



May 15, 2026

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Announcement of Sixth Medium-term Management Plan

FIDEA Holdings Co. Ltd. (the “Company”) hereby announces that it has formulated the Sixth Medium-term Management Plan.

1. Plan period and slogan

- (1) Plan period: April 2026 to March 2029 (Three years)
- (2) Slogan: Serve the region by connecting its members and walking alongside them:
The new FIDEA’s endeavor to turn transformation into strength, enhance expertise, and strive for sustainable growth

2. Plan outline and priority measures

(1) Plan outline

Under the Sixth Medium-term Management Plan, the Company will take advantage of the completion of the merger between Shonai Bank and Hokuto Bank scheduled for January 2027 to further improve its widespread coverage spanning two prefectures and enhance its expertise through combining know-how from both banks. This will enable the Company to provide services offering high added-value that will help to solve customers’ problems.

In addition, the Company will strengthen its regional revitalization efforts leveraging local potential to enhance the vitality of the region.

(2) Priority measures

- (i) Enhance consulting
- (ii) Transition from regional financing to regional value creation
- (iii) Restructure core earnings
- (iv) Strengthen management foundation by completing group restructuring

3. Target indicators

Targets for FY2028:

- Net income (Profit attributable to owners of parent): approximately 6.0 billion yen
- Consolidated ROE: 6% or more (long-term consolidated ROE target of 8%+)
- Consolidated capital adequacy ratio: 10% or more

For further details, refer to the attached document, “Sixth Medium-term Management Plan FY2026–FY2028.”

[Inquiries about this notice from the press]

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Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Sixth Medium-term Management Plan

FY2026–FY2028

May 15, 2026

FIDEA HOLDINGS CO. LTD.

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1. Review of Fifth Medium-term Management Plan

Fourth Medium-term Management Plan (From FY2020)

“Your reliable consulting bank with a fountain of wisdom”

Target Indicators

- (1) Target for FY2022: Consolidated net income: 3.0 billion yen or more
- (2) Achieve positive net business profit in customer services section
- (3) As a long-term target, achieve a consolidated capital adequacy ratio between 9% and 10% after repayment of public funds

Fifth Medium-term Management Plan (From FY2023)

“Transform to build sustainable local regions:

Deepening customer support and strengthening our management foundation for the prosperous future of the Tohoku region”

Target Indicators

- (1) Target for FY2025: Consolidated net income: around 4.0 billion yen (initial target)
⇒ Changed to 3.3 billion yen in light of changed interest-rate environment and announcement of merger
- (2) Expand ordinary profit of customer services section
- (3) Aim for a long-term target of ROE exceeding 5%

Perception of operating environment

Decreased profitability of deposit and loan business

Increased profitability of deposit and loan business due to end of Bank of Japan's negative interest-rate policy

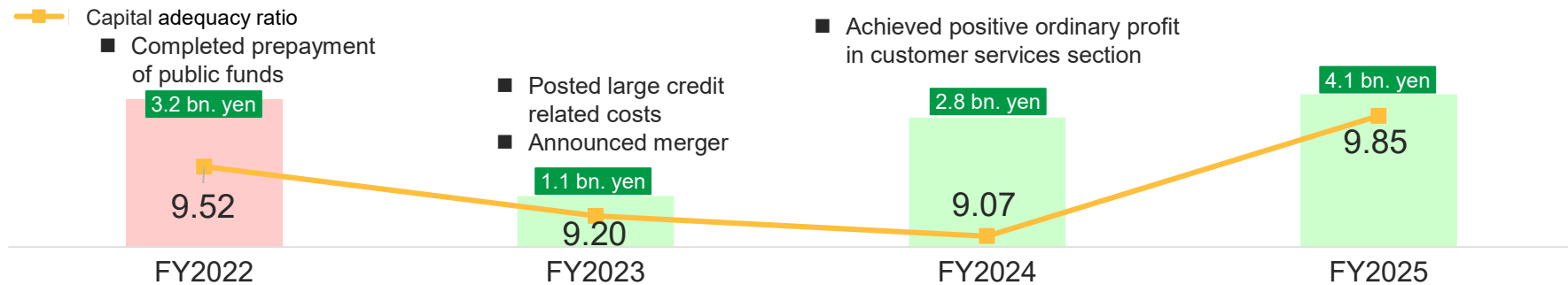
Shift to inflationary economy

Intensified competition due to market entrants from other industries

Continued contraction of regional economy (decrease in population [employees] and no. of business operators)

IT innovations (progress in AI, etc.)

