



FY2021 Interim Financial Highlights & FY2021 Prospects

FIDEA HOLDINGS CO. LTD.

December 2021

This document contains forward-looking statements in regard to forecasts, targets and plans of FIDEA Holdings Co. Ltd. ("FIDEA") and its group companies (collectively, "the group"). These forward-looking statements are based on information currently available to the group and are stated here on the basis of the outlook at the time that this document was produced. In addition, in producing these statements certain assumptions (premises) have been utilized. These statements and assumptions (premises) are subjective and may prove to be incorrect and may not be realized in the future. Underlying such circumstances are a large number of risks and uncertainties. Please see other disclosure and public filings made or will be made by FIDEA and the other companies comprising the group, including the latest kessan-tanshin, financial reports, Japanese securities reports and annual reports, for additional information regarding such risks and uncertainties. The group has no obligation or intent to update any forward-looking statements contained in this document.

In addition, information on companies and other entities outside the group that is recorded in this document has been obtained from publicly available information and other sources. The accuracy and appropriateness of that information has not been verified by the group and cannot be guaranteed.

The financial information used in this document was prepared in accordance with accounting standards generally accepted in Japan, or Japanese GAAP.

Definitions of figures used in this document

Consolidated: FIDEA Holdings (consolidated)

2 Banks: Shonai Bank (non-consolidated) + Hokuto Bank (non-consolidated)

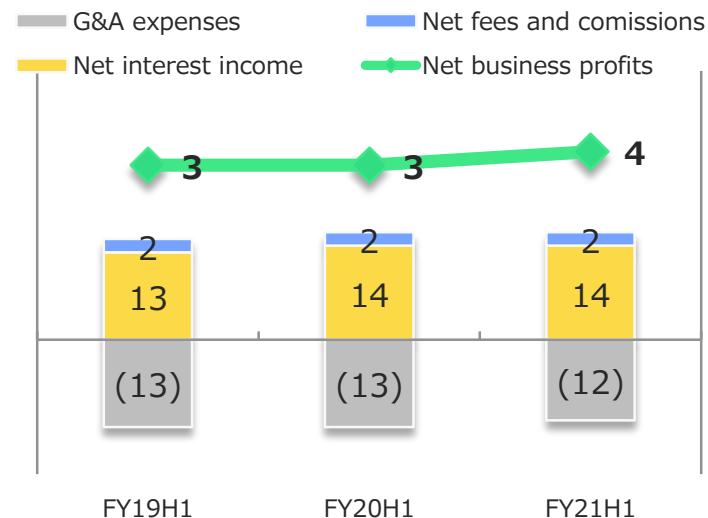
FY2021 H1 Financials Summary

(JPY in billions)	FY20H1 (results) ①	FY21H1		y-o-y ③-①	Results vs. projected ③-②
		(projected) ②	(results) ③		
Ordinary revenue	23.7	-	24.9	1.2	-
Gross profits	16.7	15.9	17.2	0.5	1.3
Core Gross profits	17.0	16.5	17.7	0.7	1.2
Net interest income	14.5	13.9	14.8	0.3	0.9
Net fees and commissions	2.2	2.4	2.6	0.4	0.2
Net gains(losses) on debt securities	(0.3)	(0.6)	(0.4)	(0.1)	0.2
G&A expenses (excl. extraordinary expenses)	13.4	13.1	12.9	(0.5)	(0.2)
Personnel costs	7.0	6.7	6.6	(0.4)	(0.1)
Non-personnel costs	5.3	5.4	5.2	(0.1)	(0.2)
Net business profits	3.2	2.8	4.2	1.0	1.4
Total credit costs	0.2	1.0	1.3	1.1	0.3
Net gains (losses) on equity securities	0.5	0.6	1.4	0.9	0.8
Ordinary profits	3.2	2.6	4.5	1.3	1.9
Net extraordinary gains (losses)	(0.8)	(0.1)	(0.5)	0.3	(0.4)
Total of income taxes-current and income taxes-deferred	1.0	0.8	1.7	0.7	0.9
Net income	1.4	1.7	2.2	0.8	0.5
Core OHR	78.81%	-	73.12%	(5.69p)	

Financial Results Review

Due to the decrease in expenses and the increase in net gains on equity securities, ordinary profit increased by ¥1.3bn (37.7%) to ¥4.5bn year on year. Interim net income (Interim profit attributable to owners of parent) increased by ¥0.8bn (57.8%) to ¥2.2bn year on year.

<Net business profits>



FY2021 Financials Prospects

(JPY in billions)	FY20 (results) ①	FY21 H1 (results)	FY21 (projected) ②	Change ② - ①
Ordinary revenue	53.1	24.9	—	—
Gross profit	33.3	17.2	33.8	0.5
Core Gross profit	37.8	17.7	34.0	(3.8)
Net interest income	32.0	14.8	28.2	(3.8)
Net fees and commissions	4.7	2.6	4.9	0.2
Net gains (losses) on sales of bonds	(4.5)	(0.4)	(0.2)	4.3
G&A expenses (excl. extraordinary expenses)	26.7	12.9	26.1	(0.6)
Personnel costs	13.8	6.6	13.2	(0.6)
Non-personnel costs	10.8	5.2	10.8	0.0
Total credit costs	2.0	1.3	3.2	1.2
Net gains (losses) on equity securities	3.2	1.4	2.2	(1.0)
Ordinary profit	6.8	4.5	7.0	0.2
Net extraordinary gains (losses)	(1.5)	(0.5)	(0.7)	0.8
Income taxes	1.9	1.7	2.5	0.6
Net income	3.3	2.2	3.7	0.4
Core OHR	70.70%	73.12%	above 76%	

Projections Summary

We revised upward our consolidated financial results forecasts announced on May 14, 2021 for the fiscal year 2021: ordinary profit from ¥5.2bn to ¥7.0bn and net income from ¥3.4bn to ¥3.7bn.

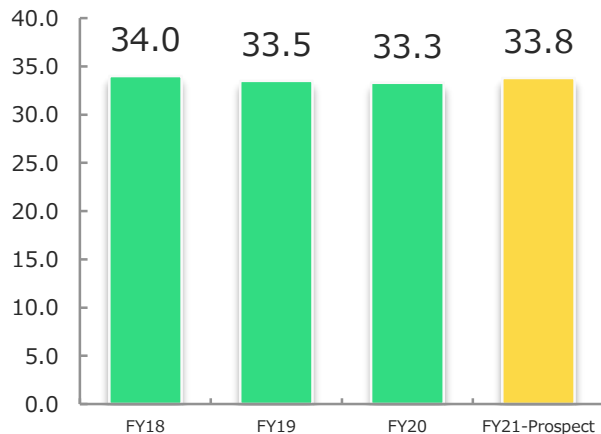
We have revised the annual dividend forecast from ¥60yen per share to ¥75yen.

(We adopted the share consolidation of the shares of common stock on the basis of one post-consolidation share per ten pre-consolidation shares effective as of October 1, 2021. The impact from the share consolidation is reflected in the estimate of cash dividends per share of common stock.)

Key Financials

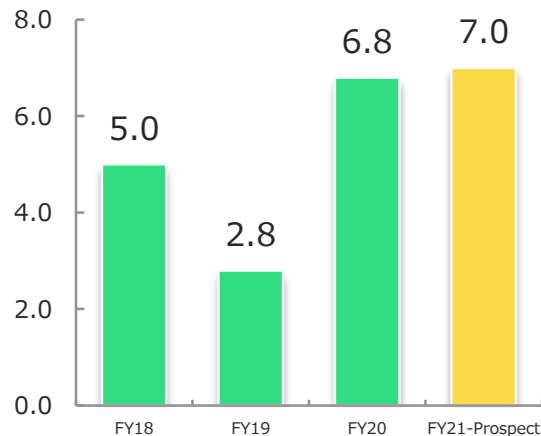
Core Gross Profits

(JPY in billions)



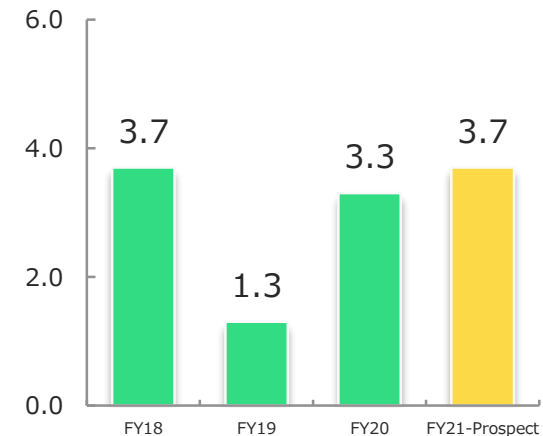
Ordinary Profits

(JPY in billions)



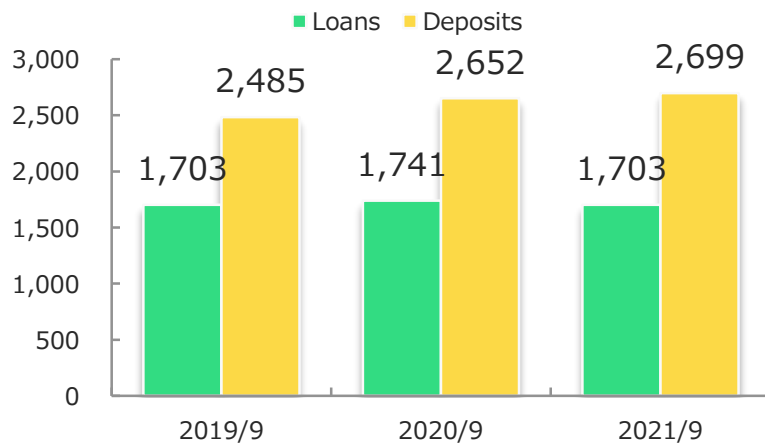
Net Income

(JPY in billions)



