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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 9, 2025

Company name: Daishi Hokuetsu Financial Group, Inc.

Listing: Tokyo Stock Exchange

Securities code: 7327

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President and Representative Director
General Manager of Corporate Planning Division

Scheduled date of annual general meeting of shareholders: June 25, 2025

Scheduled date to commence dividend payments: June 2, 2025

Scheduled date to file annual securities report: June 23, 2025

Trading accounts: None

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Ordinary revenues		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	194,646	6.9	41,112	33.1	29,349	38.4
March 31, 2024	182,058	22.3	30,868	23.2	21,203	19.3

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ (11,612) million [-%]
Fiscal year ended March 31, 2024: ¥ 94,399 million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Ordinary profit to ordinary revenues ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	335.91	-	5.9	0.3	21.1
March 31, 2024	237.35	-	4.6	0.2	16.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ - million
Fiscal year ended March 31, 2024: ¥ - million

(Notes)1.The company conducted a 2-for-1 stock split effective October 1, 2024. Basic earnings per share is calculated on the assumption that the stock split was carried out at the beginning of the previous consolidated fiscal year.

2.The figures for the fiscal year ending March 2024 reflect retrospective application due to changes in accounting policies. For details of the changes in accounting policies, please refer to the attached material on page 11.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	10,977,796	478,870	4.3	5,487.84
March 31, 2024	11,138,009	499,902	4.4	5,706.68

(Reference) Equity: As of March 31, 2025: ¥ 478,864 million
As of March 31, 2024: ¥ 499,883 million

(Notes)1.The "Capital adequacy ratio" is calculated by dividing (total net assets at the end of the period - non-controlling interests at the end of the period) by total assets at the end of the period. Please note that this "Capital adequacy ratio" is not the equity ratio prescribed in the notification of equity ratio.

2.The company conducted a 2-for-1 stock split effective October 1, 2024. Net assets per share is calculated on the assumption that the stock split was carried out at the beginning of the previous consolidated fiscal year.

3.The figures for the fiscal year ending March 2024 reflect retrospective application due to changes in accounting policies. For details of the changes in accounting policies, please refer to the attached material on page 11.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	(255,788)	186,554	(9,431)	2,145,045
March 31, 2024	294,419	(90,170)	(10,509)	2,223,711

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	70.00	-	75.00	145.00	6,535	30.8	1.4
March 31, 2025	-	112.00	-	75.00	-	11,687	39.8	2.3
Fiscal year ending March 31, 2026 (Forecast)	-	75.00	-	75.00	150.00		40.5	

(Notes)1. Breakdown of the annual dividends for the fiscal year ending March 31, 2024

2nd quarter end dividend : ordinary dividend 65.00 yen , commemorative dividend 5.00 yen

Year end dividend : ordinary dividend 70.00 yen , commemorative dividend 5.00 yen

2. The company conducted a 2-for-1 stock split effective October 1, 2024. The dividend amounts stated for the second quarter and earlier of the fiscal year ending March 2025 are the actual dividend amounts before the stock split. The year-end dividend amount for the fiscal year ending March 2025 is stated at the amount after the stock split, and the total annual dividends are shown as "-" as they cannot be simply totaled due to the implementation of the stock split.

3. The total dividend amount includes the dividend payment amounts for the trust accounts of the trust-type stock compensation system, the employee stock ownership plan dedicated trust (E-Ship Trust) (103 million yen for the fiscal year ended March 2024 and 263 million yen for the fiscal year ended March 2025). The dividend payout ratio is calculated by dividing this total dividend amount by net income attributable to parent company shareholders.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	23,400	14.6	16,100	9.8	184.50
Full year	48,000	16.7	33,000	12.4	378.18

* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 91,885,956 shares

March 31, 2024: 91,885,956 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 4,626,872 shares

March 31, 2024: 4,289,842 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 87,370,252 shares

Fiscal Year ended March 31, 2024: 89,329,990 shares

(Note) The company conducted a 2-for-1 stock split effective October 1, 2024. The number of shares issued at the end of the period (including treasury shares), the number of treasury shares at the end of the period and the average number of shares during the period are calculated on the assumption that the share split was carried out at the beginning of the previous consolidated fiscal year.

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenues		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	9,635	13.7	8,474	13.1	8,537	13.7	8,577	7.3
March 31, 2024	8,469	1.7	7,490	0.6	7,506	0.8	7,992	7.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	98.17	-
March 31, 2024	89.47	-

(Note)The company conducted a 2-for-1 stock split effective October 1, 2024. Basic earnings per share is calculated on the assumption that the stock split was carried out at the beginning of the previous non-consolidated fiscal year.

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	324,235	320,326	98.7	3,670.97
March 31, 2024	325,444	321,160	98.6	3,666.38

(Reference) Equity: As of March 31, 2025: ¥ 320,326 million

As of March 31, 2024: ¥ 321,160 million

(Notes)1.The "Capital adequacy ratio" is calculated by dividing (total net assets at the end of the period) by total assets at the end of the period. Please note that this "Capital adequacy ratio" is not the equity ratio prescribed in the notification of equity ratio.

2.The company conducted a 2-for-1 stock split effective October 1, 2024. Net assets per share is calculated on the assumption that the stock split was carried out at the beginning of the previous non-consolidated fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The descriptions of future prospects such as business performance outlook contained in this document are based on information currently available to the Company and certain reasonable assumptions that the Company believes are rational, and are not intended to promise achievement of them as the Company's commitment. Actual business performance may greatly vary from the outlook due to various factors.

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Financial results for the fiscal year ended march 31, 2025 presentation material

1. Consolidated financial statements and notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Cash and due from banks	2,230,849	2,147,289
Monetary claims bought	17,106	14,121
Trading securities	2,452	2,243
Money held in trust	4,966	4,947
Securities	3,072,041	2,904,886
Loans and bills discounted	5,430,402	5,580,589
Foreign exchanges	29,802	26,461
Other assets	256,040	206,444
Tangible fixed assets	55,948	54,179
Buildings, net	16,740	16,701
Land	30,240	29,808
Leased assets, net	161	227
Construction in progress	342	253
Other tangible fixed assets	8,463	7,188
Intangible fixed assets	8,893	6,741
Software	7,857	6,028
Leased assets	33	17
Other intangible fixed assets	1,002	695
Retirement benefit asset	35,779	32,977
Deferred tax assets	2,216	8,348
Customers' liabilities for acceptances and guarantees	21,078	19,352
Allowance for loan losses	(29,569)	(30,784)
Total assets	11,138,009	10,977,796
Liabilities		
Deposits	8,498,683	8,522,003
Negotiable certificates of deposit	206,769	212,011
Securities sold under repurchase agreements	202,184	166,011
Cash collateral received for securities lent	375,528	367,662
Borrowed money	1,167,666	965,660
Foreign exchanges	385	749
Borrowed money from trust account	14,813	20,198
Other liabilities	124,318	208,763
Provision for bonuses	2,565	2,581
Provision for bonuses for directors (and other officers)	148	171
Provision for share-based payments	774	931
Retirement benefit liability	760	745
Provision for retirement benefits for directors (and other officers)	47	53
Provision for reimbursement of deposits	1,058	814
Provision for contingent loss	1,935	1,726
Provision for loss on guarantees	2	-
Allowance for demolition of non-current assets	1,026	1,012
Reserves under special laws	24	28
Deferred tax liabilities	13,534	3,566
Deferred tax liabilities for land revaluation	4,800	4,878
Acceptances and guarantees	21,078	19,352
Total liabilities	10,638,106	10,498,925