Consolidated net income and capital adequacy ratio

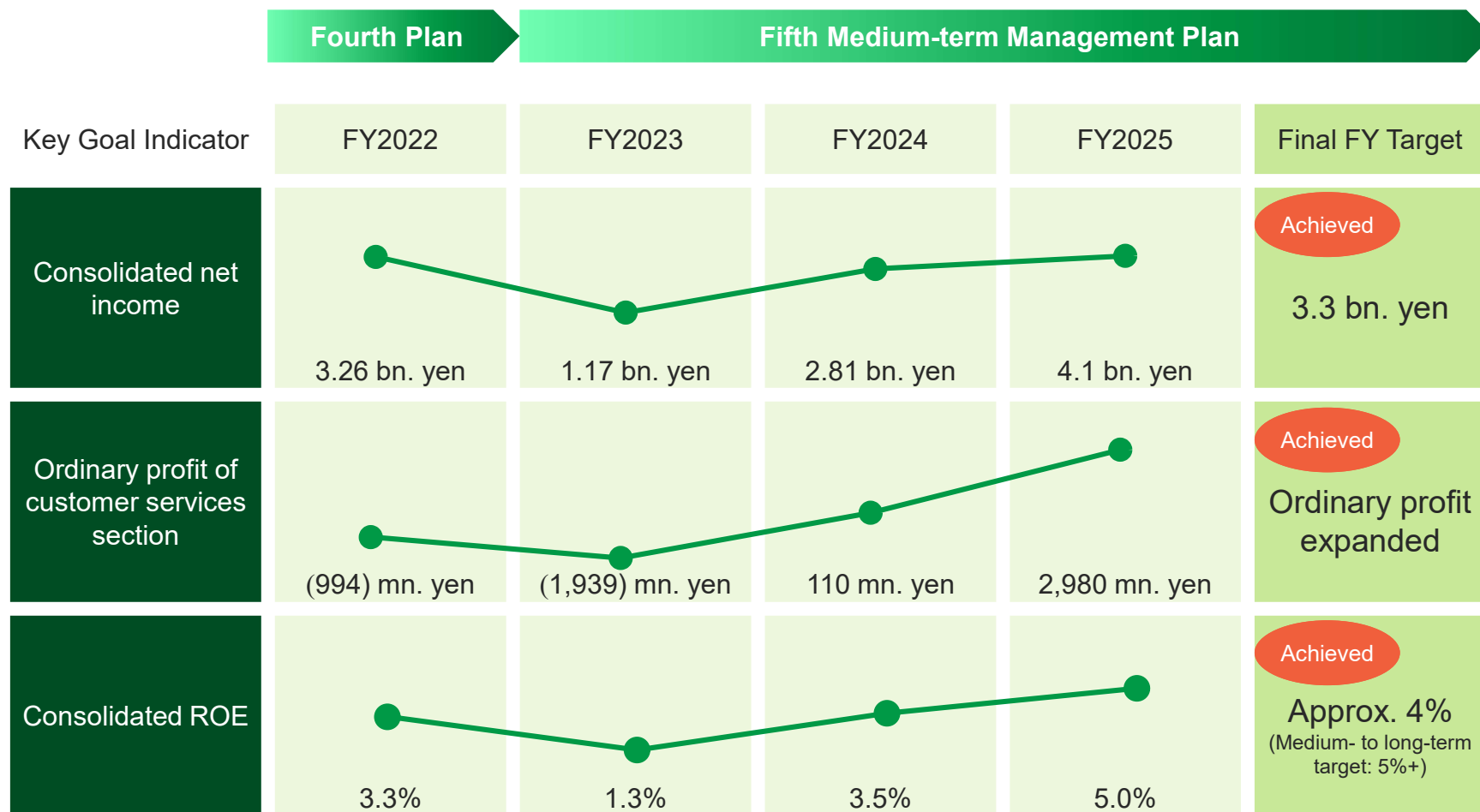


Bank of Japan's policy interest rates



1. Fifth Medium-term Management Plan: KGIs

- ◆ Achieved targets for consolidated net income and ordinary profit of customer services section
- ◆ Consolidated ROE achieved the medium to long-term target level of 5%



1. Fifth Medium-term Management Plan: Assessment and Tasks

- Make steady progress in developing together with the region through efforts to deepen customer support and strengthen our management foundation
- Identify tasks for responding to changes in the business environment and solving problems in the region

◆ Assessment of progress on previous medium-term management plan's priority measures