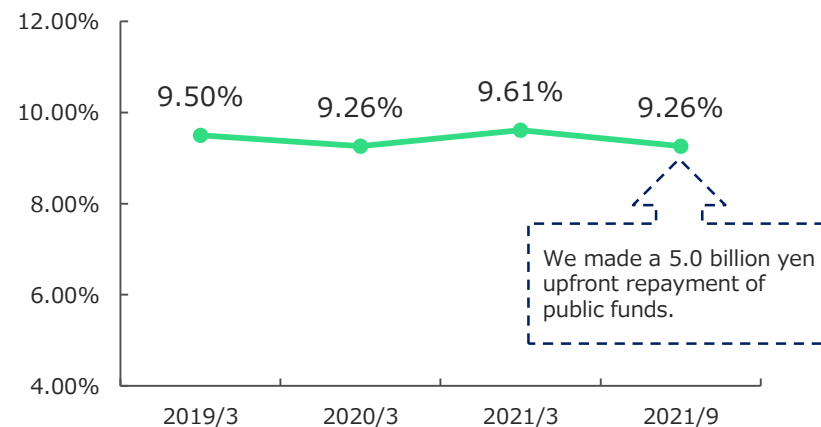
Loans and Deposits

(JPY in billions)



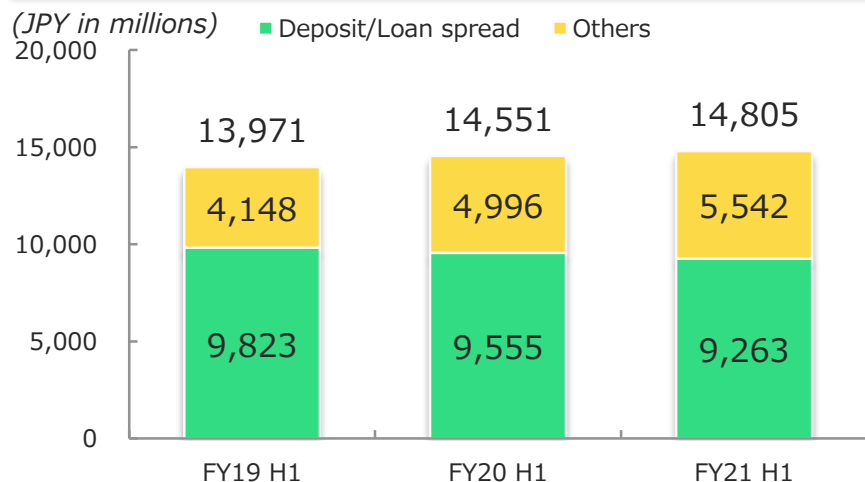
Capital Adequacy Ratio

(pertaining to the standard in Japan)

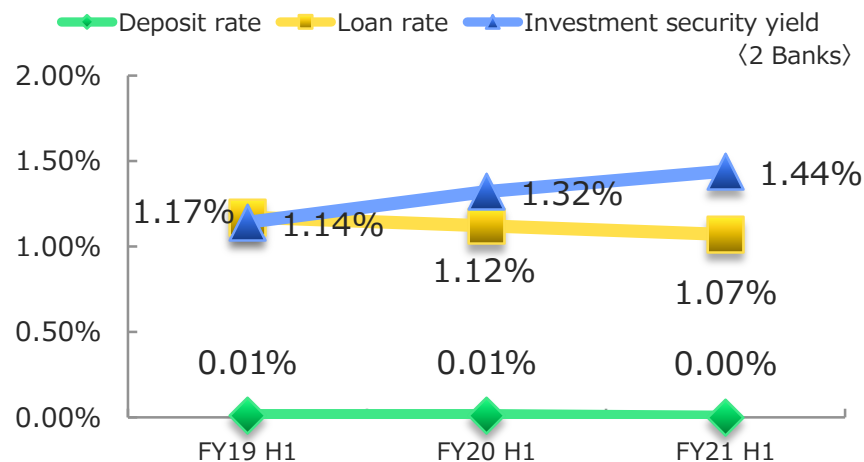


Net Interest Income

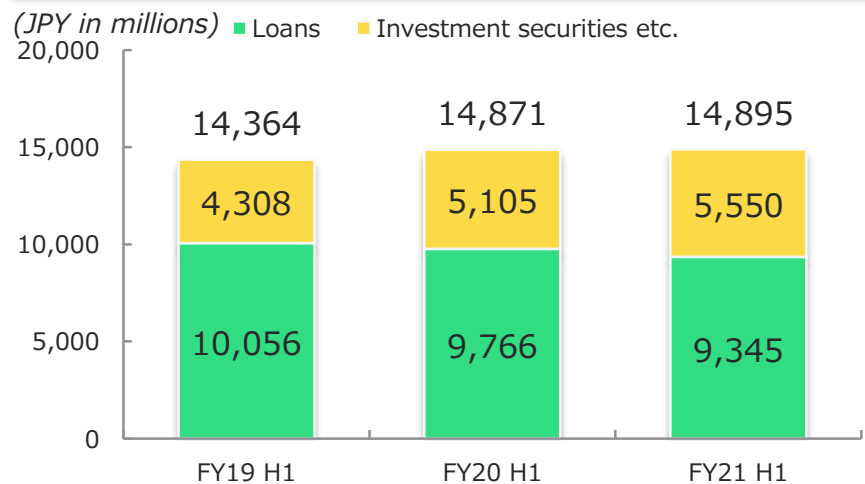
Net Interest Income



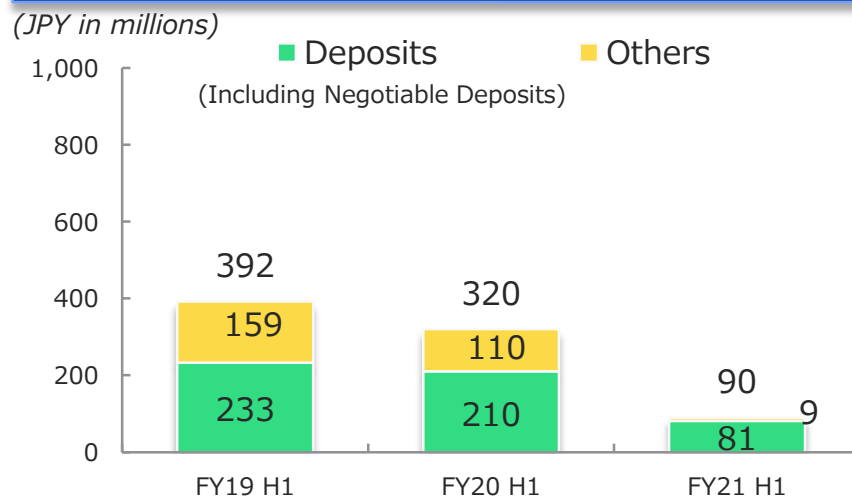
Deposit/Loan Rates and Investment Security Yield



