

Hachijuni Group

First Medium-term Management Plan

Fiscal Years 2026–2028

A Leap Toward a Comprehensive Consulting Firm

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Positioning of the Medium-term Management Plan / The Vision of a Comprehensive Consulting Firm

Comprehensive Consulting KPIs / Strategic Investments / Five Strategic Themes

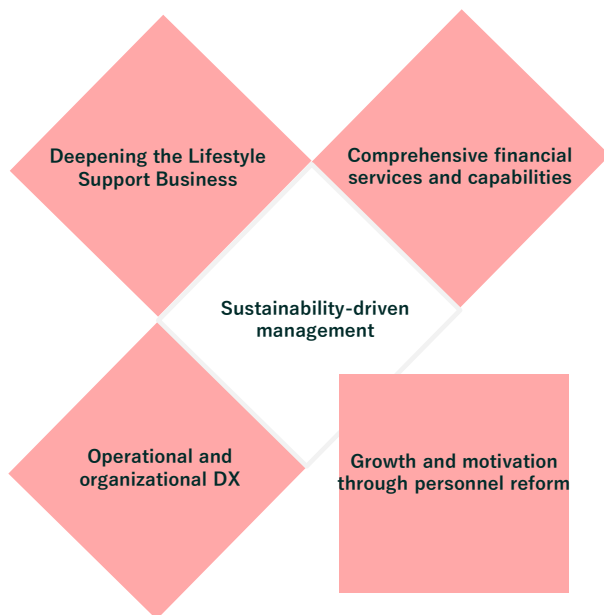
Theme 1 (Corporate Business) (Retail Business) (Urban Development and Market Operations)

Theme 2 / Theme 3 / Theme 4 / Theme 5

Management Targets / Fiscal Plan / Shareholder Return Policy / Capital Allocation

Human Resource Allocation Linked to the Management Plan

Medium-term Management Vision 2021 Supporting our customers and communities through finance, nonfinance, and relationships



Sustainability-driven management

- Raise Environmental Targets Including Enhanced Regional Decarbonization Measures
- Establish Largest Regional Banking Fund for Enhanced Sustainable Finance Goals
- Selected for 'CDP A-List' in Climate Change for 3 Successive Years

Deepening the Lifestyle Support Business

- Expand Trust Services Aiding Succession and Inheritance
- Launch End-of-Life Support Services for the Elderly
- Adopt Wallet+ (asset management app)

Operational and organizational DX

- Smart Device Implementation for Entire Workforce
- AI and Data Warehouse Utilization
- Awarded 'FDUA Data Utilization Award 2025'

Comprehensive financial services and capabilities

- Strengthen Consultancy in sectors such as IT and Tourism
- Enhance capabilities by establishing new group entities (investment management/advisory, investment-specialized entity, regional trading operations, and electric power business).
- Strengthen efforts for Structured Finance

Growth and motivation through personnel reform

- Rework Career Tracks for Flexibility
- Expand Training Program for Specialized Professional Talent
- Enhance Female Leadership Talent Development Initiatives
- Achieved Certification: 'Platinum Kurumin Plus'