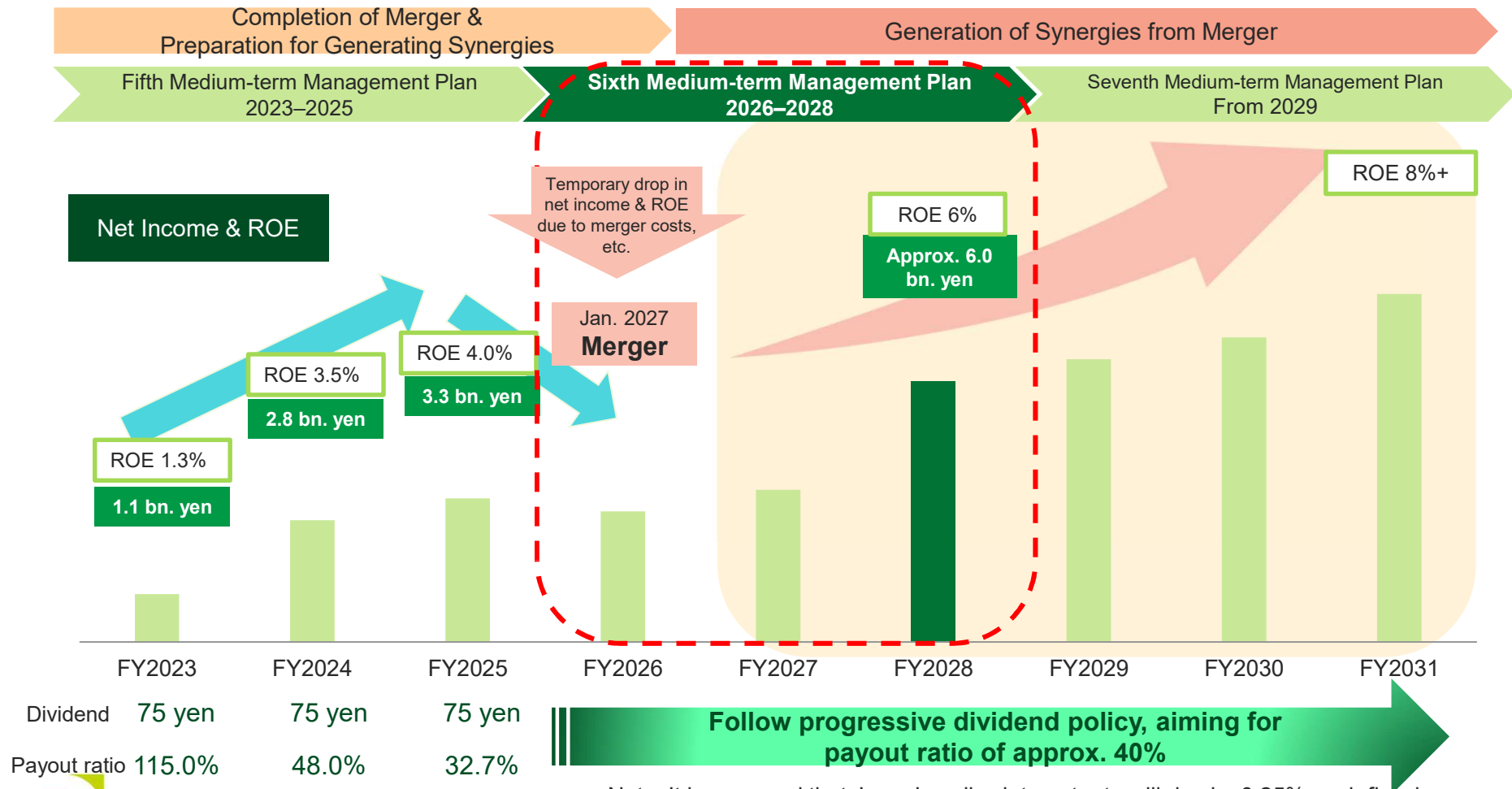
Priority measures	FY2022	FY2025	Assessment	Tasks for further growth
Boost our customer support capabilities	No. of solutions provided		<ul style="list-style-type: none"> ■ Support for problem-solving invigorated by efforts to understand business potential ■ Progress made in sharing the two banks' know-how on business succession/M&A etc. 	<ul style="list-style-type: none"> ■ Leverage greater scale, widespread coverage, and enhanced expertise following merger to increase customer support capabilities
	927	1,723		
Take actions on sustainability management	CO ₂ emissions		<ul style="list-style-type: none"> ■ Made good progress toward 70% reduction target for FY2030, primarily due to FIDEA ENERGY supplying electricity from renewable sources within the group ■ Achieved 76% rate of progress toward 400 bn. yen target for cumulative sustainable finance by FY2030 	<ul style="list-style-type: none"> ■ Contribute to local value creation by leveraging regional characteristics and potential including renewable energy and tourism
	Down 46.5%	Down 60.0%		
Revamp group's investment portfolio	Sustainable finance (cumulative)		<ul style="list-style-type: none"> ■ Addressed rising yen interest rates by reducing positions and recognizing losses gradually 	<ul style="list-style-type: none"> ■ Increase profitability through taking risks according to market conditions and revamping the investment portfolio
	75.1 bn. yen	304.4 bn. yen		
Reform the cost structure	Valuation gains (losses) on securities (4.2) bn. Yen (14.5) bn. Yen <small>(Combined totals for both banks; after hedging)</small>		<ul style="list-style-type: none"> ■ Ensured thorough cost management despite higher starting salaries, wage increases, and merger-related costs 	<ul style="list-style-type: none"> ■ Invest strategically in AI, etc. ■ Continue managing costs by pursuing cost synergies from the merger
	Personnel expenses & non-personnel expenses			
Improve employee satisfaction	Employee satisfaction survey		<ul style="list-style-type: none"> ■ Employee satisfaction improving due to increased salary and benefits, increased opportunities for dialogue between management team and employees, etc. 	<ul style="list-style-type: none"> ■ Increase investment in human capital ■ Hire and develop diverse human resources ■ Develop an optimal human-resource portfolio
	3.58 <small>(FY2021 result)</small>	3.60 <small>(FY2024 result)</small>		
Develop more sophisticated governance structure	CAR calculation method		<ul style="list-style-type: none"> ■ Transition to F-IRB approach created conditions for integrated management of risk, capital adequacy, and earnings 	<ul style="list-style-type: none"> ■ Optimize risk-return balance by combining maintenance of capital soundness with proactive risk-taking
	Standardized approach (SA)	Transition to foundation internal ratings based approach (F-IRB)		

