

**Hokkoku Financial Holdings**

**Summary of Financial Results for the Fiscal Year Ended**

**March 2025**

**Updating the Medium-Term Business strategy**

# Contents

<b>1.Executive Summary</b>		<b>5.Business Strategies for Achieving ROE</b>	
• Executive Summary	4	• Business of lending money	26
<b>2.Financial Highlights</b>		• Interest rate structure	27
• Overview of Financial Results for the Fiscal Year Ended March 2025	6	• Credit Cost Results and Future Prospects	28
<b>3.Company name change and new branding system</b>		• Balance by Deposit Segment	29
• Changed company name to CCI Group. Toward two branding structures	8	• Loans and Discounts Outstanding by Segment	30
• Objectives of the "Two Brands"	9	• Consulting	31
• Business domains of the two brands	10	• Cashless	33
• Stage of evolution into double-handed management	11	• Digital / Systems	36
• Banking and new business	12	• Market and fund management	39
• Ordinary Revenue Plan by Major Business	13	• Status of Securities Management and Future Investment Strategies	40
• Ordinary Revenue and Costs and Investments by Business (Result for the Year Ending March 31, 2025)	14	• Status of shares for net investment purposes	42
• Ordinary Revenue and Costs and Investments by Business (Plan for the Fiscal Year Ending March 2028)	15	• Status of the Fund Business	43
• Human Resources Portfolio-Strategy and Recruitment, Recruitment, and AI Utilization	16	• Local revitalization	44
<b>4.Medium-Term Business strategy 2025 Update</b>		• Environment	45
• Medium-term Business strategy 2025 ~ Update ~	18	• Human capital enhancement	46
• Capital management and shareholder value	20	• Advanced corporate governance	47
• Risk Asset Control	21		
• Status of strategic shareholdings	22		
• Future Strategic Shareholdings	24		

# 1.Executive Summary

# Executive Summary

Re-branding		<ul style="list-style-type: none"> <li>● Toward a "Two-Brand" Structure for a Full-fledged Start to Double-Sector Management that Responds to Changes in the Environment and Can Achieve Sustainable Growth over the Long Term</li> </ul>
Medium-Term Business strategy Update	Disclosure period	<ul style="list-style-type: none"> <li>● Continue to formulate medium-and long-term strategies 10 years from backcasting.</li> <li>● From a strategic perspective, long-term figures are not disclosed from this time, and plans up to the third year are disclosed.</li> </ul>
	ROE	<ul style="list-style-type: none"> <li>● Under the main scenario in which the policy interest rate rises to around 1% by the end of January 2026, revenues will increase in the regional finance business centered on the Hokkoku Bank. In new business domains, revenues grew mainly in the consulting business, cashless business, and fund business.</li> <li>● In the fiscal year ending March 2026, ROE was secured at 5%, and in the third year the target is 6% or more. (Achievement of ROE8% or higher is assumed for the fiscal year ending March 2030.)</li> </ul>
	Capital strategy	<ul style="list-style-type: none"> <li>● Changed to a shareholder return policy based on dividends. Toward a Dividend Payout Ratio of Around 40% and Flexible Stock Repurchases (Dividend per share ¥120 for the fiscal year ended March 2025 → ¥200 for the fiscal year ended March 2026 (before stock split))</li> <li>● Conducted a stock split to create an environment that makes it easier to invest and to expand the investor base (1 → 10 shares)</li> </ul>

## **2.Financial Highlights**

# Overview of Financial Results for the Fiscal Year Ended March 2025

## ■ Hokkoku Financial Holdings Consolidated

(Millions of yen)

	2024/3	2025/3	Change	Rate of change
Ordinary Revenue	90,839	89,576	△1,263	△ 1.3%
Ordinary income	14,461	12,298	△2,163	△ 14.9%
Net income	9,055	8,120	△ 935	△ 10.3%

## ■ Hokkoku Bank on a non-consolidated basis

(Millions of yen)

	2024/3	2025/3	Change	Rate of change
Ordinary Revenue	73,449	72,862	△ 587	△ 0.7%
Ordinary income	11,185	11,511	326	2.9%
Net income	8,233	8,323	90	1.0%
Core net operating profit	6,162	11,325	5,163	83.7%

## ■ Equity ratio

	2023/3	2024/3	2025/3
Consolidated	10.08%	10.37%	9.85%

## ■ Summary

- Hokkoku FHD consolidated: Decrease in sales and profits for the first time in six fiscal years
- Hokkoku Bank on a Non-Consolidated Basis: Lower sales and profits for the first time in two fiscal years
- Operating profits from core business increased for the first time in three years

## ■ SUMMARY

- To a rise in yen interest rates and a decline in foreign currency funding costs due to the sale of foreign bonds  
Operating profits from core business increased compared to the previous fiscal year due to an increase in net interest income.
- Lower gains on sales of strategic shares helds resulted in gains/losses on securities in the previous fiscal year.  
Decrease in comparison.
- Disposal of non-performing loans in the previous fiscal year due to the recording of 1.8 billion yen in provision for earthquake response  
Increased compared with the previous fiscal year, and ordinary income decreased compared with the previous fiscal year.

### **3. Company name change and new branding system**

## Changed name to CCI and shifted to two branding structures



**As a regional financial institution called the Hokkoku Bank**  
**Valuing the trust and peace of mind that we have cultivated,**  
**We will develop businesses tailored to local customers,**  
**As a partner for a prosperous future for the local community**  
**"Hokkoku Bank Brand" to be accompanied**

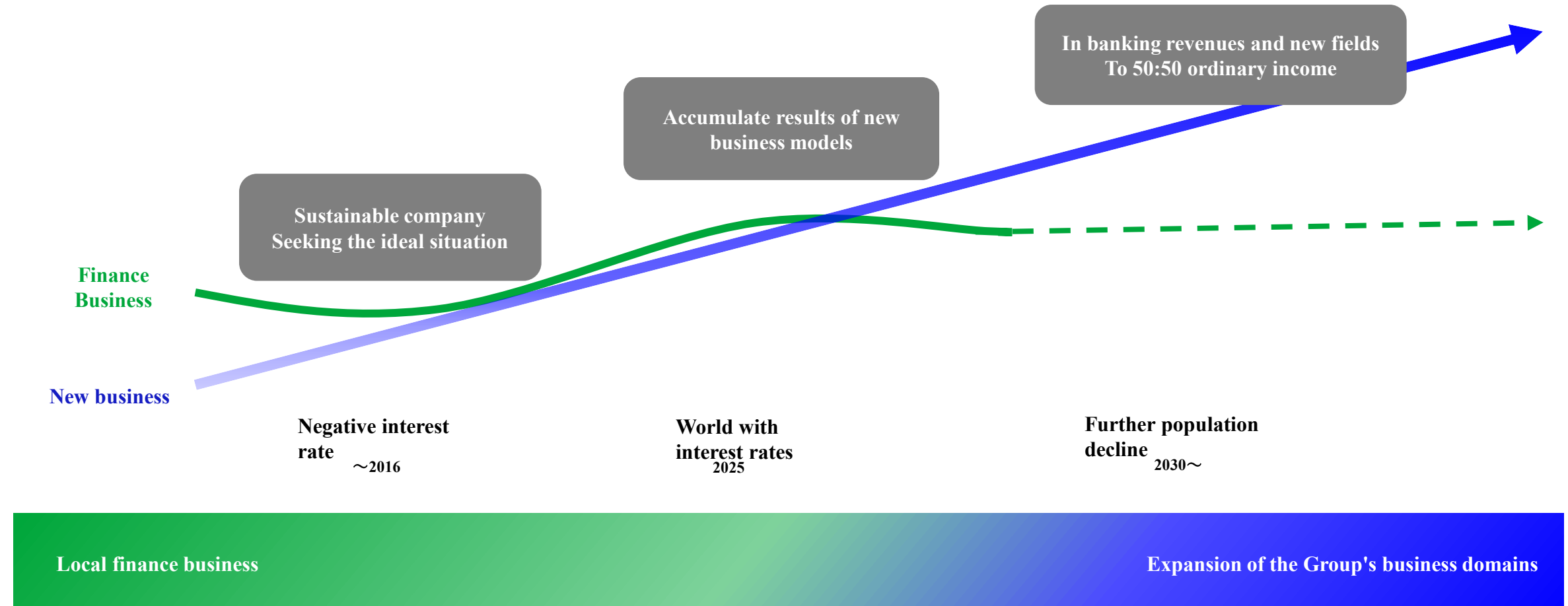


**In advanced, innovative and distinctive regions**  
**To achieve this,**  
**Expanding the scope of our business beyond the boundaries of banks,**  
**Not only in the Hokuriku region but also in the Tokyo metropolitan area and overseas markets**  
**CCI branding to strengthen development and dissemination**



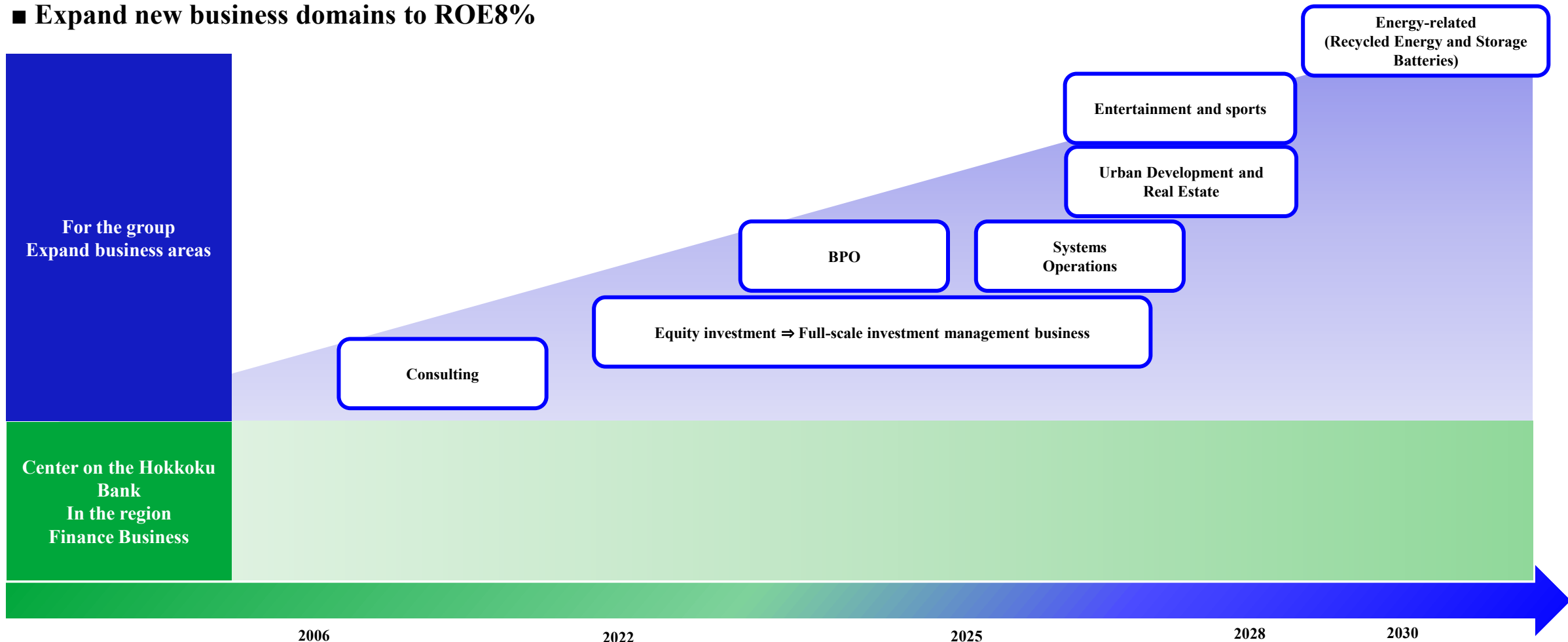
# Objectives of the "Two Brands"

