51)	(48)	(48)	(38)

*Figures are based on ALM accounting for market investments and differ from the figures published in financial statements.

- We aim to steadily expand investments in domestic bonds, alternative investments, and other areas in order to improve medium to long-term portfolio profitability while securing income from stable interest and dividends and from flexible trading.

*Figures are based on ALM accounting for market investments and differ from the figures published in financial statements.

(Based on acquisition cost (¥100mn))	3/2024	9/2024	3/2025	9/2025	Investment policy
Domestic bonds	19,429	20,730	20,020	20,201	
Japanese government bonds	5,725	7,129	7,708	8,442	
Municipal bonds	3,822	3,738	3,382	3,176	↗
Public bonds, corporate bonds, etc.	9,023	9,054	8,191	7,892	
Beneficial interests in trusts	859	810	739	691	
Domestic stocks	983	980	972	908	→
Domestic investment trusts, etc.	3,185	3,444	3,558	3,547	→
Foreign bonds	4,006	3,922	3,996	4,094	↗
Foreign stocks	20	13	22	16	→
Foreign investment trusts, etc.	471	441	496	507	↗
Total	28,095	29,493	29,064	29,273	—
Domestic bond duration (including swap hedging)	3.32 years	3.15 years	2.96 years	2.93 years	—

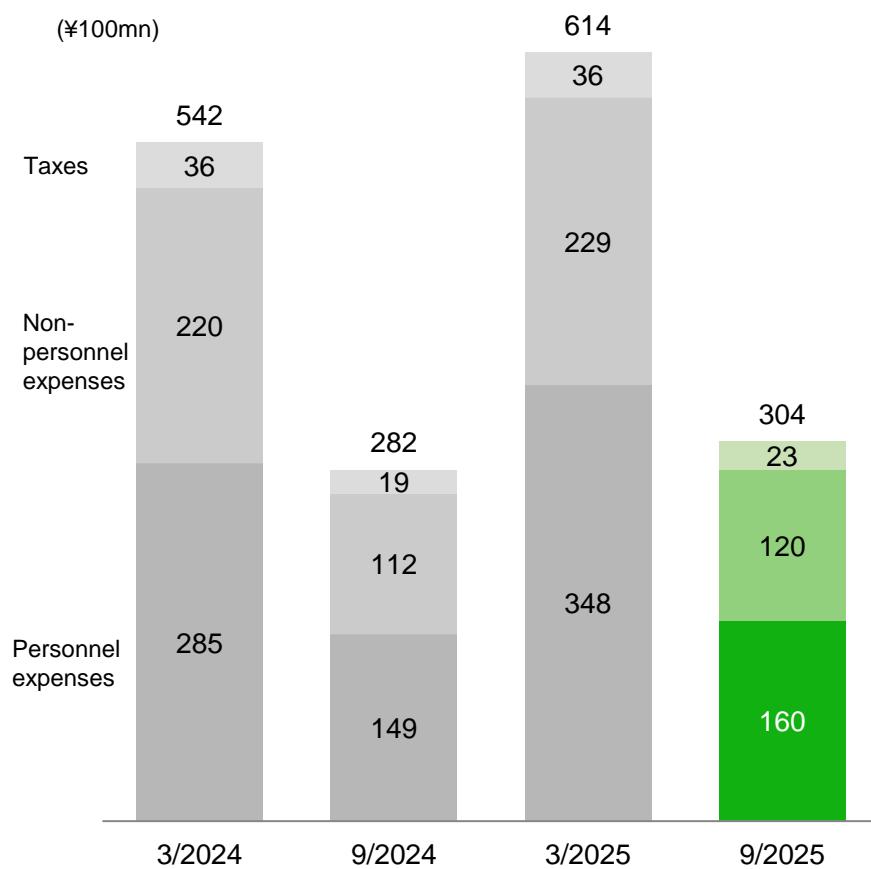
1H FY2025 initiatives

Planned initiatives for 2H FY2025

Bonds	◇ Domestic bonds <ul style="list-style-type: none"> • Sold low yield bonds, etc. while reinvesting mainly in medium term bonds ◇ Foreign bonds • Invested mainly in floating rate bonds with attractive spreads such as CLOs and CMO floaters 	◇ Domestic bonds <ul style="list-style-type: none"> • Take basic stance of reinvesting returns, monitor monetary policy trends, and expand purchases of JGBs, etc. when interest rates are rising • Expand trading of asset swaps while monitoring spread trends ◇ Foreign bonds • Expand investment in floating rate bonds with attractive spreads such as CLOs • Consider gradually resuming taking risks on fixed interest rates, mainly government bonds
	◇ Secured income by trading mainly domestic individual stocks and ETFs	◇ Secure income by flexibly trading mainly domestic individual stocks and ETFs
Stocks	◇ Diversified investments into alternative areas (such as private equity)	◇ Expand investment in alternative areas (such as private equity)
Investment trusts, etc.		

- Non-personnel expenses increased ¥800mn year-on-year due to factors such as increased systems-related outsourcing expenses in connection to the business merger.
- Personnel expenses increased ¥1.1bn year-on-year due to factors such as an increased number of employees on loan from The Nagano Bank and higher base pay.

◆ General and administrative expenses



◆ Main causes of expense increases

	(¥100mn)	9/2024	9/2025	Main causes
Non-personnel expenses		112	120	<ul style="list-style-type: none"> Outsourcing expenses such as systems-related costs in connection to integration (+¥600mn YoY)
Personnel expenses		149	160	<ul style="list-style-type: none"> Wages increased due to higher base pay, etc. (+¥300mn YoY) Temporary employment expenses due to increased employees on loan from The Nagano Bank, etc. (+¥800mn YoY)

◆ Investment amount

	(¥100mn)	9/2024	9/2025	Main investments
Investment amount		22	19	<ul style="list-style-type: none"> Merger-related items (branch renovations, system revisions, replacing signage) Construction of new Ina North Branch

- For 1H FY2025, although the number of downgraded borrowers increased, the impact on credit related expenses was limited, and total credit related expenses were ¥500mn.
- For FY2025, we anticipate an increased number of downgraded borrowers and increased likelihood of insolvency due to the integration, due to which credit related expenses are forecast to be ¥3.5bn.

◆ Credit related expenses

(¥100mn)

	3/2024 (Full year)	9/2024	3/2025 (Full year)	9/2025	3/2026 (Forecast)
Transfer to general allowance for credit losses	2	(2)	(5)	15	23
Disposal of non-performing loans	11	4	22	(9)	13
Total credit related expenses	13	1	17	5	35
Impact from large borrowers (with changes of ¥1.0bn or more)	(12)	—	0	—	—

◆ Number of upgraded/downgraded borrowers

(No. of borrowers subject to general allowance for credit losses)

Upgraded from "needs attention" to "normal" or within "needs attention"

103

(148)

177

(162)

102

(162)

124

(191)

3/2024

9/2024

3/2025

9/2025



(No. of borrowers subject to disposal of NPLs (specific allowance for credit losses))

Upgraded from "in danger of bankruptcy" or lower to "normal" or "needs attention"

31

(68)

17

48

(55)

18

31

(44)

9

34

(73)

24

Upgraded from "de facto bankrupt" or "bankrupt" to "in danger of bankruptcy"

Downgraded from "normal" or "needs attention" to "in danger of bankruptcy" or lower

Downgraded from "in danger of bankruptcy" to "de facto bankrupt" or "bankrupt"