2. Basic Approach Underlying Sixth Medium-term Management Plan

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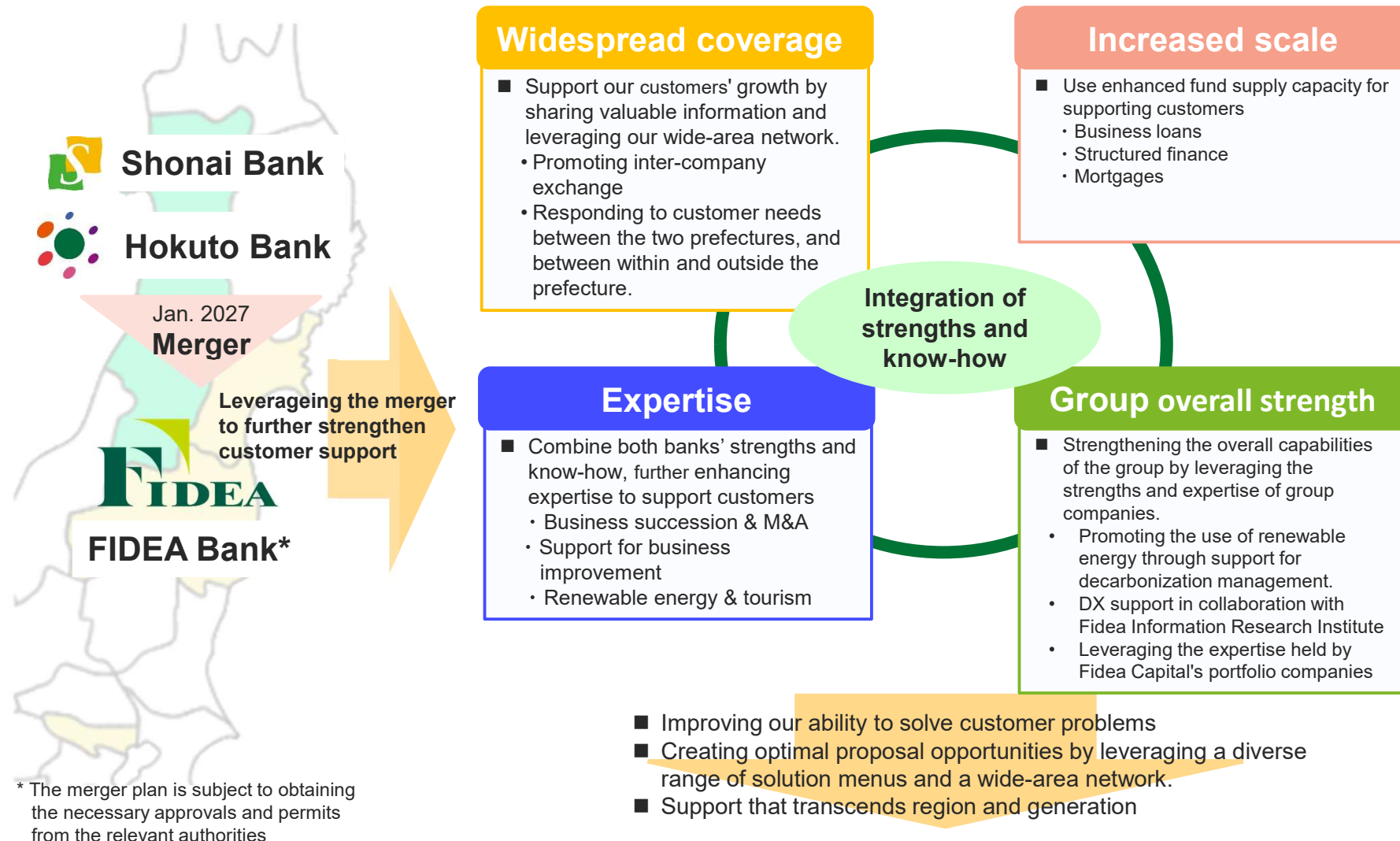
Finalizing the merger in Year 1 to bolster risk-taking capacity and unlocking full synergies from Year 2 to accelerate growth under our unified Group strength.

1. Driving regional growth by combining cross-border expertise with high-value solutions for our customers.
2. Boosting regional vitality in Yamagata and Akita through renewable energy, tourism, and local potential.
3. Driving profits by expanding loan/deposit business and securities investment to capitalize on growing asset returns.
4. Enhancing sales through human capital investment and AI-driven efficiency to maximize group productivity.



3. What we want to achieve through the merger

The merger will combine the strengths and expertise of both banks, expanding the quality and quantity of customer interactions and enhancing solutions to improve customer support capabilities.



* The merger plan is subject to obtaining the necessary approvals and permits from the relevant authorities

To improve the value we provide to our customers

Slogan

Serve the region by connecting its members and walking alongside them:
The new FIDEA's endeavor to turn transformation into strength, enhance expertise, and strive for sustainable growth

Priority Measures

Target Indicators (FY2028)

1

Enhance consulting

- (1) Corporate
 - (i) Provide full support for problem-solving by understanding business potential
 - (ii) Generate growth opportunities by leveraging expanded business infrastructure and enhanced fund supply capacity resulting from the merger
 - (iii) Offer more sophisticated consulting based on combining both banks' know-how
- (2) Individual
 - (i) Offer comprehensive asset consulting to support optimal asset allocation as well as asset-building and inheritance
 - (ii) Improve proposals that address the customer's entire lifecycle by increasing interactions with customers

Consolidated net income

Approx. **6.0** bn. yen

Consolidated ROE

6% or more
(Long-term ROE target of 8%+)

2

Transition from regional financing to regional value creation

- (1) Contribute to regional revitalization in Yamagata and Akita Prefectures by leveraging widespread support network resulting from merger
- (2) Support regional revitalization centered on tourism
- (3) Bolster support for decarbonization based on renewable energy

Capital adequacy ratio

10% or more

3

Restructure core earnings

- (1) Strengthen the deposit and loan business within Japan's new positive-interest-rate environment
- (2) Boost profitability by using the merger to expand scope for risk-taking and diversify assets under management