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Share capital	30,000	30,000
Capital surplus	102,980	102,987
Retained earnings	309,972	331,103
Treasury shares	(7,638)	(8,692)
Total shareholders' equity	435,315	455,399
Valuation difference on available-for-sale securities	12,026	(16,967)
Deferred gains or losses on hedges	29,163	22,085
Revaluation reserve for land	5,562	5,281
Remeasurements of defined benefit plans	17,815	13,064
Total accumulated other comprehensive income	64,568	23,464
Non-controlling interests	19	6
Total net assets	499,902	478,870
Total liabilities and net assets	11,138,009	10,977,796

(2) Consolidated statements of income and comprehensive income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Ordinary income	182,058	194,646
Interest income	99,006	115,106
Interest on loans and discounts	49,460	55,033
Interest and dividends on securities	39,065	46,816
Interest on call loans and bills bought	(15)	83
Interest on deposits with banks	1,466	5,057
Other interest income	9,030	8,114
Trust fees	146	145
Fees and commissions	36,033	36,090
Other ordinary income	37,910	36,800
Other income	8,961	6,504
Recoveries of written off receivables	752	835
Other	8,209	5,668
Ordinary expenses	151,190	153,534
Interest expenses	34,738	41,524
Interest on deposits	560	4,910
Interest on negotiable certificates of deposit	11	98
Interest on call money and bills sold	(6)	-
Interest expenses on securities sold under repurchase agreements	9,650	9,291
Interest expenses on cash collateral received for securities lent	16,683	19,274
Interest on borrowings and rediscounts	27	50
Other interest expenses	7,812	7,898
Fees and commissions payments	10,772	10,976
Other ordinary expenses	30,395	32,056
General and administrative expenses	63,338	62,661
Other expenses	11,943	6,314
Provision of allowance for loan losses	3,274	4,047
Other	8,669	2,267
Ordinary profit	30,868	41,112
Extraordinary income	1,512	393
Gain on disposal of non-current assets	60	379
Gain on step acquisitions	109	-
Gain on bargain purchase	1,343	-
Gain on reversal of provision for dismantling of fixed assets	-	13
Extraordinary losses	2,622	330
Loss on disposal of non-current assets	362	233
Impairment losses	1,039	92
Provision of reserve for financial instruments transaction liabilities	7	4
Retirement benefit expenses	187	-
Provision for demolition of non-current assets	1,026	-
Profit before income taxes	29,758	41,176
Income taxes - current	9,198	10,524
Income taxes - deferred	(644)	1,300
Total income taxes	8,553	11,825
Profit	21,204	29,350
Profit attributable to non-controlling interests	1	0
Profit attributable to owners of parent	21,203	29,349

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	21,204	29,350
Other comprehensive income	73,194	(40,962)
Valuation difference on available-for-sale securities	31,913	(28,994)
Deferred gains or losses on hedges	28,875	(7,078)
Revaluation reserve for land	-	(139)
Remeasurements of defined benefit plans, net of tax	12,406	(4,750)
Comprehensive income	94,399	(11,612)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	94,398	(11,613)
Comprehensive income attributable to non-controlling interests	1	0

(3) Consolidated statements of changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,000	102,980	294,499	(3,066)	424,413
Changes during period					
Dividends of surplus			(5,892)		(5,892)
Profit attributable to owners of parent			21,203		21,203
Purchase of treasury shares				(4,728)	(4,728)
Disposal of treasury shares		0		157	157
Reversal of revaluation reserve for land			162		162
Net changes in items other than shareholders' equity					
Total changes during period	-	0	15,472	(4,571)	10,901
Balance at end of period	30,000	102,980	309,972	(7,638)	435,315

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(19,886)	288	5,724	5,409	(8,463)	-	415,949
Changes during period							
Dividends of surplus							(5,892)
Profit attributable to owners of parent							21,203
Purchase of treasury shares							(4,728)
Disposal of treasury shares							157
Reversal of revaluation reserve for land							162
Net changes in items other than shareholders' equity	31,913	28,875	(162)	12,406	73,032	19	73,051
Total changes during period	31,913	28,875	(162)	12,406	73,032	19	83,952
Balance at end of period	12,026	29,163	5,562	17,815	64,568	19	499,902

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,000	102,980	309,972	(7,638)	435,315
Changes during period					
Dividends of surplus			(8,358)		(8,358)
Profit attributable to owners of parent			29,349		29,349
Purchase of treasury shares				(1,517)	(1,517)
Disposal of treasury shares		0		464	464
Reversal of revaluation reserve for land			140		140
Change in ownership interest of parent due to transactions with non-controlling interests		5			5
Net changes in items other than shareholders' equity					
Total changes during period	-	6	21,131	(1,053)	20,083
Balance at end of period	30,000	102,987	331,103	(8,692)	455,399

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	12,026	29,163	5,562	17,815	64,568	19	499,902
Changes during period							
Dividends of surplus							(8,358)
Profit attributable to owners of parent							29,349
Purchase of treasury shares							(1,517)
Disposal of treasury shares							464
Reversal of revaluation reserve for land							140
Change in ownership interest of parent due to transactions with non-controlling interests							5
Net changes in items other than shareholders' equity	(28,994)	(7,078)	(280)	(4,750)	(41,103)	(12)	(41,115)
Total changes during period	(28,994)	(7,078)	(280)	(4,750)	(41,103)	(12)	(21,031)
Balance at end of period	(16,967)	22,085	5,281	13,064	23,464	6	478,870

(4) Consolidated statements of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	29,758	41,176
Depreciation	7,081	7,021
Impairment losses	1,039	92
Loss (gain) on step acquisitions	(109)	-
Gain on bargain purchase	(1,343)	-
Increase (decrease) in allowance for loan losses	514	1,214
Increase (decrease) in provision for contingent loss	24	(208)
Increase (decrease) in provision for bonuses	89	16
Increase (decrease) in provision for bonuses for directors (and other officers)	28	22
Increase (decrease) in provision for share-based payments	76	156
Decrease (increase) in retirement benefit asset	(19,257)	2,802
Increase (decrease) in retirement benefit liability	(304)	(14)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(4)	6
Increase (decrease) in provision for reimbursement of deposits	(130)	(243)
Increase (decrease) in provision for loss on guarantees	2	(2)
Increase (decrease) in allowance for demolition of non-current assets	1,026	(13)
Interest income	(99,006)	(115,106)
Interest expenses	34,738	41,524
Loss (gain) related to securities	3,276	4,326
Loss (gain) on money held in trust	30	15
Foreign exchange losses (gains)	0	0
Loss (gain) on disposal of non-current assets	302	(146)
Net decrease (increase) in trading securities	105	209
Net decrease (increase) in loans and bills discounted	(164,439)	(150,187)
Net increase (decrease) in deposits	131,128	23,319
Net increase (decrease) in negotiable certificates of deposit	(6,458)	5,242
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	264,869	(202,005)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	(5,137)	4,894
Net decrease (increase) in call loans	(1,497)	2,985
Net increase (decrease) in call money	26,608	(36,172)
Net increase (decrease) in cash collateral received for securities lent	67,481	(7,865)
Net decrease (increase) in foreign exchanges - assets	(10,235)	3,340
Net increase (decrease) in foreign exchanges - liabilities	(78)	364
Net increase (decrease) in borrowed money from trust account	6,426	5,385
Interest received	95,233	113,572
Interest paid	(34,495)	(41,160)
Other, net	(27,482)	50,475
Subtotal	299,863	(244,960)
Income taxes paid	(5,444)	(10,828)
Net cash provided by (used in) operating activities	294,419	(255,788)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from investing activities		
Purchase of securities	(1,103,982)	(1,046,506)
Proceeds from sale of securities	879,052	1,071,706
Proceeds from redemption of securities	144,672	164,301
Increase in money held in trust	(4,997)	-
Purchase of tangible fixed assets	(3,545)	(2,084)
Proceeds from sale of tangible fixed assets	336	1,030
Purchase of intangible fixed assets	(1,579)	(1,892)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(127)	-
Net cash provided by (used in) investing activities	(90,170)	186,554
Cash flows from financing activities		
Dividends paid	(5,892)	(8,358)
Purchase of treasury shares	(4,728)	(1,517)
Proceeds from sale of treasury shares	111	452
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(7)
Net cash provided by (used in) financing activities	(10,509)	(9,431)
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	193,739	(78,666)
Cash and cash equivalents at beginning of period	2,029,972	2,223,711
Cash and cash equivalents at end of period	2,223,711	2,145,045

(5) Notes to consolidated financial statements

(Note on going concern assumption)

There are no applicable items.

