



2025

INTEGRATED REPORT

Imagine. Dare. Create.

**Our vision for the future begins here—
where local ideas change the world.**

Hokkoku Financial Holdings, Inc.
will change its corporate name to CCI Group, Inc.
effective October 1, 2025.

Create Together. Grow Together.



Meaning Behind “CCI Group”

The name reflects our organizational culture of communication, collaboration, and innovation, combined with the structure of a holding company group. Our corporate brand logo symbolizes a central space representing the region, expressing how the region shines and expands outward to the world.

Two Brands: “CCI Group” and “Hokkoku Bank”

Hokkoku Bank was founded 82 years ago. It has been three years since Hokkoku Financial Holdings transitioned to a holding company structure. During this time, we have successfully launched many Group companies, which have begun to grow new businesses and services.

With the aim of strengthening regional financial services centered on Hokkoku Bank, and expanding the Group’s business domains through outreach to metropolitan and international markets, we are transitioning to a new structure featuring two brands: CCI Group, which will replace Hokkoku Financial Holdings as our corporate name, and Hokkoku Bank.



To realize advanced, innovative, and distinctive regions, we are expanding into new areas beyond banking.

Through the CCI Brand, we are strengthening our presence and outreach not only in the Hokuriku region but also in the Tokyo metropolitan area and overseas markets.



Cherishing the trust and sense of security we have cultivated as a regional financial institution called Hokkoku Bank, we develop businesses that stay close to our local customers and,

through the Hokkoku Bank Brand act as a partner walking alongside the region toward a prosperous tomorrow.

Corporate Identity

Slogan & Logo

Create Together. Grow Together.



Brand Philosophy

Imagine. Dare. Create.

Our vision for the future begins here—
where local ideas change the world.

Statement

A better future starts close to home.

CCI Group believes real change begins
in communities—where imagination, resilience,
and action intersect.

By empowering regions to shape their own futures,
we help transform global challenges
into local innovation,
and local progress into global impact.
Grounded in place, guided by culture,
and fueled by collaboration,
we're building what we call Visionary Regions.
Because when regions thrive,
the world moves forward.

Slogan & Logo

Your Future. Our Focus.



Brand Philosophy

Creating a Brighter Tomorrow

Deepening and growing together
with communities

Statement

Life moves. The world shifts.

And change is faster than ever.

As society transforms, so must we:
what a bank is—and what it needs to be—must evolve.

At Hokkoku Bank, we've never stood still.

We see what's coming—and we adapt.

Still, what's most important will never change.

We care—deeply—for every person in this community.

And we've always hoped to grow a brighter future together.

When you think about your future,

we want to be the bank that's thinking about you.



Table of Contents

Our Vision for the Future

- 1 Philosophy / Corporate Identity
- 5 Message from The President
- 13 History of Hokkoku Financial Holdings

Growth Strategies for Value Creation

- 16 Message from Outside Director / Governance to Value
- 20 Materiality
- 21 Value Creation Process
- 22 Noto Peninsula Earthquake: From Recovery to Full-Scale Reconstruction
- 23 Message from the President of Hokkoku Bank
- 25 Business Model and Growth Strategy of the Banking Business
- 29 Consulting & Advisory Business Model and Growth Strategy
- 31 Message from the General Manager of Corporate Planning Department / Medium-Term Management Strategy

Management Foundation Supporting Value Creation

- 38 Human Capital Management
- 51 Corporate Governance
- 59 DX and System Modernization
- 63 Environmental Conservation and Resource Efficiency / Contribution to Regional Carbon Neutrality
- 67 Internal Audit System
- 71 Risk Management System
- 73 Compliance

Business-Specific Strategies

- 76 Business-Specific Operating Revenue Plan
- 77 Corporate Banking
- 78 Retail Banking
- 79 Market Operations
- 80 Cashless Services
- 81 Digital / BaaS
- 82 Consulting
- 83 Investment Advisory
- 84 Investment Funds
- 85 Co-Creation with Communities
- 86 Regional Revitalization

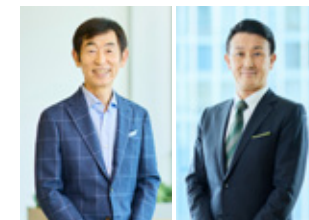
Data

- 87 Financial Highlights / Non-Financial Highlights
- 89 Group Company Information

Featured Topics

To a Dual-Brand Structure

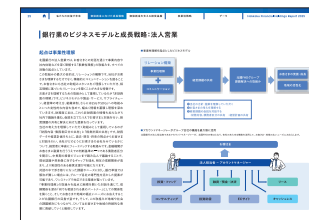
Effective October 1, 2025, Hokkoku Financial Holdings will change its corporate name to CCI Group. This section outlines the purpose of the name change and our future strategic direction.



Philosophy ▶ P.1 Message from The President ▶ P.5
Message from the President of Hokkoku Bank ▶ P.23

Banking Business and New Business

In pursuit of achieving an ROE of 8% by 2030, we are working to further refine our core banking operations while expanding into new business domains.



Banking Business ▶ P.25 New Business ▶ P.29 ▶ P.79-86

Advancing Governance

We explain our initiatives aimed at realizing Governance to Value—linking governance reform directly to corporate value creation.