## ■ Toward a Sustainable Holding Company Structure in 20 Years

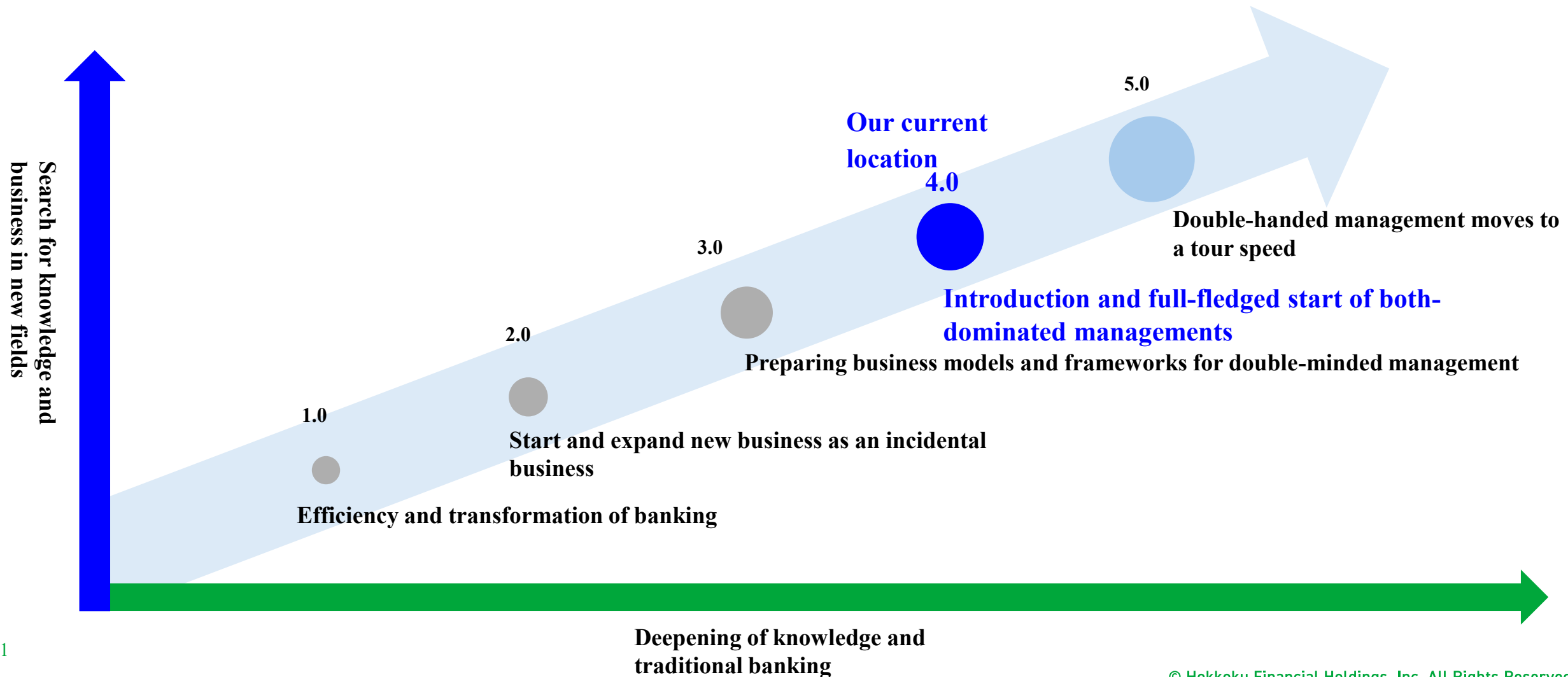


# Business domains of the two brands

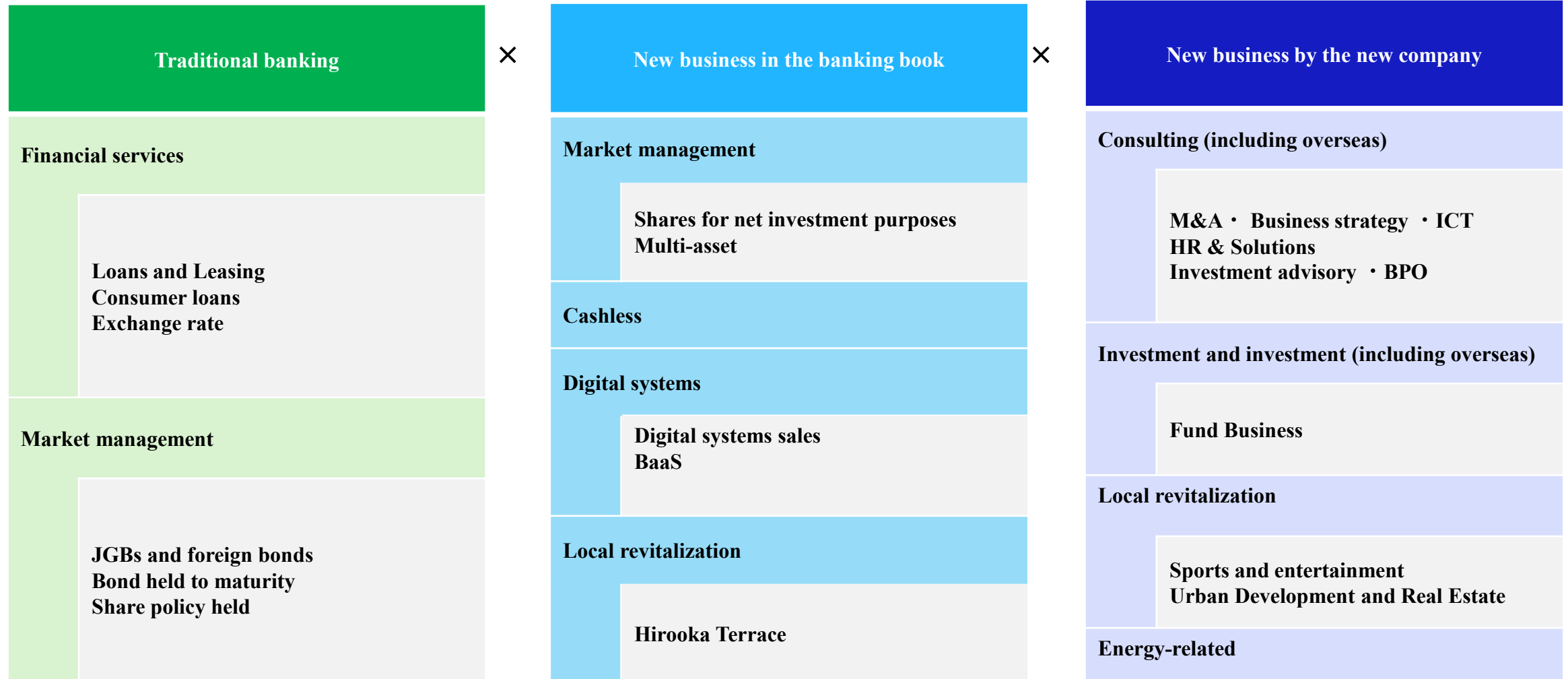
## ■ Expand new business domains to ROE8%



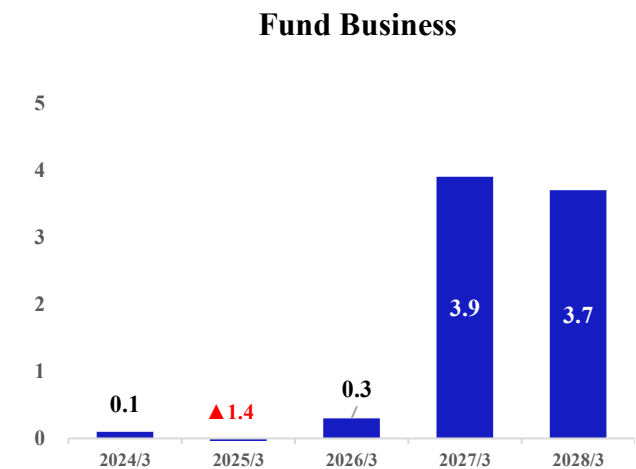
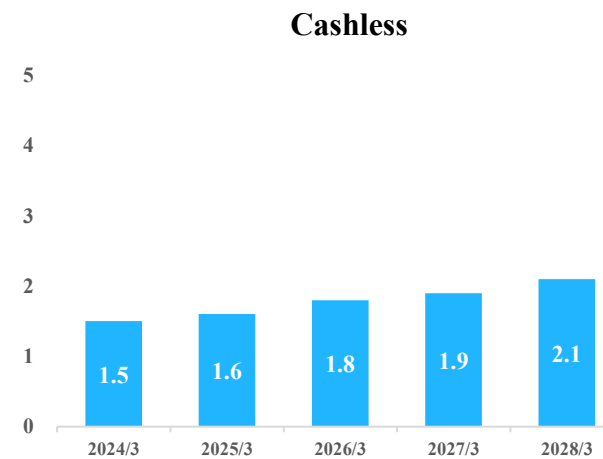
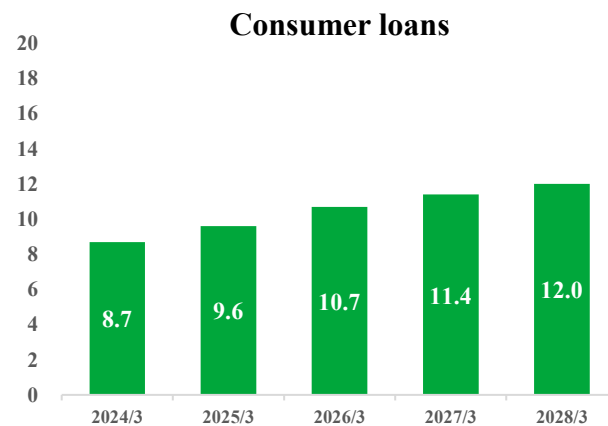
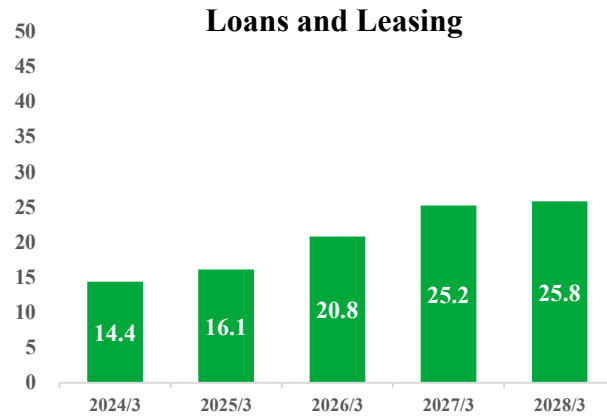
# Stage of evolution into double-handed management



# Banking and new business

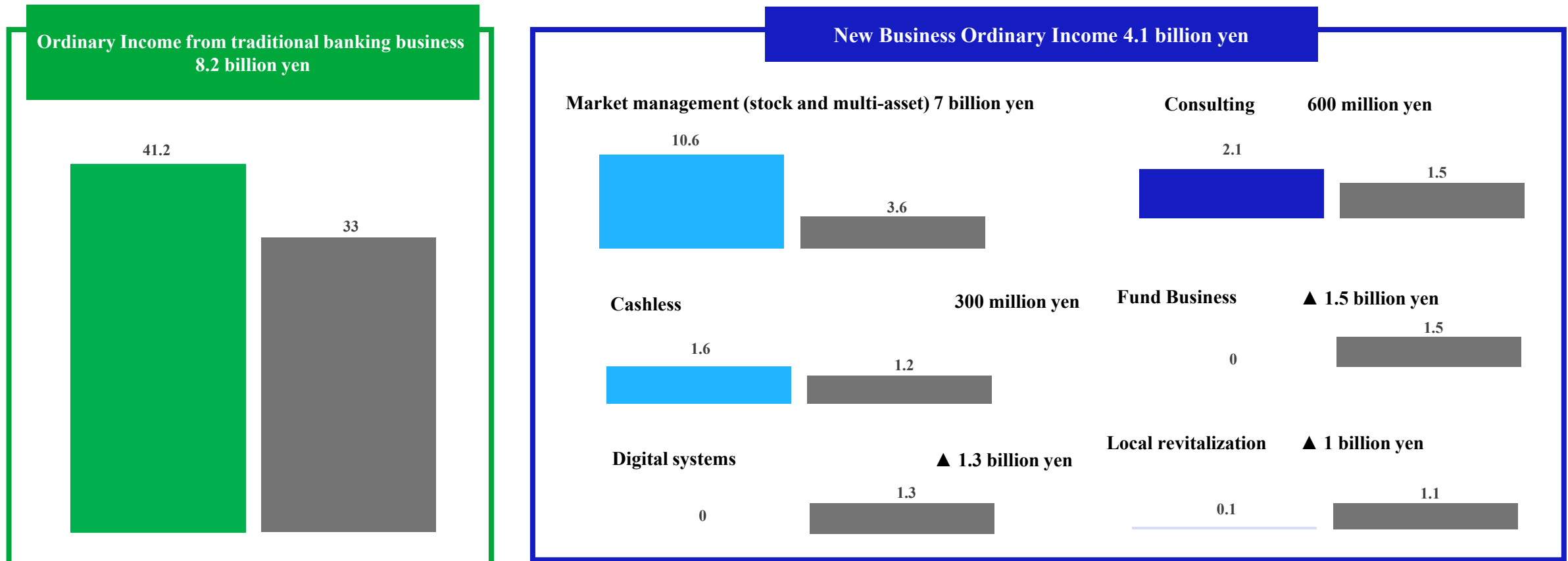


# Ordinary Revenue Plan by Major Business (Billions of yen)



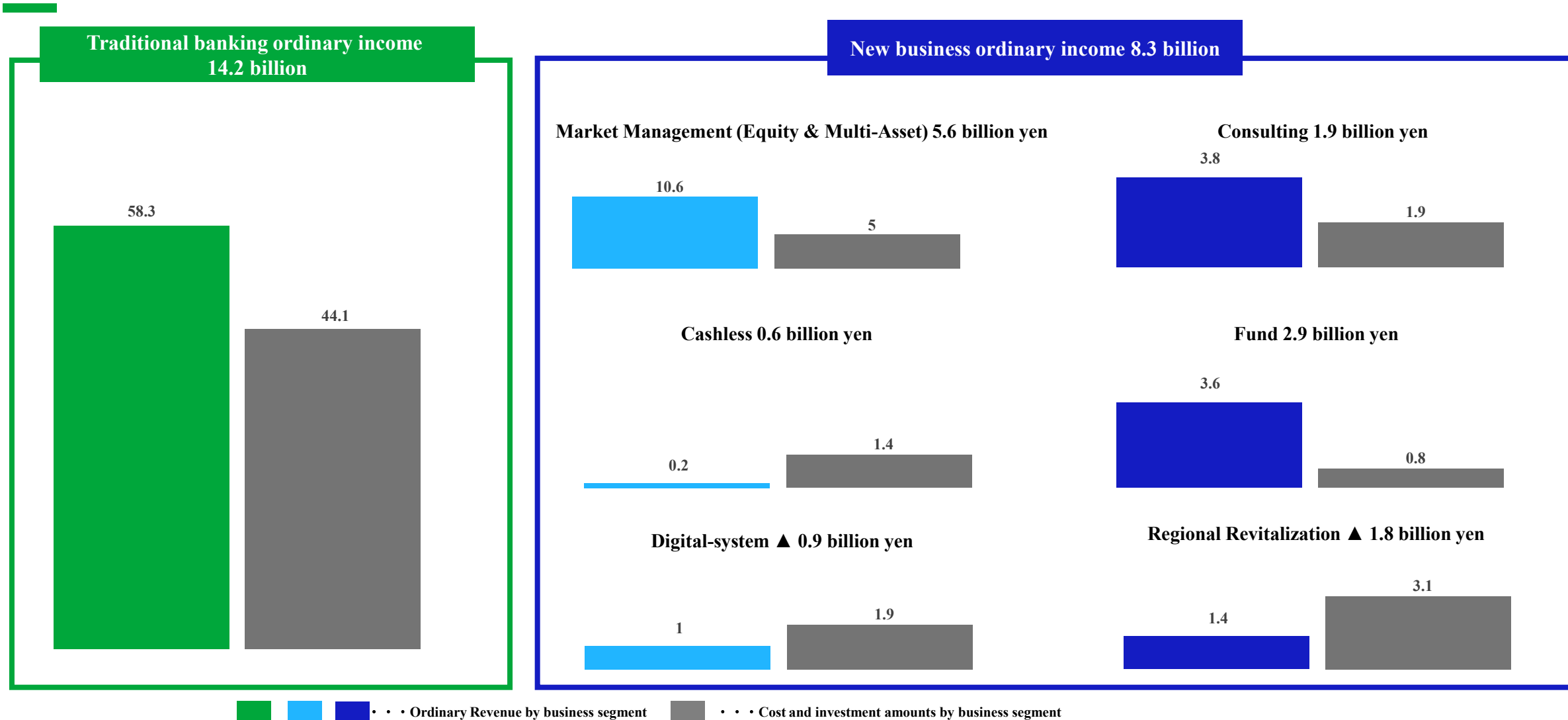
# Ordinary Revenue and Costs and Investments by Business (Result for the Year Ending March 31, 2025)