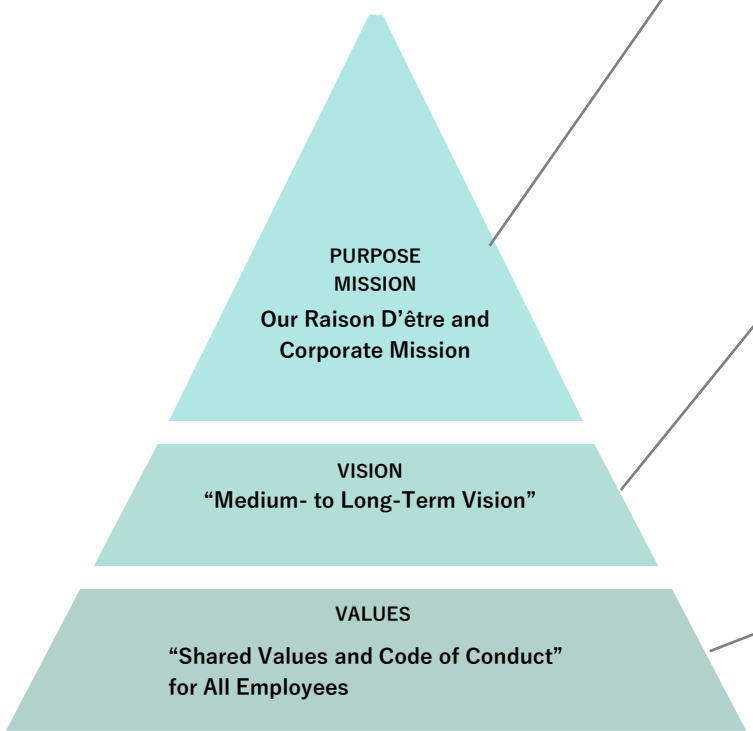
Medium-term management targets

		FY2025 Expected Outcome
Annual dividend target	Annual dividend per share of ¥20 or more for each fiscal year from 2023 through 2025	Annual Dividend Per Share of ¥50
Greenhouse Gas Emissions (Scope 1 and 2)	Hachijuni Group (1) Fiscal 2025: Net Zero (2) Fiscal 2030: 80% reduction compared to fiscal 2019	(1) Hachijuni Group: Net Zero (2) 76% Reduction Compared with fiscal 2019
Encourages borrowers to track greenhouse gas emissions (Scope 3, Category 15)	Fiscal 2025: 450 companies for which the Bank has emissions data * Calculated based on the emissions of 450 companies, equivalent to 40% of Scope 3, Category 15 (at end-March 2024)	450 companies for which the Bank has emissions data
Creation of renewable energy	Fiscal 2024 through fiscal 2030 (1) Sustainable finance for commercial renewable energy generation facilities Cumulative amount executed: ¥90 billion (2) ZEH-level and solar-equipped mortgages and renovation loans : 10,000 loans (cumulative)	(1) Cumulative Execution Result: ¥50 billion (2) Cumulative result: 3,000 transactions

Management Philosophy

To contribute to regional development by committing to sound banking principles

As a leading company in the region, the Hachijuni Group addresses local challenges head-on and serves as a bridge between the local community and the world to achieve the region’s sustainable growth. Furthermore, by securing profitability underpinned by appropriate risk management, and maintaining and developing a firm financial foundation, the Group contributes well-being and prosperity of the regional community, customers, shareholders, and employees.



Long-term Vision 2035

“Building a Prosperous Future Together with the Region”

Values and Code of Conduct

<p><u>Optimal talent profile</u></p> <ul style="list-style-type: none"> “Establishing Strengths” “Spirit of Initiative” “Thinking and Acting Independently” 	<p><u>Compliance Declaration</u></p> <ul style="list-style-type: none"> “Management and Operations Worthy of Trust” “Conduct as Responsible Corporate Citizen”
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Considering the risks and opportunities in response to environmental changes, we have reexamined the key issues (materiality) that the entire Hachijuni Group should address to balance social sustainability with the enhancement of corporate value.

Group Materiality

Value Creation through digitalization and use of AI

Development of regional industries and businesses, and creation of communities with vitality

Realization of enriched lifestyles

Practice human capital management

Climate change countermeasures and environmental preservation

Strengthening cyber security

Fair and Transparent Management



Long-term Vision

Represents the desired state in 10 years achieved through progress in addressing the selected materiality issues.