(Additional information)

(Share-based payment plan using trusts)

1. Overview of transactions

The Company is implementing a trust-type, share-based payment plan (hereinafter referred to as the “Plan”) that delivers shares of the Company to directors of the Company who are not Audit and Supervisory Committee Members (excluding outside directors and those who are not residents in Japan) and directors who are not Audit and Supervisory Committee Members (excluding outside directors and those who are not residents in Japan) and executive officers (excluding those who are not residents in Japan) of The Daishi Hokuetsu Bank, Ltd., which is a consolidated subsidiary of the Company (directors of the Company who are not Audit and Supervisory Committee Members, directors of The Daishi Hokuetsu Bank, Ltd. who are not Audit and Supervisory Committee Members, and executive officers of The Daishi Hokuetsu Bank, Ltd. are hereinafter collectively referred to as “Eligible Directors, etc.”).

The Plan establishes a trust by combining the amount of money within the range approved by the resolution of the general meeting of shareholders of the Company and the amount of money contributed by The Daishi Hokuetsu Bank, Ltd. after the approval of the general meeting of shareholders of the Bank with the Eligible Directors, etc. who meet certain requirements as beneficiaries. The trust acquires the Company’s shares from the stock market using the money in the trust as the source of funds.

During the trust period, in accordance with the predetermined provisions for the delivery of shares, beneficiaries shall receive, after receiving a certain number of points, the number of the Company’s shares equivalent to 50% of the number of points at the time of retirement (shares less than one unit shall be rounded up), and shall receive money equivalent to the amount converted into cash within the trust for the remaining shares.

2. The Company’s shares held by the trust

The book value and number of shares of the Company held by the trust were 1,277 million yen and 844 thousand shares at the end of the current consolidated fiscal year (993 million yen and 729 thousand shares at the end of the previous consolidated fiscal year), and they are recorded as treasury stock under net assets.

(Transactions to deliver the Company’s shares to employees, etc. through trusts)

1. Overview of transactions

The Company introduced the “Trust-Type Employee Shareholding Incentive Plan (E-Ship®)” (hereinafter, the “Plan”) with the aim of providing the Group’s employees with an incentive to enhance the corporate value over the medium to long term and enhancing welfare benefits.

The Plan is an incentive plan for all employees who belong to the “Daishi Hokuetsu Financial Group Employee Shareholding Association” (hereinafter, the “Shareholding Association”). Under the Plan, the Company establishes the “Daishi Hokuetsu Financial Group Employee Shareholding Association Dedicated Trust” (hereinafter, the “E-Ship Trust”) with a trust bank, and the E-Ship Trust shall acquire the Company’s shares in advance in the number expected to be acquired by the Shareholding Association for approximately five years after the establishment of the E-Ship Trust. Thereafter, the Company’s shares will continue to be sold from the E-Ship Trust to the Shareholding Association, and if an amount equivalent to the gain on sale of shares is accumulated in the E-Ship Trust at the time of termination of the trust, the said amount equivalent to the gain on sale of shares will be distributed as residual assets to those who meet the beneficiary eligibility requirements. Furthermore, as the Company guarantees the borrowings to be used by the E-Ship Trust to acquire the Company’s shares, if an amount equivalent to a loss on sale of shares is accumulated in the E-Ship Trust due to a decline in the Company’s share price, and there are remaining borrowings equivalent to the loss on sale of shares in the E-Ship Trust at the time of termination of the trust, the Company shall repay the remaining borrowings.

2. The Company’s shares held by the trust

The book value and number of shares of the Company held by the trust were 2,219 million yen and 1,117 thousand shares at the end of the current consolidated fiscal year (2,657 million yen and 1,337 thousand shares at the end of the previous consolidated fiscal year), and they are recorded as treasury stock under net assets at the book value recorded by the trust.

3. Book value of borrowings accounted for using the gross price method

¥2,660 million at the end of the previous consolidated fiscal year

¥1,975 million at the end of the current consolidated fiscal year

(Changes in accounting policy)

(Application of Accounting Standard for Tax Effect Accounting)

The "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022) has been applied since the beginning of the current consolidated fiscal year.

In conjunction with this, for the accounting treatment of tax effects in cases where losses or gains arising from intercompany sales of shares of subsidiaries, etc. are deferred for tax purposes, whereas under the previous method deferred tax assets or deferred tax liabilities were not adjusted on consolidation for the temporary differences associated with such losses or gains if the selling corporations' financial statements recognized deferred tax assets or deferred tax liabilities for the temporary differences, the new method requires reversal of such deferred tax assets or liabilities.

The changes in accounting policies have been applied retrospectively, and accordingly, the consolidated financial statements for the previous fiscal year have been restated retrospectively. As a result, compared to the amounts before retrospective application of this accounting standard, deferred tax assets have increased by 155 million yen, deferred tax liabilities have decreased by 370 million yen, and retained earnings have increased by 526 million yen in the consolidated financial statements for the previous fiscal year.

(Segment Information)

Information by reportable segment regarding monetary amounts of ordinary revenues, profit or loss, assets, liabilities and other items

Previous fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment				Other	Total	Adjustments	Carrying amount on the consolidated financial statements
	Banking business	Leasing business	Securities business	Total				
Ordinary revenues								
Ordinary revenues from external customers	148,394	20,349	5,170	173,913	8,488	182,401	(343)	182,058
Inter-segment ordinary revenues	633	379	48	1,061	10,500	11,562	(11,562)	—
Total	149,027	20,728	5,219	174,975	18,989	193,964	(11,905)	182,058
Segment profit	25,417	923	2,039	28,380	10,245	38,625	(7,757)	30,868
Segment assets	11,040,998	76,780	35,682	11,153,461	375,499	11,528,961	(390,951)	11,138,009
Segment liabilities	10,611,103	56,443	15,836	10,683,382	31,403	10,714,785	(76,679)	10,638,106
Other items								
Depreciation	6,699	206	21	6,926	178	7,105	(24)	7,081
Interest income	98,719	333	188	99,242	7,627	106,870	(7,863)	99,006
Financing expenses	34,708	161	3	34,873	9	34,883	(144)	34,738
Increase in property, plant and equipment, and intangible assets	4,621	184	41	4,847	208	5,056	68	5,124

- (Notes)
- Ordinary revenues are presented instead of net sales, which are used by non-financial companies.
 - "Other" represents a business segment not included in the reportable segments, and includes services such as credit guarantees and credit card operations.
 - The figures for the fiscal year ending March 2024 reflect retrospective application due to changes in accounting policies.
 - Adjustments are as follows:
 - Adjustments to ordinary revenues from external customers of (343) million yen include adjustments to ordinary revenues associated with the purchase method of (353) million yen.
 - Adjustments to segment profit of (7,757) million yen represent eliminations of inter-segment transactions, etc.
 - Adjustments to segment assets of (390,951) million yen represent eliminations of inter-segment transactions, etc.
 - Adjustments to segment liabilities of (76,679) million yen represent eliminations of inter-segment transactions, etc.
 - Adjustments to depreciation of (24) million yen represent adjustments to depreciation associated with the purchase method.
 - Adjustments to interest income of (7,863) million yen represent eliminations of inter-segment transactions, etc.