3/2024

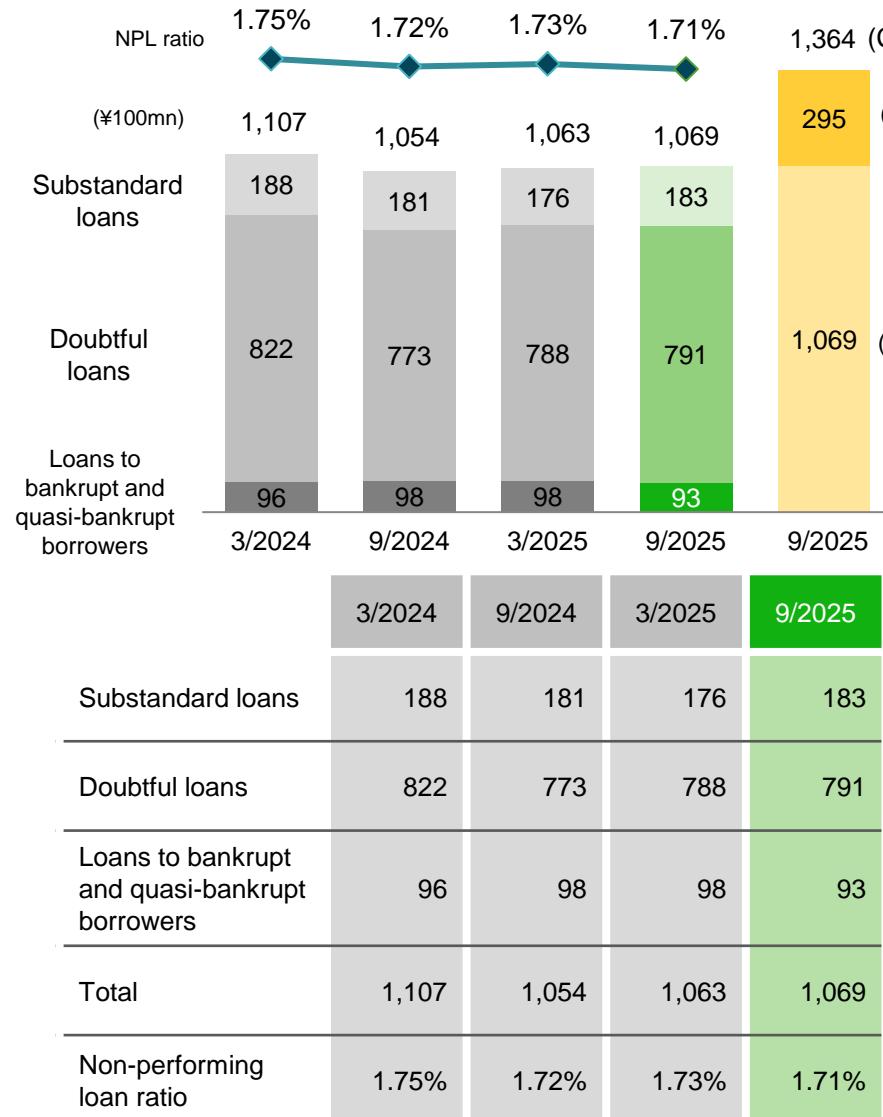
9/2024

3/2025

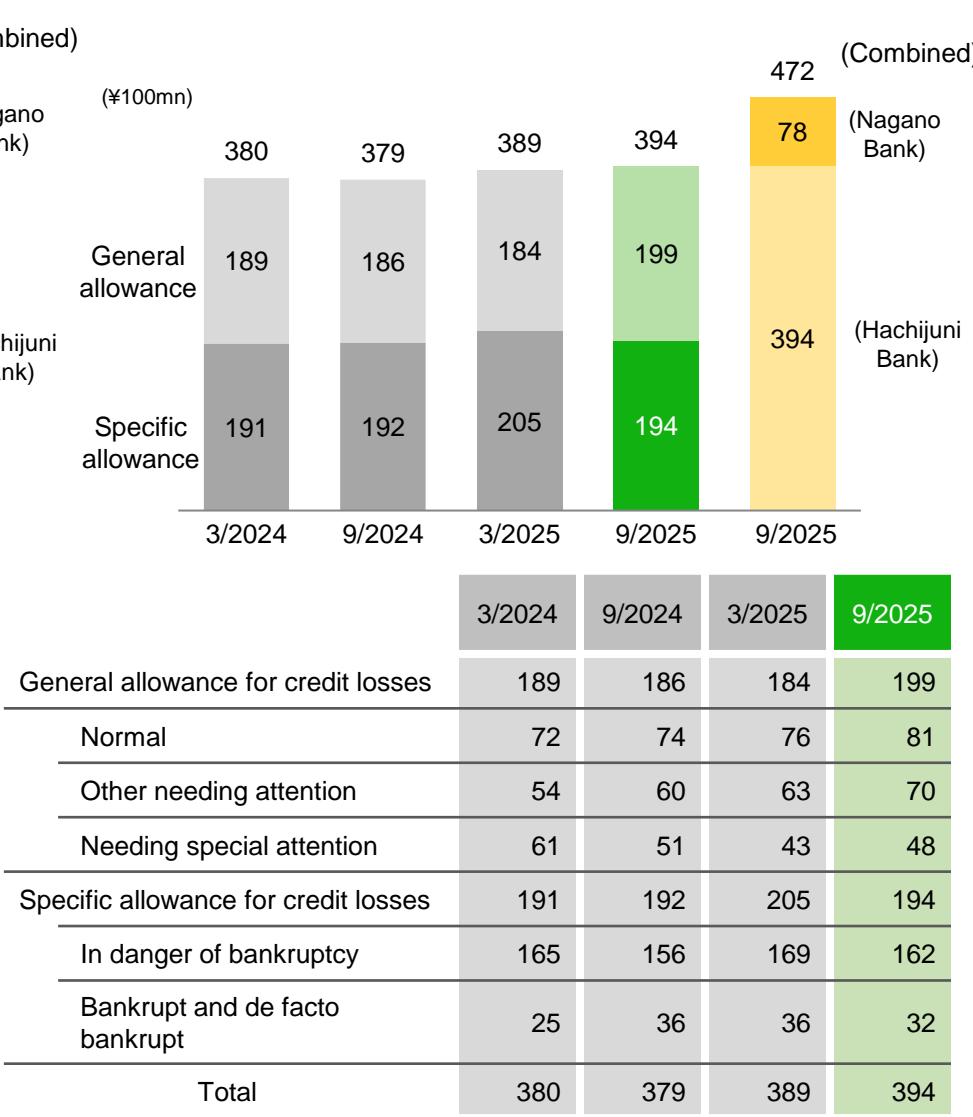
9/2025

◆ Non-performing loans

*Loans requiring disclosure under the Financial Revitalization Act



◆ Allowance for credit losses

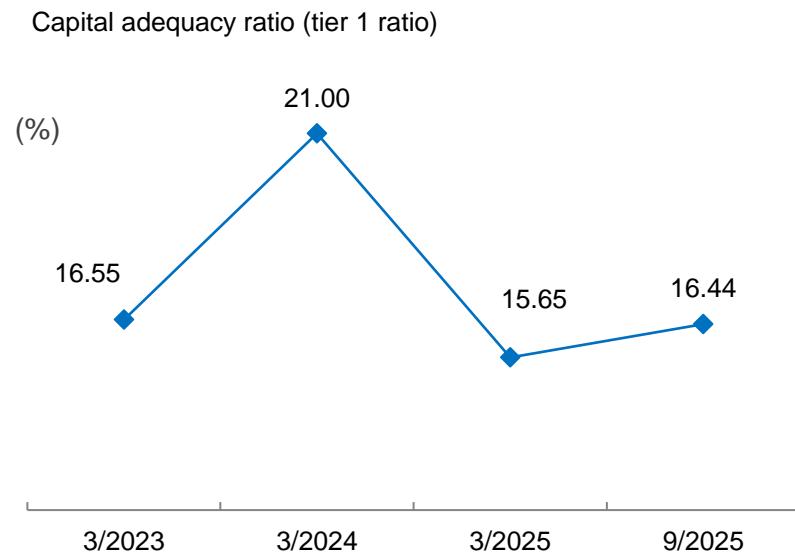


- Under Basel III standards, our capital adequacy ratio, tier 1 ratio, and common equity tier 1 ratio are all 16.44%.
- These three ratios are the same because we have not procured funds through means such as subordinated debt.

◆ Basel III standards

	3/2025	9/2025	Change
Capital adequacy ratio	15.65%	16.44%	0.79%
Tier 1 ratio	15.65%	16.44%	0.79%
Common equity tier 1 ratio	15.65%	16.44%	0.79%
Total capital (¥100mn)	7,407	8,350	942
Tier 1	7,407	8,350	942
Common equity tier 1	7,407	8,350	942
Tier 2	—	—	—
Risk assets (¥100mn)	47,319	50,784	3,464
Credit risk	45,229	48,432	3,203
Operational risk	2,090	2,351	261

◆ Capital adequacy ratio (non-consolidated)



Reference: Consolidated capital adequacy ratio

	3/2023	3/2024	3/2025	9/2025
Capital adequacy ratio	18.36%	20.74%	16.29%	17.07%
Tier 1 ratio	18.36%	20.74%	16.29%	17.07%

Summary of Group Company Financial Results



HACHIJUNI BANK

24

Group company name	Total investment ratio (The Hachijuni Bank and subsidiaries, etc.)	9/2024		9/2025		Notes
		Ordinary profit (¥1mn)	Net income (¥1mn)	Ordinary profit (¥1mn)	Net income (¥1mn)	
The Nagano Bank	100.0%	886	786	287	191	Profit decreased due to reduced profit on interest caused by decrease in loans in connection with integration as well as due to reduced gains on sale of securities
Hachijuni Securities	100.0%	(94)	(79)	(38)	(45)	Reduced personnel expenses, depreciation expenses, and other expenses, but failed to achieve profit
Hachijuni Lease	100.0%	578	415	468	335	Profit decreased due to increased funding costs and credit related expenses
Nagagin Lease	96.6%	106	60	231	180	Increased profit by reducing credit related expenses, etc.
Hachijuni Card	100.0%	44	28	48	32	Despite decline in fee rates, increased profit by increasing amount of payments processed
Nagano Card	100.0%	(18)	(24)	(70)	(70)	Losses increased due to no longer accepting new applications for guarantee and card services
Hachijuni Credit Guarantee	100.0%	1,045	687	946	635	Profit decreased due to lower guarantee fee rates and reduced number of service requests handled
Hachijuni Capital	41.0%	159	124	187	141	Profit increased through increased dividend income and fund management fees
Hachijuni Staff Service	100.0%	24	16	20	13	Profit decreased due to reduced dispatch income
Yamabiko Services	99.0%	34	25	24	16	Despite increase in claim collection income, profit decreased due to increased credit related expenses
Hachijuni Auto Lease	100.0%	516	344	556	369	Increased profit through increased credit balance
Hachijuni Asset Management	100.0%	56	37	28	19	Profit decreased due to reduced fund balance and trust fees
Hachijuni Investment	100.0%	13	8	10	6	Sales remained steady, but profit decreased due to increased labor and other expenses
Hachijuni Link Nagano	100.0%	(3)	(3)	(14)	(31)	Recorded loss due to increased depreciation expenses relating to electric power business

These forecasts are based on the assumption that the policy rate will be raised 0.25% and will be 0.75% from the end of January 2026.