Message from Outside Directors ▶ P.16 Corporate Governance ▶ P.51

Message from The President



**Our transition to a dual-brand structure is
a declaration of the full-scale launch of
ambidextrous management.**

杖村 修司

Shuji Tsuemura
President & Chief Executive Officer
Representative Director
Hokkoku Financial Holdings

Message from The President

Introduction

It has been a year and a half since the Noto Peninsula Earthquake occurred on New Year's Day last year, and nearly a year since the floods. We would like to once again express our heartfelt condolences to those who lost their lives and extend our deepest sympathies to all those affected. Hokkoku Bank's business locations also suffered extensive damage. In addition, over the past two years, we have recorded credit costs exceeding 10 billion yen related to loan losses. Despite our efforts to overcome the impact of these unprecedented disasters, our consolidated net income for the fiscal year ending March 2025 fell short of expectations at 8.1 billion yen. The past year and a half has brought many challenges for our company.

On the other hand, by uniting as an organization to overcome the impact of what has been called a once-in-a-millennium earthquake, we are confident that our organizational capabilities have been significantly strengthened.

This fiscal year marks the beginning of full-scale reconstruction in the Noto region. There is growing momentum not only to rebuild Noto, but to reimagine and revitalize all of Ishikawa Prefecture over the next 10 to 20 years. We see this year as a major turning point for our company, and we are forecasting a record-high net income of 11 billion yen. This achievement is entirely thanks to the long-standing trust we have built with our customers, shareholders, employees, and many other stakeholders, for which we are deeply grateful.

With increasing confidence in our new business model, we have established a structure that we expect to consistently deliver ROE of over 5% beginning this fiscal year. At the same time, capital costs are rising. We aim to accelerate our pace and achieve ROE of over 8%, and exceed 10% within five years.

Our initiatives and investments focused on social impact are also beginning to show tangible results. This year, we will continue to advance our business with the goal of becoming a company that leads the socio-economic landscape from a forward-thinking and sustainable perspective.

Aiming to Become a Sustainable Company 20 Years from Now (Transition to a Dual-Brand Structure of Banking and New Business)

“While exploring the ideal form of a sustainable financial holding company, we continue to take steady steps toward realizing ambidextrous management.”

Even before the introduction of negative interest rates, we have been steadily working toward ambidextrous management—balancing the deepening of existing businesses with the exploration

of new ones—while seeking the ideal form of a sustainable financial holding company in a society facing population decline. We began by streamlining and transforming our banking operations. The number of branches, which once stood at 154, is expected to be reduced to 50 within three years. This is not merely a reduction in branch numbers, but a strategic transformation driven by system modernization and digital transformation (DX). In particular, by enhancing customer-centric digital services such as internet banking and cashless payments, we have significantly improved the convenience and quality of customer touchpoints. As a result, a new customer experience that does not rely on physical branches has taken root, increasing customer engagement and leading to a steady rise in deposit volumes. Regarding lending, our approach is not focused on volume expansion, but rather on understanding our customers' business potential and engaging in meaningful dialogue. We ensure profitability through appropriate pricing and manage credit risk carefully to control credit costs. We have also expanded our ancillary businesses, including consulting and cashless services. These businesses have reached cruising speed and are helping to deepen relationships with regional companies and individual customers.

To prepare the business model and framework for ambidextrous management, we transitioned to a financial holding company structure in 2021, and three years have now passed. The business model and framework have finally been established, and their clarity has significantly improved in recent years, increasing the likelihood of successful implementation. We also plan to further explain and demonstrate results from other new businesses, such as fund operations, to our stakeholders over the coming years.

“Our transition to a dual-brand structure—traditional banking and new business—is a declaration of the full-scale launch of ambidextrous management.”

As a declaration of the full-scale launch of ambidextrous management, Hokkoku Bank appointed a new CEO on March 1 of this year and transitioned to a dual-brand structure, separating traditional banking from new business initiatives. Going forward, President Yonetani aims to demonstrate strong leadership in steering the bank toward a more advanced and customer-centric management direction. Meanwhile, I will focus not only on my role as CEO of the holding company but also on expanding new businesses outside the banking domain. These include consulting and advisory services for corporations and individuals, investment operations (in the Hokuriku region, Tokyo metropolitan area, and overseas), system operations, business process outsourcing (BPO), sports and entertainment, renewable energy and battery-related businesses, and urban development and real estate. While enhancing the profitability of the banking division, our goal is to achieve a 50:50 ratio of ordinary profit between banking and new business within five years.

Message from The President

In December of this year, Hokkoku Bank will mark its 82nd anniversary. In terms of digital strategy utilizing AI, the bank ranks among the top financial institutions in Japan. Already, 90% of individual customer transfers are conducted outside of physical branches. At the same time, we have strengthened in-person customer engagement through digital workshops, consultations, and advisory services. We are investing in making our branches more welcoming and comfortable. Currently, over 90% of our counters are low-height, and the number of customers visiting by appointment is increasing. We will continue to expand the proportion of appointment-based visits. While accelerating digital enhancements, we will also enrich face-to-face consultations and advisory services to deliver high-quality, satisfying customer experiences.