- 7) Adjustments to financing expenses of (144) million yen represent eliminations of inter-segment transactions, etc.
- 8) An adjustment of 68 million yen to the increase in property, plant and equipment, and intangible assets mainly represents the acquisition cost of lease assets obtained by non-lease business segments under agreements with the lease business segment.
5. Segment profit is reconciled to ordinary profit in the consolidated statement of income.

Current fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment				Other	Total	Adjustments	Carrying amount on the consolidated financial statements
	Banking business	Leasing business	Securities business	Total				
Ordinary revenues								
Ordinary revenues from external customers	160,032	21,289	5,143	186,465	8,208	194,673	(27)	194,646
Inter-segment ordinary revenues	802	368	30	1,201	11,370	12,572	(12,572)	—
Total	160,834	21,657	5,174	187,666	19,579	207,246	(12,599)	194,646
Segment profit	35,127	1,060	1,948	38,136	10,935	49,071	(7,959)	41,112
Segment assets	10,902,564	89,673	30,502	11,022,740	376,430	11,399,171	(421,374)	10,977,796
Segment liabilities	10,490,425	68,774	10,982	10,570,181	31,896	10,602,078	(103,152)	10,498,925
Other items								
Depreciation	6,684	176	15	6,876	182	7,058	(37)	7,021
Interest income	114,149	455	250	114,854	8,626	123,480	(8,374)	115,106
Financing expenses	41,493	356	0	41,850	6	41,856	(331)	41,524
Increase in property, plant and equipment, and intangible assets	3,472	192	34	3,700	265	3,965	12	3,977

- (Notes)
- Ordinary revenues are presented instead of net sales, which are used by non-financial companies.
 - “Other” represents a business segment not included in the reportable segments, and includes services such as credit guarantees and credit card operations.
 - Adjustments are as follows:
 - Adjustments to ordinary revenues from external customers of (27) million yen include adjustments to ordinary revenues associated with the purchase method of 160 million yen.
 - Adjustments to segment profit of (7,959) million yen represent eliminations of inter-segment transactions, etc.
 - Adjustments to segment assets of (421,374) million yen represent eliminations of inter-segment transactions, etc.
 - Adjustments to segment liabilities of (103,152) million yen represent eliminations of inter-segment transactions, etc.
 - Adjustments to depreciation of (37) million yen represent adjustments to depreciation associated with the purchase method.
 - Adjustments to interest income of (8,374) million yen represent eliminations of inter-segment transactions, etc.
 - Adjustments to financing expenses of (331) million yen represent eliminations of inter-segment transactions, etc.
 - An adjustment of 12 million yen to the increase in property, plant and equipment, and intangible assets mainly represents the acquisition cost of lease assets obtained by non-lease business segments under agreements with the lease business segment.
 - Segment profit is reconciled to ordinary profit in the consolidated statement of income.

(Per share information)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Current fiscal year (from April 1, 2024 to March 31, 2025)
Net assets per share	5,706.68yen	5,487.84yen
Basic earnings per share	237.35yen	335.91yen

(Notes)1. The company conducted a 2-for-1 stock split effective October 1, 2024. Net assets per share and Basic earnings per share is calculated on the assumption that the stock split was carried out at the beginning of the previous consolidated fiscal year.

2. The figures for the fiscal year ending March 2024 reflect retrospective application due to changes in accounting policies.

3. Diluted earnings per share is not presented as there are no potentially dilutive shares.

4. Net assets per share is calculated based on the following:

	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Total net assets (millions of yen)	499,902	478,870
Amount deducted from total net assets (millions of yen)	19	6
(Non-controlling interests)	19	6
Net assets attributable to common stock at the fiscal year-end (millions of yen)	499,883	478,864
Number of shares of common stock at the fiscal year-end used for the calculation of net assets per share (thousands)	87,596	87,259

(Note) The shares of the Company remaining in the trust and recorded as treasury shares under shareholders' equity is included in the treasury shares deducted from the total number of shares at fiscal year-end for the purpose of calculating net assets per share.

Number of treasury shares at fiscal year-end deducted in the calculation of net assets per share:

Previous fiscal year 2,067 thousand shares

Current fiscal year 1,961 thousand shares

5. Basic earnings per share is calculated based on the following:

		Previous fiscal year (from April 1, 2023 to March 31, 2024)	Current fiscal year (from April 1, 2024 to March 31, 2025)
Basic earnings per share			
Profit attributable to owners of parent	Millions of yen	21,203	29,349
Amount not attributable to common stockholders	Millions of yen	—	—
Profit attributable to owners of parent relating to common stock	Millions of yen	21,203	29,349
Average number of shares of common stock during the fiscal year	Thousands	89,329	87,370

(Note) The shares of the Company remaining in the trust and recorded as treasury shares under shareholders' equity is included in the treasury shares deducted from the average number of shares during the fiscal year for the purpose of calculating basic earnings per share.

Average number of treasury shares during the fiscal year deducted in the calculation of basic earnings per share:

Previous fiscal year 1,183 thousand shares

Current fiscal year 2,026 thousand shares

(Significant subsequent events)

Memorandum of Understanding regarding Business Integration
Between The Company and The Gunma Bank, Ltd.

At the Board of Directors meeting held on April 24, 2025, The Company resolved to aim for the realization of business integration (hereinafter referred to as the "Business Integration" or "this case") with The Gunma Bank, Ltd. (hereinafter referred to as "Gunma Bank", and together with The Company, hereinafter referred to as "Two Companies"), based on the basic policy of mutual trust and equal integration, and have entered into a memorandum of understanding between the Two Companies.

1. Philosophy and objectives of the Business Integration

The aim of the Business Integration is to facilitate the creation of a new financial group that constitutes one of the top regional banks, in terms of both the scale and quality of its management, by integrating the Two Companies, which already possess solid customer bases in their respective business areas and demonstrate strong profitability and solid financial foundations.

Based on a basic policy of mutual trust and an equal integration, the Two Companies will work to further contribute to their respective regions and continuously improve corporate value by consolidating their relationships of trust with customers and their understanding of their regions that they have cultivated in their respective business areas and by expanding and enhancing their consulting functions.

In addition, the Two Companies will build a sustainable business model for the future by maximizing the benefits of rationalization and efficiency through economies of scale and by providing added value to customers by leveraging their respective strengths.

Furthermore, the Two Companies will aim to become a valuable regional financial group that is able to fulfill customer, regional, and stakeholder expectations by developing a strong group management structure to maximize the potential of the Two Companies' management resources and by steadily achieving sustainable growth and enhancing corporate value.

2. Form of integration

The Business Integration will be based on a holding company structure, and from the viewpoint of accelerating the process of business integration, it is planned that commonly used methods will be adopted and that The Company, which already employs a holding company structure, will be utilized as the holding company of the new financial group.