Interest Income

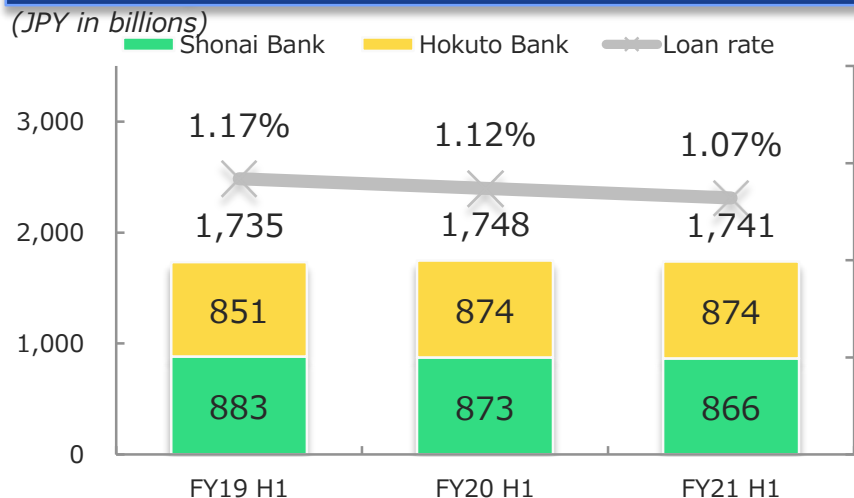


Interest Expenses

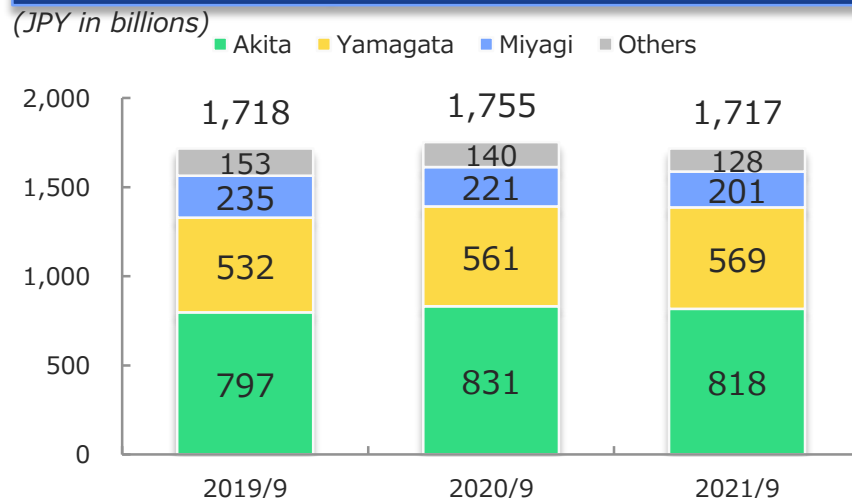


Loans

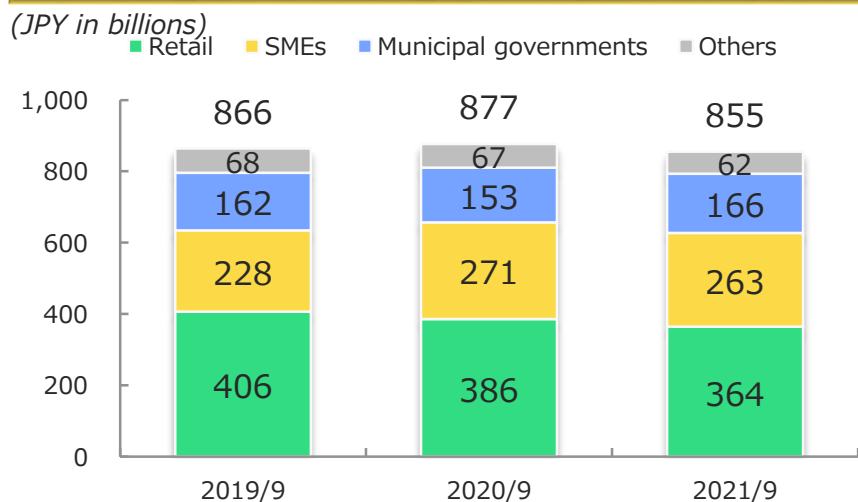
Average Balance and Loan Rate <2 Banks>



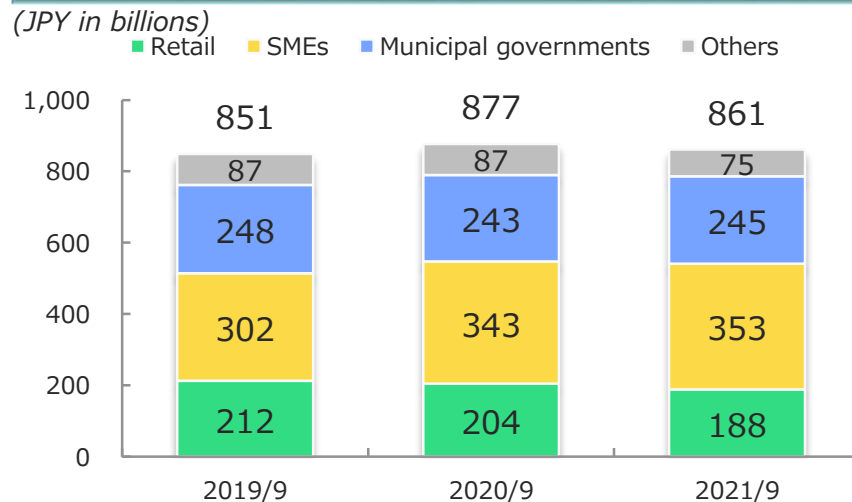
Balance by Prefecture <2 Banks>



Balance by Borrower <Shonai Bank>



Balance by Borrower <Hokuto Bank>



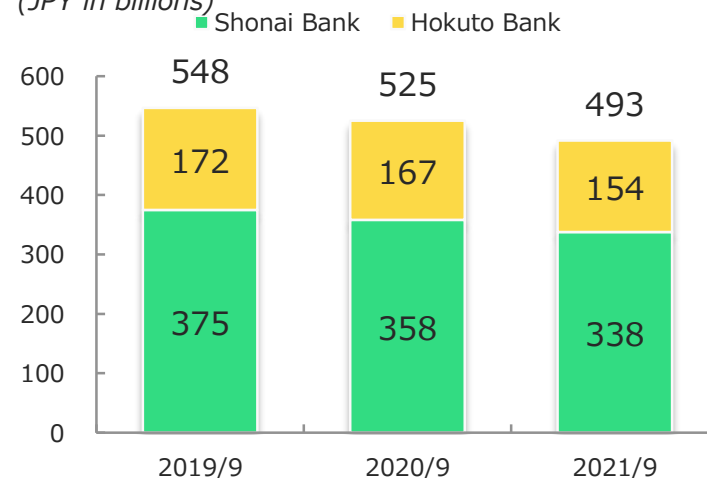
Breakdown of Loans

Loans Classified by Type of Industry <2Banks>

Type of industry (2banks)	2020/9		2021/9	
	JPY bn	%	JPY bn	%
Domestic offices (excluding loans booked at offshore markets)	1,755.0	100.0	1,717.7	100.0
Manufacturing	117.8	6.7	114.1	6.6
Agriculture and forestry	3.7	0.2	3.8	0.2
Fishery	0.1	0.0	0.0	0.0
Mining, quarrying of stone and gavel	2.2	0.1	2.4	0.1
Construction	75.7	4.3	72.4	4.2
Utilities	82.1	4.6	81.8	4.7
Communication and information services	9.1	0.5	8.6	0.5
Transport and postal activities	19.9	1.1	19.0	1.1
Wholesale and retail	101.9	5.8	101.5	5.9
Finance and insurance	53.3	3.0	48.3	2.8
Real estate and goods rental and leasing	113.3	6.4	114.4	6.6
Scientific research and professional and technical services	9.4	0.5	10.3	0.6
Accommodations, eating and drinking services	24.1	1.3	23.1	1.3
Living-related and amusement services	17.7	1.0	17.3	1.0
Education learning support	4.5	0.2	4.0	0.2
Medical, social welfare	53.7	3.0	56.2	3.2
Services	38.3	2.1	43.9	2.5
Municipal government	396.5	22.5	412.6	24.0
Others (Including Mortgage Loans)	630.7	35.9	583.1	33.9
Overseas offices and loans booked at offshore markets	-	-	-	-
Total	1,755.0	100.0	1,717.7	100.0

Mortgage Loans

(JPY in billions)

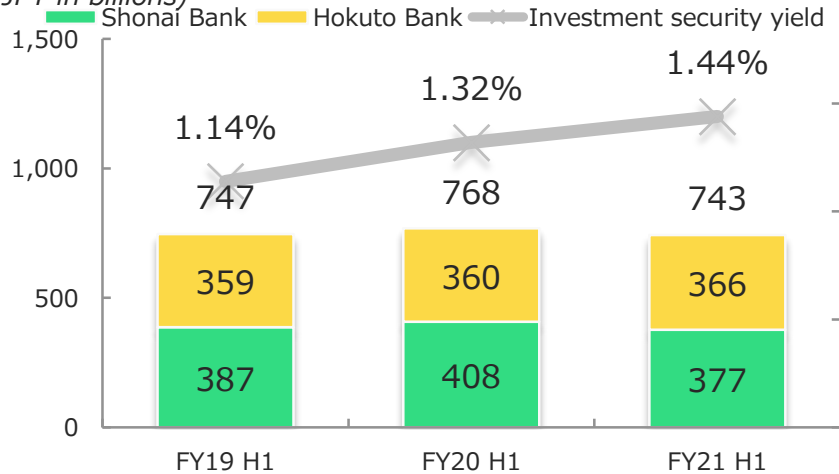


Investment Securities

<2 Banks>

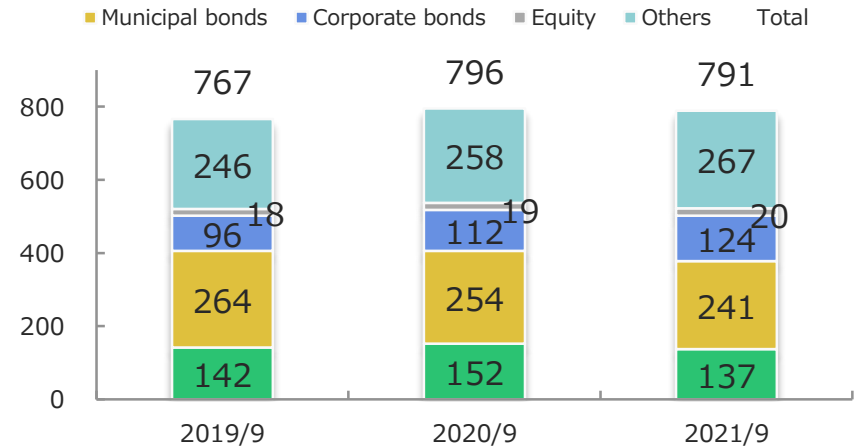
Average Balance and Investment Security Yield

(JPY in billions)



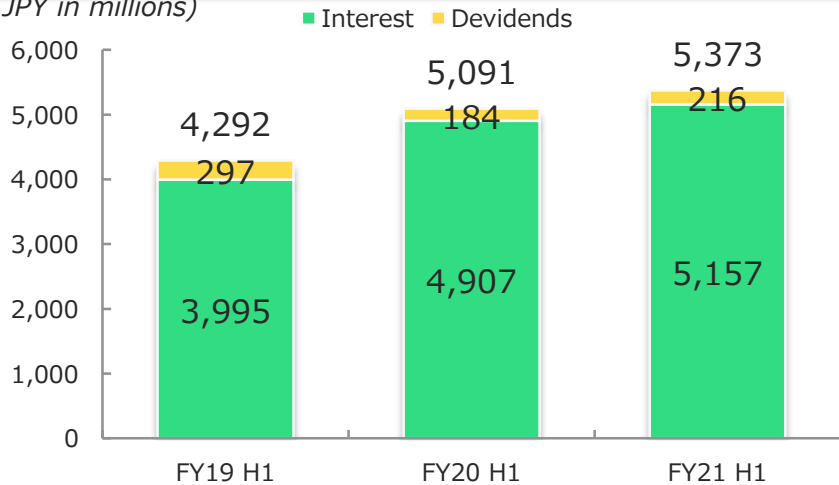
Balance by Product Type <2 Banks>

(JPY in billions)