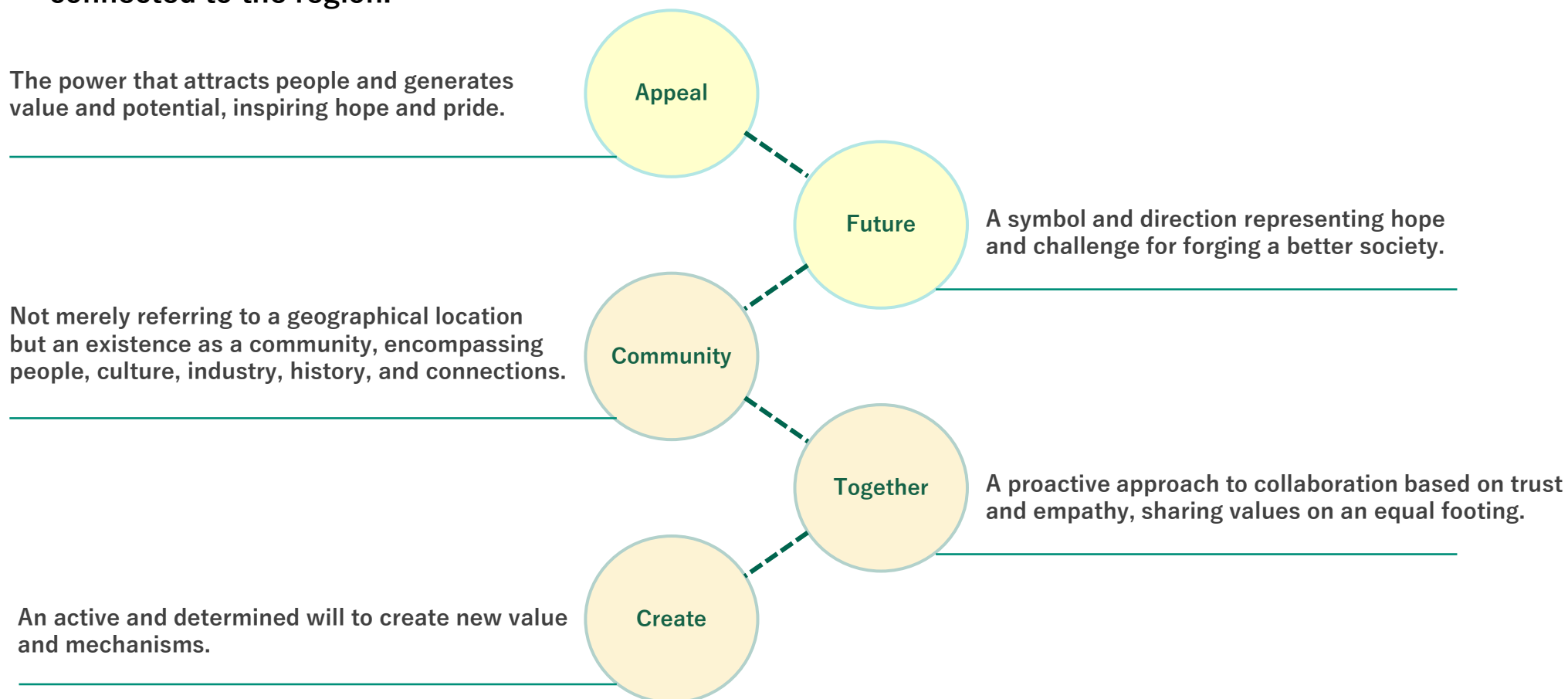


Medium-term Management Plan

Defines five strategic themes, and through initiatives for each theme, it steadily progresses toward realizing the long-term vision.

Long-term Vision 2035: “Building a Prosperous Future Together with the Region”

The Bank formulated the Long-term Vision 2035 with a view to the region’s future over the next decade, driven by our commitment to creating hope together with the companies and people connected to the region.



The 10-year period toward realizing the long-term vision was divided into three phases, with the first three years formulated as the First Medium-term Management Plan of Hachijuni Group.

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

Third Medium-term Management Plan FY 2032–FY 2035

Aiming to become a group with a strong, outward-looking presence that expands business fields beyond finance and comprehensively supports local infrastructure—including the environment, industry, and daily life—while jointly creating the region's future.

Second Medium-term Management Plan FY 2029–FY 2031

Expanding the Group's scope of activities further, contributing to regional economic growth by supporting corporate growth—including overseas expansion—and enhancing the lifestyles of individual customers.

First Medium-term Management Plan FY 2026–FY 2028

A Leap Toward a Comprehensive Consulting Firm

Evolving into a comprehensive consulting firm and offering high-quality services to customers.

- Supporting the success of local companies and the realization of enhanced living through high value-added consulting proposals.
- Accelerating sustained employee development and organizational evolution through the utilization of DX and AI.
- Expanding business domains through strategic investments and establishing anbuilding extensive and advanced group capabilities.

The Community's Expectations and Our Vision

As local challenges grow increasingly complex, Hachijuni Group is expected to offer a range of solutions that go beyond financial boundaries.

By increasing our activities and interactions with customers further, we aim to deeply understand their aspirations and circumstances, bring together our expertise to help realize their aspirations and solve challenges, and accompany them through to completion. By steadily building upon these sincere efforts, we can meet the expectations of the community and build unwavering trust.

‘Fully committing ourselves to serving the community head-on’—that is the vision we pursue as a comprehensive consulting group.

Deep Understanding of Our Customers

Through engagements and dialogue with Hachijuni Group, we gain a deep understanding of our customers' dreams and challenges.

Proposing Solutions

We design and propose methods and measures aimed at realizing dreams or overcoming challenges.

Accompanying Support

We stand by customers in execution, working together and providing comprehensive support.

No. of Consulting Engagements Cumulative Three Year Total: 300,000 consultations

	Item	Support Target Cases	(FY2025 estimate)
Corporate	Consulting support to drive business growth. Business succession, M&A and IT, sustainability and overseas, etc.	10,000 cases	2,600 cases
	Consulting support to enhance productivity Streamlining digital channels and accounting, etc.	20,000 cases	5,700 cases
Retail	Consulting support to grow and protect assets Asset formation/protection, financial education, etc.	100,000 cases	29,000 cases
	Consulting support for asset management Inheritance and trust services, life support services, etc.	10,000 cases	3,000 cases
	Consulting support to build digital connections Digital channels, etc.	160,000 cases	38,000 cases Personal apps only

M&A strategic investments

Investment framework

¥150 billion

Purpose

Broadening our consulting capabilities to enhance corporate value

A strategic investment framework aimed at complementing the group's lacking functions and achieving growth. We will make timely and flexible investments nationally and internationally to secure appropriate returns.