Specifically, it is planned that Gunma Bank will, on or around April 1, 2027, conduct a share exchange with the Integrated Holding Company (defined below) and execute a business integration after the trade name of The Company has been changed (the specific trade name is scheduled to be determined in a definitive agreement regarding the Business Integration (the "Definitive Agreement"; the holding company after the change in trade name is hereinafter referred to as the "Integrated Holding Company"), on the condition that approval of the necessary matters for the Business Integration is obtained at the Two Companies' respective shareholders meetings and that permission and approvals for execution of the Business Integration is obtained from the relevant authorities. Since Gunma Bank will become a wholly-owned subsidiary of the Integrated Holding Company, together with Daishi Hokuetsu bank, through the share exchange, the shares of Gunma Bank will be delisted from the Tokyo Stock Exchange prior to the effective date of the share exchange. It is also planned that the location of the head office of the Integrated Holding Company at the time of the Business Integration will be determined in the Definitive Agreement upon consultation between the Two Companies. The locations of the respective head offices of Gunma Bank and Daishi Hokuetsu Bank, which will become subsidiaries, will not change. It is anticipated that the initial organizational structure adopted will be that of a company with an audit and supervisory committee, and it is planned that the details of this arrangement will be determined in the Definitive Agreement upon consultation between the Two Companies.

The form of the Business Integration may be changed in the future through ongoing consultations and deliberations between the Two Companies.

3. Share exchange ratio

The share exchange ratio will be announced as soon as it is decided, based on, among other factors, the results of due diligence to be conducted in the future and the results of the calculation of the share exchange ratio by the third-party appraisers appointed by the Two Companies, respectively, using methods deemed appropriate by those third-party appraisers.

4. Establishment of an integration preparatory committee

In order to facilitate execution of the Business Integration, the Two Companies will establish an integration preparatory committee to hold focused discussions regarding the Business Integration.

5. Upcoming schedule

Mar. 2026 (Scheduled)	Execution of the Definitive Agreement
Dec. 2026 (Scheduled)	Extraordinary general shareholders meetings held by the Two Companies
Apr. 1, 2027 (Scheduled)	Effective date of share exchange

(Note) The details above constitute the current plan and are subject to change depending on future discussions between the Two Companies. In addition, execution of the Business Integration is subject to obtainment of the authorization or approvals from the relevant authorities (including the filing of a Form F-4 registration statement with the U.S. Securities and Exchange Commission (the "SEC") and having the registration statement be declared effective), and if any event occurs that delays the schedule of the Business Integration due to the status of obtainment of such authorization or approvals and the like, then an announcement will be promptly made to that effect.

6. Overview of the Two Companies (as of December 31, 2024)

Name	Daishi Hokuetsu Financial Group	Gunma Bank
Location	1071-1 Higashiborimae-dori 7-bancho, Chuo-ku, Niigata-shi, Niigata	194 Motosojamachi, Maebashi-shi, Gunma
Representative's name and title	Michiro Ueguri, President and Representative Director	Akihiko Fukai, President and Representative Director
Business details	Management and operation of banks and other companies that Daishi Hokuetsu Financial Group may have as subsidiaries under the Banking Act and any and all businesses incidental or related thereto	Banking
Stated capital	30 billion yen	48.6 billion yen
Date of establishment	October 1, 2018 (Date of Establishment of Daishi Hokuetsu Bank November 2, 1873)	September 12, 1932
Number of issued shares	91,885,956 shares	415,888,177 shares
Market capitalization	275,231 million yen	470,913 million yen
Fiscal year end	March 31	March 31
Total assets (consolidated)	10,830.1 billion yen	10,611.9 billion yen
Net assets (consolidated)	492.9 billion yen	567.2 billion yen
Deposits (non-consolidated)	8,604.2 billion yen (Daishi Hokuetsu Bank non-consolidated)	8,630.6 billion yen
Loan balance (non-consolidated)	5,541.1 billion yen (Daishi Hokuetsu Bank non-consolidated)	6,790.4 billion yen
No. of employees (consolidated)	3,504 people	2,927 people
No. of locations (including branch offices)	203 domestic branches (139 locations) and 1 overseas branch office	159 domestic branches (106 locations), 1 overseas branch and 3 overseas branch offices

7. Others

In the event the Business Integration is carried out, the shareholders of Gunma Bank will be issued shares of the Integrated Holding Company. In accordance with the U.S. Securities Act of 1933, it is planned that The Company will file a Form F-4 registration statement with the SEC regarding the Business Integration.

2. Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	2,130	1,558
Accrued revenue	286	326
Income taxes refund receivable	528	-
Other	-	1
Total current assets	2,945	1,886
Non-current assets		
Tangible fixed assets		
Tools, furniture and fixtures	1	1
Total tangible fixed assets	1	1
Intangible fixed assets		
Trademark right	5	4
Software	1	0
Total intangible fixed assets	6	5
Investments and other assets		
Investment securities	0	0
Shares of subsidiaries and associates	322,102	322,109
Deferred tax assets	150	231
Other	236	-
Total investments and other assets	322,490	322,342
Total non-current assets	322,498	322,348
Total assets	325,444	324,235
Liabilities		
Current liabilities		
Accrued expenses	13	17
Dividends payable	56	67
Income taxes payable	2	46
Provision for bonuses	41	57
Provision for bonuses for directors (and other officers)	23	28
Other	26	29
Total current liabilities	163	246
Non-current liabilities		
Long-term borrowings	2,660	1,975
Provision for share-based payments	179	199
Provision for loss on guarantees	2	-
Long-term deposits received	933	1,060
Other	344	426
Total non-current liabilities	4,120	3,662
Total liabilities	4,283	3,909

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	30,000	30,000
Capital surplus		
Legal capital surplus	7,500	7,500
Other capital surplus	280,106	280,106
Total capital surplus	287,606	287,606
Retained earnings		
Other retained earnings		
Retained earnings brought forward	11,192	11,411
Total retained earnings	11,192	11,411
Treasury shares	(7,638)	(8,692)
Total shareholders' equity	321,160	320,326
Total net assets	321,160	320,326
Total liabilities and net assets	325,444	324,235

(2) Non-consolidated statements of income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Operating revenue		
Dividends from subsidiaries and associates	7,433	8,417
Commissions from subsidiaries and associates	1,036	1,218
Other	0	0
Total operating revenue	8,469	9,635
Operating expenses		
Selling, general and administrative expenses	978	1,160
Total operating expenses	978	1,160
Operating profit	7,490	8,474
Non-operating income		
Guarantee commission income	20	50
Reversal of provision for loss on guarantees	-	2
Miscellaneous income	1	10
Total non-operating income	22	63
Non-operating expenses		
Provision for loss on guarantees	2	-
Miscellaneous losses	3	0
Total non-operating expenses	6	0
Ordinary profit	7,506	8,537
Extraordinary income		
Gain on liquidation of subsidiaries	463	-
Total extraordinary income	463	-
Profit before income taxes	7,970	8,537
Income taxes - current	35	41
Income taxes - deferred	(57)	(80)
Total income taxes	(22)	(39)
Profit	7,992	8,577

(3) Non-consolidated statements of changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity								Total net assets
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders equity	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings			
Balance at beginning of period	30,000	7,500	280,105	287,605	9,092	9,092	(3,066)	323,632	323,632
Changes during period									
Dividends of surplus					(5,892)	(5,892)		(5,892)	(5,892)
Profit					7,992	7,992		7,992	7,992
Purchase of treasury shares							(4,728)	(4,728)	(4,728)
Disposal of treasury shares			0	0			157	157	157
Total changes during period	-	-	0	0	2,100	2,100	(4,571)	(2,471)	(2,471)
Balance at end of period	30,000	7,500	280,106	287,606	11,192	11,192	(7,638)	321,160	321,160

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity								Total net assets
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders equity	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings			
Balance at beginning of period	30,000	7,500	280,106	287,606	11,192	11,192	(7,638)	321,160	321,160
Changes during period									
Dividends of surplus					(8,358)	(8,358)		(8,358)	(8,358)
Profit					8,577	8,577		8,577	8,577
Purchase of treasury shares							(1,517)	(1,517)	(1,517)
Disposal of treasury shares			0	0			464	464	464
Total changes during period	-	-	0	0	218	218	(1,053)	(834)	(834)
Balance at end of period	30,000	7,500	280,106	287,606	11,411	11,411	(8,692)	320,326	320,326

Financial Results for the Fiscal
Year Ended March 31, 2025
Presentation Material

Daishi Hokuetsu Financial Group, Inc.