- Traditional banking business enhances management efficiency and establishes a cost structure capable of recording stable profits
- Strengthen investment in personnel expenses and system development for new businesses



■ Ordinary Revenue by business segment
 ■
■ Cost and investment amounts by business segment

# Ordinary Revenue and Costs and Investments by Business (Plan for the Fiscal Year Ending March 2028)



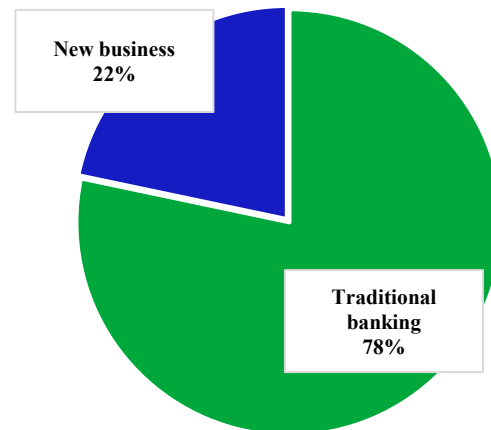
# Talent portfolio strategies and the use of Risk Ring AI

- Strengthen career recruitment to acquire skilled human resources capable of responding to new business areas
- Continue to invest in Riskyring and review the human portfolio from traditional banking to new business
- Develop a system that can shift to high-value-added operations through AI utilization while changing the human resources portfolio

## Human resources portfolio

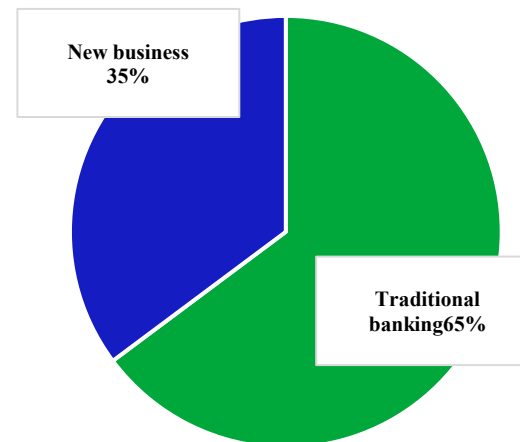
2025/3

Approx. 2,000



2034/3

Approx. 1700



## Initiatives to Strengthen Human Capital

and Utilize AI  
(Human Capital)

Human resource development cost approx. 100 million yen

Career recruitment ratio 61%  
80 students attending and completing graduate school

(AI utilization)

Introduction of AI interviews in recruitment  
Efficiency of call center operations



## **4. Medium-Term Business strategy 2025 Update**

# Medium-term Business strategy 2025 ~ Update ~

## ■ Measures for increasing corporate value

### 1. Initiatives to Improve ROE

- Shareholder returns are based on dividends, and we will pay dividends based on sustainable profits.

Our basic policy is to shift from a total return ratio of 50% or more to a dividend payout ratio of around 40% plus flexible share buybacks

- Establish an earnings model in the interest rate world and expand earnings in the regional finance business
- In new business domains, revenues growth centered on consulting and cashless funds
- Traditional banking business enhances management efficiency and realizes a cost structure that can record stable profits
- Strengthen investment in human resources and system development in new business domains

### 2. Initiatives for Governance and Human Capital

- 2 Enhancement the Governance Structure to Establish the Brand Structure and Efforts to Improve the Effectiveness of Board of Directors
- Strengthen recruitment and training of skilled personnel capable of responding to new business areas and review human resource portfolio

# Medium-term Business strategy 2025 ~ Update ~

- Continue to formulate medium-to long-term strategies 10 years from backcasting, but disclose up to the third year strategically.
- Reflects improvement in banking business profits due to rising interest rates and revision of plans for new business profits due to changes in the market environment
- ROE8% target is expected to be achieved in the fiscal year ending March 2030

Item	2025/3	
	Actual	Achievement rate
Key business Business revenue	38.9 billion yen	113.4%
Consolidated Operating Income	12.2 billion yen	80.2%
Net income (consolidated)	8.1 billion yen	79.4%
ROE※	3.7%	▲ 0.8pt

Item	2026/3	2027/3	2028/3
	A year later	Two years later	Three years later
Banking business revenue	48.3 billion yen	54.6 billion yen	58.3 billion yen
Revenue from new businesses	21.2 billion yen	21.7 billion yen	22.5 billion yen
Consolidated Operating Income	18 billion yen	19.8 billion yen	22.5 billion yen
Net income (consolidated)	11 billion yen	12.4 billion yen	14.7 billion yen
ROE※	5.1%	5.0%or more	6.0%or more

※1 ROE is calculated based on the amount of net income attributable to owners of the parent to Basel III core capital based on domestic banks\*2 Return indicator is changed from a total return ratio to a dividend payout ratio (detailed P20)

# Capital management and shareholder value

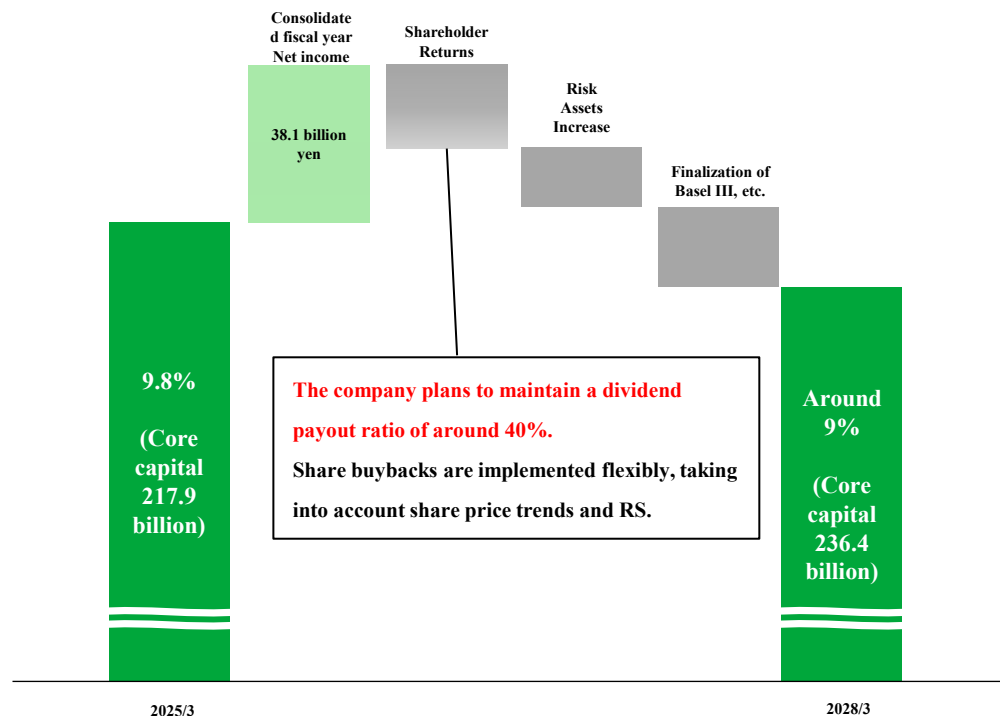
- Pay dividends based on sustainable profit growth to achieve more stable shareholder returns
- Shareholder return policy shifts from a total return ratio of 50% or more to a dividend payout ratio of around 40% plus flexible share buybacks

Item	2025/3 Actual	2026/3 A year later	2027/3 Two years later	2028/3 Three years later
Dividend payout ratio	33.7%	41.2%	Approx. 40% We will pay dividends based on sustainable profit growth, Flexibly acquire treasury stock	
Total dividends	2.7 billion yen	4.6 billion yen		
Purchase of treasury stock	3 billion yen	Billions yen		
Cost of capital	Approx. 6-9%	Approx. 7-9%		
ROE	3.7%	5.1%	5%or more	6.0%or more
Core capital	217.9 billion yen	223.4 billion yen	228.2 billion yen	236.4 billion yen
Risk assets	2.2102 trillion yen	2.3421 trillion yen	2.5035 trillion yen	2.6003 trillion yen
Equity ratio	9.8%	9.5%	9.1%	9.1%

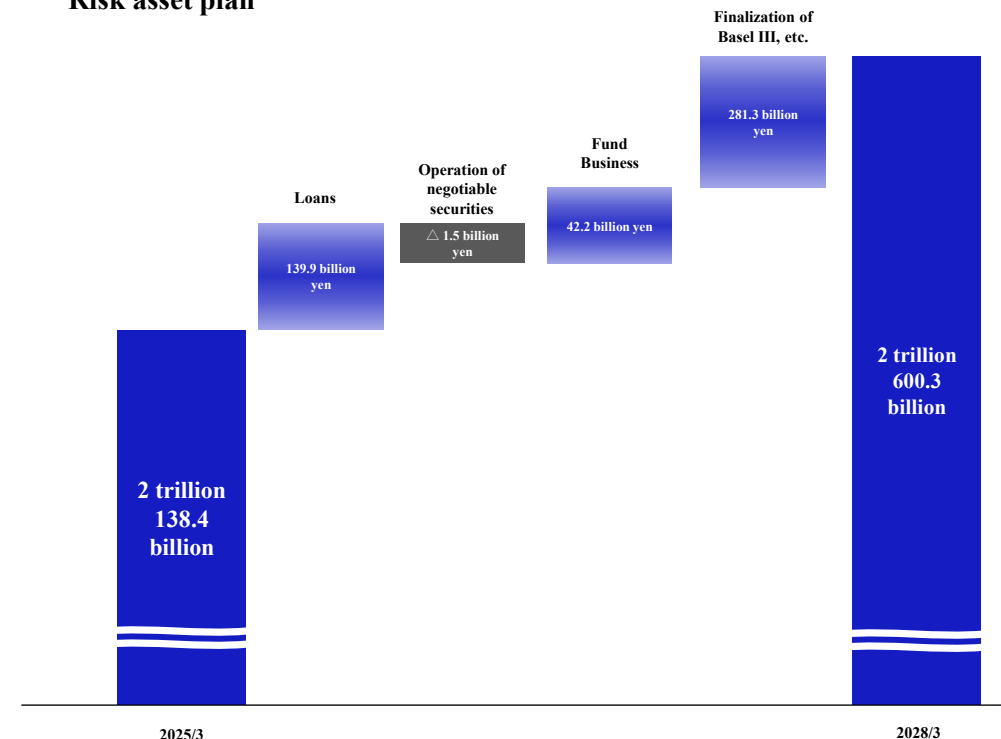
# Risk Asset Control

- Target equity ratio is around 9% to 10%
- Loans will be strengthened in urban areas, securities investment will remain almost unchanged, and loans will be phased in through the finalization of the Basel III. Risk assets are expected to increase due to an increase in risk weights.

Changes in equity ratio



Risk asset plan



# Status of strategic shareholdings

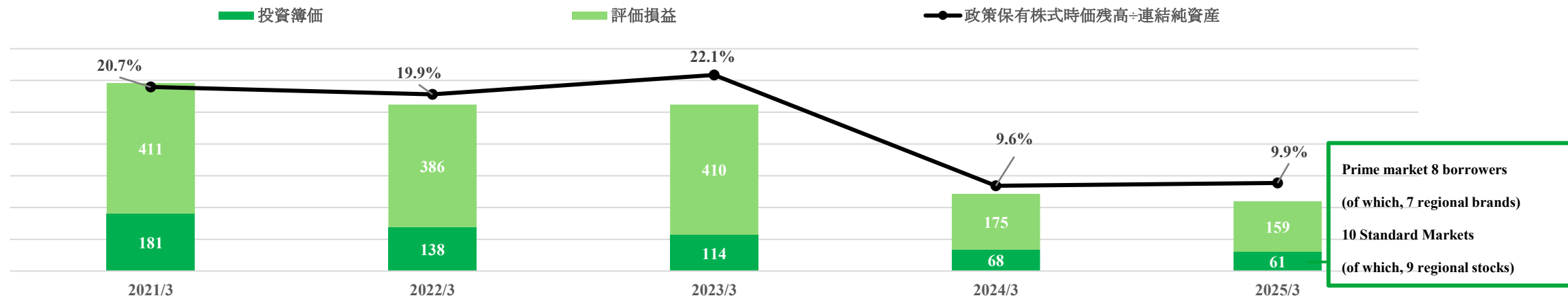
## ■ Review and Future Policy

- Strengthen dialogue with business partners with the goal of halving the ratio by the end of March 2025 compared to March 2022.
  - As a result of the dialogue, shares were steadily reduced and the target was achieved ahead of schedule. (Amount Outstanding of P23's Strategic Stockholdings)
  - Sales of shares for which the holding purpose was changed to net investment after receiving approval to sell, were also conducted in consideration of market trends.  
(Sale of P23 from Sep. 2022 to Sep. 2024; changed to net investment)
  - At the same time, as we continue to engage in dialogue, we have strategically held some of our brands, and we have adopted a "increasing corporate value for both parties" and "the realization of our measures."
- Determined that "realization of social impact" is expected, and reviewed the holding policy this time
- The purpose of holding strategic stocks is categorized as follows. (Changes in the policy of holding P24 strategic shares holds)
    - ① Increasing corporate value of both parties through collaborative efforts to realize social impact
    - ② Improve corporate value further by improving relationship level

Governance by reviewing holding standards to avoid merely becoming a stable shareholder and strengthening dialogue to achieve objectives You ensure the functionality.