Regarding new business areas, institutional investors raised concerns last year about potential talent shortages and the pace of business expansion. However, for over three years now, the number of career hires has exceeded that of new graduates. By actively incorporating diverse external perspectives and expertise, we are steadily transforming the entire Group.

We have also been continuously implementing robust recurrent education and reskilling programs for all employees for the past seven years. Although we are still in a developmental phase, we currently have sufficient talent to execute our strategies. At the same time, we recognize the need for ongoing efforts to review and enhance organizational capabilities. In February 2025, we launched a Company-wide reform initiative called the “Organizational Capability Upgrade Project.” Based on the premise of fully utilizing AI and digital technologies, we are assessing whether our organization has the capabilities needed to execute strategy, identifying areas of deficiency or requiring restructuring, and determining how and by when to upgrade them. This initiative is being carried out in collaboration with external advisors and consulting firms. We expect that the results will further strengthen our ability to execute strategy.

Medium-Term Plan and Capital Policy

We have continuously refined our future business model through internal discussions about our ideal state 10 and 20 years from now. Using a back casting approach, we have disclosed numerical plans extending up to 10 years into the future, and we intend to continue utilizing this method going forward. However, due to strategic and differentiation considerations, we have decided not to disclose certain details of our business model and long-term numerical targets in this report. While we have internally shared projections for five and ten years ahead, we will publicly disclose figures only up to three years in advance. Each year, we will release a three-year forward-looking plan with a high degree of certainty, and if any changes occur, we will provide detailed explanations of the underlying factors.

“We are transitioning from a total shareholder return ratio of over 50% to a dividend payout ratio of around 40% starting this fiscal year. Share buybacks will be handled flexibly based on market conditions.”

Regarding our capital policy, we have previously advocated a total shareholder return ratio of over 50%. Starting this fiscal year, we aim for a dividend payout ratio of approximately 40%, and we will respond flexibly to share buybacks based on stock price and other market factors. We are now in the final phase of unwinding cross-shareholdings between companies. Having actively pursued this initiative for over five years, we have confirmed that large-scale sales of our shares held by counterparties have largely concluded. In addition to the increasing likelihood of success for our new business model, the financial market is entering a phase of gradual interest rate increases.

“To achieve ROE of Over 8%, we need to expand into new business domains beyond traditional banking.”

We are now in a position where achieving ROE of 5% through banking operations alone is feasible. We will continue to provide stable shareholder returns through dividends based on sustainable profit growth. However, to exceed ROE of 8% and aim for levels above 10%, it is essential to expand our business beyond traditional banking. We also recognize the need to strengthen our capital base to support the associated risk assets. Going forward, we will strive to enhance corporate value sustainably by balancing shareholder returns with strategic investments.

Our Current Position and the Likelihood of Achieving Our Strategy

“The key lies in how quickly we can accelerate the timeline for achieving our profit targets. The driving forces behind this are the enhancement of broad-based governance and the upgrading of human capital management—two essential pillars.”

As many of our shareholders have pointed out, our ROE has remained below 5%, let alone 8%. However, our efforts toward a new business model have been accelerating year by year, and we have implemented numerous forward-looking initiatives not only within the financial sector but also across other industries. The necessary conditions for achieving our profit targets are now in place. What remains is to build a track record and shorten the timeline for delivering tangible results from our new businesses. To accelerate this process, we believe it is essential to further refine our

Message from The President

broad-based governance and upgrade our human capital management—two wheels driving our progress.

We have long analyzed the current state of governance within our holding company’s Board of Directors and discussed what the ideal structure should look like. Over the past year, we have focused on closing the gap between the current state and our ideal, and on evolving our governance practices. With the support of Chairman Uda and our outside directors, we have made significant progress in reforming various aspects such as the nomination process, evaluation process, agenda setting, and the way discussions are conducted at Board meetings. Our definition of broad-based governance goes beyond the composition and operation of the Board of Directors. It encompasses the entire organizational capability, including corporate culture, values, performance evaluation systems, HR systems, communication plans, and decision-making authority. Through our “Organizational Capability Upgrade Project,” we aim to further enhance this governance framework. To evaluate the performance of both internal and external directors and the Board of Directors of the holding company, we have commissioned an assessment by an independent third-party organization, Boardroom Review Japan, Inc. Based on their report, we will continue to strengthen our governance functions.

Regarding human capital management, we have been accelerating investment for over five years by reviewing our systems and structures. It has been three years since we abolished the retirement allowance system and transitioned to a job-based HR system that emphasizes individual career development. Our recurrent education and reskilling programs for all employees have significantly evolved in both quality and scale. As our business expands, we are continuing to upgrade each of these systems. While society increasingly calls for the implementation of AI in organizations, we have already completed the trial phase. The challenge now is how to embed customized AI into our organization and make AI usage a natural part of our business operations. This is no longer a technical issue, but one of organizational capability, leadership, governance, and employee skills. We are sharing a vision within the Company of what human capital management should look like in the AI era. We plan to implement this vision step by step from this fiscal year into the next.

Enhancing Middle and Back Office Functions (Advanced Risk Management and Compliance Frameworks)

“We will continue to generously invest management resources, including toward the adoption of cutting-edge tools such as generative AI and support from external expert advisors.”