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- (Notes)
- Figures less than the stated unit of the presentation are rounded down.
 - Interest rates and ratio are rounded down to two decimal places.
 - Figures for year-on-year (YoY) change (compared to the fiscal year ended March 31, 2024, compared to March 31, 2024, etc.) provided in “I . Overview of the Financial Results for the Fiscal Year Ended March 31, 2025” and thereafter are based on the calculations using the figures in the tables.

I Overview of the Financial Results for the Fiscal Year Ended March 31, 2025

1. Financial Results

【Daishi Hokuetsu Financial Group, Inc】

(Millions of yen)

		Fiscal year ended		Fiscal year ended
		March 31, 2025	YoY change	
Consolidated gross profit	1	103,586	6,397	97,189
Net interest income	2	73,584	9,316	64,268
Fees and commissions	3	25,258	(149)	25,407
Profit from other businesses	4	4,743	(2,771)	7,514
Operating expenses [—]	5	62,661	(677)	63,338
Provision for bad debts write-offs [—]	6	5,560	(1,686)	7,246
Write-offs of loans [—]	7	894	(2,200)	3,094
Individual provision of allowance for loan losses [—]	8	4,939	2,036	2,903
General provision of allowance for loan losses [—]	9	(892)	(1,263)	371
Loss on sale of delinquent loans, etc [—]	10	72	(140)	212
Other [—]	11	546	(119)	665
Reversal of allowance for loan losses	12	—	—	—
Recoveries of written-off claims	13	835	83	752
Gains (losses) on stocks	14	3,260	758	2,502
Other	15	1,651	641	1,010
Ordinary profit	16	41,112	10,244	30,868
Extraordinary income (losses)	17	63	1,173	(1,110)
Profit before income taxes	18	41,176	11,418	29,758
Income taxes - current [—]	19	10,524	1,326	9,198
Income taxes - deferred [—]	20	1,300	1,944	(644)
Profit	21	29,350	8,146	21,204
Profit attributable to non-controlling interests [—]	22	0	(1)	1
Profit attributable to owners of parent	23	29,349	8,146	21,203

(Note) Consolidated gross profit = (interest income – (financing expenses – fees and commissions expenses for money held in trust)) + (fees and commissions + trust fees – fees and commissions payments) + (other ordinary income – other ordinary expenses)

(Reference)

(Millions of yen)

Consolidated business profit	24	39,850	6,508	33,342
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(Note) Consolidated business profit = business profit of Daishi Hokuetsu Bank, Ltd. + business profit of other companies + business profit of affiliates × equity interests – internal transactions

【Daishi Hokuetsu Bank, Ltd. Non-Consolidated】

(Millions of yen)

		Fiscal year ended		Fiscal year ended
		March 31, 2025	YoY change	
Consolidated gross profit	1	90,844	5,593	85,251
(Core gross profit)	2	98,313	7,387	90,926
Net interest income	3	72,658	8,647	64,011
(Of which, interest on loans and bills discounted)	4	54,880	5,654	49,226
(Of which, interest and dividends on securities)	5	46,021	7,002	39,019
(Of which, gains (losses) from cancellation of investment trust)	6	2,036	970	1,066
(Of which, financing expenses) [—]	7	41,493	6,785	34,708
Fees and commissions	8	15,478	(175)	15,653
Profit from other businesses	9	2,707	(2,879)	5,586
(Excluding gains (losses) from government bonds and other bonds)	10	10,176	(1,085)	11,261
(Of which, gains (losses) from government bonds and other bonds)	11	(7,468)	(1,794)	(5,674)
Expenses (excluding non-recurring losses) [—]	12	58,570	817	57,753
Personnel expenses [—]	13	30,529	435	30,094
Non-personnel expenses [—]	14	24,578	512	24,066
Taxes [—]	15	3,463	(129)	3,592
Substantial business profit	16	32,274	4,776	27,498
(Core business profit)	17	39,743	6,571	33,172
(Core business profit (excluding gains (losses) from cancellation of investment trust))	18	37,706	5,601	32,105
General provision of allowance for loan losses ① [—]	19	(957)	(1,218)	261
Business profit	20	33,232	5,996	27,236
Temporary income (losses)	21	1,898	3,716	(1,818)
Of which, disposal of non-performing loans ② [—]	22	5,508	(745)	6,253
(Provision for bad debts write-offs①+②) [—]	23	4,550	(1,964)	6,514
Of which, reversal of allowance for loan losses	24	—	—	—
Of which, reversal of provision for contingent loss	25	206	206	—
Of which, recoveries of written-off claims	26	831	85	746
Of which, gains (losses) on stocks	27	2,927	183	2,744
Ordinary profit	28	35,127	9,710	25,417
Extraordinary income (losses)	29	67	2,701	(2,634)
Of which, loss (gain) on disposal of non-current assets	30	144	438	(294)
Of which, impairment losses [—]	31	90	(1,172)	1,262
Profit before income taxes	32	35,195	12,412	22,783
Income taxes - current [—]	33	8,803	1,543	7,260
Income taxes - deferred [—]	34	1,149	1,688	(539)
Profit	35	25,242	9,180	16,062
(Reference)				
Net credit cost 19+22-24-25-26 [—]	36	3,513	(2,254)	5,767

※Core gross profit = gross profit – gains (losses) from government bonds and other bonds

※Substantial business profit = gross profit – expenses (excluding non-recurring losses)

※Core business profit = core gross profit – expenses (excluding non-recurring losses)

2. Business Profit

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Millions of yen)

	Fiscal year ended		Fiscal year ended March 31, 2024
	March 31, 2025	YoY change	
Business profit (Before general provision of allowance for loan losses)	32,274	4,776	27,498
Per employee (thousand yen)	10,805	1,688	9,117
Core business profit	39,743	6,571	33,172
Per employee (thousand yen)	13,305	2,307	10,998
Business profit	33,232	5,996	27,236
Per employee (thousand yen)	11,125	2,095	9,030

3. Interest Spread

(1) All Branches

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(%)

		Fiscal year ended		Fiscal year ended March 31, 2024
		March 31, 2025	YoY change	
Yield on interest-earning assets	①	1.09	0.08	1.01
Interest rate on loans and bills discounted	②	0.99	0.08	0.91
Interest rate on securities	③	1.58	0.19	1.39
Yield on interest-bearing liabilities	④	0.40	0.07	0.33
Interest rate on deposits, etc.	⑤	0.05	0.05	0.00
Interest rate on external debt	⑥	1.75	0.22	1.53
Cost of deposits, etc.	⑦	0.74	0.07	0.67
Expense ratio	⑧	0.68	0.01	0.67
Cost of interest-bearing liabilities	⑨	0.97	0.08	0.89
Interest rate difference between deposits and loans	②－⑤	0.94	0.03	0.91
Interest rate difference between interest-earning assets and interest- bearing liabilities	①－④	0.69	0.01	0.68
Interest spread between deposits and loans	②－⑦	0.25	0.01	0.24
Overall interest spread	①－⑨	0.12	0.00	0.12

(2) Domestic Business Units

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(%)