# Status of strategic shareholdings

## ■ Amount Outstanding of Strategic Shareholdings (Billions of yen)



## ■ Status of sale (change in holding purpose from September 2022 to September 2024)

	2022/9	2023/3	2023/9	2024/3	2024/9	2025/3
Number of shares to be changed	46,200	-	2,091,216	31,700	471,740	-
Number of shares sold	-	▲3,700	▲4,900	▲239,800	▲25,900	▲582,400
Total number of shares	46,200	42,500	2,128,816	1,920,716	2,366,556	1,784,156

# Future Strategic Shareholdings

## ■ Changes in the policy of holding strategic stocks

**March 2022 to March 2025**

**Do not hold all listed stocks**

**From April 2025.**

**In principle, we do not hold listed stocks, but we intend to continue holding some stocks from a strategic perspective and link them to increasing corporate value of us and our shareholders.**

## ■ Holding standard

**Quantitative  
criteria**

**Return on capital formula**  

$$(\text{Interest income} + \text{Fees and commissions} + \text{Dividends} - \text{Expenses}) / ((\text{Market risk-weighted assets} + \text{Loan risk-weighted assets}) \times 8.0\%)$$

**Qualitative  
criteria**

**Relationship level**  
**Social impact**

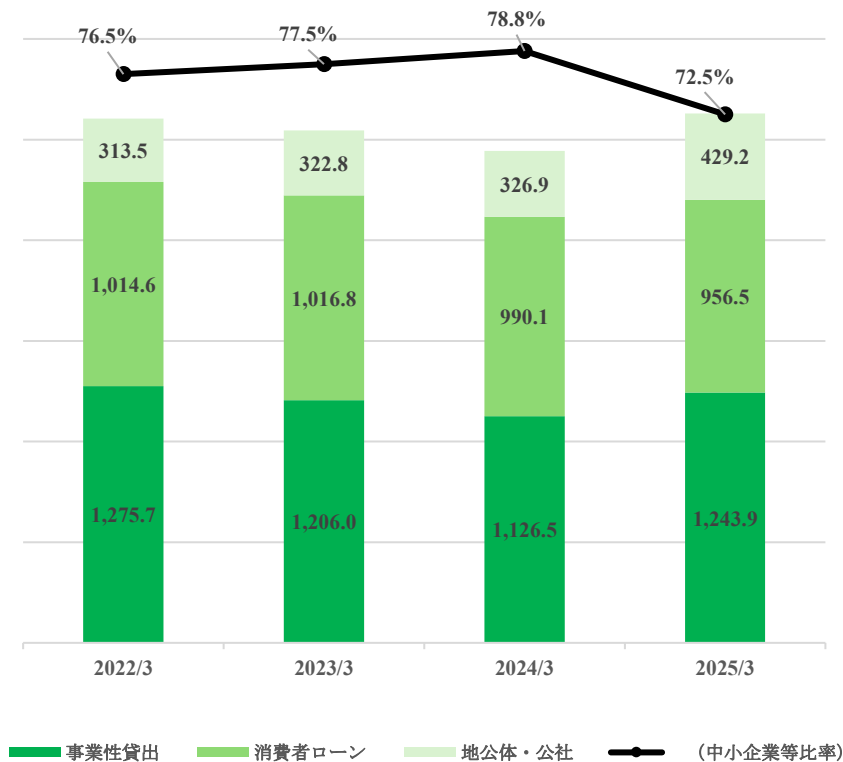


## **5. Business Strategies for Achieving ROE**

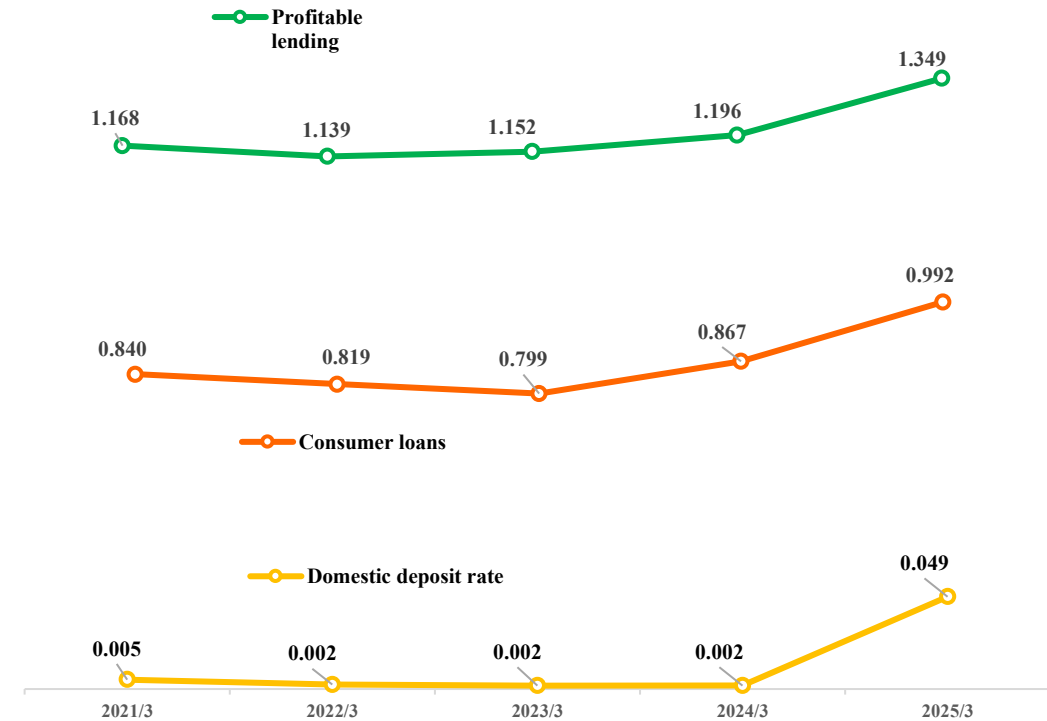
# Business of lending money

■ Loans outstanding and yields were generally in line with forecasts. The balance for urban areas and large enterprises increased.

Loans and bills discounted (term-end balance) (Billions of yen)



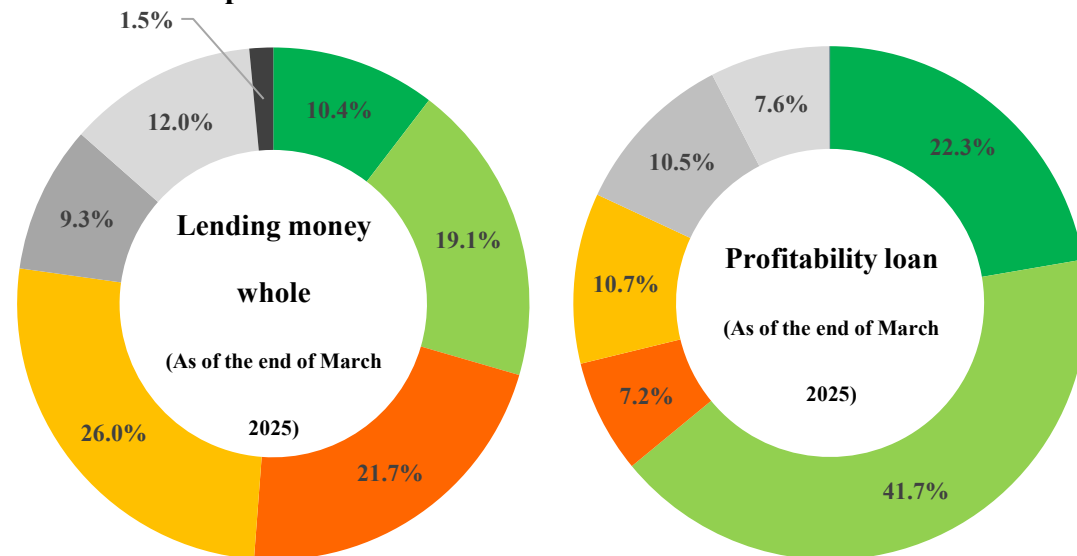
Yield Transition (%)



# Interest rate structure

- Negotiations on shifting the market-linked interest rate structure for short-term loans have generally been completed. As a result of an increase in the proportion of new long-term loans linked to the market, the interest rate structure of overall commercial loans is 40% linked to the market.
- The policy interest rate increase of 0.1% is expected to increase revenues by about ¥900 million.

Composition of interest rates on loans and discounts



Interest Rate Structure of Newly Executed Interest Rates

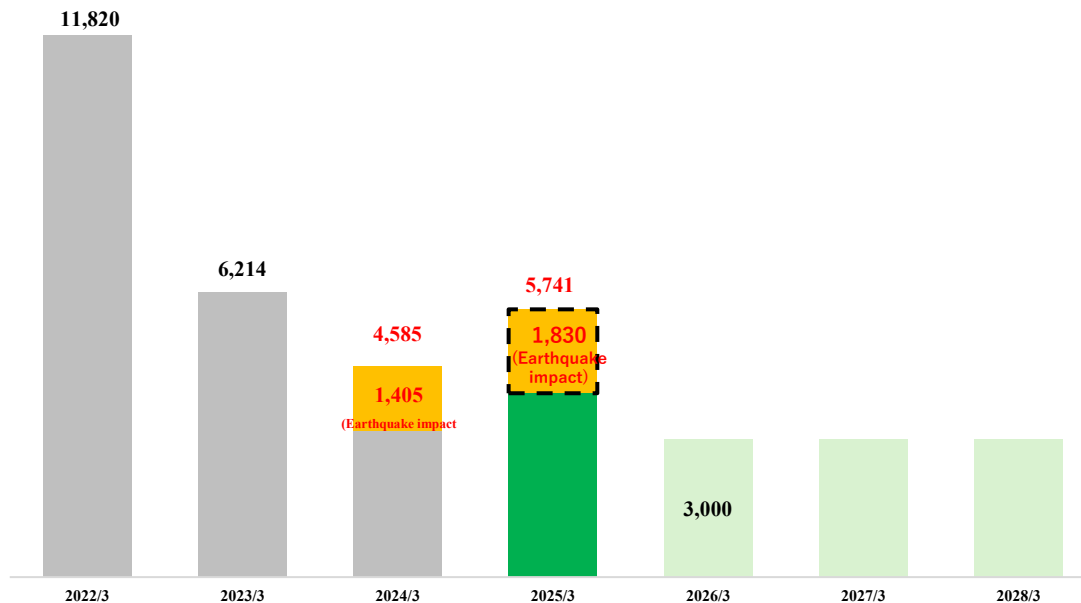
	2024/3	2025/3
Fixed interest rate	49.2%	49.8%
Spread	18.6%	48.0%
Short-term plastic	32.2%	2.2%
Total	100%	100%

- Floating rate (short-term prime)
- Floating rate (market-linked)
- Fixed rate (less than one year)
- Fixed rate (1 year or more but less than 3 years)
- Fixed rate (3 years or more but less than 5 years)
- Fixed rate (5 years or more)
- Other

# Credit Cost Results and Future Prospects

- Credit costs increased ▲ ¥670 million due to the impact of the Noto Peninsula Earthquake, compared to the initial forecast of ¥2.5 billion.
- Credit costs as a whole increased by ¥240 million from initial expectations due to the impact of large borrowers.
- Credit costs due to the impact of the earthquake have been posted. The credit cost for FYE March 2026 is assumed to be ¥3 billion.

Changes in credit costs



<Preservation Status>	2021/3	2022/3	2023/3	2024/3	2025/3
Disclosed claims under the financial reconstruction law (Billions of yen)	608	758	734	683	755
Conservation amount (Billions of yen)	587	659	706	645	715
Coverage ratio (%)	96.5	86.9	96.2	94.4	94.6

# Balance by Deposit Segment

## Deposit Balance by Attribute

(Billions of yen)

	2022/3	2023/3	2024/3	2025/3	Compared to 24/3 Change	Change from 24/3
Individuals	2781.2	2870.9	2951.9	3007.5	+55.6	+1.8%
CORPORATION	1155.4	1143.4	1230.3	1258.1	+27.8	+2.2%
Public money and financial	336.0	369.7	529.3	650.1	+120.8	+22.8%
Overall	4272.7	4384.1	4711.6	4915.8	+204.2	+4.3%

### ■ Interest rate scenario

- By raising the Japanese policy interest rate twice in fiscal 2025

Reached 1.00% and interest rates rose about the same level across the entire yield curve.

- Figures remain unchanged from fiscal 2026.