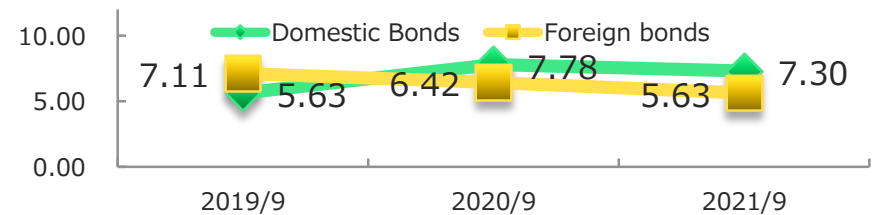
Interests and Dividend on Investment Securities

(JPY in millions)

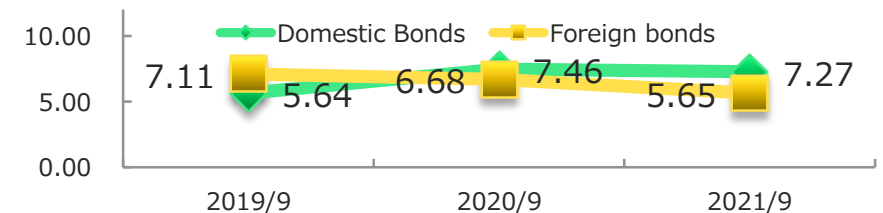


Duration of Bonds <non-consolidated>

[Shonai Bank]



[Hokuto Bank]



Investment Securities (Continued)

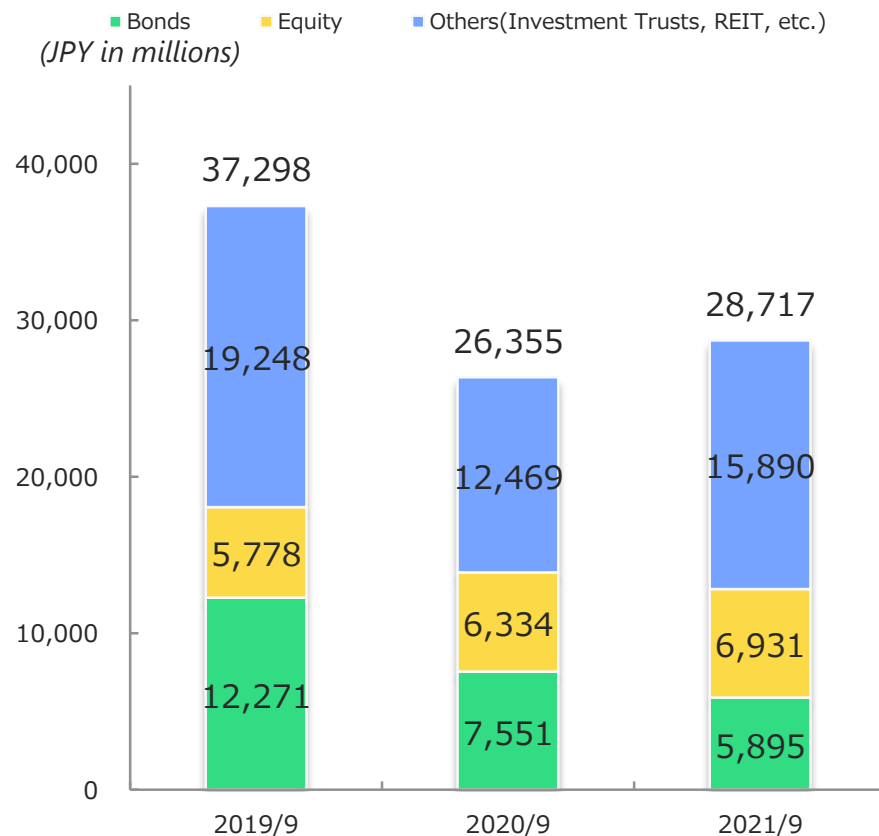
Gains/Losses on sales of bonds

(JPY in millions)	FY19H1	FY20H1	FY21H1
Selling gains	3,055	1,911	1,646
Redemption gains	-	-	-
Selling losses	1,441	2,259	2,112
Redemption losses	-	-	-
Impairment	-	-	-
Gains/Losses on Debt Securities	1,614	(348)	(466)

Gains/Losses on sales of stocks and other securities

(JPY in millions)	FY19H1	FY20H1	FY21H1
Selling gains	1,036	897	2,015
Selling losses	732	271	537
Impairment	3	47	4
Gains/Losses on Equity	300	578	1,473

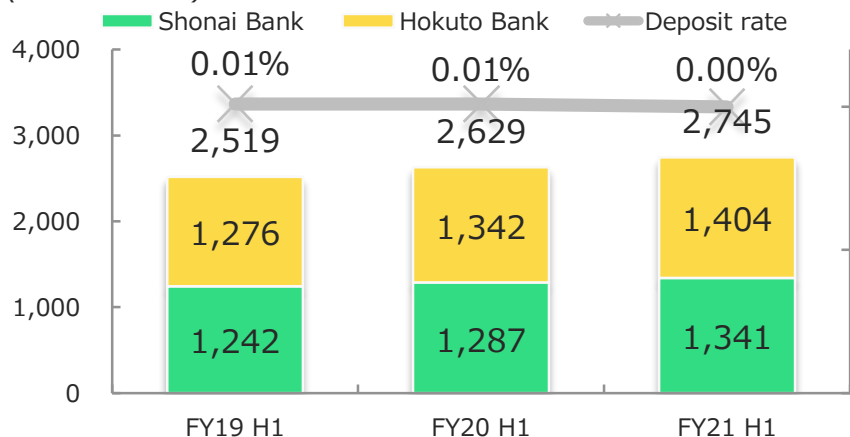
Unrealized Gains/Losses on Securities Portfolio



Deposits

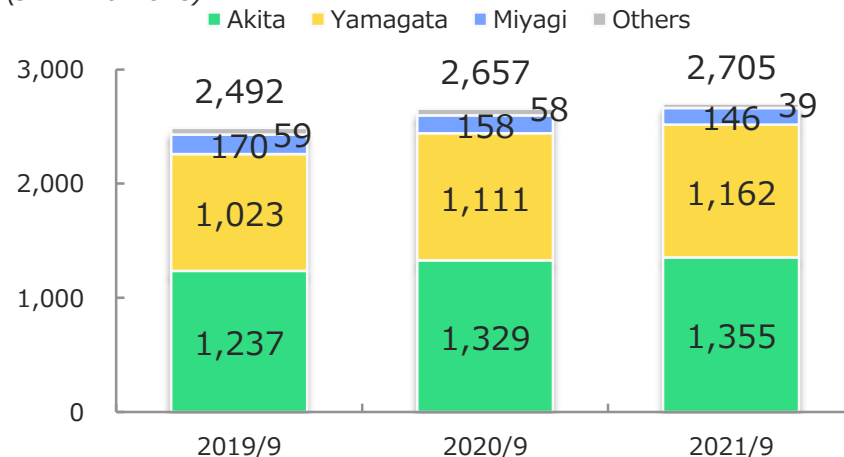
Average Balance and Deposit Rate (Including Negotiable Deposits) <2 Banks>

(JPY in billions)



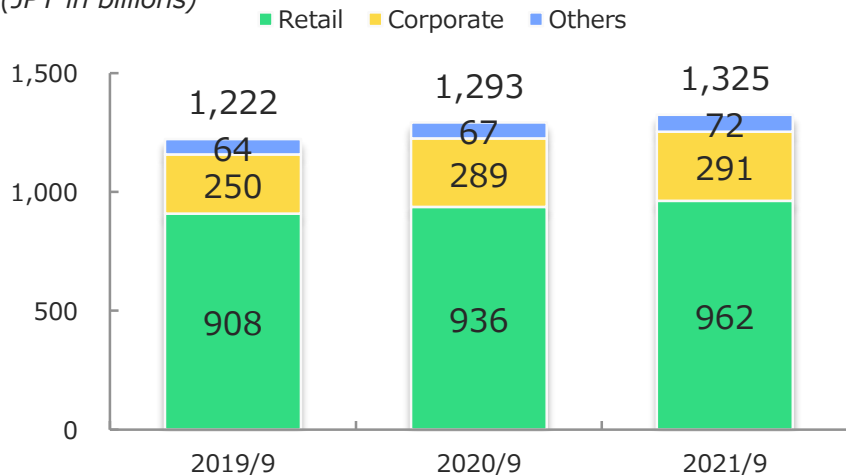
Balance by Prefecture <2 Banks>

(JPY in billions)



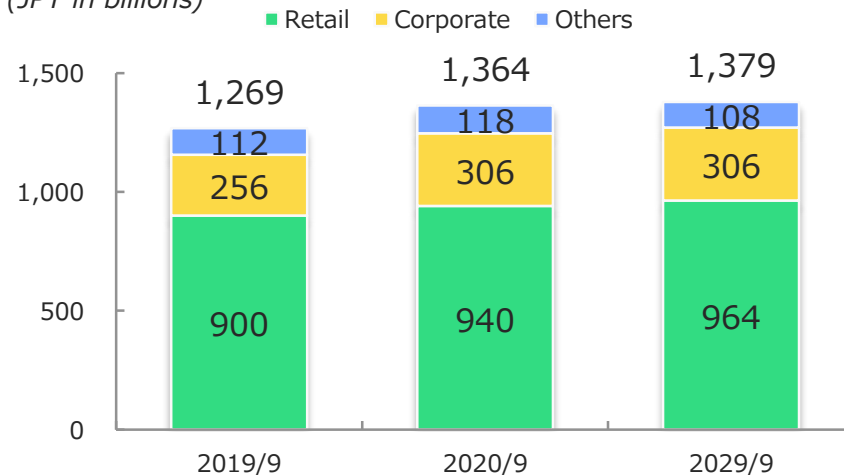
Balance by Depositor <Shonai Bank>

(JPY in billions)