		Fiscal year ended		Fiscal year ended March 31, 2024
		March 31, 2025	YoY change	
Yield on interest-earning assets	①	0.76	0.07	0.69
Interest rate on loans and bills discounted	②	0.95	0.08	0.87
Interest rate on securities	③	0.84	0.07	0.77
Yield on interest-bearing liabilities	④	0.06	0.05	0.01
Interest rate on deposits, etc.	⑤	0.05	0.05	0.00
Interest rate on external debt	⑥	0.00	0.00	0.00
Cost of deposits, etc.	⑦	0.72	0.06	0.66
Expense ratio	⑧	0.67	0.01	0.66
Cost of interest-bearing liabilities	⑨	0.66	0.07	0.59
Interest rate difference between deposits and loans	②－⑤	0.90	0.03	0.87
Interest rate difference between interest-earning assets and interest- bearing liabilities	①－④	0.70	0.02	0.68
Interest spread between deposits and loans	②－⑦	0.23	0.02	0.21
Overall interest spread	①－⑨	0.10	0.00	0.10

4. Balance of Deposits, etc., and Loans and Bills Discounted

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Millions of yen)

	As of March 31, 2025	YoY change		As of March 31, 2024
		Increase (decrease)	Rate of increase (decrease)	
Balance of deposits, etc. (ending balance)	8,780,384	34,417	0.39%	8,745,967
Niigata	8,608,012	46,041	0.53%	8,561,971
Outside Niigata	172,372	(11,624)	(6.31)%	183,996
Balance of deposits, etc. (average balance)	8,593,905	16,527	0.19%	8,577,378
Niigata	8,415,850	22,151	0.26%	8,393,699
Outside Niigata	178,055	(5,623)	(3.06)%	183,678
Balance of loans and bills discounted (ending balance)	5,614,300	159,134	2.91%	5,455,166
Niigata	3,583,056	(68,469)	(1.87)%	3,651,525
Outside Niigata	2,031,244	227,604	12.61%	1,803,640
Balance of loans and bills discounted (average balance)	5,493,614	137,648	2.56%	5,355,966
Niigata	3,598,208	(93,156)	(2.52)%	3,691,364
Outside Niigata	1,895,406	230,804	13.86%	1,664,602

※Balance of deposits, etc. = deposits + negotiable certificates of deposits

5. Balance of Assets in Custody

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Millions of yen)

	As of March 31, 2025	YoY change	As of March 31, 2024
Investment trust	194,049	(430)	194,479
Public bonds	72,624	3,551	69,073
Insurance	764,956	60,575	704,381
(Reference) Daishi Hokuetsu Securities Co., Ltd.	505,936	1,523	504,413

6. ROE

【Daishi Hokuetsu Financial Group, Inc. Consolidated】

(%)

	Fiscal year ended March 31, 2025	YoY change	Fiscal year ended March 31, 2024
Profit attributable to owners of parent basis	5.99	1.36	4.63

(Note) The figures are calculated using the average balance at the beginning and end of the fiscal year of net assets (excluding non-controlling interests)

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(%)

	Fiscal year ended March 31, 2025	YoY change	Fiscal year ended March 31, 2024
Profit basis	5.99	1.96	4.03

(Note) The figures are calculated using the average balance at the beginning and end of the fiscal year of net assets

7. Gains or Losses on Securities

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Millions of yen)

	Fiscal year ended		Fiscal year ended
	March 31, 2025	YoY change	
Gains (losses) from government bonds and other bonds (aggregate of the following five gains and losses)	(7,468)	(1,794)	(5,674)
Gain on sale	4,602	(509)	5,111
Gain on redemption	6	(139)	145
Loss on sale [—]	11,916	1,346	10,570
Loss on redemption [—]	133	(174)	307
Devaluation [—]	28	(25)	53
Gains (losses) on stocks, etc. (aggregate of the following three gains and losses)	2,927	183	2,744
Gain on sale	3,496	(3,134)	6,630
Loss on sale [—]	569	(3,253)	3,822
Devaluation [—]	0	(63)	63

8. Valuation Gains or Losses on Securities (After Taking Into Account Deferred Hedging)

(1) Valuation Basis of Securities

Trading securities	Fair value method (valuation difference recorded in gain or loss)
Held-to-maturity securities	Amortized cost method
Available-for-sale securities	Fair value method (all valuation differences recorded directly into net assets)
Stocks of subsidiaries and affiliates	Cost method

(2) Valuation Gains or Losses

【Daishi Hokuetsu Financial Group, Inc. Consolidated】

(Millions of yen)

	As of March 31, 2025					As of March 31, 2024			
	Carrying amount on the balance sheet	Valuation gains (losses)	YoY change	Valuation gains	Valuation losses	Carrying amount on the balance sheet	Valuation gains (losses)	Valuation gains	Valuation losses
Held-to-maturity securities	139,266	(3,924)	(4,064)	—	3,924	123,052	140	321	180
Available-for-sale securities	2,748,274	10,326	(49,482)	159,808	149,482	2,938,737	59,808	180,126	120,317
Stocks	202,632	94,434	(15,938)	95,665	1,231	217,226	110,372	110,691	318
Bonds※	1,329,401	(64,070)	(35,817)	11,893	75,963	1,432,134	(28,253)	9,447	37,701
Other	1,216,240	(20,038)	2,271	52,249	72,287	1,289,376	(22,309)	59,988	82,298
Foreign securities※	754,848	(18,212)	4,280	31,233	49,445	711,987	(22,492)	37,218	59,711
Total (after taking into account deferred hedging)	2,887,541	6,401	(53,548)	159,808	153,407	3,061,790	59,949	180,447	120,498

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Millions of yen)

	As of March 31, 2025					As of March 31, 2024			
	Carrying amount on the balance sheet	Valuation gains (losses)	YoY change	Valuation gains	Valuation losses	Carrying amount on the balance sheet	Valuation gains (losses)	Valuation gains	Valuation losses
Held-to-maturity securities	139,266	(3,924)	(4,064)	—	3,924	123,052	140	321	180
Available-for-sale securities	2,730,772	10,516	(47,130)	159,238	148,722	2,919,069	57,646	178,033	120,387
Stocks	185,130	93,872	(13,903)	94,818	946	197,557	107,775	107,986	210
Bonds※	1,329,401	(63,615)	(36,015)	11,895	75,510	1,432,134	(27,600)	9,602	37,203
Other	1,216,240	(19,740)	2,788	52,525	72,265	1,289,376	(22,528)	60,444	82,972
Foreign securities※	754,848	(18,217)	4,374	31,233	49,451	711,987	(22,591)	37,221	59,813
Total (after taking into account deferred hedging)	2,870,039	6,591	(51,195)	159,238	152,647	3,042,122	57,786	178,354	120,567

※Bonds and foreign securities use deferred hedging by interest rate swaps to mitigate the fair value fluctuation risk, and valuation gains or losses are presented after taking into account deferred hedging

9. Capital Adequacy Ratio

【Daishi Hokuetsu Financial Group, Inc. Consolidated】

(Millions of yen)

	As of		As of March 31, 2024
	March 31, 2025	YoY change	
(1) Capital adequacy ratio (2) / (3)	10.45%	0.42%	10.03%
(2) Owner's equity ①－②	433,086	4,211	428,875
Basic components of core capital ①	462,282	2,327	459,955
Adjustments to core capital ②	29,195	(1,885)	31,080
(3) Risk assets	4,141,603	(130,288)	4,271,891
(4) Total required regulatory capital	165,664	(5,211)	170,875

【Daishi Hokuetsu Bank, Ltd. Consolidated】

(Millions of yen)