The recent Noto Peninsula earthquake served as a wake-up call, highlighting the need to strengthen our business continuity planning (BCP) framework, which we had previously considered robust. Risks such as pandemics, landslides, data breaches, and system failures are expected to increase in the future. In our case, we are expanding into business domains beyond traditional banking, and our digital transformation efforts have been recognized as advanced. As a result, legal and operational risks have grown significantly compared to the past. To protect our clients, we must further reinforce our measures against money laundering, fraud, and cyberterrorism. Strengthening our risk management and compliance frameworks are two essential pillars for reinforcing and evolving our corporate defense. We will continue to invest generously in management resources, including the adoption of cutting-edge tools such as generative AI and support and guidance from external expert advisors.



Message from The President

“Contributing to the regional economy through job creation and the revitalization of economic activity is a fundamental mission.”

As a company listed on the Prime Market, achieving profit targets is one of our most important management missions. At the same time, it is essential that our strategic execution enhances positive social impact while eliminating negative effects. Specifically, this includes providing and promoting solutions to social issues and environmental challenges, offering proposals to local communities, and improving the quality of life for residents. Contributing to the regional economy through job creation and the stimulation of economic activity is, of course, a core mission. By maintaining a strong awareness of social impact, we aim not only to become a sustainable company, but also to actively promote initiatives that lead to the realization of a fair and sustainable society. To further expand and advance our social impact initiatives, we recognize internally that strengthening our overall earning power is a prerequisite. We are committed to achieving both improved ROE and expanded social impact.

Driving the Future of the Region

“By advancing collaboration beyond the boundaries of individual companies, we aim to present a new regional model for Japan’s socio-economic landscape.”

Currently, Hokkoku Bank, under the umbrella of our holding company, primarily operates in the Hokuriku region, centered on Ishikawa Prefecture. In a society facing population decline, we believe that the challenge of how to evolve this core region should not be left solely to politics or government administration. Now is the time for collaboration that transcends the activities of a single company. To realize this vision, we established a joint venture with a local media company in December of last year. The newly founded company, Regional Future Creation Co., Ltd., is not only tasked with envisioning and communicating the ideal future of the region, but also with implementing concrete initiatives. Its mission is to serve as both a catalyst and an execution body for regional revitalization, bringing together stakeholders from academia, government, industry, finance, labor, and media to engage in thorough dialogue and action. The company has already hosted two symposiums to share its vision for the region. Moving forward, we will strengthen the organizational foundation to enter the implementation phase. Through collaboration that goes beyond corporate boundaries, we aim to co-create the future of the region and present a new model for regional development in Japan’s socio-economic framework.

Closing Remarks

On October 1 of this year, Hokkoku Financial Holdings will change its name to CCI Group. In the Hokuriku region, banking—the Group’s core business—will remain an essential function far into the future. However, in Japan, where the population is currently declining by approximately 900,000 people annually, simply refining banking functions will not be enough to solve socio-economic challenges or meet the evolving needs of our customers.

It is essential that we, together with a wide range of counterparties, collaborate to co-create the future of our region. The dual-brand strategy announced on March 3—CCI Group and Hokkoku Bank—was born out of a sense of urgency regarding the future of our local communities.

What has driven our major transformation over the past decade? There are three key elements:

1.Authentic Dialogue

At our company, we define communication as a combination of conversation, dialogue, and discussion. Among these, dialogue is the most important and meaningful. We distinguish it from conversation, which involves friendly greetings and open information sharing, and discussion, which involves asserting values and persuading others. Dialogue, on the other hand, is about exchanging ideas while understanding and respecting each other’s backgrounds and thought processes to arrive at optimal solutions.

2.Collaboration and Co-Creation

Strategy execution becomes inefficient if we rely solely on internal ideas. By finding counterparties who share our values and collaborating based on mutual empathy, we have been able to accelerate the execution of many business initiatives.

3.Innovative Organizational Capability

We continuously challenge ourselves, never settling for the status quo. We compete in conceptual thinking and cultivate an organization with an innovative mindset.

These three concepts—communication, collaboration, and innovation—are directly reflected in our new Group name.

Ishikawa Prefecture is still in the process of recovering from the Noto Peninsula earthquake. Under our new structure, we will continue to evolve Hokkoku Bank and expand the business scope of CCI Group. As a company listed on the Prime Market, we are committed to delivering strong performance and making meaningful contributions to solving social issues.

Together with our customers, shareholders, employees, and all stakeholders, we will move forward with speed and determination to build a bright and promising future.

Q&A

From here, we will respond to questions we have received from many stakeholders in a Q&A format.

Q What is the intention behind maintaining the dual-brand structure of Hokkoku Bank and CCIG?

A In the Hokuriku region, we will prominently promote the Hokkoku Bank brand to provide more evolved financial services in close alignment with the local community. Meanwhile, in urban areas and overseas, we will leverage the CCI brand to expand into new business fields without being constrained by regional characteristics.

Hokkoku is a trusted brand with 82 years of history rooted in the region, but its strong image as a regional bank sometimes creates limitations for business activities outside Ishikawa Prefecture. In new business domains, we will utilize the CCI brand to overcome this image, enabling more flexible and innovative expansion. This dual-brand structure clearly demonstrates our commitment to truly pursuing ambidextrous management both internally and externally. It also reflects our strong determination to achieve results in new businesses as an operating company.