Balance by Depositor <Hokuto Bank>

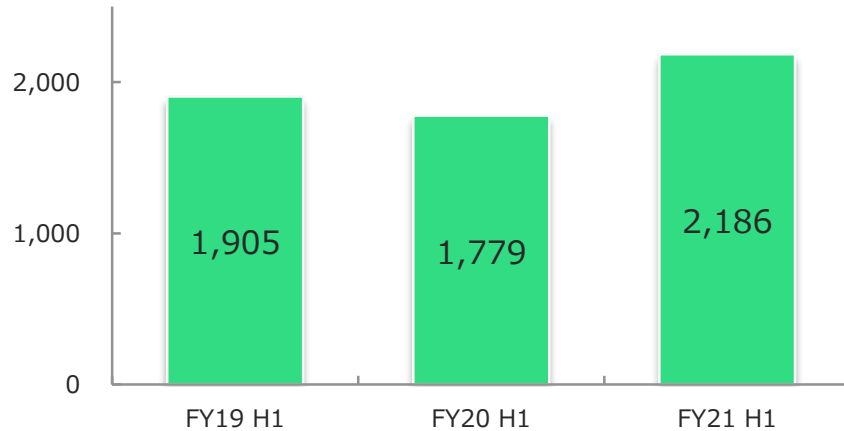
(JPY in billions)



Net Fees and Commissions

Net Fees and Commissions Income <2 Banks>

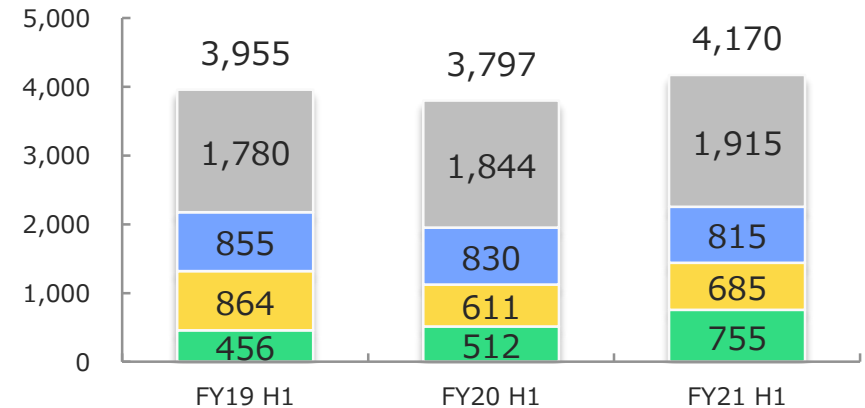
(JPY in millions)



Net Fees and Commissions Revenue <2 Banks>

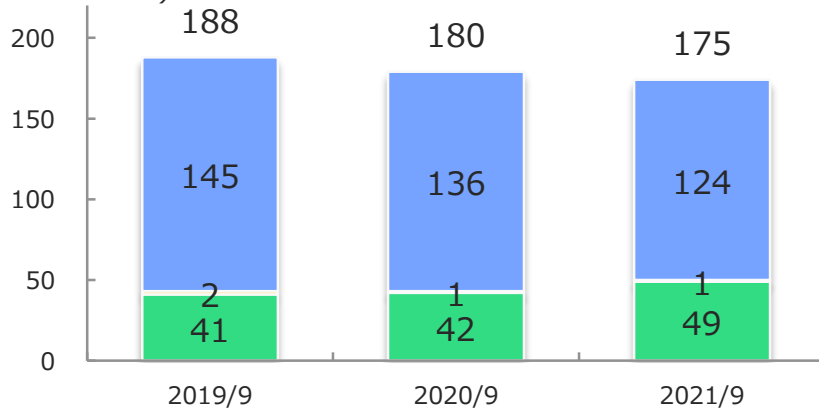
(JPY in millions)

■ Investment trusts ■ Insurance ■ Exchange ■ Others



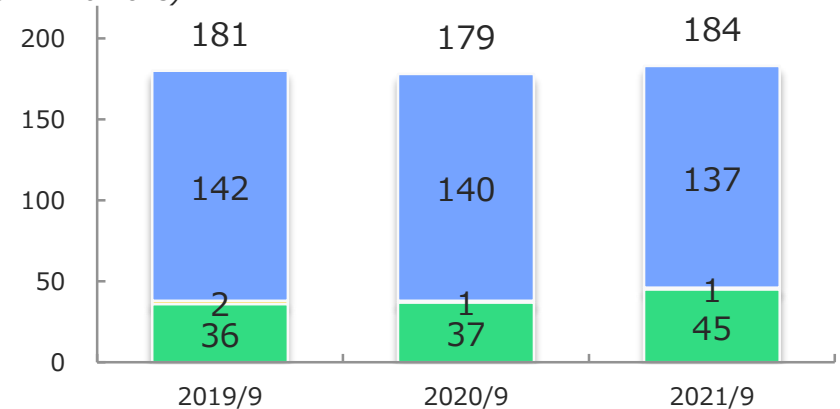
Investment Product Sales <Shonai Bank>

■ Investment trusts ■ Public bonds ■ Life insurance
(JPY in billions)



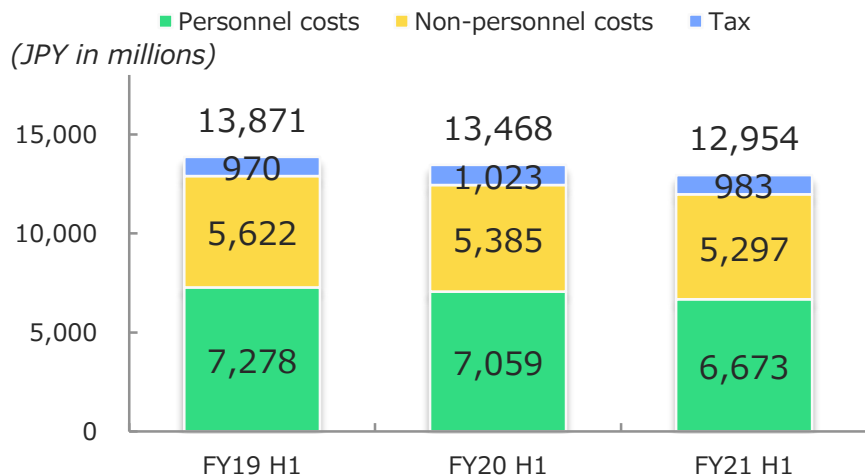
Investment Product Sales <Hokuto Bank>

■ Investment trusts ■ Public bonds ■ Life insurance
(JPY in billions)

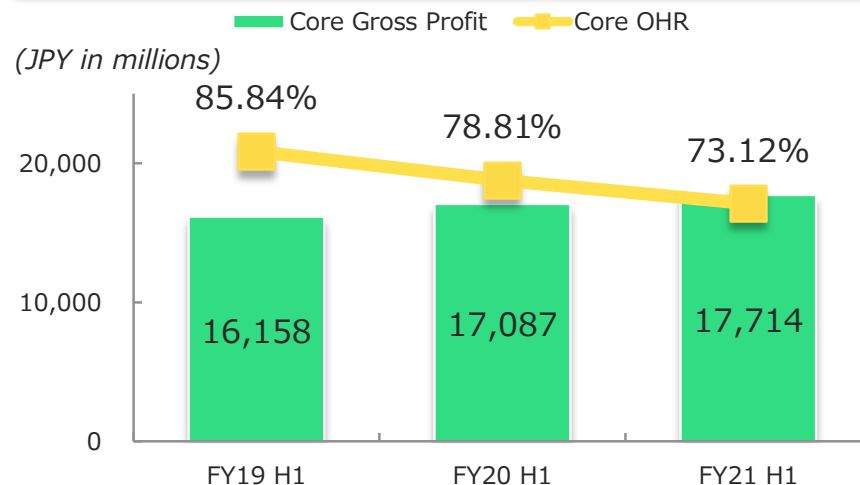


General and Administration Expenses, OHR, Credit Costs, NPL

General and Administration Expenses



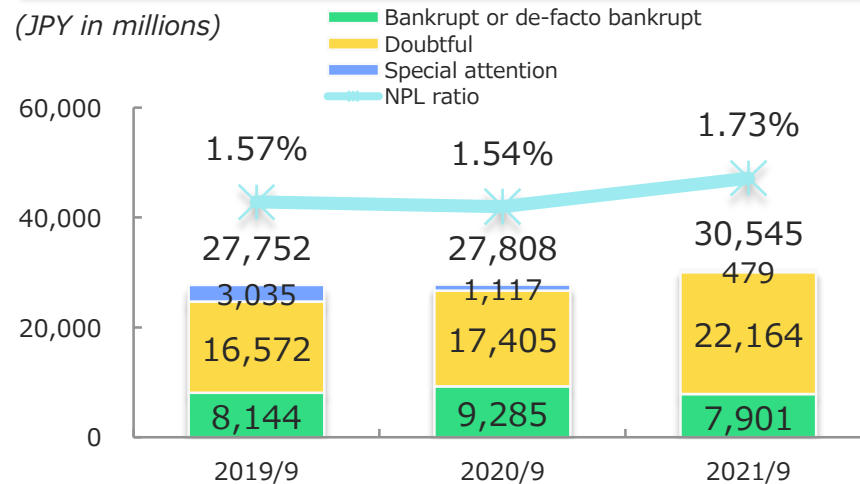
Core Gross Profit and Core OHR



Total Credit Costs

(JPY in millions)	FY19H1	FY20H1	FY21H1
Provision of allowance for loan losses	354	157	1,172
Write-off loans	3	7	109
Reversal of allowance for loan losses	—	—	—
Recoveries of written-off claims	50	24	18
Others	192	148	127
Total Credit Costs	499	288	1,390

