

## Management Integration between FIDEA Holdings and TOHOKU BANK—Currently No Impact on Ratings

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on master agreement in connection with management integration between FIDEA Holdings Co. Ltd. (security code: 8713) and THE TOHOKU BANK, LTD. (security code: 8349)

- (1) FIDEA Holdings Co. Ltd. (“FIDEA Holdings”) and THE TOHOKU BANK, LTD. (“TOHOKU BANK”) today announced that they were resolved to execute a master agreement in connection with their intent to proceed with mutual consultations and discussions in order to realize a 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, on or about October 1, 2022, they 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. If the management integration is realized, TOHOKU BANK will become a member of the FIDEA Holdings Group, in addition to THE SHONAI BANK, LTD. (“SHONAI BANK”) and The Hokuto Bank, Ltd. (“Hokuto Bank”).
- (2) FIDEA Holdings, SHONAI BANK, Hokuto Bank, and TOHOKU BANK concluded a comprehensive business alliance agreement in February 2018, and have been promoting the opening of joint branches and mutual use of ATMs. The master agreement on management integration was reached based on the recognition that more in-depth cooperation is essential in light of the shrinking regional economy and changes in the business environment for regional companies. If the management integration is realized, they will become a financial group covering the entire Tohoku region and intend to demonstrate the synergistic effects of the integration through rational and efficient operations up to the maximum extent. However, JCR believes that there will be no impact on their ratings at this time, as the specific effects will be discussed in the future. JCR will follow the progress of the management integration and confirm the effects.

Hajime Oyama, Hidekazu Sakai and Ippei Koga

### <Reference>

Issuer: FIDEA Holdings Co. Ltd.

Long-term Issuer Rating: BBB+      Outlook: Stable

Issuer: THE SHONAI BANK, LTD.

Long-term Issuer Rating: BBB+      Outlook: Stable

Issuer: The Hokuto Bank, Ltd.

Long-term Issuer Rating: BBB      Outlook: Stable

Issuer: THE TOHOKU BANK, LTD.

Long-term Issuer Rating: BBB      Outlook: Stable

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