### ■ Initiatives

- Increase sticky deposits by enhancing payment services such as LIFE+, Hokkoku Digital Banking, our core services

#### "Personal services"

- Affiliated convenience store fee free(\*)
- Free transfer fees to other banks (\*)
- Free bank transfer fees

※ Up to three times a month

#### "Internet banking for corporations"

- Free bank transfer fees
- Low-priced transfer fees to other banks
- Available 24 hours/365 days a year

# Loans and Discounts Outstanding by Segment

## Loans Outstanding by Attributes

(Billions of yen)

	2022/3	2023/3	2024/3	2025/3	Compared to 24/3 Change	Compared to 24/3 Rate of change
Small and medium-sized enterprises, etc.	19,931	19,719	19,267	19,079	▲188	▲0.9%
(Ratio of SMEs, etc.)	76.5%	77.5%	78.8%	72.5%	—	▲6.3%
Medium-sized and large companies	2,973	2,509	1,899	2,925	+1,026	+54.0%
National and local public entities	3,135	3,228	3,269	4,292	+1,023	+31.2%
Overall	26,039	25,456	24,436	26,297	+1,861	+7.6%

## Loans Outstanding by Region

(Billions of yen)

	2022/3	2023/3	2024/3	2025/3	Compared to 24/3 Change	Compared to 24/3 Rate of change
Hokuriku 3 prefectures total	23,956	23,794	23,067	23,239	+172	+0.7%
In Ishikawa Prefecture	18,119	18,139	17,758	18,308	+550	+3.0%
In Toyama Prefecture	4,645	4,511	4,227	3,880	▲347	▲8.2%
Including Fukui Prefecture	1,190	1,144	1,081	1,050	▲31	▲2.8%
Other	2,083	1,662	1,368	3,058	+1,690	+123.5%

## Loans Outstanding by Type

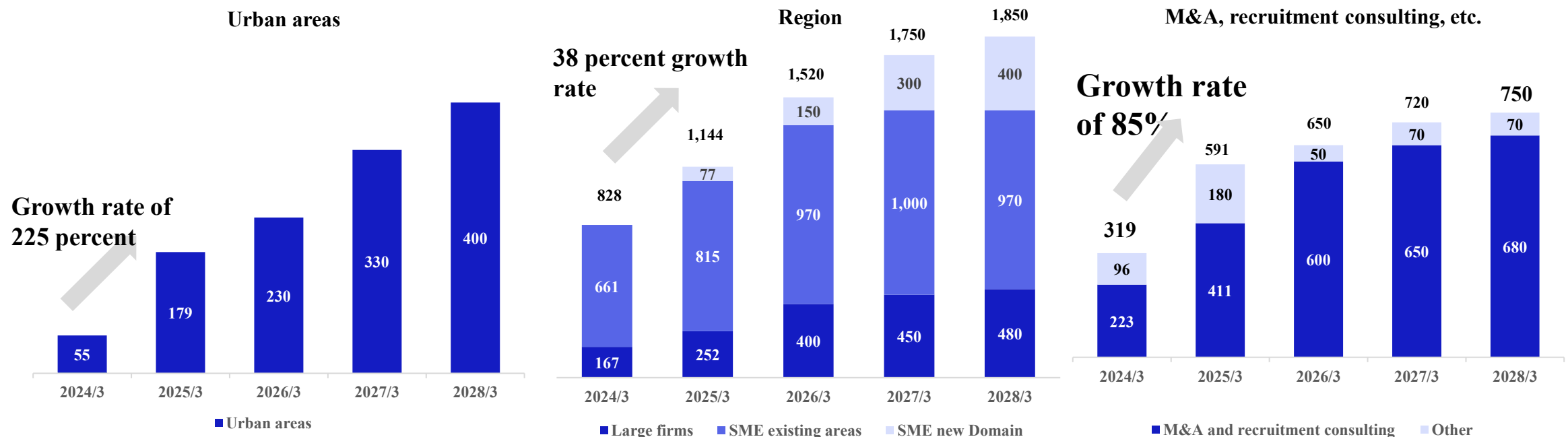
(Billions of yen)

	2022/3	2023/3	2024/3	2025/3	Compared to 24/3 Change	Change from 24/3
Profitable lending	12,757	12,060	11,265	12,439	+1,174	+10.4%
Consumer loans	10,146	10,168	9,901	9,565	▲336	▲3.3%
Of which, secured	9,819	9,867	9,609	9,281	▲328	▲3.4%
Of which, unsecured	327	301	291	284	▲7	▲2.5%
National and local public entities	3,135	3,228	3,269	4,292	+1,023	+31.2%

# Consulting

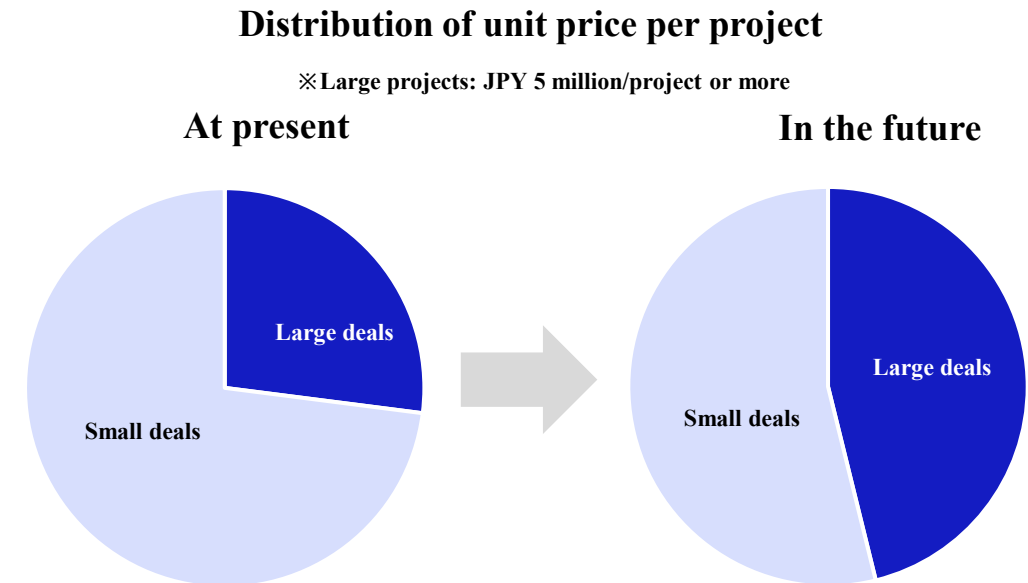
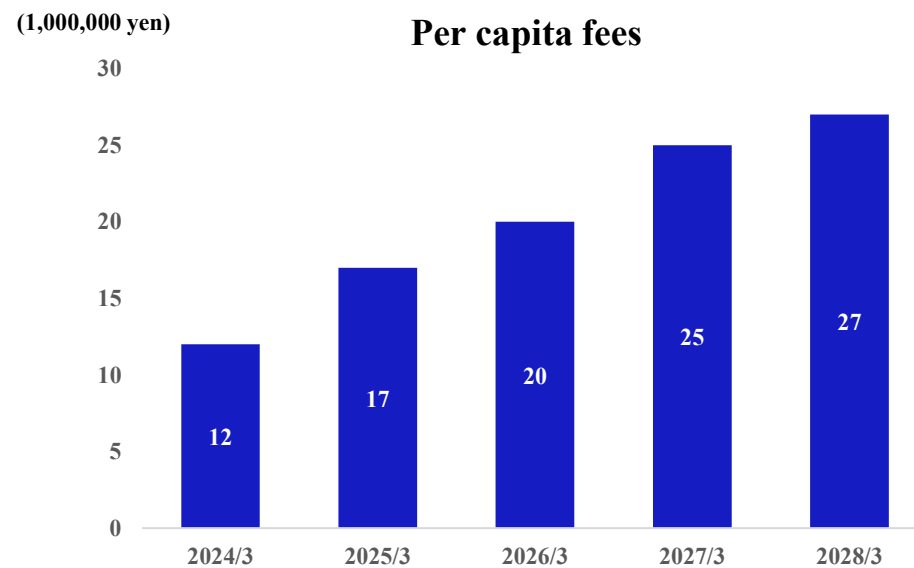
- Basic Strategy "Establishment of a Framework for Implementing Policies for Initiatives by Customer Segment"
  - High-value consulting for medium-sized and large companies that have a significant impact on transforming the region
  - Acquisition of approaches and knowledge to urban customers with anticipated needs
  - Overseas operations are currently being developed at four sites: Singapore, Thailand, Vietnam, and Africa

Sales by Region and Segment (1,000,000 yen)



# Consulting

## ■ Improve per capita fees by improving productivity and profitability while maintaining the current personnel system



Enhance productivity	<ul style="list-style-type: none"> <li>• Top-up small-lot projects to external partners</li> <li>• Promotion of operational efficiency such as simplifying the preparation of materials through the use of AI and moving video of training contents</li> </ul>
Improve profitability	<ul style="list-style-type: none"> <li>• Focus on large-scale projects</li> <li>• Proposing several new areas such as BPO and digital marketing</li> </ul>

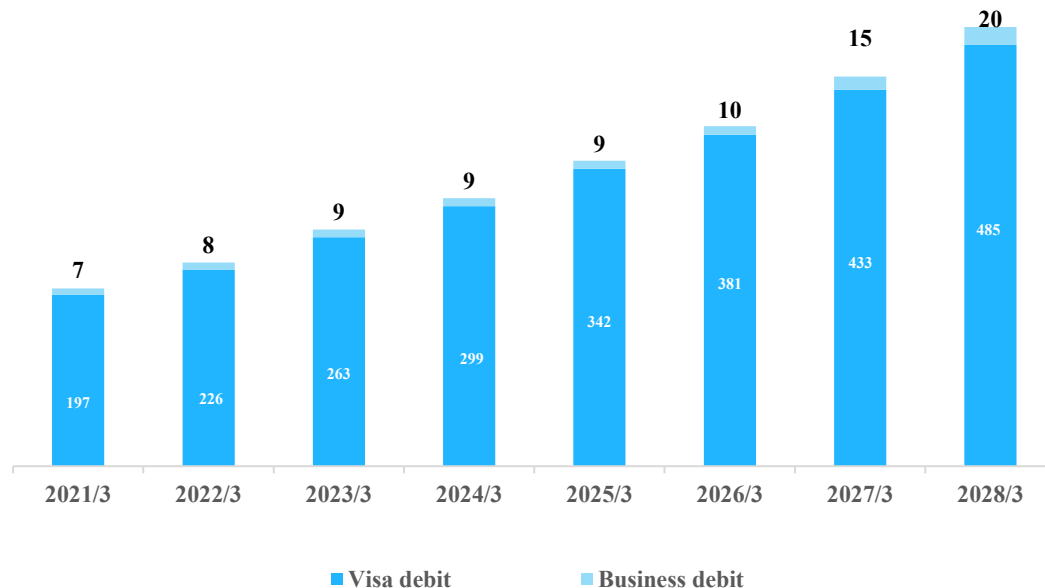


# Cashless

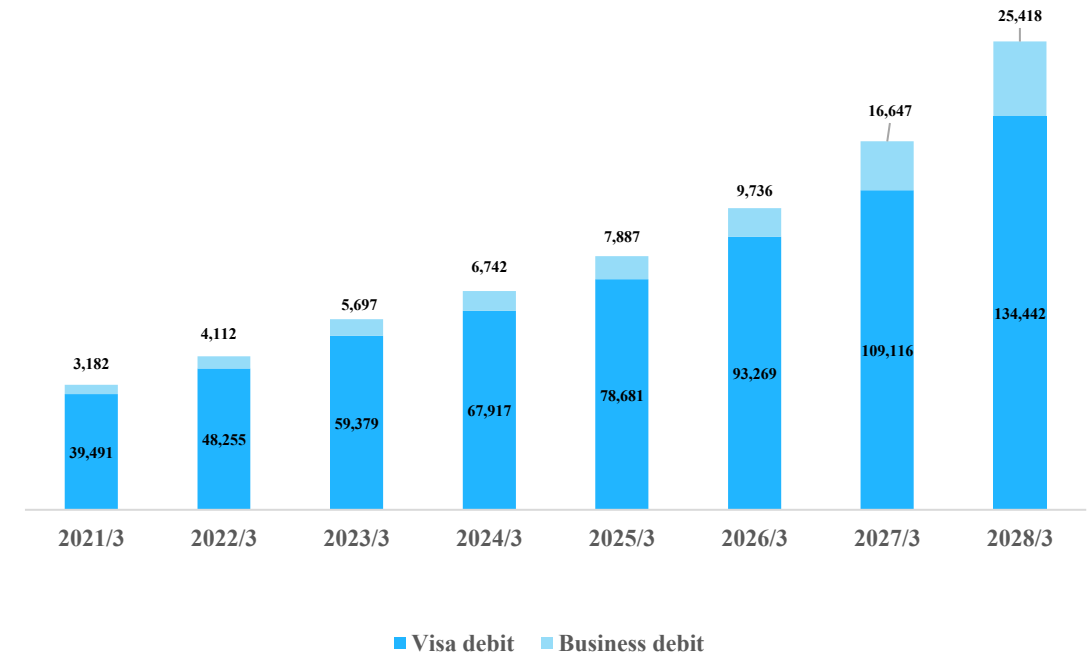
## ■ Ishing Corp.

- Planning to launch a new service for smartphone payments (cardless) and points at all Visa member stores at the end of July
- Strengthen PR to promote and promote the use of business debits to support more efficient corporate payments

Visa debit subscribers (thousands)



Visa debit payments (JPYmn)

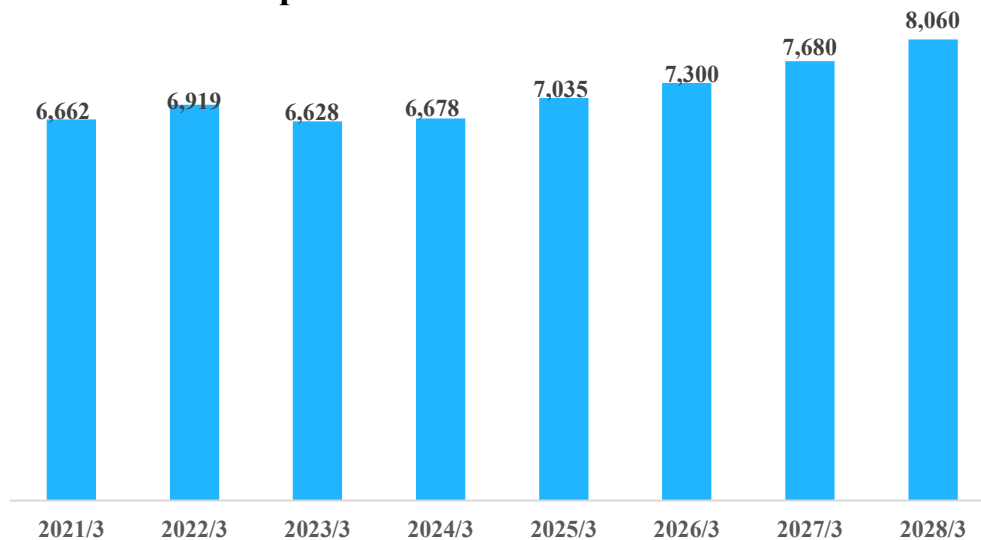


# Cashless

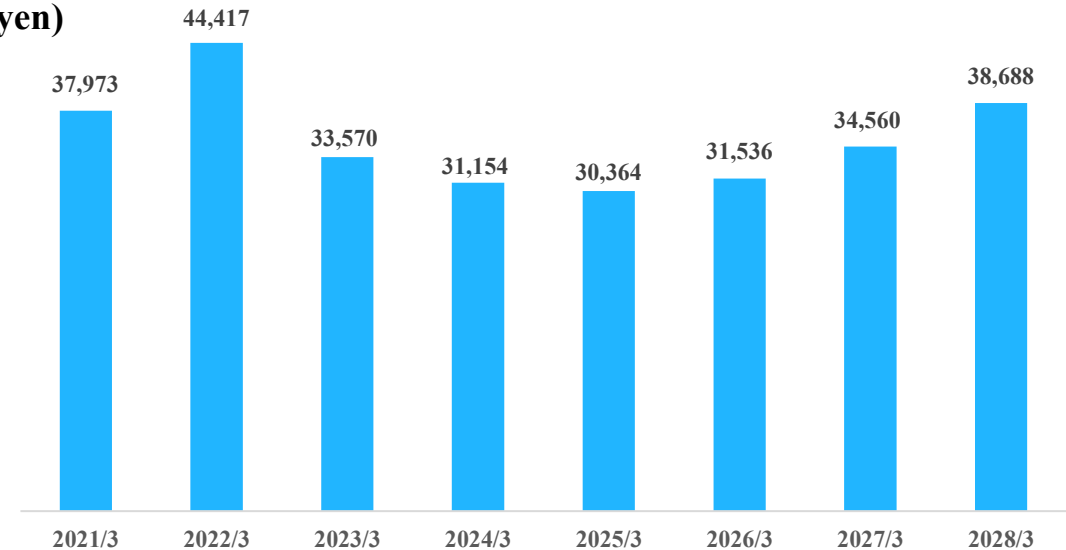
## ■ Acquiring

- Franchise stores by introducing a new service (Tap to Phone) that allows smartphones to be used as merchant terminals
- Introduce low-rate plans for SMEs in Visa to improve occupancy rates and increase payments