Non-Performing Loans <2 Banks>



Covered Ratio of NPL

Covered Ratio of Non-Performing Loans <2 Banks>

2021 / 9 balance

(JPY in millions)	NPL amount (a)	Covered amount			Covered ratio b ÷ a
		(b)	Collateral, Guaranties	Reserve	
Bankrupt or de-facto bankrupt	7,901	7,901	4,445	3,455	100.00%
Doubtful	22,164	19,841	14,393	5,448	89.51%
Special attention	479	405	371	33	84.53%
Total	30,545	28,147	19,210	8,937	92.15%

【2020 / 9 balance】

(JPY in millions)	NPL amount (a)	Covered amount			Covered ratio b ÷ a
		(b)	Collateral, Guaranties	Reserve	
Bankrupt or de-facto bankrupt	9,285	9,285	5,387	3,898	100.00%
Doubtful	17,405	15,043	12,047	2,996	86.43%
Special attention	1,117	1,002	744	258	89.71%
Total	27,808	25,332	18,178	7,153	91.09%



**Master Agreement in connection with the Management Integration
between FIDEA Holdings Co. Ltd. and The Tohoku Bank, Ltd.**

Master Agreement in connection with the Management Integration (1)

Future Schedule

July 2, 2021		Execute Master Agreement
Mid-February, 2022	(Tentative)	Execute final agreement
Late June, 2022	(Tentative)	Annual shareholders' meeting in connection with the Management Integration (Companies)
September 29, 2022	(Tentative)	Delisting of Tohoku Bank
October 1, 2022	(Tentative)	Management Integration becomes effective

Background of Discussions in Connection with the Management Integration

As regional financial institutions headquartered in Tohoku, and with the kind patronage of the local population, we endeavor to fulfill our social mission and establish a stable revenue base. On February 7, 2018, FIDEA Holdings, Shonai Bank, Ltd. and Hokuto Bank, Ltd., which are group companies of FIDEA Holdings, and Tohoku Bank, executed a comprehensive business cooperation agreement aiming to contribute to the development of our customers' and regional economic revitalization by further deepening business cooperation between us and utilizing each other's strengths and knowhow. Taking advantage of our brand recognition and operational capabilities of the Companies' operative infrastructure, we opened shared stores and used joint ATMs and systems. We also cooperated on project finance related renewable energy and various other projects.

Recently, however, regional financial institutions have been challenged by significant changes in the operating environment, such as the local economy being impacted by a shifting social structure due to a declining and aging population, prolonged trend of low interest rates resulting in decreased interest income, intensified competition with companies from other industries entering the financial arena by using technical innovation (FinTech, for example) as well as the rapid spread of COVID-19. The Companies acknowledge the need to establish new coping mechanisms to deal with these environmental changes.

In light of this challenging environment and in order to contribute, as regional institutions, to the recovery, development and growth of the local economy, the Companies must establish systems that will allow us to maximize our combined resources and knowhow.

Taking into account the results achieved by implementing various joint measures based on business cooperation between the Companies, our view is that maintaining each party's brand recognition and operational capabilities, further enhancing business collaboration by functioning as regional financial intermediaries, improving our response to the changing environment and enhancing operational efficiency through the acceleration and fostering of mutual relationships, are essential in order to promptly reinforce our revenue base. Therefore, the Companies resolved to proceed with consultations and discussions towards a Management Integration.

Master Agreement in connection with the Management Integration (2)

Basic Policies of the Management Integration

Based on the following basic policies, by producing synergistic effects as a result of the Management Integration, the Companies strive to enhance trust within the community in order to revitalize the economy of the Tohoku region, including Iwate, Akita and Yamagata and become a favorite regional financial services group and growing with our customers and the region.

1. By effective use of operational resources and knowhow, we will pursue a more sustainable business model, use a management strategy that differs from our competitors so that we function as a financial intermediary and contribute to the region's economic revitalization.
2. We intend to strengthen our earning capacity and reduce costs by streamlining headquarter functions, enhancing corporate governance, introducing sophisticated risk management systems and sharing the strength of the Companies' sales measures. We also intend to maximize the synergistic effects of the integration through rational and efficient operations with a view to establish sustainable management systems.
3. With our broad network of branches in the Tohoku region, we strive to become a regional financial services group, providing information and financial services across the prefectural borders throughout the Tohoku region. We aim to grow together with the region and our customers.

Form of Management Integration

The Companies will proceed with consultations and discussions in connection with the Management Integration with a view that FIDEA Holdings, which already has a holding company system, will become the holding company of the new financial group. Based on the assumption that on or about October 1, 2022, the Companies will obtain the approval of our respective shareholders as well as all permits required from the relevant authorities in connection with the implementation of the Management Integration, the Companies intend to proceed with consultations and discussions regarding share exchanges whereby FIDEA Holdings will end up being the parent company, owning 100% of Tohoku Bank, which will become its wholly-owned subsidiary.

Master Agreement in connection with the Management Integration (3)

Expected Synergistic Effects of the Management Integration

Taking into account the following synergistic effects and promptly after the implementation of the Management Integration, the Companies will take specific measures with a view to contribute to the regional economic revitalization, improve efficiency, pursue a sustainable business model and establish management systems in line with the realization of the aforementioned synergistic effects. We will take advantage of a sophisticated broad regional network, while maintaining and enhancing the long-established relationship, trust between us and our customers and specific brands for each region.

1. Enhancement of Financial Intermediary Functions and Financial Services

(i) Corporate Business

Following years of activities in this area, we will continue to function as financial intermediaries for local corporations located in our operational base, including Iwate, Akita and Yamagata. In addition, we will provide high-quality solutions by using our cross-prefectural border network in domains such as M&A, business succession and business matching services. By sharing our group companies' knowhow with respect to corporate business, we will meet various corporate and individual, including owners of the corporations, needs, such as assistance with the management and main business activities of local corporations.

(ii) Retail Business

By using our mutual knowhow with respect to retail business, we will share products and services we have been providing, such as lending, various settlement and asset management services and expand their scope. We will also enhance our consultation functions and advise our customers on ways to achieve their financial goals and various needs.

(iii) Regional Revitalization

Through our group companies' joint efforts and knowhow, we will strive to manage regional issues and, by enhancing partnerships with local public entities, actively contribute to the region's revitalization.

2. Reinforcement of Corporate Governance Systems and Business Infrastructure

The Companies will reinforce our corporate governance systems, such as risk management, compliance and internal audit by integrating our headquarter functions to streamline their operating structure, human resources and knowhow.

The Companies will also reinforce the business infrastructure enabling us to continue fulfilling our social mission as regional financial institutions by pursuing an efficient cost-benefit ratio through such shared infrastructure and the integration of various systems and administrative functions.

3. Enhancement of Earning Capacity

As stated above, in order to enhance our earning capacity, the Companies will endeavor to (i) increase our income by reinforcing financial intermediary functions and services, (ii) promote streamlining by reinforcing corporate governance systems and business infrastructure and (iii) enhance our ability to invest in, and manage, various asset classes through shared knowhow and securities' investment risk management.



FIDEA Group Fourth Medium-term Management Plan

「Your reliable consulting bank with a fountain of wisdom」

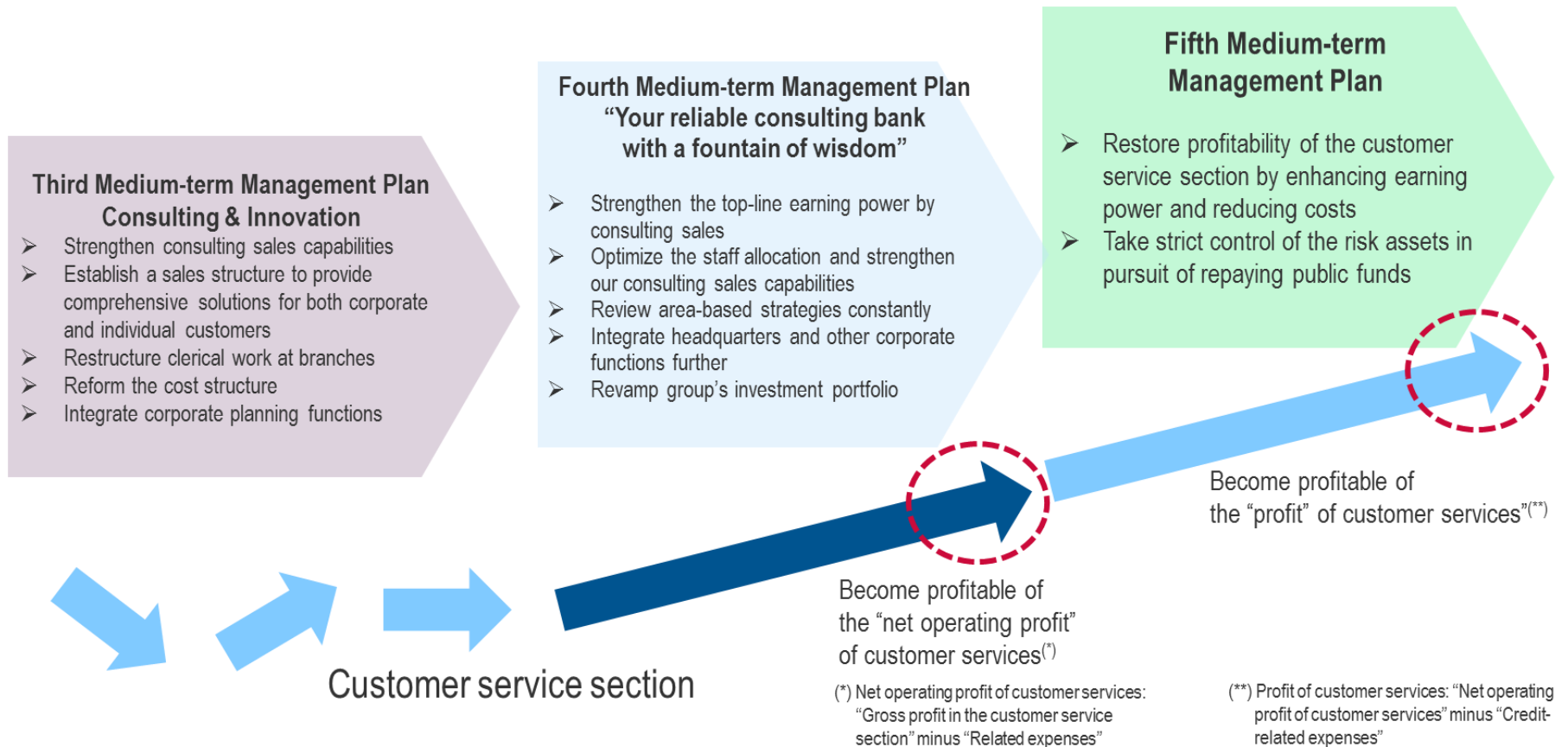
Outline of Fourth Medium-term Management Plan