➔ P.1-3 Philosophy

Q What is the impact of the Noto Peninsula earthquake (impact of non-performing loans on performance)?

A All impacts from the Noto Peninsula earthquake have already been reflected in our financial results. As for non-performing loans, all necessary provisions have been made, so there will be no further impact on future financial results or finances.

On the other hand, the recovery effort holds significant meaning for our group. Regardless of the scale of the economy, what matters is how much support and contribution we can offer; our group's stance and true value are truly being tested.

➔ P.22 Noto Peninsula Earthquake

Q Please explain the outlook and basis for future credit costs.

A For Hokkoku Bank's business loans (approx. 1,243.9 billion yen), we have a thorough understanding of each company's situation, maintaining a high collateral ratio even for those below the "companies with potential bankruptcy" category. Therefore, from the fiscal year ending March 2026 onward, we believe provisions can be stably controlled within the range of 2 billion yen to 3 billion yen, and we expect the same level of provisions for 2027 and 2028 as well.

In the past, there were periods when our strategy focused on expanding market share, temporarily increasing credit costs; but now, we prioritize profitability over volume expansion, and this policy is firmly established within our organization. Through stable credit cost management, we aim to maintain and improve Hokkoku Bank's sound financial standing on a standalone basis.

➔ P.26 Banking Business

Q What was the background for changing the shareholder return policy from a total return ratio of 50% or more to a dividend payout ratio of about 40%?

A The background to this change is our desire to achieve both returns to shareholders and business expansion.

The dissolution of cross-shareholdings has entered its final phase, and the need for share buybacks to address large-scale sales of our shares has diminished. As a result, we reconsidered the policy from a total return ratio of 50% or more to a dividend payout ratio of about 40%.

Going forward, while share buybacks will be carried out flexibly depending on share price levels, we will focus on stable dividends. We aim to enhance the quality of shareholder returns and achieve sustainable improvement in corporate value.

➔ P.33 Medium-Term Management Plan

Q How do you analyze the Bank's inability to achieve 5% ROE in the past, including factors beyond the external environment?

A We believe there are two main factors. One is the disposal of non-performing loans due to the earthquake; the other is losses in investment funds. For the former, the impact from the earthquake has already been incorporated into credit costs, and credit costs are expected to remain stable at around 2 billion yen to 3 billion yen going forward. There are no financial concerns, and the outlook remains positive.

As for the latter, last year's results were disappointing, but losses in investment funds are considered a one-off factor and do not mean the performance for the entire fiscal year was poor. While consulting services have steadily accumulated results, the fund business does not yet have sufficient track records, and brand building is still to come. Going forward, accumulating results quickly will be key to how soon we can achieve ROE of 8%.

➔ P.31 Medium-Term Management Plan

Q How do you plan to grow and develop each business to achieve ROE of 8%?

To achieve ROE of 8%, we need to grow in non-financial areas such as equity investment, systems, consulting, and cashless services, in addition to the traditional banking business.

Banking Business

In the traditional banking business, the effects of the earthquake have already been resolved, and we expect to record ROE of more than 5% consistently from this fiscal year onward.

➔ P.25-28, P.77-78 Banking Business

Q&A

Investment Funds

Our subsidiary, QR Investment, currently has assets under management exceeding 50 billion yen and is aiming for a scale of 100 billion yen. The target internal rate of return (IRR) is over 10%, and from this fiscal year onward, we expect a gradual contribution to profits. Although there is not yet a sufficient track record, steady growth is anticipated.

➡ [P.84 Investment Funds](#)

Consulting

Up to now, we have mainly targeted small and medium-sized enterprises with sales under 5 billion yen, but in recent years, the number of projects for medium-sized and large companies has increased. In the future, we will strengthen consulting for medium-sized and large companies, which is expected to generate higher unit fees. Especially in Tokyo, these account for about 20% of sales, and we are investing more personnel and expanding business in urban areas. Services provided are diverse—DX, HR, BPR, etc.—and the business has been rapidly expanding since fiscal 2024.

➡ [P.29-30, 82 Consulting](#)

Cashless

The number of Visa member stores exceeds 7,000, and we are deploying competitive services focused on the three prefectures of Hokuriku. Because the region is advanced in cashless transactions, major metropolitan competitors have started offering discounts to existing local merchants for several years. In response, in addition to cashless payments, we are expanding our customer base through marketing strategies that combine lending, consulting, and BPO. Furthermore, we are also working with our in-house stablecoin, Tochika, and through collaborations with local governments, we are building highly profitable schemes. This also leads to reduced cash handling costs, contributing to expense reduction. The cashless business is expected to maintain stable sales at cruising speed going forward.

➡ [P.80 Cashless](#)

Systems

We plan to renovate our core banking system in a year and a half, and major system investments that have continued for many years are nearly complete. The new system is expected to be amortized over three to five years, bringing cost reduction effects. Going forward, we will also explore expanding system offerings to other companies to increase revenue opportunities.

➡ [P.59-62 Systems](#)

By steadily growing these businesses, we aim to quickly achieve ROE of 8%.

Q With prospects for interest rates becoming uncertain again, what is your profit outlook if the policy rate does not reach 1%?