◆ Consolidated (¥100mn)

	FY2024	FY2025 revised annual forecast	Year-on-year
Ordinary profit	638	Record profit 760	122
Net income attributable to owners of parent	479	Record profit 550	71

◆ Non-consolidated (¥100mn)

	FY2024	FY2025 revised annual forecast	Year-on-year
Gross business profit (A)	963	1,232	269
Profit on interest	958	1,117	159
Profit on fees & commissions	104	136	32
Profit from other business transactions	(101)	(28)	73
Gains/losses related to bonds (B)	(119)	(47)	72
General & administrative expenses (C)	614	688	74
Actual net business profit (A-C)	348	540	192
Core net business profit (A-B-C)	467	590	123
Transfer to general allowance for credit losses (D)	(5)	23	28
Net business profit (A-C-D)	353	520	167
Gains/losses related to stocks (E)	295	222	(73)
Gains/losses on money held in trust (F)	(2)	(1)	(1)
Disposal of NPLs	22	13	(9)
Ordinary profit	599	Record profit 725	126
Net income	459	Record profit 600	141
Profit/losses related to securities (B+E+F)	173	173	0
Credit related expenses	17	35	18

profit/losses

special

- We are in the process of conducting a **stock buyback (up to ¥10.0bn, 10 million shares)** until December 30, 2025. As of October 31, we have repurchased 5,662,000 shares totaling ¥7.4bn.
- Our planned annual dividend amount for FY2025 is **¥50, our highest ever.**

	FY2023	FY2024	1H FY2025 (Reference)	FY2025 (Plan)
Annual dividend amount (A)	¥11.6bn	¥19.5bn	¥9.1bn (Interim dividend amount)	¥22.8bn
Annual dividends per share	¥24.0	¥42.0	—	(Includes ¥5 commemorative ¥50.0 dividend)
Interim dividends per share	¥10.0	¥13.0	¥20.0	¥20.0
Amount of shares repurchased (B)	¥10.0bn	¥20.5bn	¥6.0bn (In progress; as of Sep. 30)	¥10.0bn
Shareholder returns (C = A + B)	¥21.6bn	¥40.0bn	¥15.1bn	¥32.8bn
Consolidated net income (D)	¥37.0bn	¥47.9bn	¥29.7bn (Interim net income)	¥55.0bn
Consolidated dividend payout ratio (A / D)	31.4% (40.9%)*	40.8%	—	41.5%
Consolidated shareholder return ratio (C / D)	58.4% (76.3%)*	83.5%	—	59.7%

* Figures in parentheses exclude the effects of the business merger.

Status of Medium-Term Management Vision 2021 Initiatives



Medium-Term Management Vision 2021: Supporting our customers and regions through the combination of financial services, non-financial services, and relationships

Strategic direction of initiatives in FY2025, the final year under the vision



- Sustainability as the Core of Our Business** — p. 31
Foster opportunities for customers to work toward regional sustainability; expand opportunities for sustainability-related income
- Strengthening the Lifestyle Support Business** — p. 32
Respond to a wide range of financial needs; increase customer loyalty
- Providing Comprehensive Financial Services and Functions** — p. 33
Enhance corporate customer solutions; further develop collective strengths of the group
- Digital Reforms to Operations and Organizations** — p. 34
Enhance value provided to customers; streamline branch operations; accelerate initiatives to utilize data
- Personnel System Reforms to Support Growth and Satisfaction** — p. 35
Enhance growth and satisfaction; prevent harassment; integrate learning and work

■ Medium-term management targets

Annual dividend target

Annual dividends of ¥20 or more per share each year from FY2023 to FY2025

Greenhouse gas emissions (scope 1 and 2)

Hachijuni Group:

- (1) FY2025: Net zero
- (2) FY2030: 80% reduction compared to FY2019

Improving calculation of greenhouse gas emissions by borrowers (scope 3, category 15)

FY2025: Identify emissions by 450 borrowers

*450 borrowers is equivalent to 40% of our scope 3, category 15 emissions (as of March 31, 2024)

Renewable energy generation

FY2024 to FY2030:

- Provide ¥90.0bn total in sustainable finance for commercial renewable energy generation facilities
- Provide 10,000 total loans for purchasing or improving homes that have solar panels and meet ZEH standards

Medium-Term Management Vision 2021: Supporting our customers and regions through the combination of financial services, non-financial services, and relationships

Sustainability as the core of our business: Began operation of Hachijuni Group solar power plant

We began operation of a solar power plant for the exclusive use of the Hachijuni Group installed at an athletic park owned by the bank in Omi Village, Nagano Prefecture. The power plant was installed and will be operated by Hachijuni Link Nagano (representative director: Atsushi Shimosawa), a Hachijuni Group company, and the bank will begin obtaining some of the renewable energy that it uses from the new plant. This will enable the Hachijuni Group to ensure a long-term, stable supply of renewable energy and will contribute to reducing greenhouse gas (CO₂) consumption as set out in the bank's medium-term management targets.

Power generation start date	November 1, 2025
Location	Hachijuni Bank Omi Athletic Park (Omi Village, Nagano Prefecture)
Installer and operator	Hachijuni Link Nagano Co., Ltd.
Solar panel capacity	2,208.96 kW
Anticipated renewable energy generated	2,474,154 kWh per year (Equivalent to approx. 1,000 t of CO ₂ or 500 households per year)
Renewable energy supply scheme	Off-site PPA



Digital reforms to operations and organizations: Awarded by Kanto-Shinetsu Regional Taxation Bureau for promoting online tax payment

We received an award from the Kanto-Shinetsu Regional Taxation Bureau for contributing to the promotion of cashless tax payments.

In order to support our customers in increasing the efficiency of their accounting operations, we launched the Digital Support Team in the Operations Administration Department in April 2023. The team currently consists of ten members at nine locations in Nagano Prefecture.

The team provides customers who visit branches to pay taxes with information on the national electronic filing and tax payment system (e-Tax) and when necessary visits customer offices to demonstrate how to use the system.

e-Tax	FY2024 results: approx. 66,000 uses (1.6x more than FY2021) (Reference: 1H FY2025 results: approx. 31,000 uses)
eL-Tax	FY2024 results: approx. 44,000 uses (4.0x more than FY2021) (Reference: 1H FY2025 results: approx. 31,000 uses)



Medium-Term Management Vision 2021: Supporting our customers and regions through the combination of financial services, non-financial services, and relationships

■ Personnel system reforms to support growth and satisfaction: Improving and increasing engagement score

In the engagement survey for FY2025, we achieved a total engagement score of 3.97 (out of a maximum of 5) and a positive response ratio of 77.8%, exceeding the previous year's results for the second consecutive year.

We boast particularly high scores in workplace engagement and achieved a positive response ratio of 88.3% for the statement "I want to actively contribute to the growth of my colleagues at work," which demonstrates that we have established an organizational culture in which colleagues support each other's growth.

2023	2024	2025	vs. 2023
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3.88	3.92	3.97	+0.09
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Total Engagement

Each individual finds meaning in their current job, workplace, and company and works with a desire to contribute.

3.88	3.92	3.97	+0.09
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Engagement with work

Each individual understands the meaning of their work, finds their daily work rewarding and a source of pride, and works with a sense of growth and contribution.

3.79	3.83	3.87	+0.08
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Workplace engagement

Each individual desires to actively contribute to achieving workplace goals and producing results.

4.03	4.06	4.09	+0.06
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Company engagement

The company's philosophy and products and services resonate with employees, who harbor affection for the company and expectations for its future.

3.82	3.87	3.93	+0.11
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■ Personnel system reforms to support growth and satisfaction: Program for developing next generation of female leaders

In FY2024, we launched a program for developing the next generation of female leaders, and we are focusing efforts on developing female senior management personnel and the next generation of women in management positions.

In June 2025, the first group of 22 participants completed the program, and the program for the second group of 26 participants began in October.

Development of female senior management personnel
for women in management positions (equivalent to section manager or higher)
2024: 9 participants; 2025: 10 participants

Participation in outside training to further develop the wide range of advanced abilities necessary for senior management and to build connections

Mentoring by executive directors

Strengthen networking

Development of next generation of women in management positions for women in management positions (equivalent to section manager or higher) or mid-level positions
2024: 13 participants; 2025: 16 participants

Participation in outside training to gain the perspective and skills necessary for leaders and to build connections

Mentoring by branch and department managers

Build connections in and outside of the bank

We also conduct a **senior management personnel development support program** with the goal of improving aptitude through big-picture learning, providing opportunities to further develop abilities through exchanges with people from different fields, and expanding the pool of next-generation senior management personnel.



Sustainable finance: We are working to expand our product lineup and create a sustainable society together with our customers.

Long-term KPI (¥100mn)	FY2021	FY2022	FY2023	FY2024	Plan: FY2030
Finance provided (amount in environmental field)	1,554 (830)	4,109 (2,118)	6,742 (3,341)	9,621 (5,004)	15,000 (10,000)

Expanding product lineup

◆ **Hachijuni private placement bonds supporting regional revitalization and SDGs (via decarbonization)**

Offered from July 2024. Total bonds sold: ¥2.17bn to 34 customers.

Part of the underwriting fees are donated to Nagano Prefecture and used for purposes such as switching to renewable energy for cultural facilities, etc. managed by the prefecture.

◆ **NEW Hachijuni sustainability-linked loans for the future**

Offered from July 2025. Total loans: ¥180mn to 3 customers.

Hachijuni Bank and Nagano Prefecture each created a SLL framework. Third-party appraisals were obtained in advance regarding the compliance of each framework's KPIs/SPTs with international principles.

We reduced costs and administrative burdens for both the bank and our customers by eliminating the need for third-party appraisals upon financing or third-party verification when providing reports. These loans include incentives such as reduced interest rates based on the achievement of customer-chosen targets supporting sustainable management.

Renewable energy: We support customers in procuring green energy.