No. of member pharmacies



Settlement value (Millions of yen)

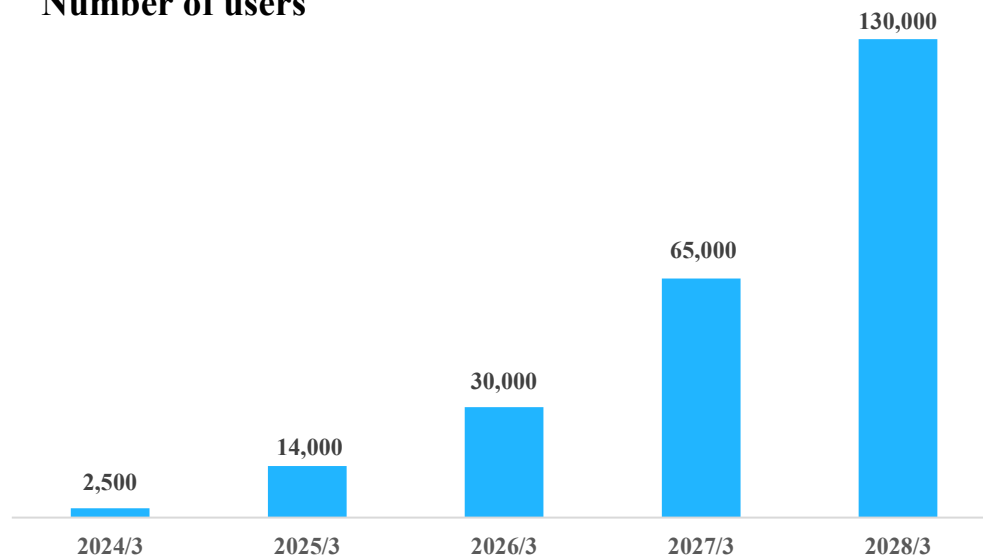


# Cashless

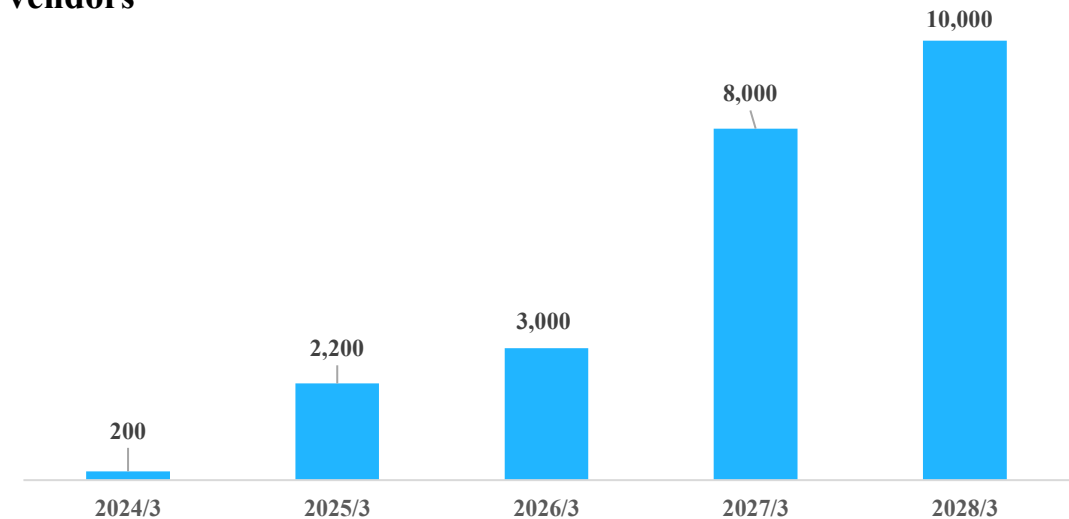
## ■ Titsweek Corp.

- Increase convenience for consumers by expanding use of stores through collaboration with our merchant terminals (approximately 7000 stores)
- Increase the number of users and franchisees through collaboration with local governments in the prefecture  
(As of the end of March 2025, the cooperative municipalities, Ishikawa Prefecture, Nomi City, and Suzu City)

Number of users



Number of merchant vendors



# Digital systems

- By using agile, cloud, and AI, we can improve R&D productivity and quality. Our strategic systems are as follows:

## Early release

### Strategic system under development

To be released	System under development	Content
Jul 2025	API & BaaS base	<ul style="list-style-type: none"> <li>• Provision of financial functions to FinTech companies and regional operating companies</li> </ul>
August, 2025	New card base	<ul style="list-style-type: none"> <li>• Franchisees: Use smartphones and tablets as payment terminals (Tap to Phone)</li> <li>• Users: Provide digital cards as a new choice for payment methods</li> </ul>
January, 2027	Next fiscal year Core banking system	<ul style="list-style-type: none"> <li>• Improved core banking system availability with multi-cloud support</li> <li>• Strengthen collaboration with external services through open languages and cloud natives</li> <li>• Cost reduction by Operation and Maintenance in-house development</li> </ul>

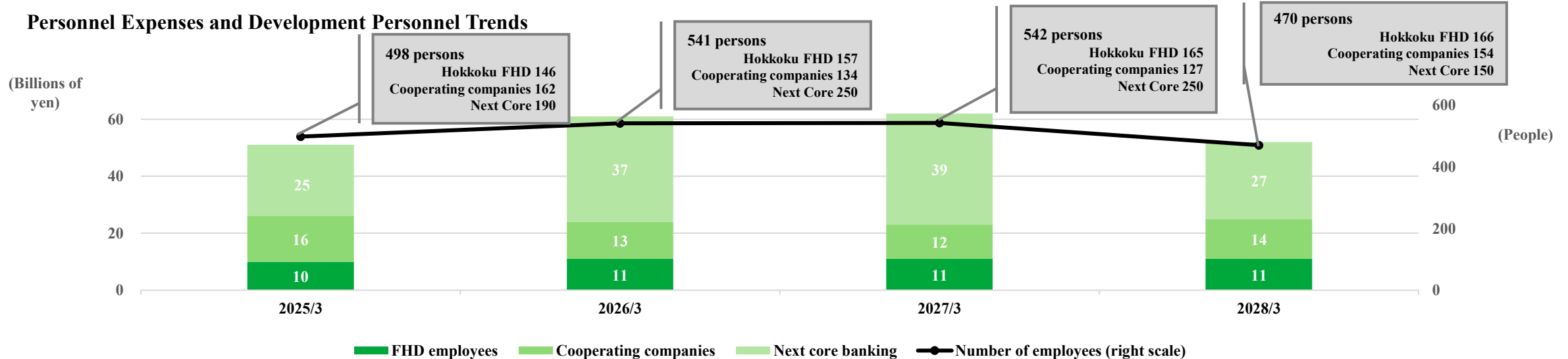
### Development productivity improvement Efforts

#### Utilize multiple LLM(Azure Open AI ・ Gemini for developing and operating

- Automatically converts from the old program (COBOL) to the new program (Java), and automatically generates test cases from the program.
- Use of generation AI for failure detection and security-modernization

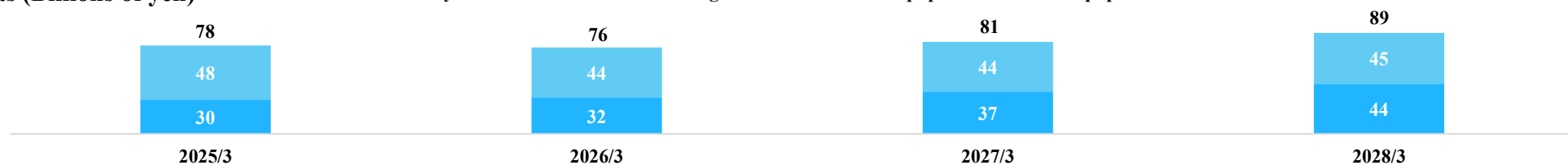
# Digital systems

- Utilization of productivity improvement and offshore developments through AI utilization and system modernization
- Intensive investment until March 2029 for early release of the next core banking system  
(Scheduled: 1st 2027 January, 2nd 2029 January)



## System Costs (Billions of yen)

※ System cost is calculated excluding the amount of office equipment and ATM equipment.



■ System development expenses (software depreciation) ■ Running expenses (non-personnel expenses)

# Progress in digitalization and number of stores

- Enhancement of in-van functions and progress in digitalization will lead to a store structure of approximately 50 bases
- Set basic commissions for some services in anticipation of service maintenance costs such as strengthening security

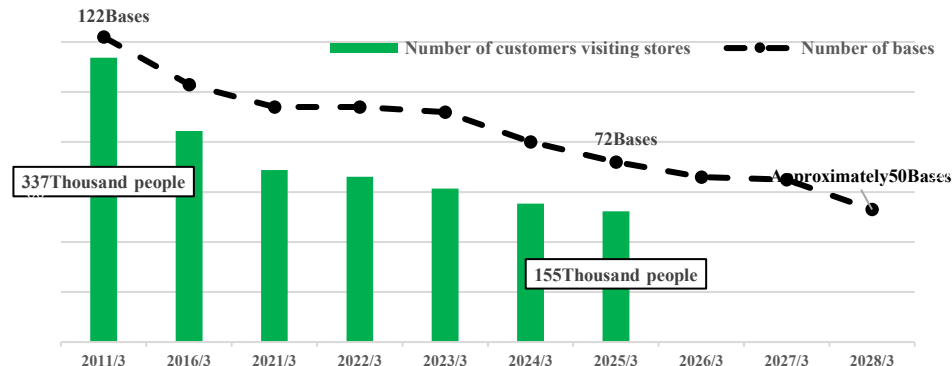
## Personal Internet banking



(Major Possible Transactions)

Inquiries (transaction details), transfers, automatic remittances, time deposits, and foreign currency deposits

Mutual funds, loans, Pay-easy, account transfers, and address changes



## Internet banking for corporate clients



35000 contracts

(Major Possible Transactions)

Inquiries (transaction details) Individual remittance and total remittance remittance

Pay-easy

Den Sai Service Account Transfer Address Change Overdraft Function

• Basic commissions have been set since July 2025 in line with the strengthening of security measures, including cybercrime, and the rise in maintenance and operation costs of services due to the surge in prices.

Annual service revenue: Approx.  
1 billion yen

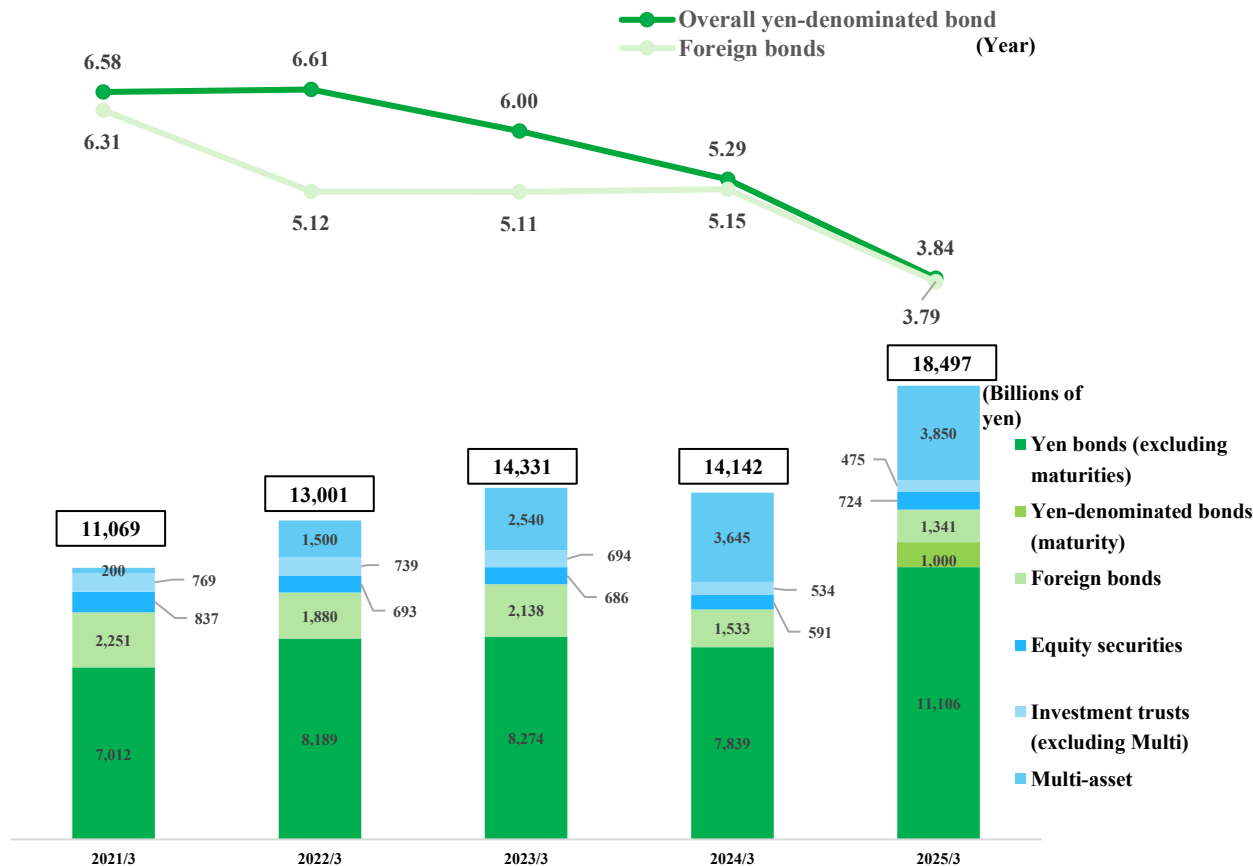
# Market and fund management

<p>JGBs and foreign bonds (Market Finance Department)</p> <p>P40</p>	<p>Bond held to maturity (Corporate Planning Dept.)</p> <p>Share policy held (Corporate Dept.)</p> <p>P41</p>	<p>Shares for net investment purposes Multi-asset (Market Finance Department)</p> <p>P42</p>	<p>Limited liability investment partnership Private equity Private debt Venture capital Listed stocks (QRI)</p> <p>P43</p>
--	---	--	--