System investments

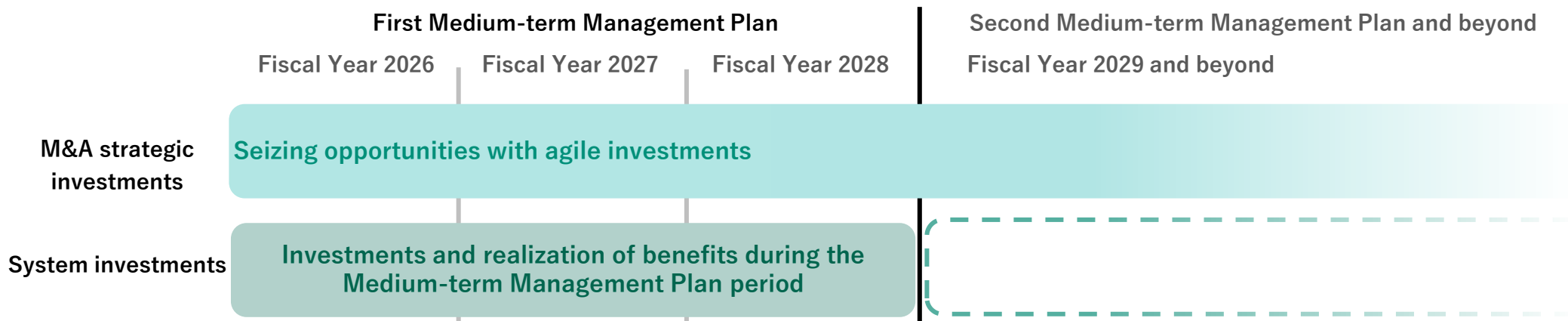
Three-year cumulative total

¥20 billion

Purpose

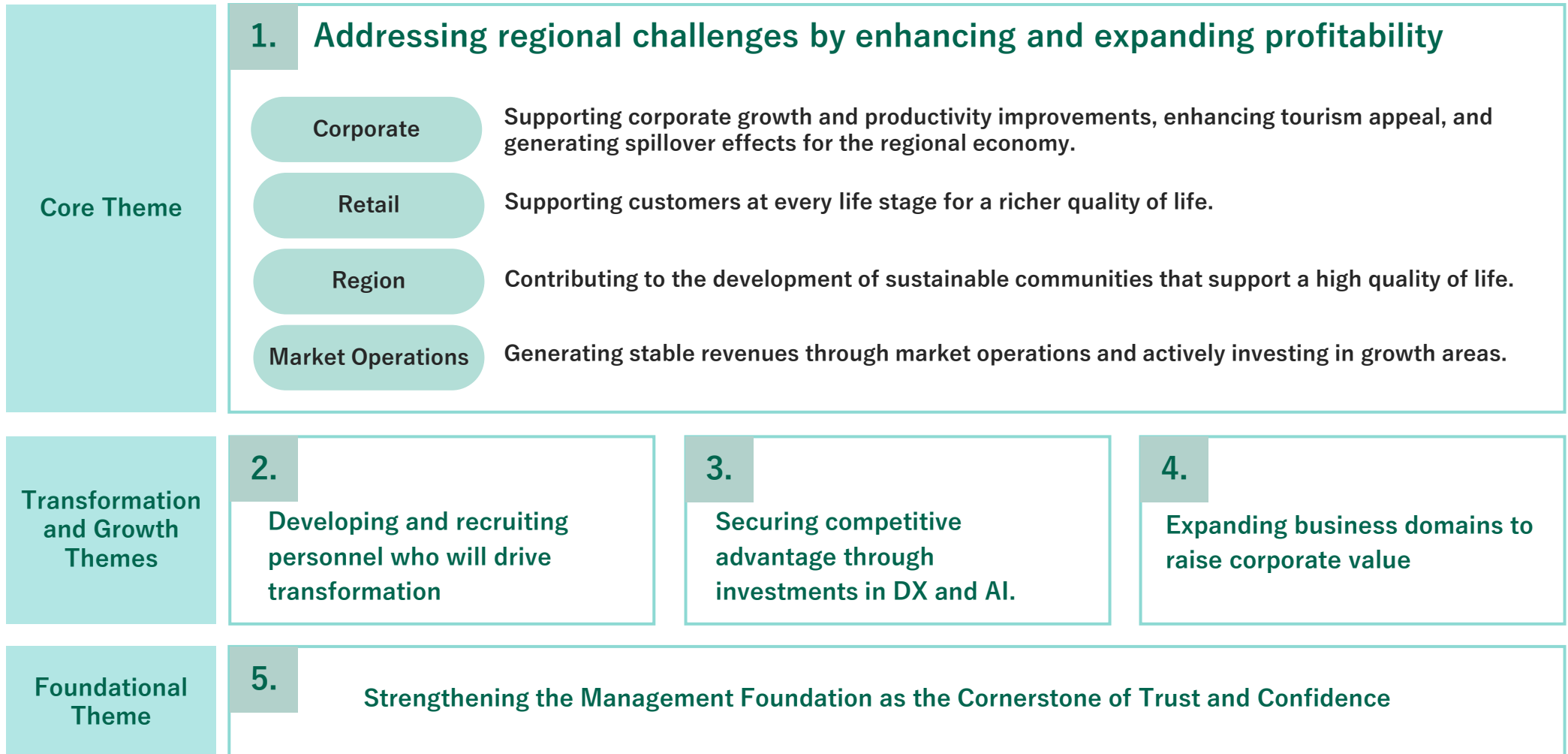
Enhancing consulting quality

We will streamline business processes by investing in AI and data infrastructure, new sales support systems, and paperless in-store operations. We build an operational framework that reinforces our consulting capabilities to achieve a competitive advantage.



Strategic Concept: A Leap Toward a Comprehensive Consulting Firm

Building upon a solid management foundation, we will establish a comprehensive consulting support system through investments in human capital and DX, as well as expanding business areas, to address regional challenges.