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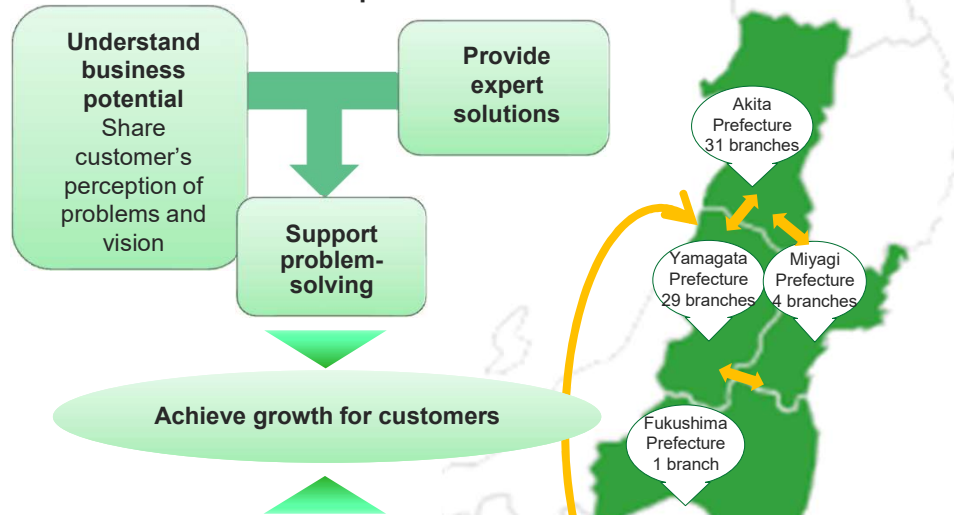
Strengthen management foundation by completing group restructuring

- (1) Strengthen human capital-oriented management
 - (i) Develop a human-resource portfolio linked to business strategy
 - (ii) Improve development of human resources and assign them strategically
- (2) Enhance productivity
 - (i) Generate interactions with customers by reducing workloads
 - (ii) Produce human resources who will underpin the consulting business
- (3) Optimize risk-return balance by transitioning to F-IRB approach
- (4) Improve balance-sheet management and enhance ALM

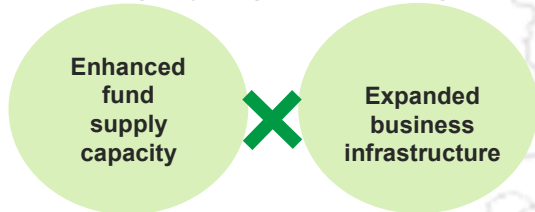
Corporate customers

- Enhance understanding of business potential by sharing customers' perceptions of business potential, vision to aspire to, and problems
- Provide expert solutions by combining both banks' know-how regarding business succession and M&A, project finance, etc.
- Leverage expanded business infrastructure and enhanced fund supply capacity resulting from the merger to offer support for customers' growth

➤ Problem-solving based on understanding of business potential



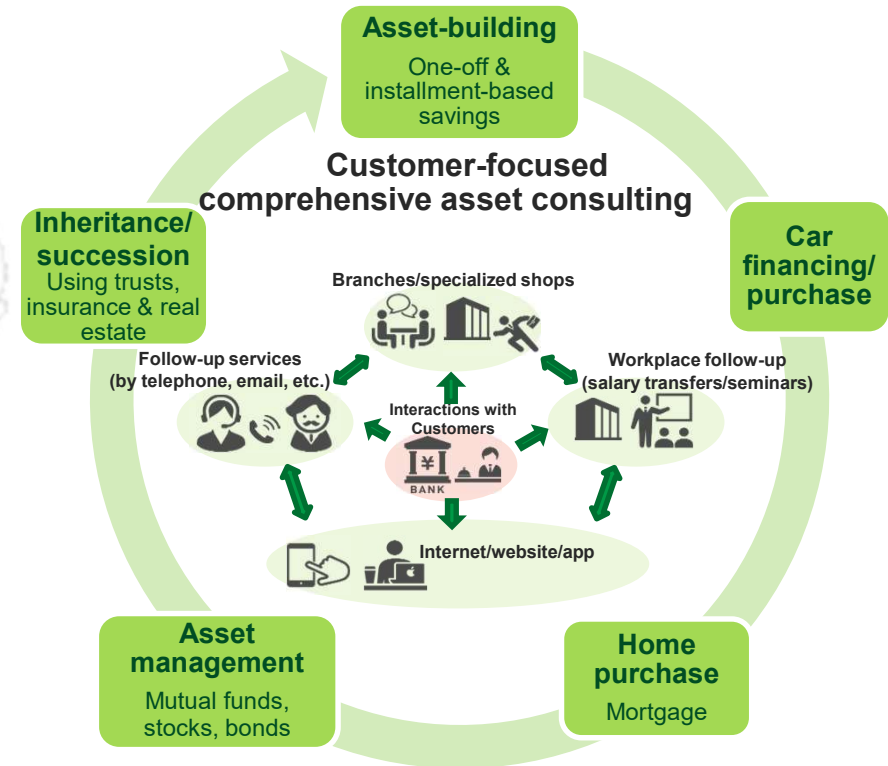
➤ Leverage synergies from merger



KPI: No. of solutions provided (cumulative): 5,600 (+ 400 compared to the 5th medium-term plan)

Individual customers

- Offer comprehensive asset consulting to support optimal asset allocation as well as asset-building and inheritance
- Provide a one-stop service addressing customers' entire lifecycles by increasing interactions with customers



(Numbers of branches for Sendai and Tokyo are post-merger)

KPI: Financial assets deposited by individual customers (balance at end of FY2028): 2.48 tn. yen (+ 120.0 bn. yen compared to end of FY2025)

Contribute to regional revitalization by leveraging widespread support network

Broad-area cooperation for solving regional issues

- Promoting cross-industry collaboration with companies within and outside the region, including large corporations.