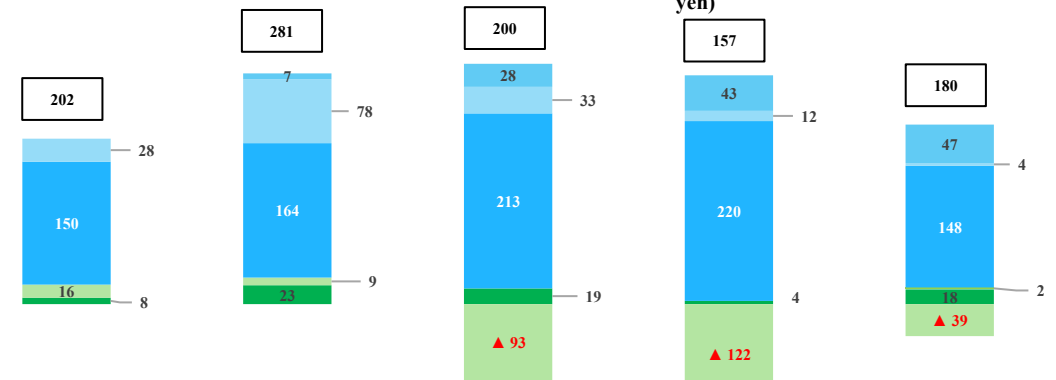
# Status of Securities Management and Future Investment Strategies ①

■ In March 2025, we focused on short-to medium-term bond operations. Curtailed duration and accumulated assets under management, mainly in yen-denominated bonds

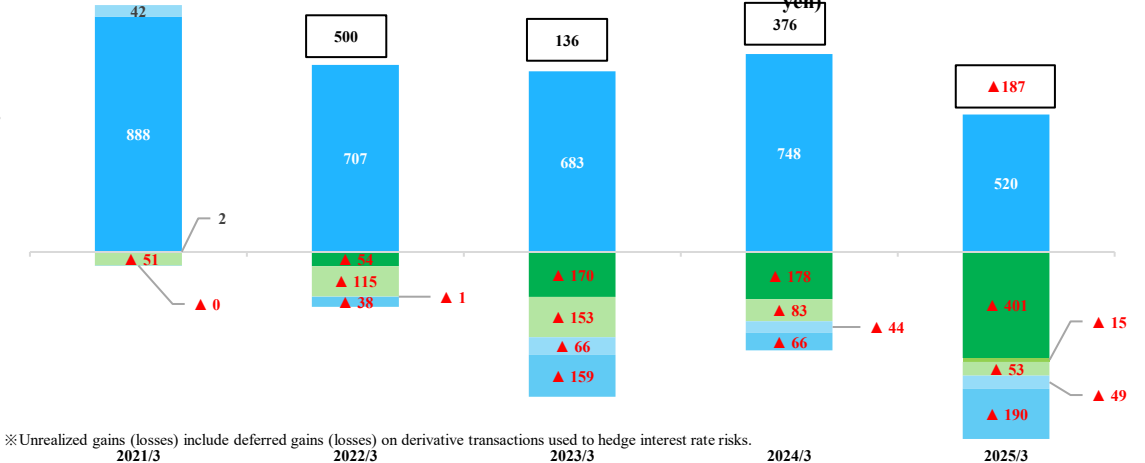
Balance of Securities (Book Value) and Duration



Trends in realized gains/losses by asset



Trends in unrealized gains/losses on securities



※ Unrealized gains (losses) include deferred gains (losses) on derivative transactions used to hedge interest rate risks.

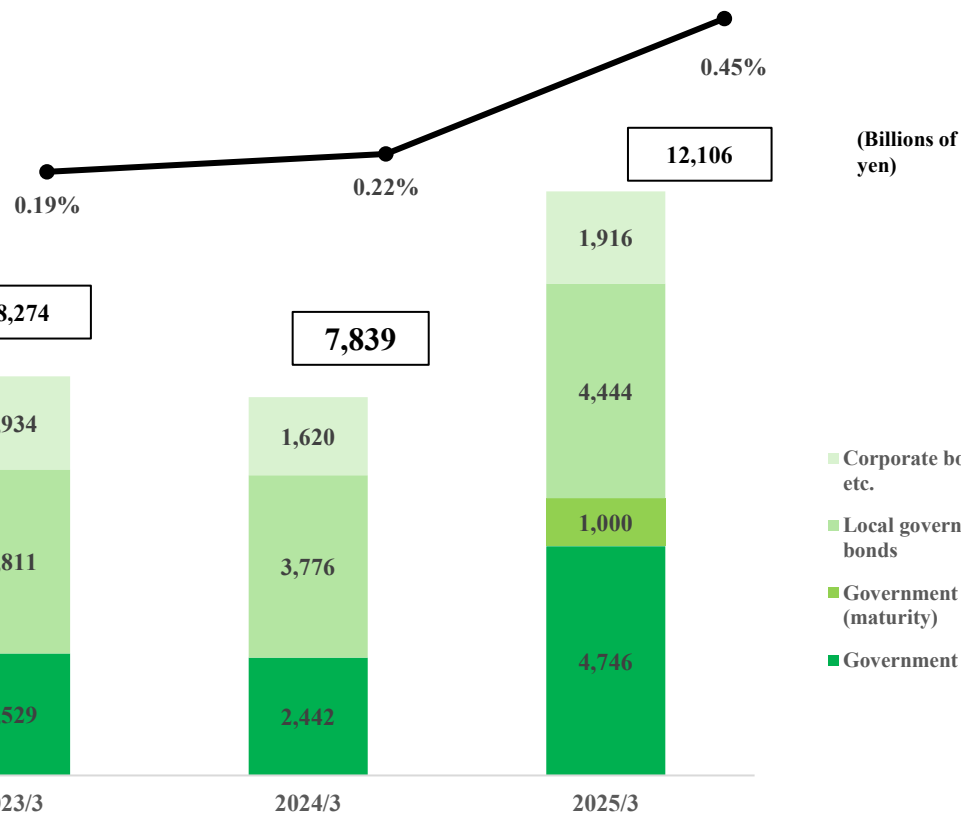


# Status of Securities Management and Future Investment Strategies ②

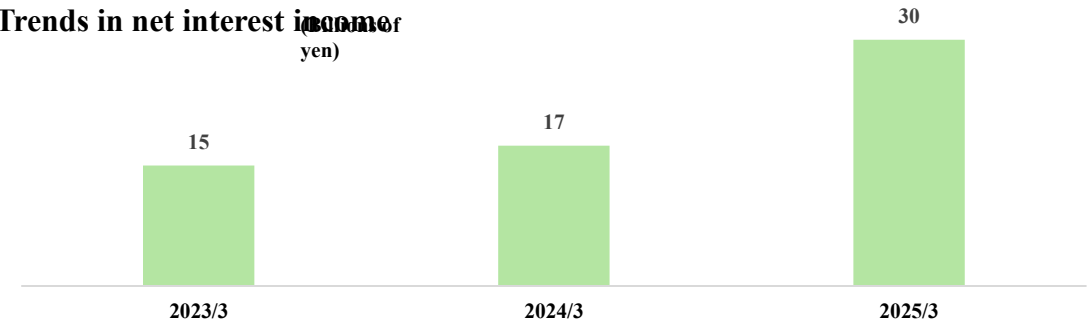
- Determine when to change monetary policy and aim for a yen-denominated bond portfolio that can secure stable profits through reinvestment

## Investment in yen-denominated bonds

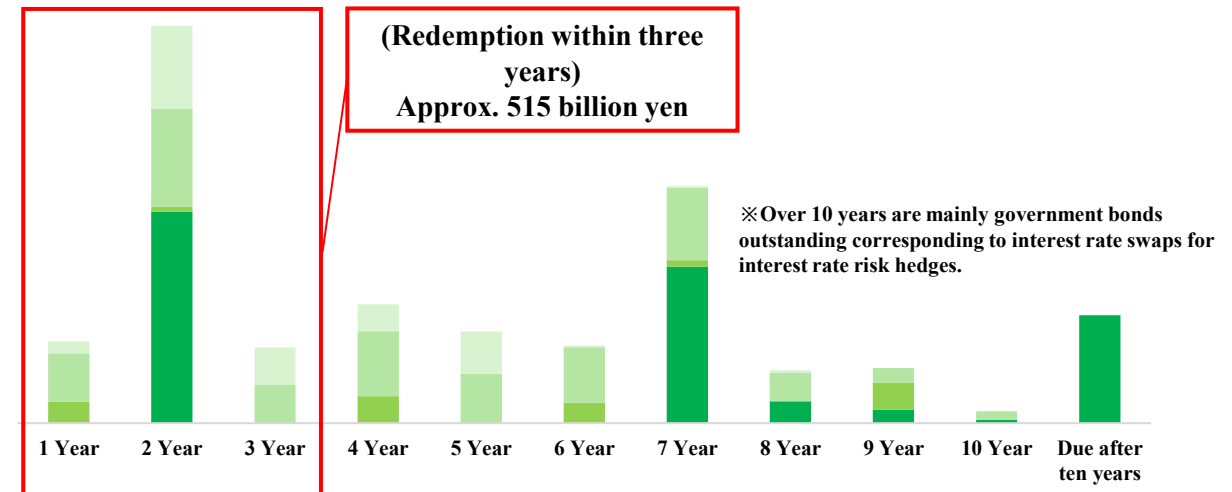
Trends in book value balance and investment yield



Trends in net interest income



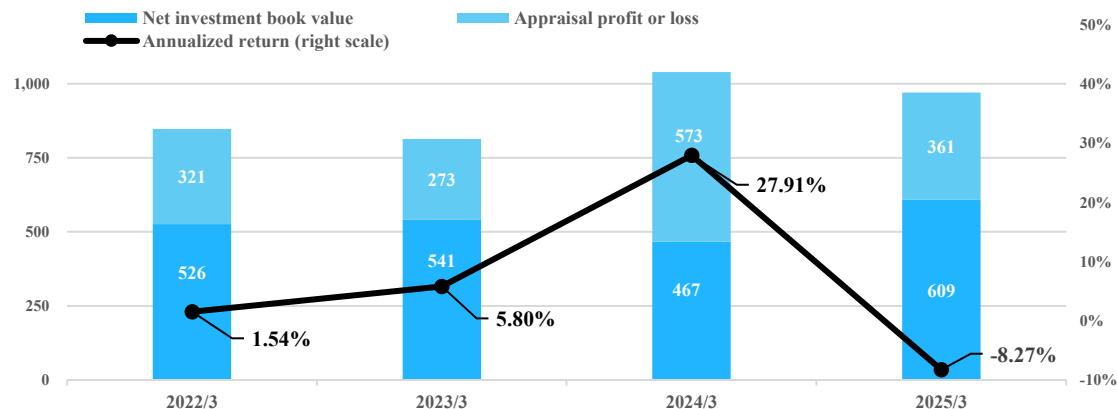
Redemption ladder (FYE Mar. 2025)



# Status of shares for net investment purposes

- The proceeds from the sale of strategic shares helds are also actively invested in net investment equities.
- Focus on improving performance by investing in quality growth stocks.

Balance of Net Investment Shares (Billions of yen)



## Investment strategy

Invest in quality growth stocks that are expected to grow over the medium to long term while controlling overall portfolio risk.

Bottom-up analysis  
Investment decisions

In addition to publicly available information, invest in issues with a high probability of performance growth based on qualitative information obtained through interviews

Portfolio  
Management

Monitoring of risk indicators in the investment portfolio and analysis of investment performance

Exercise criteria  
of VotingRights

Established standards for the appointment of directors, remuneration for directors, capital policy, appropriation of surplus, preliminary takeover defense measures, etc.

Grasping business conditions

Gathering information through public materials related to IR and interviews with financial results of companies targeted for investment

## Engagement (Voting) Initiatives

Combine the "Voting Criteria" set by asset owners and qualitative information obtained by asset managers through interviews, etc. to engage in effective voting



# Status of the Fund Business

- Operates 10 funds. Implement diversified investment that emphasizes the local community but does not specialize in the region.
- Established several new funds, including Beyond Recovery Fund and the Social X-Impact Fund.