Theme 1: Addressing regional challenges by enhancing and expanding profitability (Corporate Business)

The Hachijuni Group is expected by the community to provide strong financial support to local companies and to help underpin their management, with lending serving as the cornerstone. Through lending and close dialogue with clients, we gain a deep understanding of the aspirations of business owners and provide solutions that go beyond conventional financial services to support corporate growth, development, and restructuring. These comprehensive efforts strengthen the resilience of local enterprises and help revitalize the regional economy.

In the execution of our Plan, we will concentrate on increasing the number of companies that serve as regional pillars and enhancing productivity of small and medium-sized enterprises. Furthermore, by revitalizing the region's high-potential tourism industry and linking external solution capabilities to local companies, we will deliver more in-depth consulting support.

Item	Medium-term Measures
Enhancing the resilience of local companies — Growth into regional core enterprises <small>* Support for Future Co-creation Companies</small>	<ul style="list-style-type: none"> • Support for the formulation of management and business plans, and assistance with M&A and business succession • Support for overseas expansion, diversification, and the expansion of trade transactions
Enhancing the resilience of local companies — Improvement in productivity — Strengthening the management foundation	<ul style="list-style-type: none"> • Support for introducing and utilizing digital channels • Support for streamlining indirect operations and recruiting/retaining talent • Support for cybersecurity measures and risk management
Support for the development of world-class resort areas	<ul style="list-style-type: none"> • Support for development of areas utilizing their natural assets • Support for capital investment through funding, etc.
‘Connecting’ Project	<ul style="list-style-type: none"> • Expansion of networks introducing companies from outside the prefecture and overseas to local businesses • Leveraging external solutions from outside the prefecture and overseas

Theme 1: Addressing regional challenges by enhancing and expanding profitability (Retail Business)

Each customer's outlook on life and values varies greatly. For this reason, sustained dialogue is essential to gaining a deep understanding of our customers. This serves as the foundation for delivering high-quality proposals and is the first step toward building long-term trust. Based on the trust we cultivate, we provide proposals that meet customers' needs and support their decision-making in areas such as asset formation for important life events and addressing a wide range of issues faced by senior citizens. Furthermore, in today's digital society—where financial services are integrated into daily life and expectations for convenience continue to rise—we will enhance digital channel functionalities and promote their broader use among our customers.

Item	Medium-Term Measures
Increase in Customers' Financial Assets	<ul style="list-style-type: none"> • Enhanced convenience through Hachijuni Securities' 'Bank-Securities One-Stop Support Model (*)' • Improved proposal capabilities of sales personnel through the introduction of a new development program • Support for improving financial literacy in workplaces and educational settings
Support for secure and safe living among the senior population	<ul style="list-style-type: none"> • Expansion of life support services • Enhancement of the inheritance services framework and expansion of the trust product lineup
Improving the convenience of financial services	<ul style="list-style-type: none"> • Expansion of digital channel functionalities • Implementation of a loyalty program

(*) A model in which banking and securities are integrated to provide one-stop, accompanying support from asset formation to asset management and succession.

Sustainable Urban Development

We aim to realize a sustainable community that can be passed on to the next generation by accelerating initiatives that create vibrant communities and promote decarbonization. In collaboration with local stakeholders and related organizations (Nagano Economic Research Institute, the Hachijuni Culture Foundation, Hachijuni Mirai Foundation), we envision the future of the region, encourage relocation, and develop attractive urban environments. At the same time, we address regional challenges such as enhancing child-rearing support and social welfare, thereby contributing to building a society where everyone can thrive. Furthermore, we offer a range of solutions to support companies' decarbonization efforts, striving to balance the preservation of the region's rich natural environment with economic growth.

Item	Medium-term Measures
<p>Contribution to Creating Attractive Communities</p>	<ul style="list-style-type: none"> • Establishing a Relocation Support Platform • Strengthening Support for Child-Rearing and Enhancing Social Welfare Environments • Issuing Digital Local Currency
<p>Realizing a Green Community</p>	<ul style="list-style-type: none"> • Development of Decarbonization Consulting Services • Enhancing the Promotion of Sustainable Finance

Market Operations

By strengthening structured finance and enhancing securities management in collaboration with Hachijuni Asset Management, we will achieve diversification and stabilization of our revenue base.

Item	Medium-term Measures
<p>Strengthening Structured Finance</p>	<ul style="list-style-type: none"> • Expansion of Specialized Departments and Talent Development • Expansion of Credit Balances Accompanied by Diversification of Products (e.g., Ship Finance) • Strengthening the Financial Arrangement Function to Address Regional Challenges

The sustainable growth of the Hachijuni Group is grounded in a corporate culture where employees are highly skilled and committed to their self-driven development.

By fostering an environment in which their new endeavors are evaluated fairly and their diverse strengths operate synergistically, we create a virtuous cycle in which individual growth contributes directly to the dynamism of the organization.