The Electric Power Business Department of Hachijuni Link Nagano operates solar power generation facilities under on-site PPAs for companies and local governments in Nagano Prefecture. So far, eight facilities it operates have generated 3,227 MWh* of renewable energy and contributed to reducing 1,358 t of CO₂ emissions. (*Equivalent to the annual amount of energy consumed by 817 households) (CO₂ emission reductions are calculated at 0.000421t / kWh.)

Power generation facilities operated by Hachijuni Link Nagano (power generated (MWh) / CO₂ emission reduction (tons per year))

(Power output: DC/kW)	FY2022	FY2023	FY2024	1H FY2025	Total
1. Company A (1,151.00)	From Feb. 2024	140.5 / 59.1	1,201.8 / 505.9	769.4 / 323.9	2,111.8 / 889.0
2. Company B (303.60)	—	From Aug. 2024	159.1 / 67.0	196.8 / 82.8	355.9 / 149.8
3. Company C (181.80)	—	—	From April 2025	109.7 / 46.1	109.7 / 46.1
4. Local government A (440.63)	—	—	From April 2025	162.0 / 68.2	162.0 / 68.2
5. Local government A (84.60)	—	—	From April 2025	47.8 / 20.1	47.8 / 20.1
6. Local government A (7.20)	—	—	From April 2025	3.4 / 1.4	3.4 / 1.4
7. Company D (787.50)	—	—	From June 2025	417.5 / 175.7	417.5 / 175.7
8. Company E (159.84)	—	—	From July 2025	19.4 / 8.2	19.4 / 8.2
Total (3,116.17 DC/kW)	—	140.5 / 59.1	1,361.0 / 573.0	1,726.0 / 726.4	3,227.5 MWh / 1,358.5 t

Expanding consultation locations: We expanded our locations dedicated to providing consultations to customers.**NEW Ina North Branch (relocated to new building in Sep. 2025)**

Cafe space included; consultation booths provide ease of use and privacy



Seminar space for providing financial and non-financial information to local residents

ZEB built from Nagano wood using latest energy-saving technology, contributing to decarbonization

Hachijuni Inheritance Consultation Plaza (est. Dec. 2022) Location: Head Office Sales Department

Staff specialize in addressing inheritance and asset succession concerns. Total to Sep. 2025: 104 seminars, 389 individual consultations

Hachijuni Insurance Plaza (est. Aug. 2022) Locations: Showa Avenue Sales Dept., Ueda East Branch, Saku Central Branch, Loan Plaza South Matsumoto

Insurance consultation location operated in cooperation with an insurance agency. Total to Sep. 2025: 3,104 consultations (1,675 contracts concluded)

Expanding consultation services: We expanded specialized products and non-financial services to meet customer needs.**Personal trust products and services** (Cumulative contracts concluded and income)

	FY2021	FY2022	FY2023	FY2024	1H FY2025
Inheritance trusts Collective monetary trusts with special provisions on testaments and bequests	31	77	114	149	161 / ¥14mn
Old age trusts Collective monetary trusts with special provisions on beneficiary agents	12	36	70	96	108 / ¥16mn
Testamentary trusts	18	78	143	278	353 / ¥320mn
Estate planning services	0	9	33	61	75 / ¥138mn

End of life planning support services (Assisting in posthumous administrative procedures, monitoring safety, acting as personal guarantor, etc.)

	FY2021	FY2022	FY2023	FY2024	1H FY2025
Cumulative contracts concluded and income	—	—	From Apr. 2024	27	50 / ¥8.9mn

Lifestyle support services (Referrals to partner corporations for lifestyle needs such as housecleaning and vacant home demolition)

	FY2021	FY2022	FY2023	FY2024	1H FY2025
Cumulative contracts concluded and income	42	565	1,400	2,289	2,737 / ¥60mn

Financial services: We expanded specialized products to help businesses obtain strategic financing.

Business funds (cumulative projects financed and financing amount (¥100mn))

	FY2021	FY2022	FY2023	FY2024	1H FY2025
Hachijuni Sustainability Fund No. 1 (from Jan. 2022)	1 / 0.6	6 / 45.3	24 / 68.2	42 / 148.9	45 / 149.9
Hachijuni PE Investment Limited Partnership (from Jan. 2025)	—	—	—	3 / 28.6	3 / 28.6

Sustainable finance products (cumulative loans provided and loan amounts (¥100mn))

	FY2021	FY2022	FY2023	FY2024	1H FY2025
Sustainability-linked loans (from July 2021)	2 / 71.0	9 / 151.0	21 / 292.0	33 / 440.0	42 / 502.3
Positive impact finance (from Feb. 2022)	1 / 1.5	12 / 217.3	37 / 446.6	62 / 807.9	73 / 976.5

Non-financial services: We increased the range of support we provide for business growth by expanding non-financial services such as for DX strategy, talent referrals, and sales channel expansion.

Talent support (cumulative contracts concluded and income)

Collaboration with Hachijuni Staff Service (specialized company)	FY2021	FY2022	FY2023	FY2024	1H FY2025
Referrals from Hachijuni Bank	441	700	979	1,300	1,561
Referrals resulting in contracts	53	112	191	270	347 / ¥249mn

DX support (cumulative contracts concluded and income)

	FY2021	FY2022	FY2023	FY2024	1H FY2025
IT consulting	4	9	22	52	68 / ¥17.8mn

Sales channel support (cumulative contracts concluded and transaction amount or income)

(i) Collaboration with specialized companies + (ii) Expansion of bank's business domains	FY2023	FY2024	1H FY2025
(i) Creating overseas sales channels (Hachijuni Link Nagano); contracts concluded and transaction amount	35	196	342 / ¥64.1mn
(ii) Advertising business (The Hachijuni Bank); contracts concluded and income	From Oct. 2024	42	98 / ¥8.9mn



Data warehouse (DWH) — Began operation in 2019. Used as a base for integrated management of customer transaction and financial performance data, business category and industry data, and other data.

Combining DWH and predictive AI — Developed over 50 types of AI models using DWH. AI models increase operational efficiency and help support customers. — We plan to expand the areas where AI is used, such as detecting accounting fraud and developing new screening models.

Business promotion

AI is used for seven types of products and services, such as Hachijuni Kanta-kun card loans, Hachijuni online business loans, and car loans.

FY2024 results

Hachijuni Kanta-kun card loans (personal credit card loans obtainable online): **11.2% increase** year-on-year (balance at end of FY2024: ¥21.3bn)
Car loans (obtainable online): **37.2% increase** year-on-year (balance at end of FY2024: ¥11.0bn)

Operation management

Business condition forecast models: AI predicts which customers are experiencing changes in business conditions, allowing us to quickly provide support.

Suspicious transaction detection models: AI predicts which accounts might have engaged in suspicious transactions, helping us prevent fraud.

Screening AI

Hachijuni online business loans: **70.6% increase** year-on-year (balance at end of FY2024: ¥940mn)

Combining DWH and generative AI — Since introducing 82Copilot, a generative AI chatbot, in 2023, we have worked to create an AI specialized for banking operations. — Through internal training, etc., we promote the wider use of AI and encourage the creation of ideas on how to use generative AI.

Main AI tools already implemented

82Copilot: A general-use generative AI chatbot that can be used within the bank.

Financing support function: AI responds to questions about general operations such as when forming financing projects. A majority of young staff use this function, and **it has contributed to increasing the efficiency of financing operations**.

Business referral candidate identification function: AI proposes the optimal business referral candidates to address customer issues. **This function has contributed to enhancing our ability to resolve customer issues**.

Human resources development, etc.

AI planning and development training: Training for head office staff on how to approach product and service planning and operational improvements using AI. The financing support function described above is based on an idea proposed by participants in this training.

AI literacy training: Training for all staff on the basic usage of generative AI. This training rapidly increased the use of generative AI by staff.

Human capital: We are working to create an organization where all employees can thrive.

Diversity

	FY2020	FY2021	FY2022	FY2023	FY2024	vs. FY2020
Number of employees	3,159	3,067	3,041	3,289	3,301	+142
Ratio of female employees	46.2%	46.9%	47.6%	47.5%	48.3%	+2.1%
Ratio of women in management positions	10.8%	11.5%	12.5%	13.3%	14.5%	+3.7%

Work-life balance

	FY2020	FY2021	FY2022	FY2023	FY2024	vs. FY2020
Ratio of leave used	72.0%	74.1%	81.5%	83.0%	82.9%	+10.9%
Average days of paid leave taken	13.9	14.3	15.9	16.0	16.0	+2.1
Ratio of men taking childcare leave, etc.	35.9%	60.3%	89.5%	101.9%	95.2%	+59.3%
Average days of childcare leave, etc. taken by men	3.1	5.3	11.4	9.6	21.1	+18.0
Average statutory overtime hours (per month)	8.9	10.6	10.8	11.7	12.5	+3.6

Corporate health

	FY2020	FY2021	FY2022	FY2023	FY2024	vs. FY2020
Ratio of employees with BMI of 25 or more (indicating obesity)	20.5%	19.8%	18.6%	17.7%	18.8%	(1.7%)
Ratio of employees who smoke	11.9%	12.1%	11.9%	11.8%	11.5%	(0.4%)

Human resources development

	FY2020	FY2021	FY2022	FY2023	FY2024	vs. FY2020
Total annual training hours	39,431	55,216	73,247	94,521	87,038	+47,607
Average training hours per employee	12.5	18.0	24.1	28.7	26.4	+13.9
Total annual training costs (¥)	63,493,000	101,402,000	259,937,000	223,770,000	278,205,000	+214,712,000
Average training costs per employee (¥)	20,100	33,100	85,500	68,000	84,300	+64,200

Strategic Direction of Medium-Term Management Plan of Hachijuni Nagano Bank

Medium-Term Management Vision 2021: Supporting our customers and regions through the combination of financial services, non-financial services, and relationships

FY2025 is the final year of the Medium-Term Management Vision. Here we look back on our progress through FY2024.