	As of		As of March 31, 2024
	March 31, 2025	YoY change	
(1) Capital adequacy ratio (2) / (3)	9.60%	0.40%	9.20%
(2) Owner's equity ①－②	386,510	1,757	384,753
Basic components of core capital ①	416,138	399	415,739
Adjustments to core capital ②	29,627	(1,358)	30,985
(3) Risk assets	4,023,177	(155,551)	4,178,728
(4) Total required regulatory capital	160,927	(6,222)	167,149

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Millions of yen)

	As of		As of March 31, 2024
	March 31, 2025	YoY change	
(1) Capital adequacy ratio (2) / (3)	9.37%	0.39%	8.98%
(2) Owner's equity ①－②	372,980	(2,298)	375,278
Basic components of core capital ①	392,487	3,716	388,771
Adjustments to core capital ②	19,506	6,014	13,492
(3) Risk assets	3,978,719	(196,538)	4,175,257
(4) Total required regulatory capital	159,148	(7,862)	167,010

II Loans and Bills Discounted

1. Loans Based on the Financial Reconstruction Act and Risk-Monitored Loans

【Daishi Hokuetsu Financial Group, Inc. Consolidated】

(Millions of yen)

	As of		As of March 31, 2024
	March 31, 2025	YoY change	
Bankrupt or de-facto bankrupt loans	7,444	(897)	8,341
Doubtful loans	107,768	(3,638)	111,406
Substandard loans	4,329	(767)	5,096
Past due loans for 3 months or more	978	(16)	994
Restructured loans	3,351	(750)	4,101
Subtotal (A)	119,543	(5,300)	124,843
Normal loans	5,562,254	134,781	5,427,473
Total loans (B)	5,681,797	129,480	5,552,317
Non-performing loan ratio (A) ÷ (B)	2.10%	(0.14)%	2.24%

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Millions of yen)

	As of		As of March 31, 2024
	March 31, 2025	YoY change	
Bankrupt or de-facto bankrupt loans	6,473	(1,031)	7,504
Doubtful loans	107,415	(3,884)	111,299
Substandard loans	4,327	(769)	5,096
Past due loans for 3 months or more	978	(16)	994
Restructured loans	3,348	(753)	4,101
Subtotal (A)	118,216	(5,683)	123,899
Normal loans	5,597,259	144,110	5,453,149
Total loans (B)	5,715,476	138,427	5,577,049
Non-performing loan ratio (A) ÷ (B)	2.06%	(0.16)%	2.22%
Coverage amount (C)	99,535	(4,669)	104,204
Allowance for loan losses	18,134	1,805	16,329
Guarantees, collaterals, etc.	81,400	(6,475)	87,875
Coverage ratio (C) ÷ (A)	84.19%	0.09%	84.10%

2. Allowance for Loan Losses

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Millions of yen)

	As of		As of March 31, 2024
	March 31, 2025	YoY change	
Allowance for loan losses	26,179	881	25,298
General allowance for loan losses	8,520	(958)	9,478
Individual allowance for loan losses	17,659	1,839	15,820

(Note) There is no applicable allowance for possible losses on specific overseas loans

3. Self-Assessment Results, Daishi Hokuetsu Bank, Ltd. Non-consolidated

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Billions of yen)

Borrower classification based on self-assessment		Coverage amount	Reserve of allowance	Coverage ratio
Bankrupt borrowers 2.4		5.8	0.6	100.0%
Essentially bankrupt borrowers 4.0				
Potentially bankrupt borrowers 107.4		74.5	17.0	85.2%
Borrowers requiring caution	(Substandard loans) 4.3	1.0	0.4	34.9%
	Borrowers with substandard loans 6.6	1.5	0.7	34.8%
	Other borrowers requiring caution 308.9			
	Normal borrowers (including local public entities) 5,285.9			
Total 5,715.4				

4. Loans by Industry, etc

(1) Loans by Industry

【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Millions of yen)

	As of		As of March 31, 2024
	March 31, 2025	YoY change	
Domestic branches (excluding special international financial transactions accounts)	5,614,300	159,134	5,455,166
Manufacturing	535,482	31,256	504,226
Agriculture and forestry	9,074	1,726	7,348
Fishery	1,962	214	1,748
Mining, quarrying, and gravel collection	1,021	(143)	1,164
Construction	171,679	7,745	163,934
Electric power, gas, heat supply, and water supply	146,867	12,076	134,791
Information and communications	16,425	4,101	12,324
Transportation and postal service	170,076	14,793	155,283
Wholesale and retail trades	434,137	(6,791)	440,928
Financial services and insurance	710,603	114,589	596,014
Real estate, rental and leasing	894,622	62,284	832,338
Various services	306,049	(11,946)	317,995
Local public entities	689,645	(90,421)	780,066
Other	1,526,652	19,651	1,507,001

(2) Risk-Monitored Loans by Industry
 【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Millions of yen)

	As of		As of March 31, 2024
	March 31, 2025	YoY change	
Domestic branches (excluding special international financial transactions accounts)	118,216	(5,683)	123,899
Manufacturing	22,700	(1,261)	23,961
Agriculture and forestry	1,713	(12)	1,725
Fishery	902	902	—
Mining, quarrying, and gravel collection	—	—	—
Construction	13,196	(1,211)	14,407
Electric power, gas, heat supply, and water supply	344	(32)	376
Information and communications	915	(84)	999
Transportation and postal service	5,168	(134)	5,302
Wholesale and retail trades	29,936	962	28,974
Financial services and insurance	101	66	35
Real estate, rental and leasing	7,306	(1,892)	9,198
Various services	27,975	(3,324)	31,299
Local public entities	—	—	—
Other	7,954	337	7,617

(3) Loans to Small/Medium-Sized Enterprises, etc.
 【Daishi Hokuetsu Bank, Ltd. Non-consolidated】

(Millions of yen)

	As of		As of March 31, 2024
	March 31, 2025	YoY change	
Outstanding loans to small/medium-sized companies, etc. (①+②)	3,506,063	34,683	3,471,380
Outstanding loans to small/medium-sized companies①	1,988,772	5,140	1,983,632
Outstanding loans to small/medium-sized companies in Niigata	1,378,099	(27,593)	1,405,692
Outstanding consumer loans②	1,517,290	29,542	1,487,748
Outstanding housing loans	1,383,838	22,461	1,361,377
Other outstanding consumer loans	133,452	7,082	126,370
Small/medium-sized enterprises, etc. loans ratio	62.44%	(1.19)%	63.63%

III Financial Results Forecast for the Fiscal Year Ending March 31, 2026

1. Daishi Hokuetsu Financial Group, Inc. Consolidated

(Millions of yen)

	Forecast for the six months ending September 30, 2025		Results for the six months ended September 30, 2024	Forecast for the fiscal year ending March 31, 2026		Results for the fiscal year ended March 31, 2025
	YoY change	YoY change		YoY change	YoY change	
Ordinary profit	23,400	2,982	20,418	48,000	6,888	41,112
Profit attributable to owners of parent	16,100	1,449	14,651	33,000	3,651	29,349

2. Daishi Hokuetsu Bank, Ltd. Non-consolidated

(Millions of yen)

	Forecast for the six months ending September 30, 2025		Results for the six months ended September 30, 2024	Forecast for the fiscal year ending March 31, 2026		Results for the fiscal year ended March 31, 2025
	YoY change	YoY change		YoY change	YoY change	
Core business profit	21,100	2,323	18,777	41,800	2,057	39,743
Ordinary profit	20,800	2,722	18,078	41,900	6,773	35,127
Profit	14,300	1,235	13,065	29,000	3,758	25,242