To achieve the Long-term Vision 2035, the Group needs talent who can spearhead transformation beyond conventional boundaries. To this end, we will reform our human resources system to place greater value on employees' initiatives and on their achievements, and to reward their contributions, thereby fostering a workplace environment that enables every employee to perform at their full potential with high engagement. In addition, we will promote continuous self-development, such as professional qualification attainment, and deepen diversity management by enabling employees with diverse insights and experiences to learn from and strengthen one another.

Item	Medium-term initiatives
<p>Developing and recruiting personnel who will drive transformation</p>	<ul style="list-style-type: none"> • Optimal allocation of transformative, management, and specialist talent • Strengthening development through increased diverse experiential opportunities such as external learning
<p>Realizing diversity, equity, and inclusion</p>	<ul style="list-style-type: none"> • Creating a workplace where diverse employees can thrive • Promoting respect for workforce diversity and well-being
<p>Reforming the personnel system and operations</p>	<ul style="list-style-type: none"> • Revising the personnel system • Operating in a manner that rewards a willingness to drive transformation

By fostering an organizational culture in which all employees can effectively leverage AI, we will significantly enhance productivity and creativity and strengthen the competitiveness of the Hachijuni Group. Through streamlining operations, we will create an environment that enables our employees to focus on higher value-added tasks and deepen our engagement, proposals, and collaborative support with customers more than ever before.

We will build an 'AI and data platform' to enable more sophisticated use of AI in order to provide high-quality support to our customers. Furthermore, by transitioning to the 'Bank-Securities One-Stop Support Model' and introducing a new sales support system, we will modernize our sales approach and transition toward paperless in-branch operations, ultimately enhancing customer convenience and reducing administrative burdens.

Item	Midterm Measures
<p>Expansion of the Infrastructure for AI Use</p>	<ul style="list-style-type: none"> • Construction of an 'AI and data platform' • Establishment of Data Management and AI Governance • Full-scale AI Agent Development and Implementation • Development of Human Resources for AI Use
<p>Transition to the 'Bank-Securities One-Stop Support Model'</p>	<ul style="list-style-type: none"> • Streamlining the sales structure by consolidating sales windows • Leveraging aggregated customer data • Integration of Bank-Securities systems and account consolidation
<p>Sales reforms to enhance quality and speed</p>	<ul style="list-style-type: none"> • Introduction of a new sales support system • Integration of the new Bank-Securities system with the 'AI and Data Infrastructure'
<p>Productivity improvement through business process reengineering</p>	<ul style="list-style-type: none"> • Transition to paperless in-branch operations • Expansion of ATM and online electronic banking functions

While optimizing overall group management, we will realign our business areas and strengthen our system and capabilities to provide optimal solutions that go beyond the confines of finance. Through supporting our customers' core businesses, we will generate new revenue opportunities for the Group and drive corporate value.

Moving beyond traditional fields like business succession and M&A, we will support customers' growth and help achieve their goals in areas such as overseas business expansion and human resources by providing one-stop solutions that leverage group-wide information and strategic alliances.

Item	Medium-term initiatives
<p>Enhancement of existing businesses</p>	<ul style="list-style-type: none"> • Provision of payment functionality (Hachijuni Card) • M&A and succession support (Hachijuni Capital, Hachijuni Investment) • Digital technology and AI implementation support • Optimal funding through expanded guarantee coverage for personal loans (Hachijuni Credit Guarantee)
<p>Expansion of business areas</p>	<ul style="list-style-type: none"> • Expansion of the network through partnerships with overseas institutions and the establishment of bases • Provision of comprehensive human resource services from recruitment to retention (Hachijuni Staff Service) • Expansion into adjacent fields related to leasing (Hachijuni Lease, Hachijuni Auto Lease) • Outsourcing of receivables management and collection services in the retail sector (Yamabiko Services) • Promotion of electricity retailing and hydroelectric power generation (Hachijuni Link Nagano)
<p>New business ventures</p>	<ul style="list-style-type: none"> • Branding and marketing support (Hachijuni Link Nagano) • System development and enhanced collaboration with other financial institutions (JUUDANKAI and others) • Outsourcing of back-office operations and efficiency support for local companies • Support for relocators through platform provision (Mt. Fuji-Alps Alliance) • Proposals for real estate utilization and support for fundraising in urban development

Theme 5: Strengthening the Management Foundation as the Cornerstone of Trust and Confidence

We will further bolster stakeholder trust by thoroughly preparing for ever-more diverse and complex risks while proactively working toward the realization of a sustainable society. By advancing the decarbonization of the Hachijuni Group and fostering a nature-positive region, we will balance social sustainability with enhanced corporate value.

To ensure business continuity, we will build a robust security framework capable of countering digital-age threats, especially evolving cyber risks. Moreover, we will collaborate with customers and local communities to mitigate climate change and conserve biodiversity, ensuring we pass on a thriving natural environment to future generations.