When we formulated this management vision, there was an ongoing environment of low interest rates and negative policy rates, in the midst of which the COVID-19 pandemic began, creating extremely uncertain business conditions. Under those circumstances, we strongly felt that it would be difficult for our bank to achieve sustainable growth based only on a traditional financial model focused on deposits and loans, and we recognized that it was essential to create value together with our customers by becoming more deeply involved in the development of regional communities and economies.

We have worked to achieve business reforms based on five themes that impact our bank's overall business activities: sustainability, individual customers, corporate customers, DX, and human capital.

In regard to our numerical medium-term management targets, we achieved our greenhouse gas emission reduction target ahead of schedule and revised it upwards. We also revised our dividend target in consideration of our merger with The Nagano Bank, and we have increased our dividends for four consecutive years. We expect to achieve all of our management targets, and by achieving record profit and being on track to possibly exceed 5% ROE in FY2027, we have strengthened our business base for creating new value.

■ Medium-term management targets

Annual dividend target

Annual dividends of ¥20 or more per share each year from FY2023 to FY2025

FY2023: ¥24 FY2024: ¥42 FY2025: ¥50 (planned; includes commemorative dividend)

Greenhouse gas emissions (scope 1 and 2)

Hachijuni Group: (1) In FY2025, net zero; (2) in FY2030, 80% reduction compared to FY2019 (revised upwards in Oct. 2024)

FY2024: (1) Hachijuni Bank maintained net zero; (2) group achieved 66.0% reduction compared to FY2019

Improving calculation of greenhouse gas emissions by borrowers (scope 3, category 15)

FY2025: Identify emissions by 450 borrowers (equivalent to 40% of scope 3, category 15 emissions (as of March 31, 2024)

FY2024: Identified emissions of 381 borrowers

Renewable energy generation

FY2024 to FY2030:

- (1) Provide ¥90.0bn total in sustainable finance for commercial renewable energy generation facilities
- (2) Provide 10,000 total loans for purchasing or improving homes that have solar panels and meet ZEH standards

Through FY2024: (1) ¥35.4bn in sustainable finance provided; (2) 1,602 loans provided



- ◆ **Hachijuni Group:** Corporate group centered around the new Hachijuni Nagano Bank to be established in Jan. 2026 (pending approval by relevant authorities)

Securities	Hachijuni Securities	Credit cards	Hachijuni Card Nagano Card	Staff referrals & dispatch	Hachijuni Staff Service
Leasing	Hachijuni Lease	Credit guarantees	Hachijuni Credit Guarantee	Debt management & collection	Yamabiko Services
	Hachijuni Auto Lease			Investment management & advising	Hachijuni Asset Management
	Nagagin Lease	Investment	Hachijuni Capital Hachijuni Investment	Regional trade & electric power	Hachijuni Link Nagano

- ◆ **Hachijuni Group management philosophy framework** Our cornerstone refers to the Hachijuni Group management philosophy framework. This framework is the foundation for how we think about our purpose, our vision, and the actions we take, and it gives the Hachijuni Group its identity.

Our cornerstone



Management philosophy: Contribute to regional development through a commitment to sound banking principles

As a leading company in the region, the Hachijuni Group will directly address regional issues and act as a bridge between local communities and the world in order to achieve sustainable regional growth. By establishing profitability based on appropriate risk management and maintaining and developing a firm financial base, we will contribute to the happiness and prosperity of local communities, customers, shareholders, and employees.

Long-Term Vision 2035: Building a Prosperous Future Together with the Region

Long-Term Personnel Policy (necessary employee characteristics): Established strength; enterprising spirit; thinking and acting independently

Compliance Declaration: We will conduct our management and operations in a way worthy of trust and will act as a responsible member of society.

- ◆ **Hachijuni Group material issues**

In 2022, we identified the material issues of The Hachijuni Bank. We have now reviewed those issues to designate new material issues to be addressed by the Hachijuni Group as a whole.

Hachijuni Group material issues

- Value creation through digitalization and use of AI
- Practicing human capital management
- Strengthening cybersecurity
- Development of regional industries and businesses, and creation of communities with vitality
- Realization of enriched lifestyles
- Climate change countermeasures and environmental preservation
- Fair and transparent management



◆ **Hachijuni Group: Long-Term Vision** With a view to the region's future over the next decade, and driven by our commitment to creating hope together with the companies and people connected to the region, we have formulated the Hachijuni Group Long-Term Vision 2035.

Long-Term Vision 2035

Building a prosperous future together with the region

Prosperity

Ability to attract people through value and potential that creates anticipation and pride

Future

Symbol of hope and initiative for building a better society; strategic direction

Region

Not only geographic locations, but communities that include people, culture, industry, history, and relationships

Together

Sharing values as equal partners and actively cooperating based on trust and understanding

Building

Active, strong desire to create new values and systems

◆ Hachijuni Group: Strategic direction of medium-term management plans

We have divided the 10-year period leading up to achieving the Long-Term Vision 2035 into three phases and are preparing the first medium-term management plan, which will cover the first three years.

First medium-term management plan April 2026 to March 2029

A Leap Toward a Comprehensive Consulting Firm

Evolve into a comprehensive consulting group and provide high-quality services to customers

- Accelerate employee growth using AI and organizational evolution through DX
- Help strengthen regional business by providing consulting services with high added value
- Optimize group functions and collaborate to maximize customer value

Third medium-term management plan April 2032 to March 2036

- Expand business domains beyond finance with a global perspective
- Use our overwhelming presence to comprehensively support the foundations of day-to-day life, such as the region's environment and industries and people's livelihoods, and become a group that builds the region's future together with it

Second medium-term management plan April 2029 to March 2032

Greatly expand the areas in which the group is active, support the growth (including overseas expansion) of businesses, and enrich the lifestyles of individual customers to contribute to the growth of the regional economy

◆ Hachijuni Group: First medium-term management plan themes

We will work to address five strategic themes as we aim to leap toward a comprehensive consulting firm.

First medium-term management plan (April 2026 to March 2029)

A Leap Toward a Comprehensive Consulting Firm

Theme 1 Addressing regional challenges by enhancing and expanding profitability

We will generate ripple effects for the regional economy by providing services to companies that seek to become core players in the region, supporting improvements in corporate productivity, and assisting in enhancing the appeal of tourist destinations. We will also support individual customers throughout their life stages, helping them achieve prosperous lives, while contributing to the creation of sustainable communities where all people can live comfortably. To accelerate these initiatives, we will pursue stable revenue generation through the market investing business and promote active investments in growth areas.

Theme 2 Strengthening human capital to support sustainable growth

We will promote the development and recruitment of personnel who will drive transformation and carry out the medium-term management plan, while also advancing the active participation of diverse employees and realizing their well-being.

Theme 3 Securing competitive advantage through investments in DX and AI

Through investments in DX and AI, we will dramatically enhance organizational productivity and creativity, thereby strengthening our competitiveness.

Theme 4 Expanding business domains to raise corporate value

We will drive expansion of business domains by optimizing group-wide functions and enhancing our planning capabilities.

Theme 5 Strengthening the management foundation as the cornerstone of trust and confidence

We aim to further enhance our corporate value by strengthening our management foundation.

◆ Hachijuni Group: Medium-term management plan KPIs (those determined at present)

*FY2030 target to be achieved ahead of schedule

		FY2024 results	FY2028 targets
Finance	Consolidated ROE	4.6%	8.0% or more
Environment	Greenhouse gas (CO ₂) emissions (scope 1 and 2)	66.0% reduction compared to FY2019	80% reduction compared to FY2019*
	Amount of sustainable finance provided	¥962.1bn (¥500.4bn in environmental field)	¥1.5tn (¥1tn in environmental field)*
Society	Positive net migration to region (Nagano Prefecture)	Positive net migration for three consecutive years	Continue positive net migration

Toward the New, Post-Merger Hachijuni Nagano Bank



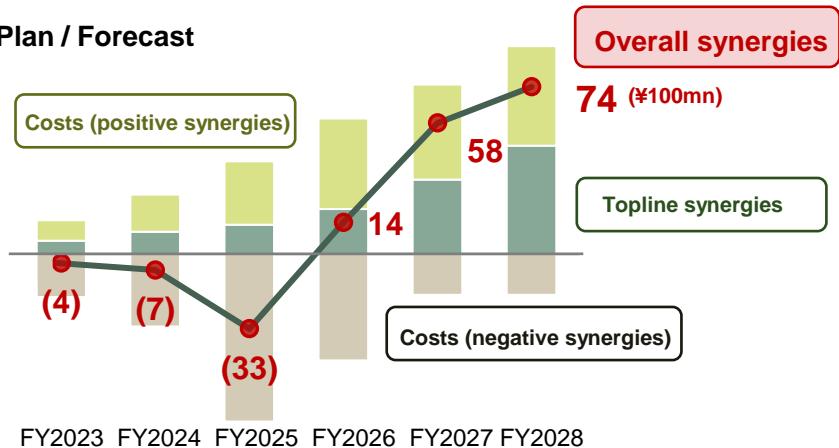
We conducted a business merger with The Nagano Bank in June 2023, and on January 1, 2026, we will fully integrate and launch the new Hachijuni Nagano Bank.

◆ Anticipated overall synergies of integration

Before the integration in January 2026, negative synergies relating to costs will initially outweigh positive synergies due to factors such as an increase in costs for integrating systems, but we anticipate increasing gains from overall synergies after the full integration, when topline synergies and positive cost synergies will begin to fully take effect.

