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.
The following report is a summary of the Japanese-language original.

August 7, 2026

Company name: North Pacific Bank, Ltd.
Listing: Tokyo Stock Exchange, Prime Market / Sapporo Securities Exchange
Representative: Hironobu Tsuyama President
Inquiries: Takuji Nogiwa
Senior Managing Executive Officer of Management Planning Department
Securities code: 8524

Notice Concerning the Establishment of AI Ignition Co., Ltd., a Subsidiary Specializing in the AI Business

North Pacific Bank, Ltd. (President: Hironobu Tsuyama; “the Bank”) hereby announces that it has today established AI Ignition Co., Ltd. (“the New Company”), a wholly owned subsidiary specializing in the AI business (a company engaged in advanced banking business).

1. Purpose of Establishment

In August 2025, the Bank announced its long-term vision, “Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness,” along with its overall strategy. Hokkaido, the Bank's business base, faces challenges such as a declining and aging population and changes in the industrial structure, making it essential to improve the productivity and competitiveness of local companies. While generative AI is expected to help address these challenges, its utilization rate in Hokkaido remains below the national average.

Under the medium-term management plan “Make the HOKKAIDO Way 1st stage” (fiscal 2026‐2028) that started in April 2026, the Bank has been advancing initiatives to realize this vision. It has now established the New Company to solve regional issues by supporting productivity improvements at companies and local governments in Hokkaido through generative AI.

In establishing the New Company, the Bank has obtained authorization under the Banking Act.

2. Outline of the New Company

Company name	AI Ignition Co., Ltd.
Address	Sapporo Arch Building 2F, 11-1, Minami 2-jo Nishi 6-chome, Chuo-ku, Sapporo
Representative	Yasuaki Asano, Representative Director
Paid-in capital	50 million yen
Shareholder composition	The Bank 100%
Business description	AI education and training, AI consulting, and generative AI advertising production
Date of establishment	August 7, 2026

3. Future Plans

The New Company will prepare to commence AI education and training, AI consulting, and advertising production services for companies and local governments in Hokkaido.

Through the New Company, the Bank Group will directly support AI utilization in Hokkaido, working to improve the productivity of local companies, revitalize the Hokkaido economy, and solve regional issues.

4. Impact on Business Performance

The establishment of the subsidiary will have an immaterial impact on the Bank's consolidated financial results.

End