A Our profit plan assumes that the policy rate will be 0.75% around July 2025 and reach 1% at the beginning of the following year. However, we have fully anticipated the possibility that rates may not rise, and even in that scenario, we believe that our profit target of 11 billion yen is achievable.

Our ALM is very different from that of mega-banks. With deposit balances of about 5 trillion yen and pure lending balances of about 2.5 trillion yen, we do not have a structure that fully benefits from rising interest rates. If rates rise, it will also be necessary to raise deposit rates, so about 30–40% of the margin increase will be offset by higher deposit rates. This also depends on the actions of mega-banks.

Therefore, even if policy rates rise sharply, it will not immediately lead to a major increase in profits for us. Rather, even if interest rates do not rise this year, if they gradually reach about 1% by next year, our current profit target is fully achievable.

Even if rate hikes are delayed, the impact on profits should be limited; fluctuations may occur in the range of several hundred million yen, but large swings in the tens of billions are not expected. This is based on in-house simulations and is considered a highly probable outlook. In this respect as well, we are structurally very different from mega-banks, so direct comparison is not appropriate.

Q In other regions, banks are trending toward integration and alliances. Is there a possibility of future mergers, capital alliances, or management integration with other regional banks?

A Regarding regional bank mergers and capital/management integration, we have no policy of pursuing scale expansion. Some view that economies of scale or branch networks are necessary for deposit acquisition as rates rise, but our thinking differs.

Our credit policy prioritizes profitability over volume expansion. Under volume expansion policies, discount competition among financial institutions is intense, and even when interest rates are rising, margin expansion is not necessarily occurring.

As for deposit acquisition, deposits have been steadily increasing through a mix of online and physical channels, even as branch numbers decline. Going forward, we will optimize the balance between online usage and branch visits based on data.

We believe our strategy is the “royal road,” though some externally see it as unorthodox. While we are not yet delivering major results, the framework is finally in place, and the next three–five years will be the phase for delivering results.

As an independent company, we will continue to refine new services and businesses, responding flexibly to changes in the economic and legal environment, and striving to enhance corporate value.

Q&A

Q Why are you changing your policy regarding strategic shareholdings?

A Basically, our policy is to sell all strategic shareholdings. As a result of sincerely working on dissolving cross-shareholdings, we now hold only a few such stocks. With these companies, we will continue to value relationships that contribute to revitalizing the regional economy and enhancing corporate value, and will continue dialogue going forward. The disclosure of the status and policy of strategic shareholdings for the fiscal year ending March 2025 is not simply about shifting to pure investment status; instead, it is a strategic decision to explain that, in parallel with ongoing sales, we will also strengthen relationships with these companies and, through consulting, aim to contribute to regional revitalization and corporate value enhancement. At the same time, we have also received feedback from investors that this disclosure may be misunderstood as a retreat from policy. Therefore, we will clarify our stance and intentions through more detailed disclosure and careful explanation in the future.

➔ P.34 Medium-Term Management Plan

Q What changes, future directions, and expectations have arisen since an external director became chairperson?

A Even before an external director became chair, our Board meetings fostered lively discussions centered on Q&A. However, with an experienced external person as chair, the quality of discussions has improved further. The quality of agenda items submitted to the Board has also improved. Third-party evaluations are also conducted, and reviews are carried out every two years. Governance sophistication has progressed more than initially expected.

On the other hand, there are still outstanding issues. Specifically, the optimization of the external director selection process and its disclosure, as well as the method for evaluating both internal and external directors. Currently, evaluation is not sufficiently performed for individuals but rather for the Board as a whole. This year, we plan to address these issues. We will also further increase opportunities for investors to interview external

directors, which has been partially implemented in the past.

➔ P.16-19 Message from External Directors

Q The composition of the Board, including external directors, has changed. What is the intention behind this new structure, and what are your expectations and roles for the newly appointed members?

A In appointing directors, we place importance on each person's skills. The reason for appointing a former Bank of Japan official is to take advantage of their expertise as a central bank, allowing them to observe the ideal state of banking from a neutral perspective. This post is

scheduled to rotate every four years. Mr. Nemoto retired due to individual circumstances, and for his successor, we were looking for candidates from rating agencies and certified public accountants.

The reason the audit and supervisory committee member became an external director is that Mr. Haga is an expert in the systems field and has already been involved as an advisor. By adding him as an external director, the roles of Audit & Supervisory Committee member and external director driving business acceleration are clarified. In addition, Mr. Uda has experience as a consultant at McKinsey and as an executive director at Japan Post Bank, and is expected to support execution. With this arrangement, the roles of each director have been clearly delineated.

➔ P.51-58 Corporate Governance



The History of Hokkoku Financial Holdings

Hokkoku Bank operates in the three Hokuriku prefectures, boasting a stable customer base and conducting activities rooted in the trust it has built over many years. In 2021, Hokkoku Financial Holdings was established with 10 Group companies, launching new businesses and services. In October 2025, aiming for faster and more solid growth, Hokkoku Financial Holdings will change its name to CCI Group and transition to a dual-brand strategy Hokkoku Bank and the CCI Group

[2000] Strategic Cost Reduction Based on Our System Strategy

Through business reforms via IT strategy, the bank promoted the reduction of routine work and the consolidation of branches, achieving cost savings of 6 billion yen over 20 years. By internalizing system development, it enabled rapid delivery of digital solutions.