Revenues plan of the fund business (Billions of yen)

2025/3 Actual	2026/3 Planning	2027/3 Planning	2028/3 Planning
▲14	3	39	37

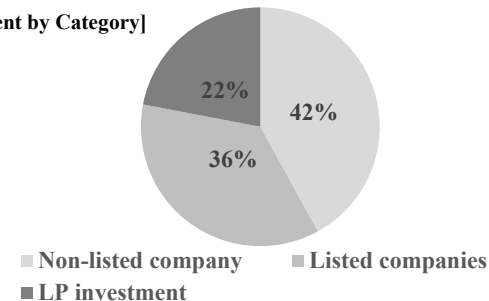
## Investment Results and Plans

	2024/12 Actual	2027/12 Plan
Number of investees	104	120
Investment amount	360	670
Amount collected (Billions of yen)	48	173
Market value (Billions of yen)	343	630
Investment ratio (Billions of yen)	1.09	1.20

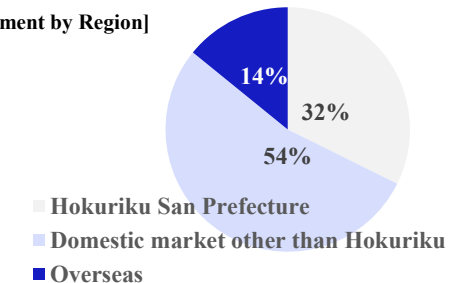
Fund Investment Status (as of Dec. 2024)

創業期				成長期	成熟期	再生期
シード	アーリー	ミドル	レイター			
QRファンド					58 cases 28 billion yen	
QRプライベートエクイティファンド					6 projects 4.6 billion yen	
のとSDGsファンド					16 items 600 million yen	
北陸地域ベンチャーファンド						いしかわ中小企業再生ファンド
ほくりくスタートアップコミュニティファンド				15 cases 700 million yen	50 million yen per transaction	7 items 1.6 billion yen
のとBeyond復興ファンド				6 projects 400 million yen		能登半島地震復興支援ファンド
ソーシャルXインパクトファンド (2025年2月設立)					50 million yen per transaction	

[Investment by Category]



[Investment by Region]



# Local revitalization

- Creating a business base and a place for communication where innovation is born here
- Sports and entertainment businesses, tourism and other urban development projects in collaboration with local governments

## Source of creative and new business

Scheduled to open Hirooka Terrace in September 2025 as a business base for generating new innovation



## Increase in tourists to Kanazawa and Kaga areas

- Taking full advantage of the brand potential in the Kanazawa and Kaga areas, The central urban area, which has increased tourism resources, and the ease and convenience of traveling, is viewed as an integral part.

### Urban development



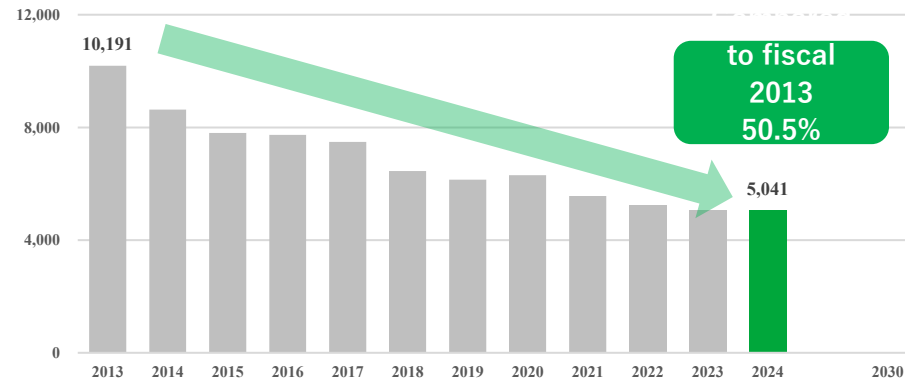
## Urban development that leverages the current characteristics of the Noto area

- Toward Advanced Primary Industries (Agriculture, Fisheries and Forestry) (smartization, introduction of advanced technologies, sixth industrialization, support for fostering, etc.)
- Scattered tourist resources (Senmida, Morning Market, Sojiji Temple, Mawaki Ruins, Kujuku Bay, Wide-area branding of salt fields, festivals, food, the sea, etc.), Wakura Onsen and Toward the formulation of a stay-type program in collaboration



# Environment-related

Trends in CO<sub>2</sub> emissions (tons)



Scenario analysis Result for transition risks and physical risk

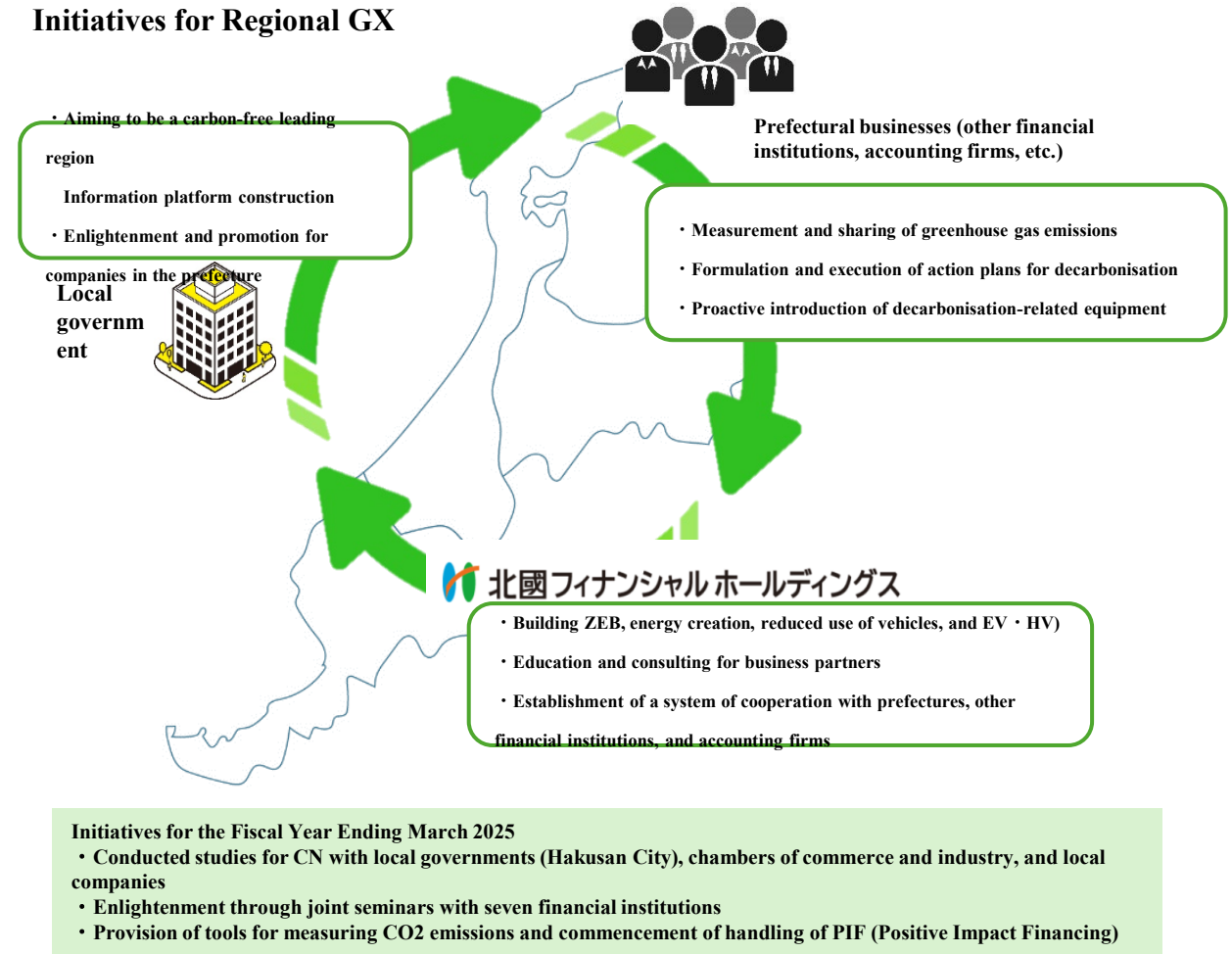
(Transition risks)	4°C	2°C
Increase in credit costs through 2050	— (no transition response)	Approx. 2.6 billion

(Physical risk)	4°C	2°C
Increase in credit costs through 2050	Approx. 3.8 billion	Approx. 1.3 billion
Impact of our buildings	Approx. 500 million	Approx. 200 million

※ The reserve calculation standard was changed to the reserve classification basis from this time

Initiatives for Regional GX



## Human capital enhancement



### Hiring

#### ■ Recruiting Diverse Human Resources

- Career recruitment as a percentage of new hires  
FY2020 25.0% → FY2024 61.1%  
Career recruitment ratio of officers and executive officers 5.7%  
Ratio of career hires for managers and chiefs 9.7%
- Hiring two new graduates for the Expert Course  
(9.5% of new graduate hires)

### Fostering

#### ■ Strengthening Human Resource Development

- Total Human resource development cost  
FY2020 58 million yen → FY2024 100 million yen
- Number of students who attended or completed graduate school  
FY2020 2 → FY2024 80
- Support for career change through the Job Challenge System  
41 participants in fiscal 2024 (10 of whom changed their career)

### Active role

#### ■ Fostering Career Autonomy through career-based personnel system

- A Culture of Challenges (Introduction of a Challenge System)  
Approximately 400 employees were assigned, promoted, challenged for job challenges, or for in-house side businesses.
- Implementation of personnel allocation with an emphasis on employee Career plan  
Deployment rate to desired departments 98.8% (actual results of personnel transfers in March 2025)
- "Wellness Support Team" to support employee mental and physical health  
2476 cases of physical health support and 603 cases of counseling, for a total of 3079 cases  
→ Provided 1.47 cases of support per employee

### To produce

#### ■ Sharing knowledge with local communities

- Dispatched to local governments and private companies 78 in fiscal 2024  
(of which, 73% of employees on loan are involved in corporate management)

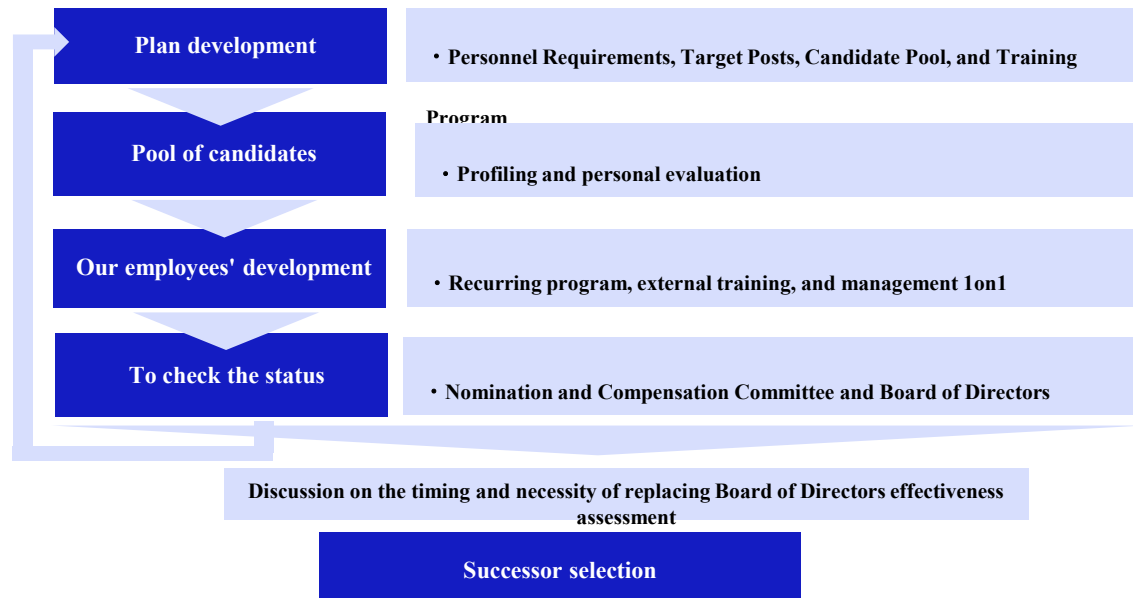
# Advanced corporate governance

## ■Candidate selection based on succession plan

### Launched Board of Directors effectiveness assessment utilizing external organizations

#### Implementation of succession plans

Candidates were selected for three Hokkoku FHD directors and one president of the Hokkoku Bank in fiscal 2025. Candidates are selected through interviews with outside directors on a number of candidates for each post, the Nomination and Compensation Committee, chaired by an outside director, and discussions at Board of Directors.



#### Utilization of external third-party organizations for Board of Directors effectiveness assessment

Since last fiscal year, we have conducted a questionnaire survey and individual interviews with each director by an external third-party organization, Boardroom Review Japan Co., Ltd. Going forward, we will reflect the aggregate analyses in our self-assessments to improve the effectiveness of our Board of Directors and to upgrade our governance.

#### Method of evaluating the viability



## **6.Earnings forecast**



## Forecast for the Fiscal Year Ending March 2026

- The year ended March 31, 2026 is expected to see an increase in net profit due to an increase in global interest rates and an increase in revenue in new business areas.
- Revise shareholder return policy and raise the dividend payout ratio to around 40% and implement flexible treasury stock.

[Hokkoku Financial Holdings Consolidated]

(Millions of yen)

(Full year)

(Interim)

	FY2025 Full-year forecast	FY2024 Full-year results		FY2025 interim forecast	FY2024 Interim Results
Ordinary income	18,000	12,298	Ordinary income	9,000	8,933
Net Income*1	11,000	8,120	Net Income*1	5,500	5,659

\* 1: Profit attributable to shareholders of parent (interim)

Hokkoku Bank on a non-consolidated basis

(Full year)

(Interim)

	FY2025 Full-year forecast	FY2024 Full-year results		FY2025 interim forecast	FY2024 Interim Results
Ordinary income	16,000	11,511	Ordinary income	7,500	8,218
Net income	10,000	8,323	Net income	4,500	5,401
Core net operating profit	13,000	11,325	Core net operating profit	5,000	4,730

Cash dividends per share

(Forecast)

	FY2021*2	FY2022	FY2023	FY2024	FY2025*3
Annual dividend	80yen	100yen	110yen	120yen	200yen
Of which, Interim dividends	30yen	50yen	55yen	60yen	100yen
Of which, year-end dividend	50yen	50yen	55yen	60yen	100yen

\* 2: Until the interim dividend for fiscal 2021, it will be paid in The Hokkoku Bank, Ltd..

\* 3: Standard before stock split, scheduled to be split at 1:10 on October 1, 2025

**You are prohibited from transferring or reproducing this material or distributing it to third parties without first obtaining the permission of Hokkoku Financial Holdings, Inc. These materials have been prepared solely for the purpose of providing information, and we do not solicit the purchase or sale of any particular security. All or part of the items described in this document are subject to revision or change without notice. These materials include forward-looking statements about future performance. These statements are not guarantees of future performance. Please note that these statements may differ from targets due to changes in the business environment and other factors.**

Contact for inquiries regarding this material  
Hokkoku Financial Holdings, Inc.  
Corporate Planning Department Public Relations IR  
E-mail : [cyosa@hokkokubank.co.jp](mailto:cyosa@hokkokubank.co.jp)