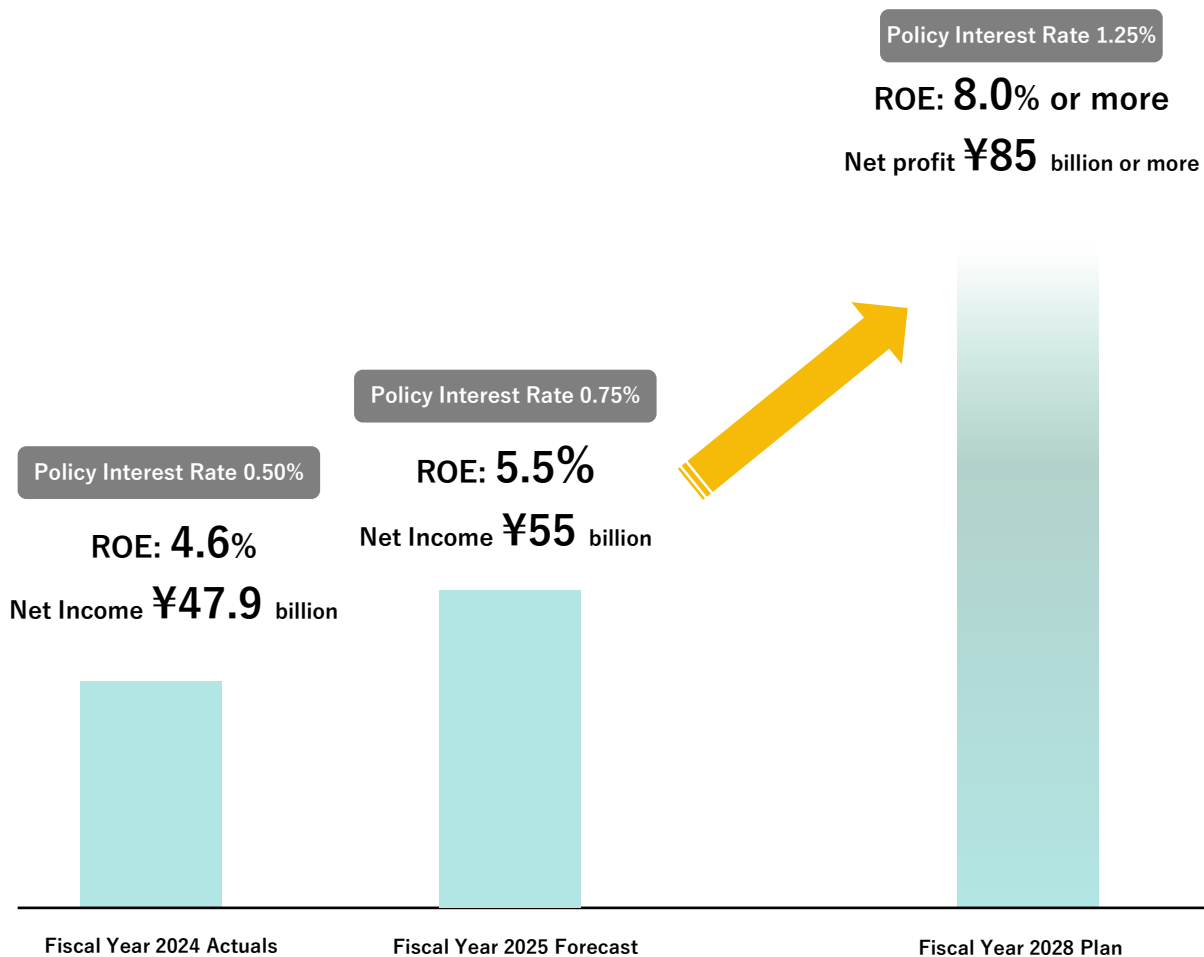
Item	Medium-term measures
Enhancement of risk management	<ul style="list-style-type: none"> • Implementation of a comprehensive growth strategy through strengthened business planning and integrated risk management • Enhancement of risk management systems
Strengthening of cybersecurity	<ul style="list-style-type: none"> • Strengthening cybersecurity systems • Reinforcement and expansion of system infrastructure
Response to climate change	<ul style="list-style-type: none"> • Reduction of greenhouse gas emissions (Scope 1, 2) • Support for the decarbonization of the supply chain (Scope 3)
Response to biodiversity	<ul style="list-style-type: none"> • Evaluation of ‘dependence and impact’ on natural capital in business activities • Support for customer initiatives in biodiversity conservation and nature-positive efforts • Expansion of efforts for waste reduction and resource circulation toward creating a circular society

	Item	Fiscal 2028 target	Fiscal 2025 forecast
Financial Targets	Consolidated ROE	At least 8.0%	5.5%
Environmental Targets	Greenhouse gases (CO2) emissions (Scope 1 and 2)	80% reduction compared to FY2019 (Achieved ahead of schedule)	76.0% reduction compared with fiscal 2019
	Sustainable Finance Execution (value)	Accumulated total of ¥1.5 trillion since FY2021 (of which ¥1 trillion slated for environmental activities)	¥1,250 billion (¥617 billion)
Social Targets	Social population growth in region (Nagano Prefecture)	Continued social population growth	4-year consecutive "social increase"

We will enhance profitability by strengthening unified customer support and capturing rising interest rates, ultimately achieving an ROE that exceeds the cost of equity.