[2015] Sales Strategy Transformation to Become Truly Customer-Driven

The shift in employee mindset from a profit- and performance-based approach to a customer-centric one was imperative, we devoted our efforts to developing an in-depth understanding of the customers' businesses and to sharing their issues and needs.

To address increasingly diverse client issues, the bank has expanded its range of services, notably in consulting, broadening the business's scope.

90
billion
yen

Group Ordinary Revenue Trends

- = Ordinary revenue from new businesses
- = Ordinary revenue from traditional banking business

2000

- Began branch consolidation

2007

- Established the Information Systems Department and began strategic investment into systems

2009

- Integrated General Affairs Department into the Planning Department to strategically reduce non-personnel costs

2010

- Introduced a credit line system (as a strategic credit initiative and for speedy response)

2014

- New head office building completed


2015

- Introduced a new core banking system, BankVision
- Launched the consulting business
- Eliminated sales quotas and targets

2016

- Became the first domestic bank to offer card settlement services for affiliated merchants

2017

- Began handling corporate Visa debit cards

2018

- Began handling the trust business

2019

- Opened the EC mall "COREZO"
- Announced project to migrate the core banking system to the cloud
- Began handling Hokkoku Cloud Banking
- Established the Digital Value, Ltd. to enhance system development capabilities

1943

2000

2005

2010

2015

2020

The History of Hokkoku Financial Holdings

[2022] Introduction of a New Personnel System Aligned with Our Management Strategy

We introduced a career-oriented personnel system built from the ground up. The goal is to develop people who can think from the standpoints of society and customers rather than from the perspective of the Company and can also generate new value.

[2025] Strengthening New Business Domains and Governance for a Dual-Brand Structure

The Company will also strengthen recruitment and training of skilled personnel to embrace new business domains. In addition, governance will be reinforced by utilizing third-party agencies in Board effectiveness evaluations and practicing succession planning.

2021

- Launched the HOKKOKU LIFE+ service including the Hokkoku Visa debit card, internet banking, web passbook/account with no seal.



- Began operation of BankVision on Azure, Japan's first full banking system on a public cloud
- Launched the Super Cashless Region project with Hokkoku Bank and Visa
- Established Hokkoku Financial Holdings, Inc.
- In-house ATM development (installed from April 2023)

2022

- Introduced a new personnel system
- Obtained DX certification (Hokkoku FHD)
- Eliminated commissions on purchases of all investment trust products
- For new loans, removed personal guarantee obligations by business owners

2023

- Received the Human Capital Leaders 2022 award
- Certified as a White 500 company under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program
- Received the Minister of Regional Revitalization award at the 13th "Companies that Deserve to be Valued the Most in Japan" Awards

2024

- Released Hokkoku Digital Banking, a new internet banking service for corporate customers
- Launched Tochika, Japan's first deposit-type stablecoin service
- Opened a local subsidiary in Kenya
- Began BaaS (Banking as a Service) business
- Obtained "Platinum Eruboshi" certification
- Launched the "Ishikawa Electronic Tax Payment Promotion Project"
- Established Honey Bee Sports, a company managing the women's handball team
- Established Regional Future Creation to contribute to local promotion and attractiveness

90.8billion yen



2025

- Launched overdraft service for Hokkoku Digital Banking
- Started the Organization Capability Upgrade Project
- Established CCI Forward as a BPO consulting company
- Planned opening of Hirooka Terrace
- Changing name to CCI Group



Section1

Growth Strategies for Value Creation

We believe that corporate value is enhanced through consistently accumulating high-quality, sustainable profits and meaningful contributions to society. This section outlines our initiatives under the aimed achieving “Governance to Value” (connecting governance reforms to the creation of corporate value) and explains efforts to further refine the banking business and expand new businesses through the dual-brand strategy of “Hokkoku Bank” and the “CCI Group.”



北國フィナンシャルホールディングス
北國銀行

CONTENTS

- 16 Message from Outside Directors / Governance to Value
- 20 Materiality
- 21 Value Creation Process
- 22 Noto Peninsula Earthquake: From Recovery to Full-Scale Reconstruction Phase
- 23 Message from the President of Hokkoku Bank
- 25 Business Model and Growth Strategy of the Banking Business
- 29 Consulting & Advisory Business Model and Growth Strategy
- 31 Message from the Head of Corporate Planning / Medium-Term Management Strategy

Message from Outside Directors

Governance to Value



Sakon Uda

Outside Director
Chairperson of the Board
of Directors

In addition to abundant management experience at consulting firm McKinsey & Company, Japan Post Co., Ltd., and Business Breakthrough, Inc., Mr. Uda served as chairperson of the Board as an outside director at Ebara Corporation. Having gained rich and specialized insights through activities as a corporate executive, he has served as the Company's outside director since June 2023.

This past year marked the transition from the initial preparation phase to the full implementation of “Governance to Value” (connecting governance reforms to corporate value creation), a commitment I made in last year’s integrated report of Hokkoku Financial Holdings (hereinafter, Hokkoku FHD). Indicators such as ROE did not grow as expected, and PBR remained below 1.0.