<p>Vision</p>	<ul style="list-style-type: none"> ❑ Continuously contribute to regional development as a community-based region-wide financial group ❑ Ensure and maintain financial soundness to act as financial mediators in the region ❑ Create a corporate culture that motivates, encourages and nurtures employees as well as enhancing the ES (employee satisfaction)
<p>Slogan</p>	<p>Your reliable consulting bank with a fountain of wisdom</p>
<p>Plan Period</p>	<p>FY2020 to FY2022 (Three years)</p>
<p>Basic Policy</p>	<ul style="list-style-type: none"> (1) Strengthen the top-line earning power <ul style="list-style-type: none"> ➢ Expand intra-prefectural business loan bases and enhance service related profitability as a result of this expanded bases ➢ Revamp group's investment portfolio (2) Reform the cost structure <ul style="list-style-type: none"> ➢ Review area-based strategy constantly by concentrating regional competence, and optimize the staff allocation of the branches ➢ Take drastic cost reduction without sanctuary through complete integration of the two banks including headquarters functions (3) Create an ideal working environment <ul style="list-style-type: none"> ➢ Create an ideal working environment to maximize each employee's potential (4) SDGs / ESG Initiatives <ul style="list-style-type: none"> ➢ Take actions on the FIDEA Group SDGs Declaration
<p>Target Indicators</p>	<ul style="list-style-type: none"> ❑ Targets for FY2022, the final year of the plan <ul style="list-style-type: none"> Net income (Profit attributable to owners of parent): 3 billion yen or more -Precondition: Back to net operating "profit" of customer services section (*) ※ Consolidated capital adequacy ratio: In the 9% range <ul style="list-style-type: none"> -Long-term perspective -After repayment of public funds basis <p style="text-align: right; font-size: small;">(*) Net operating profit of customer services: "Gross profit in the customer service section" minus "Related expenses"</p>

Direction of Fourth Medium-term Management Plan

- ❑ Strive to make the customer service section profitable under the Fifth Medium-term Management Plan by expanding the intra-prefectural customer bases, especially business loans, with comprehensive solutions for both corporate and individual customers and consulting sales tailored to each customer segment. Strengthen the top-line earning power from sales commission of investment trust and life insurance, and fees from corporate businesses through the above-mentioned operations. In addition, make drastic cost reduction
- ❑ Establish a lean operating management structure that enables steady accumulation of retained earnings in pursuit of repaying public funds by the end of FY2024

FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
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Practical Approaches

Business Policy under Fourth and Fifth Medium-term Management Plans

- ❑ **Customer service section:** Become profitable by improving earning power steadily through accelerating consulting sales, maintaining loan interest rates and increasing noninterest earnings.
- ❑ **Investment section:** Reconstruct group's investment portfolio to realize stable revenue while paying attention to liquidity, interest rate and price fluctuation risks.
- ❑ **Cost structure:** Reform cost structure, in response to narrowing interest margin, by integrating operations of the headquarters and business bases, shifting to paperless operations with ICT and streamlining clerical works at branches, thereby continuing to improve efficiency.
- ❑ **Capital adequacy ratio:** Continue controlling the risk assets to pave the way for repaying public funds before the conversion of the preferred shares into common shares (March 2025); the target level of the capital adequacy ratio after full repayment will be 9% or above.

Fourth Medium-term Management Plan: Practical Approaches under Basic Policy

<p>(1) Strengthen the top-line earning power (customer services section)</p>	<p>(Strengthen consulting sales capabilities)</p> <ul style="list-style-type: none"> ❑ Promote sales activities with the business structure to provide comprehensive solutions for both corporate and individual customers based on customers' needs, and expand the intra-prefectural business loan customer bases and noninterest income ❑ Create OJT-based educational programs to improve sales skills for both corporate and individual customers ❑ Develop advanced personnel education to nurture professionals with higher consulting skills ❑ Review area-based and channel strategies constantly to optimize the branch network and staff allocation <p>(Expand non-face-to-face channel services)</p> <ul style="list-style-type: none"> ❑ Expand non-face-to-face channel services to streamline branch operations and reallocate branch staff as sales specialists who handle both individual and corporate customers ❑ Utilize non-face-to-face tools such as smartphone apps ❑ Enhance the contact center operations to expand non-face-to-face transactions (online, phone, and chatbot) ❑ Increase efficiency of branch operations by shifting to paperless, increasing self-service transactions and reducing clerical work
<p>(2) Reform the cost structure</p>	<ul style="list-style-type: none"> ❑ Unify business locations as well as headquarter operations of the group companies, and promote staff efficiency of headquarters ❑ Consolidate subsystems to complete integration of operations at both branches and the headquarters ❑ Constant and flexible review of the capital investment plans by the cross-Group investment committee
<p>(3) Create an ideal working environment</p>	<ul style="list-style-type: none"> ❑ Through extensive modification, establish human resource systems, reform working-style and provide employees' benefits; intending to encourage staff to achieve each one's dream ❑ Enhance ES (employee satisfaction) so as to enhance CS (customer satisfaction)
<p>(4) Implement the SDGs Declaration</p>	<ul style="list-style-type: none"> ❑ Under the FIDEA Group SDGs Declaration, all employees and executives will take proactive actions on "FIDEA's Key Initiatives".

FIDEA Group SDGs Declaration



- The FIDEA Group supports the SDGs (Sustainable Development Goals) adopted at the United Nations Summit and will pursue sustainable development of the community by tackling regional issues.
- All employees and executives of the FIDEA Group will take proactive actions on the SDGs to provide benefit to our community and the next generation.

FIDEA's Key Initiatives

1. Pursue sustainable growth of the regional economy

We will be closely involved with the community and customers, and work together to achieve their sustainable growth by fulfilling the needs and demands.



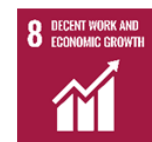
2. Achieve environmental sustainability of the region

We will promote environmental sustainability through environment-conscious management against global warming and climate change.











3. Create an ideal working environment to maximize each employee's potential

We will create a positive working environment that allows all employees to maximize their full potential and enhance their satisfaction as well as motivation.



SDGs/ESG Major Sustainability Achievements

	<p>Offer financial assistance through the Shonai Bank Furusato Fund and the Kumeta-ugo Scholarship Foundation</p> <p style="text-align: right;">E S G</p>
	<p>Support agribusiness with Akita Shokusai Produce and Akita Vegeful Support</p> <p style="text-align: right;">E S G</p>
	<p>Run the office of the Advanced Medical Care International Exchange Council of Faculty of Medicine, Yamagata University, and support to launch the East Japan Heavy Ion Center in 2021 with a world-leading technology</p> <p style="text-align: right;">E S G</p>
	<p>Cooperate with the local governments to revitalize region by supporting the Akita CCRC (Continuing Care Retirement Community) project, and offer training facilities for the Tokyo Olympic Games international teams</p> <p style="text-align: right;">E S G</p>
	<p>Support and encourage regional sports, cultural and artistic activities by operating a badminton junior club by our badminton team as supervisors, and by promoting regional culture and art</p> <p style="text-align: right;">E S G</p>
	<p>Support women's empowerment by creating working environment that promote employee retention such as the onsite childcare centers and the reemployment systems</p> <p style="text-align: right;">E S G</p>
	<p>Support to develop renewable energy with the Akita Wind Power Consortium that aims to contribute to local society by utilizing the rich wind energy resources, and support to generate solar and biomass power</p> <p style="text-align: right;">E S G</p>
	<p>Launch and operate the Shonai Bank Kaneyama KIZUNA Forestation Project</p> <p style="text-align: right;">E S G</p>



Snapshot of FIDEA Holdings

Overview of FIDEA Holdings

- ❑ FIDEA Holdings Co. Ltd. is a holding company of a wide-area financial group, which has The Shonai Bank, Ltd. (Yamagata Prefecture) and The Hokuto Bank, Ltd. (Akita Prefecture) under its umbrella.
- ❑ In recent years, we have been reducing low-profitability housing loans and other loans, while focusing on expanding loans based on business evaluation and fee business in the region by strengthening consulting sales through an integrated sales system for both corporate and individual customers. In addition, we are actively working on cost management by integrating branches and improving efficiency of branch administration.
- ❑ In October 2022, THE TOHOKU BANK, LTD. in Iwate Prefecture is scheduled to join FIDEA HD through a share exchange.