(¥100mn; rounded)	FY2023		FY2024	
	Plan	Result	Plan	Result
Overall synergies	(4)	(18)	(7)	(7)
Topline synergies	6	3	10	14
Costs (positive synergies)	9	12	16	20
Costs (negative synergies)	(19)	(33)	(32)	(40)

Plan / Forecast



Topline synergies: Enhancing sales expertise by sharing knowledge and strengthening growth business and new business through the creation of human resources
 Cost synergies: Increasing efficiency through system integration and branch consolidations and optimizing the allocation of personnel

◆ Three goals of business merger

- We will free up human resources and reduce costs by improving management efficiency through such measures as standardizing administrative and IT systems and consolidating geographically overlapping branches.
- We will strengthen our profitability and optimize our human capital base over the medium to long term by reassigning staff freed up by management efficiency improvement to training programs and external partners to ensure the development of strategic areas and new businesses.

(1) Increase management efficiency

Standardize administrative and IT systems; consolidate branches

Free up human resources and reduce costs by increasing management efficiency

(2) Strategic allocation of human resources

Reallocate human resources to strategic areas

Improve profitability through reallocation of human resources to strategic areas to achieve medium to long-term growth

(3) Strengthen profitability

Share expertise of both banks

Respond to needs of customers in region; strengthen growth areas (consulting, digital services, etc.)

We will free up human resources and reduce costs by consolidating geographically overlapping branches and will strengthen our profitability by reassigning the staff freed up to training programs and external partners to ensure the development of strategic areas and new businesses.

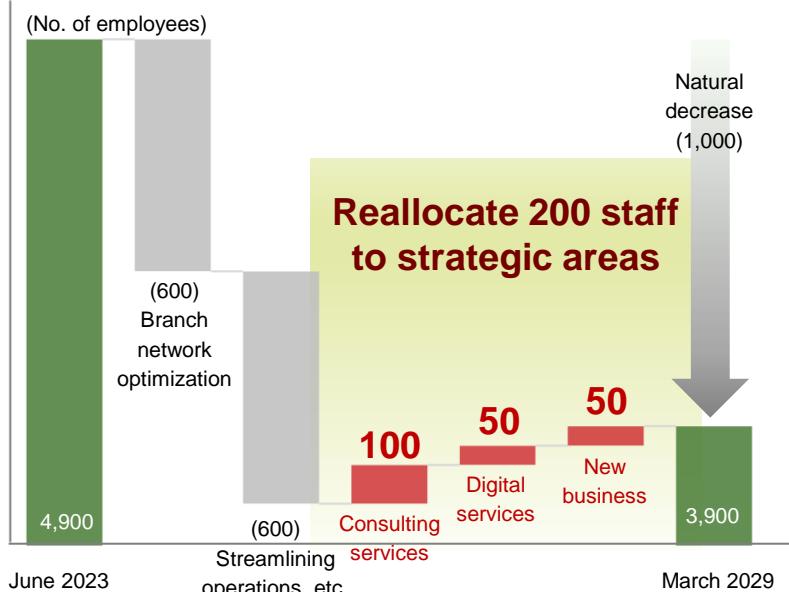
◆ Business merger goal 1: Increase management efficiency

(No. of branches) (Total / Nagano Prefecture / Other prefectures)	Mar. 31, 2023 (before merger)			Mar. 31, 2024			Mar. 31, 2025			Jan. 1, 2026		
	Total	Nagano	Other	Total	Nagano	Other	Total	Nagano	Other	Total	Nagano	Other
Hachijuni Nagano Bank												
Total of both banks	176	155	21	168	150	18	160	143	17	115	98	17
Hachijuni Bank	129	109	20	122	104	18	118	101	17	Forecast		
Nagano Bank	47	46	1	46	46	0	42	42	0			

As of June 2023, The Hachijuni Bank had 129 branches, and The Nagano Bank had 47, but the areas served overlapped in many cases, with many branches serving the same areas. We are therefore consolidating branches and ATMs mainly in those areas to optimize our sales channels.

◆ Business merger goal 2: Strategic allocation of human resources

Freed up staff are being reallocated to areas such as consulting services at branches and specialized areas and new business areas at the head office.



*The main cause for the expected decline in personnel is a natural decrease due to the number of new hires being lower than the number of employees leaving due to mandatory retirement, etc. and is not due to any intentional termination of employees.

In-person sales

For corporate customers

- Strengthen sales efforts for consulting services for projects such as business successions, M&A, overseas expansion support, and corporate revitalization
- Enhance services for structured finance such as LBOs and MBOs

For individual customers

- Enhance total consulting capabilities for services including asset management, insurance, inheritance, and trusts
- Strengthening and reinforcing transactions for the lifestyle support business for elderly customers

Remote sales

For corporate customers: Mikatano service series, AI analysis of base transaction data

- Increase online lending balance
- Reinforce transactions through use of digital channels by head office remote sales department

For individual customers: Wallet+ app, AI analysis of base transaction data

- Improve convenience and increase balance of unsecured loans and home loans through online loan procedures
- Reinforce transactions with customers seeking to build assets through use of digital channels by head office remote sales department

Market investments

- Build portfolio with medium to long-term view using Hachijuni Asset Management and unrealized gains
- Strengthen diversified investments including alternative investments and reinforce stability and flexibility through derivatives

- Step up efforts for non-Japanese loans by Singapore Branch and structured finance

Sustainability

- Strengthen customer decarbonization support and sustainable finance
- Reinforce investments mainly for regional companies through sustainability fund
- Strengthen group functions in new areas such as regional trade and electric power

We will strengthen our profitability by reassigning staff to training programs and external partners to ensure the development of strategic areas and new businesses.

◆ Business merger goal 3: Strengthen profitability

- In Nagano Prefecture, due to a decline in the working-age population caused by overall population decline, declining birth rates, and an aging society, the number of business locations, which are the source of vitality for the regional economy, is decreasing.
- As a regional bank, in order to resolve this issue, Hachijuni Nagano Bank will work to bring vitality to the regional economy through both financial and non-financial services by combining the expertise, strengths, and networks of both banks and enhancing our management resources such as the human capital freed up through the business merger and integration.
- The two banks have worked together on initiatives such as: completing M&A projects in which customers of The Nagano Bank looking to enact business successions were referred to purchasers by The Hachijuni Bank; providing support using both banks' networks to customers seeking to create overseas sales channels; and jointly arranging syndicated loans, providing support for subsidy applications, and formulating management reform plans.

Consulting staff

	FY2022 (before merger)			FY2023			FY2024		
	Total	Hachijuni	Nagano	Total	Hachijuni	Nagano	Total	Hachijuni	Nagano
Consulting service staff	73	60	13	93	76	17	97	77	20

Solutions

	FY2022 (before merger)			FY2023			FY2024		
	Total	Hachijuni	Nagano	Total	Hachijuni	Nagano	Total	Hachijuni	Nagano
Total (no. of instances)	827	468	359	1,168	752	416	1,262	1,083	179
Business successions	11	9	2	12	6	6	16	12	4
M&A	20	15	5	16	9	7	20	13	7
Startup support (incorporation / business renewal)	189	90	99	231	156	75	249	248	1
Overseas business expansion support	57	54	3	98	93	5	180	177	3

Management reform support

	FY2022 (before merger)			FY2023			FY2024		
	Total	Hachijuni	Nagano	Total	Hachijuni	Nagano	Total	Hachijuni	Nagano
Total (no. of instances)	319	170	149	402	250	152	433	285	148
Management reform plan support	57	45	12	82	72	10	76	63	13
Referrals to external specialists	21	9	12	22	13	9	34	22	12

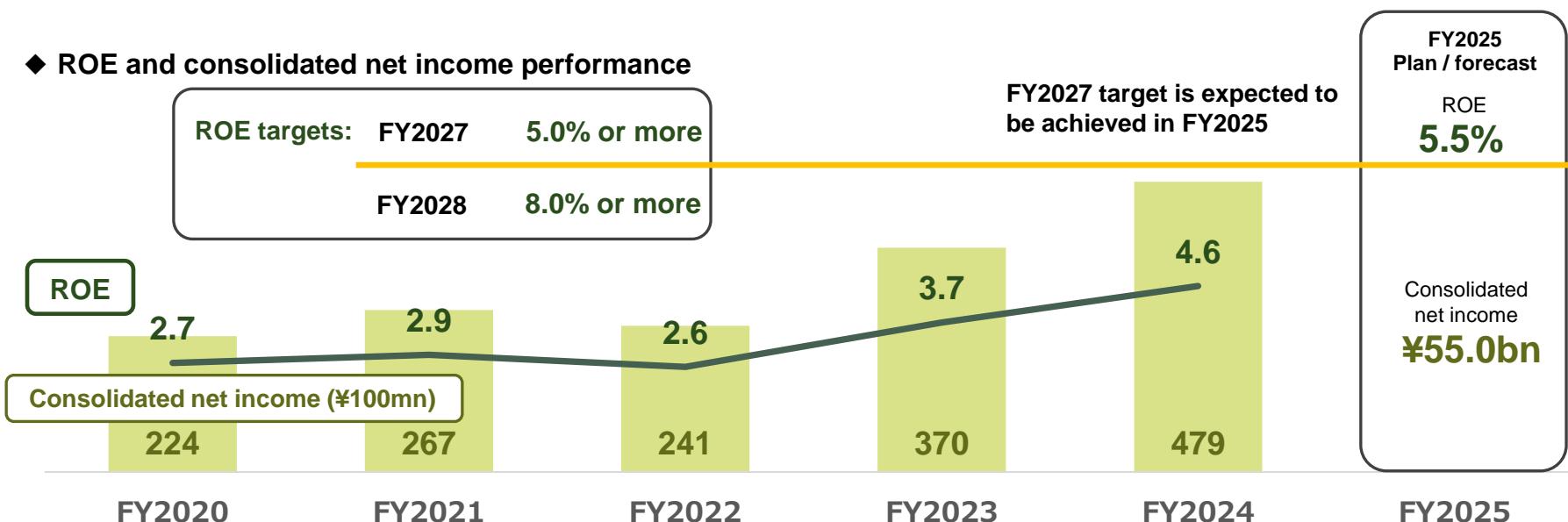
Efforts to Increase PBR and Improve ROE

- Our PBR as of FY2024 is 0.5, which is lower than the average of regional banks with large market capitalization.
- We recognize that **improving ROE is the key to increasing our low PBR**.