Addressing local issues

- Improving the convenience of local transportation and reducing areas without infrastructure
- Providing expertise in PPP/PFI
- Measures to address vacant houses, etc.

Contributing to regional revitalization through "project-driven" initiatives

Bolster support for decarbonization based on **renewable energy**

1 Make locally

- Financing to promote local production of renewable energy

2 Use locally

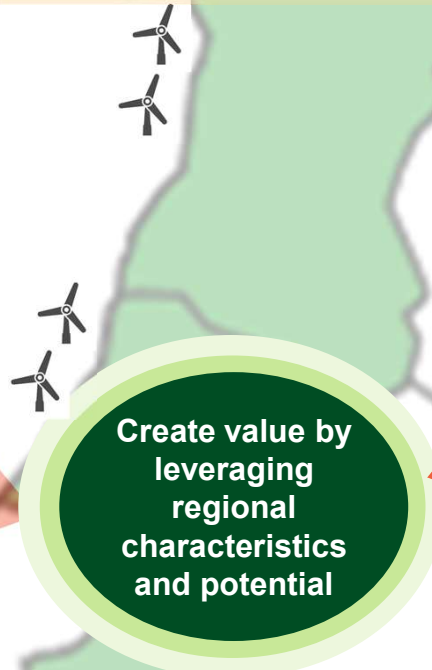
- Fidea Energy's renewable energy power supply
- Promoting the use of renewable energy through support for decarbonization management of local businesses

3 Promote locally

- Support local renewable energy and decarbonization projects

Establish an economic circulation model for renewable energy and decarbonization

Initiatives in priority areas utilizing local resources



Create value by leveraging regional characteristics and potential

Support regional revitalization centered on **tourism**



Strengthen efforts to expand inbound tourism to Japan, etc.

- Partnerships with travel agencies that have overseas networks
- Attract high-added-value visitors from overseas as well as affluent Japanese visitors



Support the growth of local tourism-related businesses

- Support businesses' growth through initiatives to solve local tourism-related issues



Build a network for supporting tourism

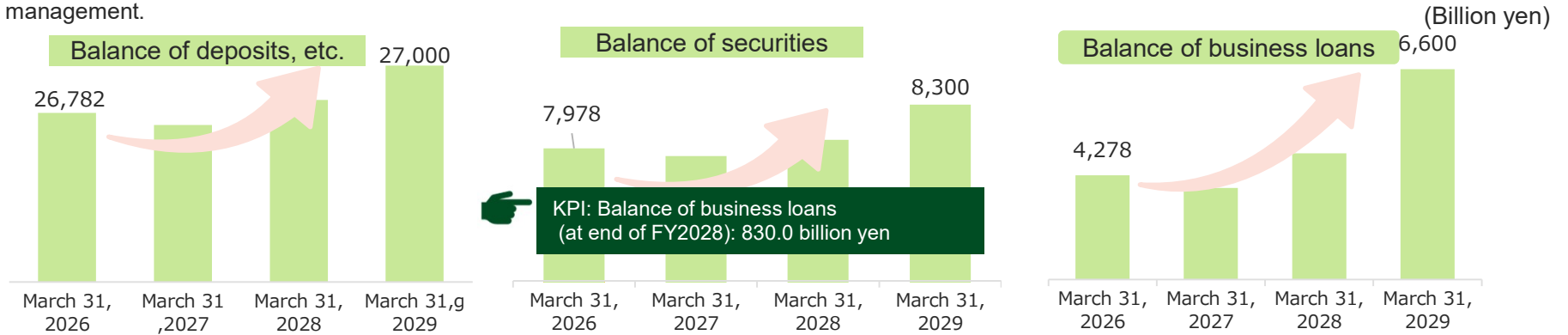
- Participate in councils run by local govts, DMOs, etc. Build networks and accumulate know-how by taking part in joint projects

KPI: Sustainable finance (cumulative; at end of FY2028): 400.0 billion yen or more (2 years ahead of original plan)