FIDEA HOLDINGS CO. LTD.

Founded	2009 through consolidation of Hokuto Bank and Shonai Bank
Headquarters	Sendai city, Miyagi prefecture
CEO	Yuichi Tao
Function	Management & administrative functions only
Market Capitalization & Listing	JPY 21.7 billion (as of November 29, 2021) Tokyo Stock Exchange 1st Section

Shonai Bank

Founded	1878
Headquarters	Tsuruoka city, Yamagata prefecture
CEO	Yuichi Tao
# of employees	670 (as of September 30, 2021)
Branches	87 (as of September 2021) • Yamagata:64, Miyagi:15, Akita:1, Fukushima:2 ,Tokyo: 4 and Web: 1

Hokuto Bank

Founded	1895
Headquarters	Akita city, Akita prefecture
CEO	Arata Ito
# of employees	631 (as of September 30, 2021)
Branches	86 (as of September 2021) • Akita:82, Miyagi:1, Yamagata:1 , Tokyo:1 and Web: 1

Open Platform Strategy of FIDEA Group

[Open Platform Strategy]

- (1) FIDEA HOLDINGS and affiliated Banks are sharing clearly own missions , responsibilities and roles of FIDEA group management.
- (2) While globalization of regional economies is progressing, FIDEA is enhancing its "Competitive Edge" through pursuing specialties at the Holding Company.



SHONAI BANK

[Creating the Platform for the Regions] as a management strategy



HOKUTO BANK

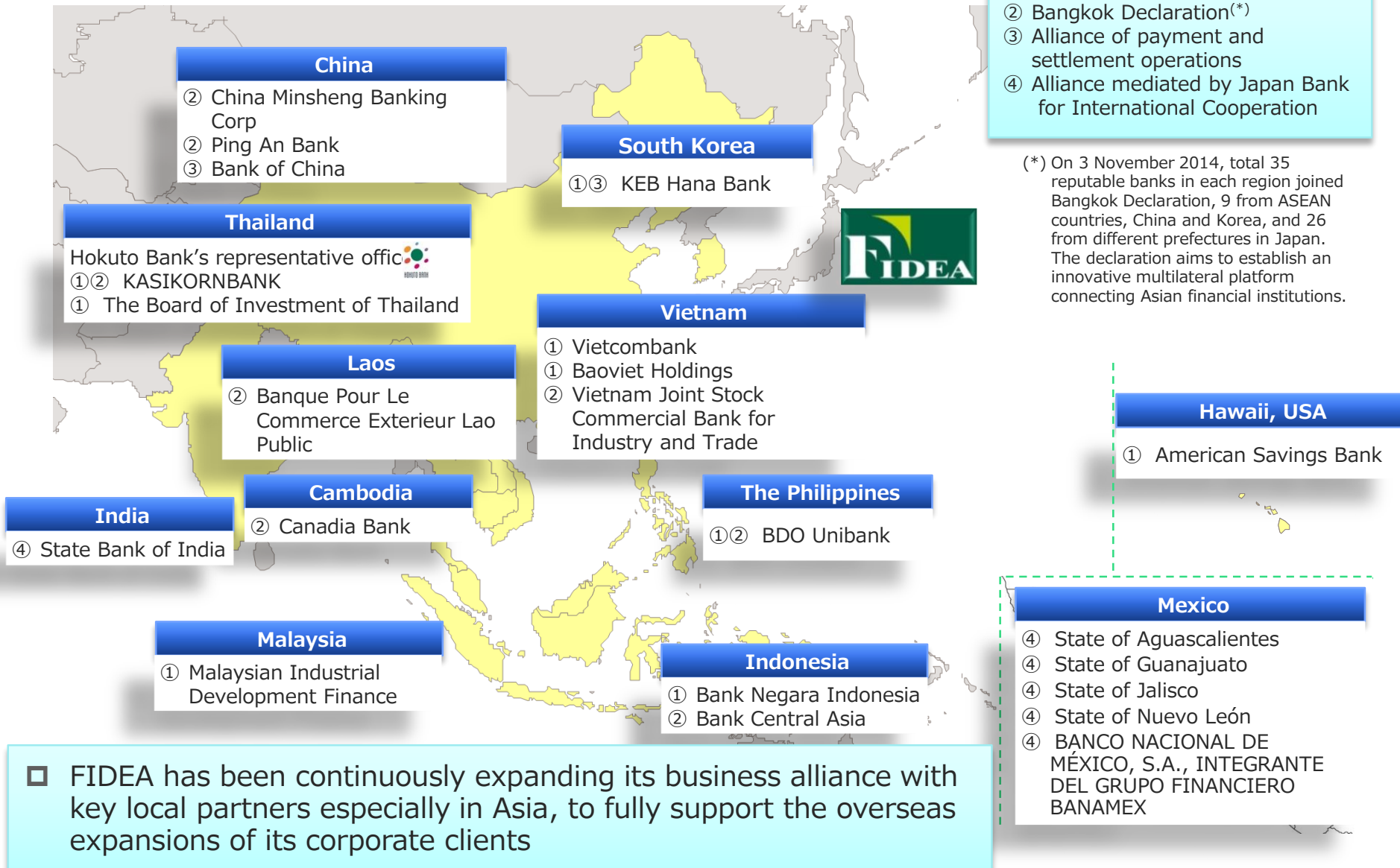


[Providing the Innovative Foundation] as a management strategy

- ❑ Fortifying corporate governance over the group
- ❑ Expanding own market by pursuing wider range of business area
- ❑ Securing personnel who have expertise in various fields related to financial services and management
- ❑ Enhancing risk management and internal audit system over the whole Group
- ❑ Establishing and executing ICT Strategy covering the whole Group comprehensively
- ❑ Planning and implementing the optimum capitalization strategy focusing on soundness, efficiency and business expansion

- ❑ " OPEN " means, " Open to any interested parties for encouraging them to join FIDEA"
- ❑ " PLATFORM " means, " FIDEA HOLDINGS is the platform integrating various expertise to carry on financial group strategy "

Global Business Alliance



Business Areas

Akita Prefecture

Population (2021)	0.9 million
Gross prefectural product (nominal 2018)	JPY 3.5 trillion
# of companies (2019)	16 thousand
Deposits for individual customers of banks (2021)	JPY 2.9 trillion

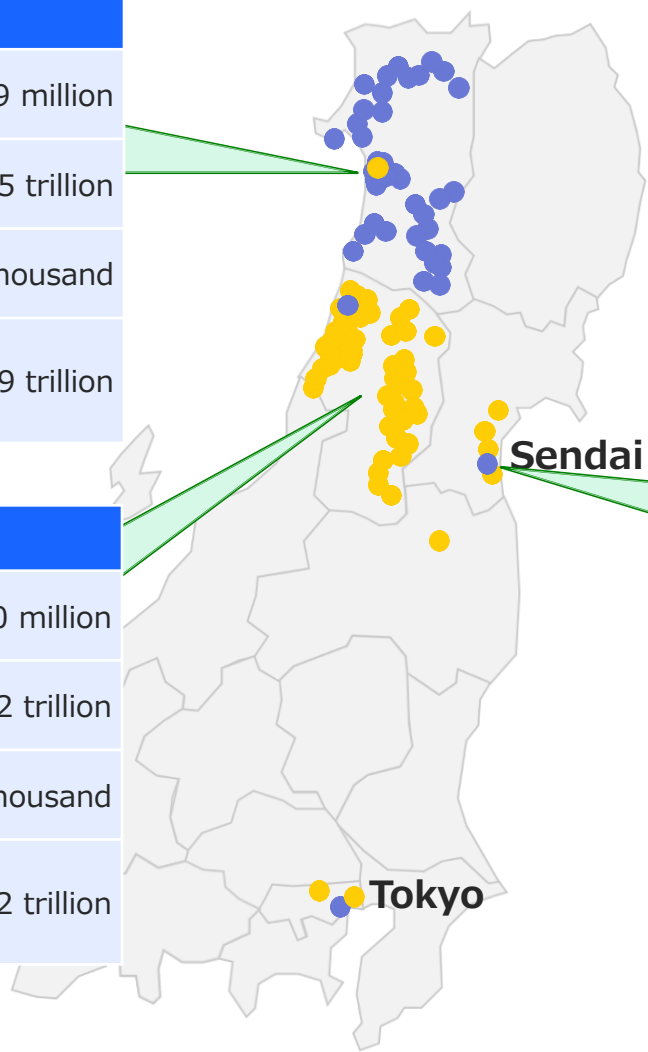
Yamagata Prefecture

Population (2021)	1.0 million
Gross prefectural product (nominal 2018)	JPY 4.2 trillion
# of companies (2019)	19 thousand
Deposits for individual customers of banks (2021)	JPY 3.2 trillion

Miyagi Prefecture

Population (2021)	2.2 million
Gross prefectural product (nominal 2018)	JPY 9.5 trillion
# of companies (2019)	43 thousand
Deposits for individual customers of banks (2021)	JPY 7.5 trillion

- Shonai Bank's branches
- Hokuto Bank's branches



Extracted from the 'kinyu map' of The Financial Journal Co., Ltd.



We will make the Tohoku region a center for producing happiness and hope through the passion, wisdom, and challenging spirit of all employees.

FIDEA HOLDINGS CO. LTD.