◆ PBR and PER performance



◆ ROE and consolidated net income performance



- We are working to improve ROE to increase PBR to over 1 while maintaining a balance between soundness, profitability, and shareholder returns. We are also taking initiatives to expand non-financial information disclosure to increase corporate value.

PBR in FY2024: 0.5

(PBR = ROE × PER)

Aim for over 1

Improve ROE: 4.6% in FY2024

(ROE = net income / shareholders' equity)

Improve RORA

(RORA = net income / risk assets)

◆ Strengthen profitability

1. Strengthening profitability of regional revitalization-focused lending, marketable loans, and our fund business
2. Enhancing investment yields through accurate pricing
3. Stable, low-cost funding backed by a solid customer base
4. Strengthening consulting sales
5. Improving cost efficiency through DX
6. Improving asset quality through support for management reforms and revitalization of borrowers

Optimize financial leverage

(Risk assets / shareholders' equity)

◆ Effective capital utilization

◆ Risk asset control

1. Risk/return-driven capital management
2. Initiatives to reduce strategic shareholdings
3. Gradual reduction of equity risk associated with CET1
4. Enhanced shareholder returns (stable dividends and flexible stock buybacks)

Increase PER: 11.1 in FY2024

(PER = 1 / (capital costs - expected growth rate))

Reduce capital costs

Increase expected growth rate

◆ Expand non-financial capital

◆ Expand disclosure

◆ Resolve material issues

ROE

FY2028 target:
8.0% or more

FY2027 target:
5.0% or more

FY2024 results:
4.6%

↑
Improve RORA
Optimize financial
leverage

PBR over 1

→
Reduce capital costs
Increase expected
growth rate

PER

Partnerships / Alliances

JUUDANKAI



- The JUUDANKAI is composed of seven regional banks (The Hachijuni Bank, the Yamagata Bank, Tsukuba Bank, the Musashino Bank, the Awa Bank, the Miyazaki Bank, and the Bank of the Ryukyus) that agreed to share systems.
- The Hachijuni Bank developed the shared systems based on the functions required and the needs of the participating banks.

◆ Advantages of system sharing

- Expansion and acceleration of system development capabilities
- Reduction of system costs through sharing
- Strategic allocation of human resources

TSUBASA and JUUDANKAI Joint Research Society

In March 2024, we launched the TSUBASA and JUUDANKAI Joint Research Society between the TSUBASA Alliance and the JUUDANKAI in order to pool the knowledge and expertise of both groups in pursuit of efficient system operation and business processes.

System Task Force

Jointly researches next-generation systems and subsystems, digital applications (API utilization, etc.), and anti-money laundering (AML) measures

Business Efficiency Task Force

Jointly researches branch automation measures (automation of staffed branches, consolidation of back offices)

Cybersecurity Task Force

Jointly researches cybersecurity measures and pools expertise on cyber risk management

Announced November 4, 2025: Execution of Memorandum of Understanding for Sharing of Core Systems with The First Bank of Toyama, Ltd.

- Execution date: October 31, 2025
- Summary: Memorandum regarding start of preparation for use of the JUUDANKAI's shared systems and matters concerning software licensing, etc.
- Future plans: Execute formal agreement by October 31, 2026; transition to shared systems in 2030

Partnerships / Alliances

Mt. Fuji-Alps Alliance



富士山・アルプスアライアンス

Mt. Fuji-Alps Alliance

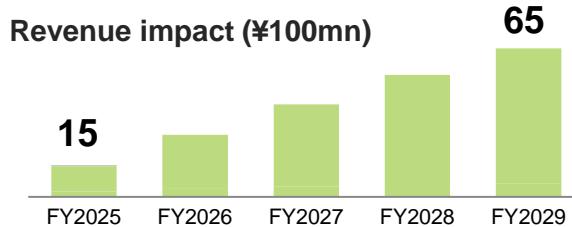
In March 2025, Shizuoka Bank, The Yamanashi Chuo Bank, and The Hachijuni Bank signed a comprehensive business alliance agreement, launching the Mt. Fuji-Alps Alliance.

◆ Key initiatives

1. Increasing the number of people with ties to the region to address population decline and labor shortages
2. Developing new businesses that can attract foreign capital and talent
3. Expanding partnerships in the venture and growth sectors and strengthening M&A and succession planning to contribute to the sustainable development of regional economies

◆ As of September 2025, the alliance has generated a revenue impact of approximately ¥6.5bn on a five-year basis.

◆ Structured finance and corporate finance drove overall performance and are forecast to generate ¥1.5bn in FY2025.



Total amount of joint transactions

Loans: ¥60.2bn
(Joint financing included in the above: ¥7.9bn)

Increasing corporate value

KPI: Cumulative revenue impact of ¥20.0bn for the three banks over five years

Creating social value

KPI: Positive net migration to Shizuoka, Yamanashi, and Nagano Prefectures

Status of initiatives

Support for creating sales channels

3 individual consultations conducted; 15 business referrals provided

Efforts to promote migration

Relocation support loans: 75 loans, ¥2.78bn

(Loans provided by The Hachijuni Bank included in the above: 38 loans, ¥1.8bn)

Efforts to Improve ROE: Strengthening Profitability by Expanding Interest Margins



HACHIJUNI BANK

50

66% loan-to-deposit ratio
(Yen denominated)
The Hachijuni Bank and
The Nagano Bank combined

Loans
¥6.2tn

Deposits
¥9.4tn

September 30, 2025

Loans

Short term: 68% of yen-denominated loans are relatively sensitive to interest rates.
• A 0.25% increase in policy interest rate (and equivalent change in base rate) would result in about ¥10.5bn per year in income.

Medium to long term: A total of 82% of yen-denominated loans will be due for interest rate revision within three years.

- Improved yields are expected upon rate revision due to an increased base rate.

Deposits

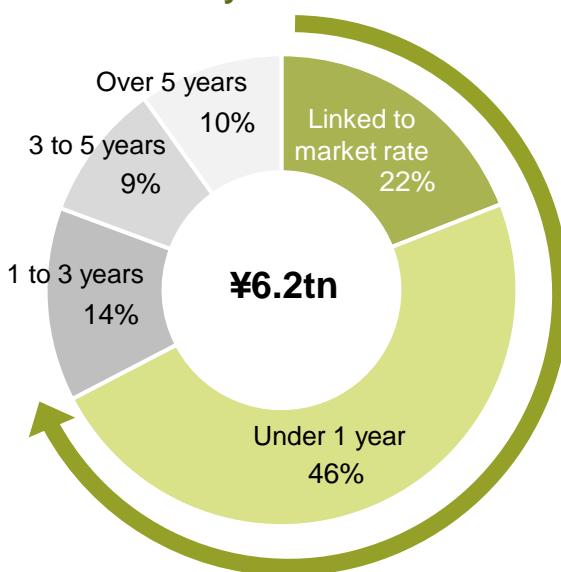
Deposits are granularly diversified across a large number of customers mainly in Nagano Prefecture.

Liquid deposits, which are sensitive to interest rates, account for 70% of yen-denominated deposits.

- An increase in financing costs due to an increase in deposit interest rates will be absorbed by interest received from loans.
- A 0.25% increase in policy interest rate would increase liquid deposits by about ¥6.6bn per year (if 40% of the policy interest rate increase is reflected in deposit interest rates).