5. Priority Measure 3: Restructure Core Earnings

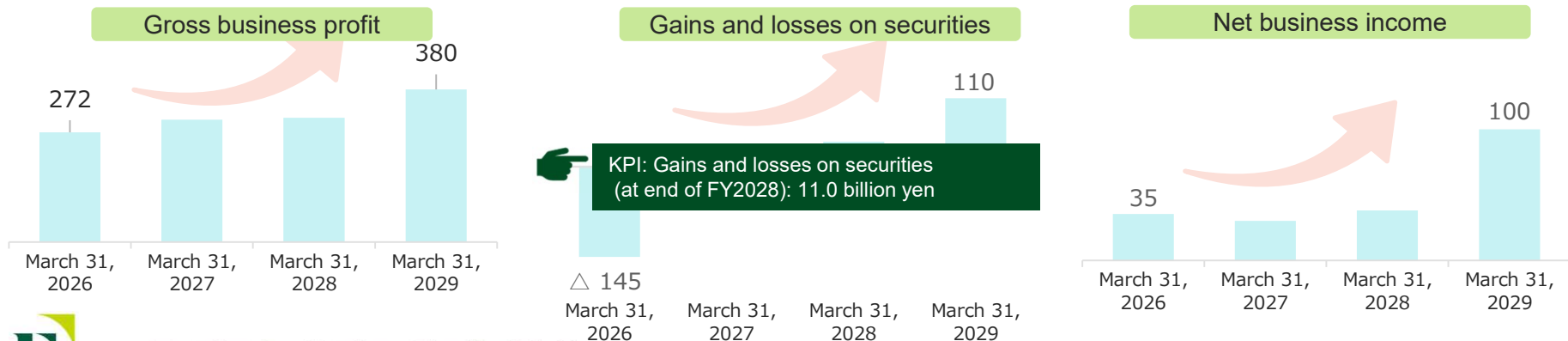
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- Strengthen efforts to build up deposits (the source of earnings) in response to Japan's transition to positive interest rates and the change to an environment in which asset value connects directly to earnings
- Leverage greater scale following merger to support business operators in the two prefectures, provide corporate finance and structured finance in the Tokyo area
- Leveraging the combined expertise gained from consolidating market division personnel, we will promote investment diversification in securities management.



- Development of total asset management, including deposits, tailored to the life cycle.
- Strengthening the corporate base through payment transactions and integration into the workplace.
- Leverage wider coverage and enhanced expertise to further invigorate support for business operators
- Expand efforts to provide corporate finance and structured finance in the Tokyo area
- Resume active bond investment while monitoring interest rate conditions
- Increase investment in stocks as inflation-resistant assets

By leveraging the increased risk-taking capacity resulting from the merger and building up the balances of each asset, we aim to grow the top line, improve unrealized gains and losses, restructure core earnings, and drive group growth.



Strengthen human capital-oriented management

Optimize People

- Build up solid foundation of personnel with expertise and diversity to solve problems for region and for customers
- Systematically develop personnel for senior management, management, and specialist roles
- Develop personnel to implement staffing plans aligned with business strategy & changes in business environment

👉 KPIs: Human capital investment: 80 million yen
Employees passing priority qualification exams: 550

Optimize the Organization

- Hire and develop diverse human resources
- Ensure fair evaluation/promotion and cultivate an inclusive organizational culture

👉 KPIs: Share of female directors: 25%
Share of female managers: 35%

Optimize the Workplace Environment

- Optimally align business and human resource portfolios through transparent personnel profile data
- Ensure personnel management that encourages employees to actively take on challenges
- Enhance employee engagement through health and productivity management

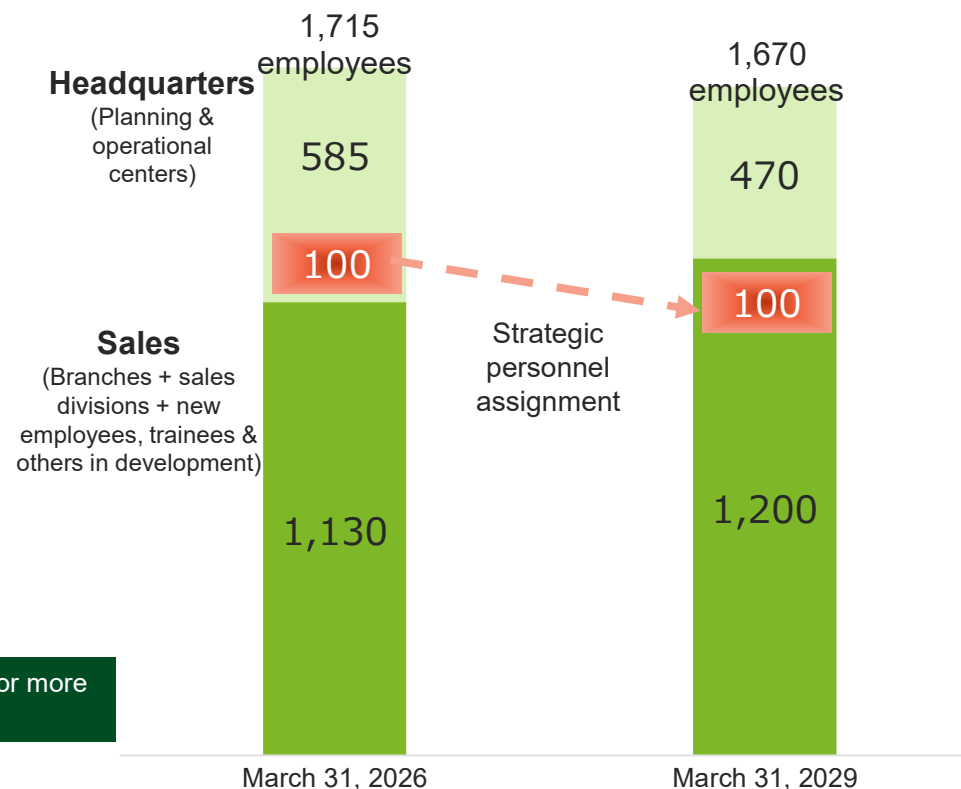
👉 KPIs: Employee retention rate within 3 years of joining: 95% or more
Employee satisfaction rate: 3.65 or more

Enhance productivity

- Talent creation through streamlining of headquarters after merger
- Promoting business efficiency through AI utilization and BPR

👉 By reducing workload, we will promote strategic personnel allocation to key areas, including sales, and strengthen customer engagement.