Medium-term Management Vision 2021

First Medium-term Management Plan

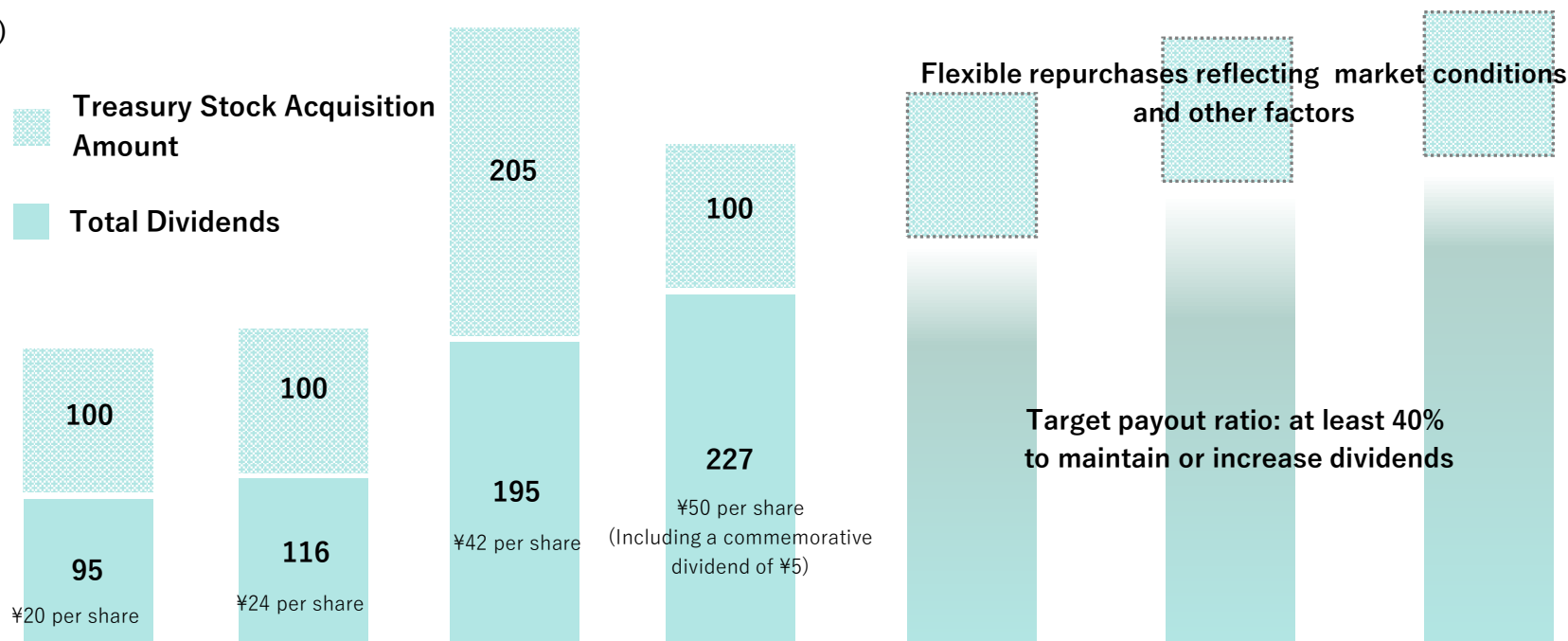


Key B/S Items	FY2028	FY2025 Forecast Ratio
Average deposit and NCD balance	¥10,000 billion	+¥280 billion
Average Loan Balance	¥7,100 billion	+¥450 billion

Key P/L Items	FY2028	FY2025 Forecast Ratio
Net Interest Income	¥130 billion	+¥20 billion
Services-Related profit	¥21 billion	+¥4 billion
Total Net Income of Affiliates	¥4 billion	+¥2.5 billion
Depreciation Expense	¥6 billion	+2 billion yen

We aim to maintain or increase dividends, with a target consolidated dividend payout ratio of at least 40%.
 We will also acquire treasury stock in a flexible manner, taking into consideration market conditions and other factors.

(¥100 million)



	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Forecast for Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Payout Ratio	40.0%	31.4%	41.4%	41.4%	At least 40%		
Total Payout Ratio	80%	58%	83%	59%			

Management Targets

Consolidated ROE 8.0% or more

Corporate and Retail Business / Loans

Services-related Income +¥4 billion

Loans (average balance) +¥270 billion

No. of Consulting Engagements

Cumulative Three Year Total **300,000** cases

Headquarters Solutions Sales +120 People

Trust, Medical, IT Consulting, Corporate Restructuring, Corporate Research, among others

Growth Region Sales +10 People

Local Tourism Regions, among others

Market Sector +50 People

Corporate Finance, Structured Finance, Credit Review, Net Investments, among others

Strategic Planning +70 People

Group Strategy, DX Strategy, Corporate Strategy, Personal Strategy, among others

Market Investment Business / Securities

Structured Finance
(average balance)

+¥180 billion

Securities

(additional investments)

+¥300 billion

(Compared with
Fiscal Year 2025)

KPI

Human Resource Allocation
Linked to the Management
Plan

+250 People



Hachijuni Nagano Bank