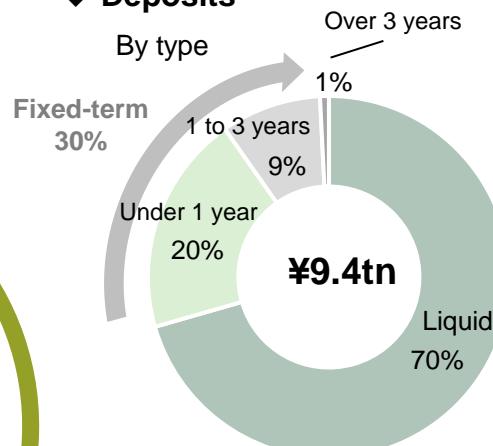
◆ Loans by remaining interest period

Total of market and under 1 year: 68%

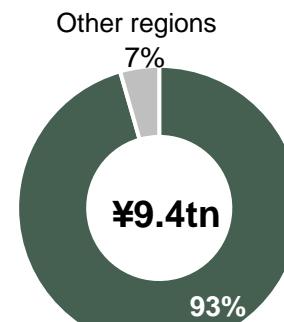


◆ Deposits

By type



By region



(Reference: The Hachijuni Bank)

Salary remittance recipients

March 2023	Sep. 2025
578,000	583,000

Pension recipients (age 60 or older)

March 2023	Sep. 2025
234,000	235,000

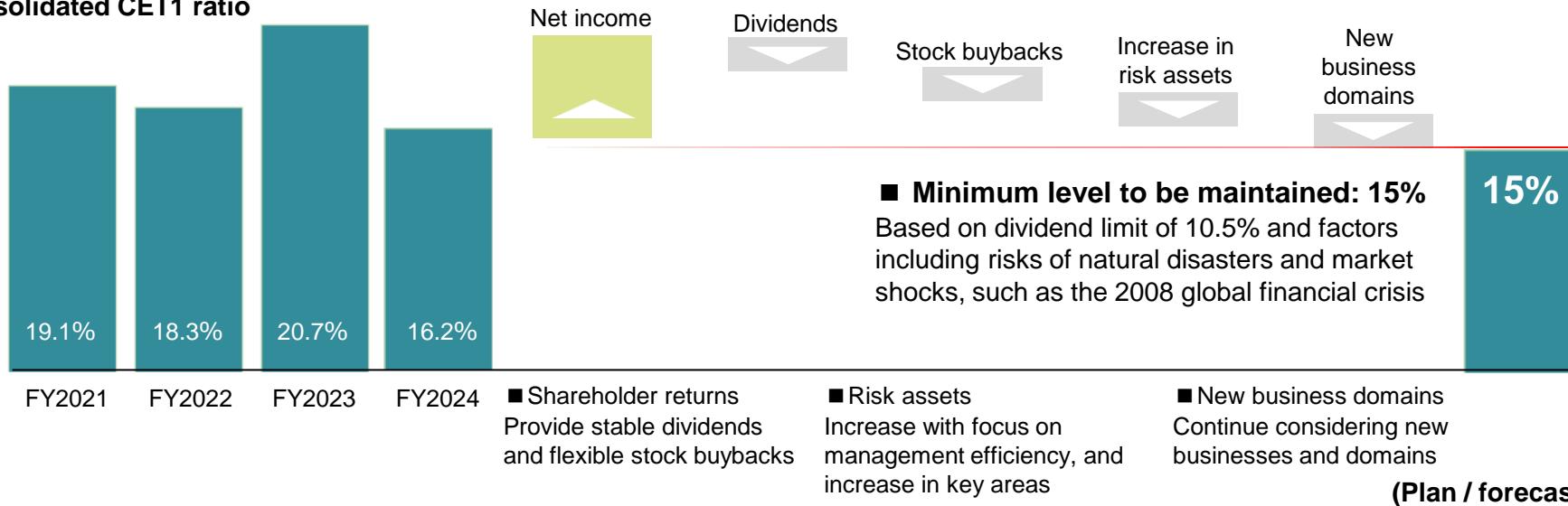
(Reference:
The Hachijuni Bank)

Age	20-29	30-39	40-49	50-59	60-69	70-79	Total 20+
Nagano Pref. population	154,000	178,000	239,000	286,000	250,000	520,000	1,629,000
Salary remittance recipients	75,000	86,000	120,000	144,000	94,000	43,000	562,000
% of population	48.7%	48.3%	50.2%	50.3%	37.6%	8.2%	—
Deposit balance (¥100mn)	1,366	2,782	5,335	9,044	11,892	20,998	51,417
Pension recipients (60+)	—	—	—	—	60,000	174,000	—

◆ Capital allocation: Balance with maintaining soundness

- We will maintain a consolidated CET1 ratio of about 15% through shareholder returns and appropriate increases in risk assets.
- **By systematically achieving gains on sales of shares, we will gradually limit the risk of share price changes in regard to CET1 and aim to achieve more stable deployment of capital.**

■ Consolidated CET1 ratio



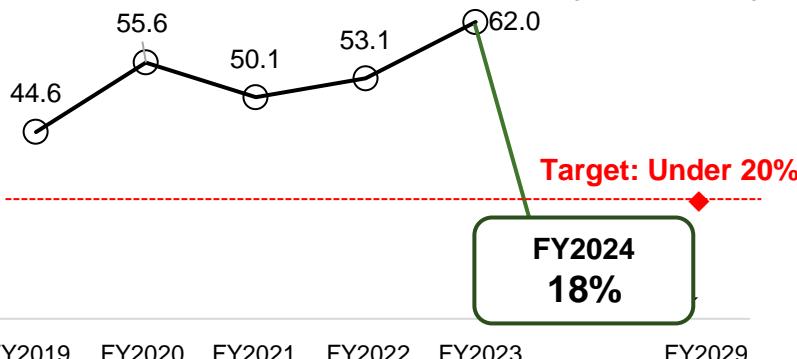
◆ Net income and shareholder returns

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (Plan)
Consolidated net income	¥22.3bn	¥26.6bn	¥24.1bn	¥37.0bn	¥47.9bn	¥55.0bn
Annual dividends per share	¥14.0	¥16.0	¥20.0	¥24.0	¥42.0	¥50.0
Annual dividend amount (A)	¥6.8bn	¥7.8bn	¥9.5bn	¥11.6bn	¥19.5bn	¥22.8bn
Amount of shares repurchased (B)	—	—	¥10.0bn	¥10.0bn	¥20.5bn	¥10.0bn
Shareholder returns (C = A + B)	¥6.8bn	¥7.8bn	¥19.5bn	¥21.6bn	¥40.0bn	¥32.8bn
Consolidated dividend payout ratio	30.6%	29.3%	40.0%	40.9%*	40.8%	41.5%
Consolidated shareholder return ratio	30.6%	29.3%	80.9%	76.3%*	83.5%	59.7%

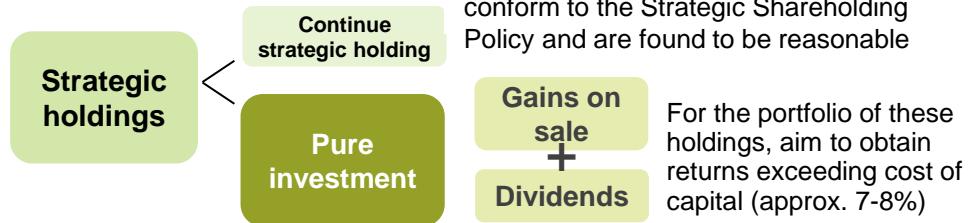
*Calculated excluding the effects of the business merger

◆ Strategic shareholding reduction results (ratio of net assets)

Based on fair value of listed and unlisted shares; including deemed holdings



■ Approach to reductions



Continue holding only in cases that conform to the Strategic Shareholding Policy and are found to be reasonable

For the portfolio of these holdings, aim to obtain returns exceeding cost of capital (approx. 7-8%)

- When reducing strategic shareholdings, in cases where we are able to reach an agreement with the issuer that each party is free to sell the other party's shares it holds at its sole discretion, we will change the purpose of those holdings to pure investment and change the department responsible for managing those holdings to the department responsible solely for investment.
- After changing the purpose of holdings to pure investment, we will aim to obtain **returns (gains on sale and dividends) exceeding cost of capital** for our portfolio of those holdings.

■ Investment guidelines following change of purpose to pure investment

In regard to voting rights for shares held for pure investment purposes, we have established voting standards for the purpose of appropriately exercising voting rights as the asset owner of the shares, and we will exercise voting rights based on the perspective of contributing to increasing the corporate value of the issuers of those shares over the medium to long term.

● Notes on holding and trading

Trading discretion	We will be able to trade shares freely, and trades or the timing thereof will not be restricted by the will of the issuer. We will not change the purpose of holdings to pure investment unless we have reached an agreement with the issuer regarding our ability to sell the shares at our discretion.
Independence of investment department	When making investment decisions, the independence of the investment department will be ensured, and we will develop an organizational structure necessary for making appropriate investment decisions.
Investment discipline and reports to management	We will establish plans and policies that include profit targets and report them to management. We will also regularly evaluate the status of our efforts and the results thereof and report them to management.
Appropriate exercise of voting rights	We will exercise voting rights appropriately to contribute to increasing the corporate value of the issuer from the perspective of pure investment.

● Voting standards for pure investment stocks (excerpt)

Disposal of surplus	Does the disposal of surplus achieve appropriate shareholder returns in light of performance and financial status?
Election of directors	Is it appropriate to elect the director based on performance and governance considerations?
Election of audit and supervisory board members	Is it appropriate to elect the audit and supervisory board member based on compliance and governance considerations?
Director compensation	Is the distribution appropriate based on performance and other considerations?

In addition to the above, we have established voting standards for proposals such as outside director and audit and supervisory board member compensation, articles of incorporation amendments, takeover defense measures, the appointment of accounting auditors, and shareholder proposals.



For our portfolio of stocks changed from strategic shareholdings to pure investment, we will aim to achieve stable realized gains (target returns: 7-8% on portfolio fair value balance) in order to achieve our ROE target and will work to conduct sustainable portfolio management over the medium to long term.

■ Portfolio of stocks changed to pure investment

Portfolio companies as of March 31, 2025 39

Portfolio companies as of September 30, 2025 40

■ Number of portfolio companies whose stocks were sold (including partially sold)

During 1H FY2025 35

◆ Status of exercise of voting rights

(For stocks changed to pure investment)
April to September 2025

Voted in favor of all management proposals

Voted against all shareholder proposals

Income	
	1H FY2025
Dividends	¥5.58bn
Gains on sale	¥7.52bn
Total (A)	¥13.11bn
Balance	
	1H FY2025
1H FY2025: Starting fair value balance (B)	¥398.43bn
1H FY2025: Ending fair value balance	¥450.95bn
Yield	
	1H FY2025
1H FY2025: Yield on starting fair value balance (A / B) (annual rate)	6.57%

Target returns

Approx. 7-8%
Aim to exceed cost of capital

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