👉 KPI: Strategic personnel assignment: 100



Balance-sheet management and enhancement of ALM

- Having switched to a positive-interest-rate environment, impacts on earnings from deposits and loans have increased, necessitating balance-sheet management & enhancement of ALM

- Deterioration in securities valuations due to rising interest rates
- Higher loan interest rates for loans and bills discounted
- Increased risk of default

Assets (Managed)

- Cash and due from banks
- Securities
- Loans and bills discounted

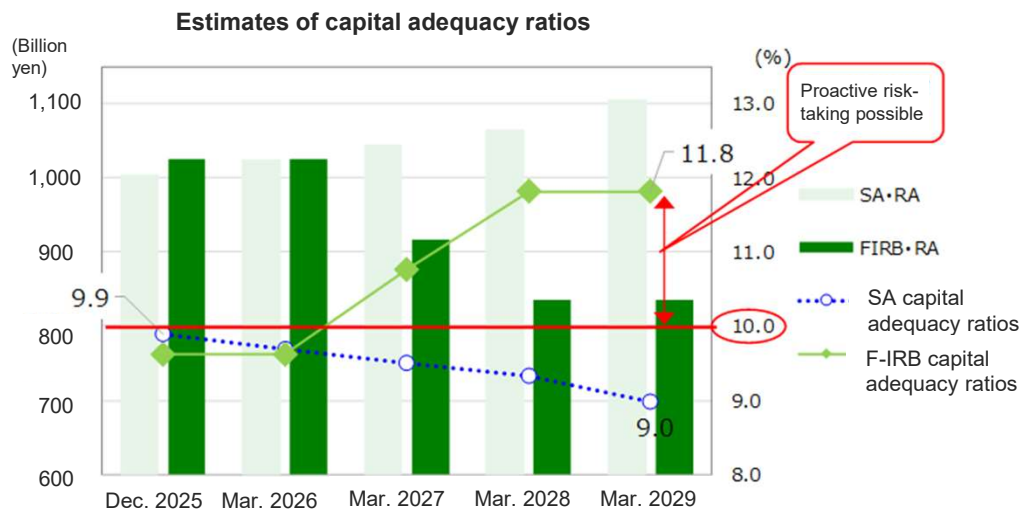
Liabilities (Procured)

- Deposits
- Borrowed money

- Higher deposit interest rates
- Reduced balances due to customers moving deposits to other Banks as result of interest-rate competition
- Increased market funding rate

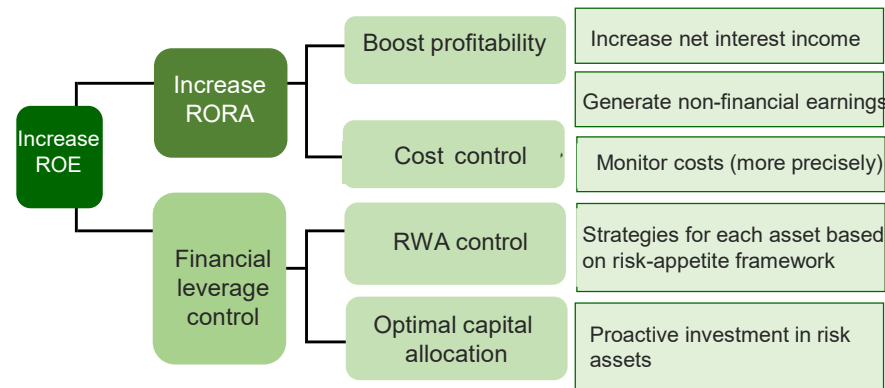
Optimize risk-return balance by transitioning to F-IRB approach

- Seek to increase ROE (RORA) by optimizing risk-return balance via transition to F-IRB approach
- Manage credit risk, targeting a capital adequacy ratio of 10%, combining a proactive approach and capital soundness



Increase ROE

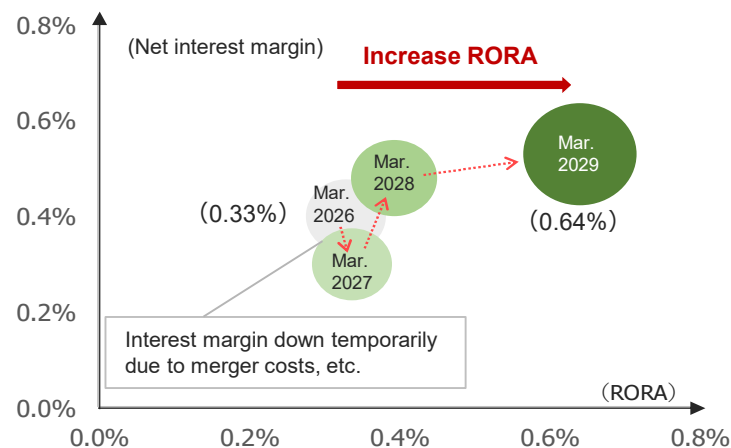
- By improving profitability under proper capital management, it is possible to achieve a sustainable increase in ROE.



Proactive risk-taking based on analysis of RORA

- By refining RORA analysis by asset class based on changes in lending yields and securities portfolios, and reflecting this in investment strategies, we pursue the optimization of risk and return.

Net interest margin and RORA forecasts based on Sixth Medium-term Management Plan



Figures in parentheses represent RORA
Size of circles represents scale of net income