As chairperson, I would not award us passing marks for our Governance to Value efforts. Investors have every right to say, “Words mean nothing if not matched by results,” and I cannot make excuses. However, governance reforms have steadily begun, and signs of change are emerging throughout the organization. The results of this year’s Board effectiveness

evaluation also gave a sense that both management and the organization are becoming increasingly aware of the positive impact of governance reforms.

Initial Issues and Progress Toward Solutions

Here is my review of the initial issues I identified in last year’s integrated report and progress so far.

① Selecting the Right Agenda

As chairperson, I emphasize that the Board should take responsibility for setting its own agenda, rather than merely discussing topics provided by the executive team. Particularly for agendas that have a medium- to long-term impact on management, issues with significant Company-wide earnings impact, and non-routine issues, I believe the Board should focus on discussing them. We decide on strategically important annual topics, such as mid- and long-term human resource development, and at each meeting, the agenda is confirmed beforehand between the executive side and the chairperson.

② Healthy Tension Between Execution and the Board

Ultimately, this is for the executive side to judge. However, the complacent belief that “if the Board is briefed in advance, there will be no questions at the actual meeting” no longer holds valid. Advance explanations are for outside directors to recognize issues, and what is said at the main meeting is left to each outside director. Outside directors themselves often check the underlying data and, after confirming the facts, question fundamental reasons. In many cases, deeper discussions are held based on the issues identified in prior explanations. If prior explanation time is insufficient, separate study sessions for outside directors are arranged to deepen issue recognition. This approach generates a healthy sense of tension.

Message from Outside Directors

③ Understanding the Role and Position of the Board

Deepening understanding of the Board's responsibilities and roles forms the basis of governance. Having an outside director serve as chairperson signals that the Board is not above the executive body. Both internal and external directors now exchange diverse opinions, and I believe this has progressed to some extent. Some may wonder if the Board has become a place for exchanges between the president and outside directors, but this is not the case at Hokkoku FHD.

④ Board Effectiveness

This time, we asked an experienced external organization to conduct the effectiveness evaluation. During my previous tenure as a Board chairperson in manufacturing, I recall that the quality of these evaluations was key to Board reforms and, by extension, Governance to Value. Rather than superficial assessment, we conducted a practical evaluation focusing on the actual preparation, discussions, and impact on decision-making. The results were thoroughly discussed by the Board for self-evaluation over two meetings.

⑤ PDCA for the Board

Based on the effectiveness evaluation, policies for the next year are discussed and established as concrete measures. Discussions on the direction of each committee are already progressing. I believe the Board's PDCA cycle is beginning to function.

⑥ Gaps with Earnings Targets

As mentioned at the outset, we are still halfway there. However, quick solutions to bridge these gaps are becoming clear. KPIs that have meaning are shared as a common language between the executive and the Board, and where possible, quantifiable items are numerically monitored. There may be questions as to how far the Board should get involved in execution, but building organizational "execution power for achieving targets" is

essential for solving medium- to long-term issues and ensuring the effectiveness of major policies.

Major Strategic Directions from a Medium- to Long-Term Perspective

The responsibility and role of the Board is to show major strategic directions and support their implementation from a medium- to long-term viewpoint. Points of particular focus this year are as follows:

(1) Business Portfolio and Dual-Brand System

One of last year's significant company-wide themes was the decision to rename Hokkoku FHD the CCI Group and implement a dual-brand system with CCIG and Hokkoku Bank business groups. In terms of customer service, the Hokkoku Bank group, which centers on traditional financial services rooted in the region such as deposits, lending, and settlements, and the new business group, which provides mainly non-financial services based on skills to a broad range of customers beyond the region, may have some customer segment overlap, but their customer bases and business models are different. Each group should deliver distinct messages and provide services that match those messages. We also discussed differences in culture associated with each business model. Regional banks tend to have a prevailing mindset to "Only say what you can definitely execute." This reflects a culture of trust in the community. However, for consulting, if only 100% certain advice is given (which is obvious to the customer), it has no value. Likewise, in investment business, there is no return without taking some risk. These new business lines require a new mindset, which is not easily nurtured under the so-called regional bank culture. If separating cultures enables the growth of each business, even though their scale is currently small, it makes sense to manage them separately. For non-financial businesses, the Board has concluded that "though the scale is not large now, we expect growth by letting them wear

slightly looser, distinctive uniforms," and for traditional businesses, "we hope to see development by becoming more closely connected to local customers." The dual-brand system thus supports both. This dual-brand system may also open up opportunities for small-scale, skill-based businesses to make great leaps, potentially forming the backbone of the future business portfolio. The Board will continue to monitor the growth of each business from a medium- to long-term portfolio perspective.

(2) Scenarios for Corporate Continuity

Thanks to President Tsuemura's vision and leadership, the current business framework and open organizational culture have been established. As I stated in last year's integrated report, when thinking about continuity and growth for the next 10 years, succession of the presidency becomes an important theme. Insight will be needed into what kind of person is best suited to address the challenges Hokkoku FHD will face after 2030. Rather than relying solely on past track records, we must consider the requirements for top management needed from now on—how do we select "people for the future" rather than "people from the past?" This is a difficult challenge. Fortunately, among current management and the next generation, there are those with strategic perspectives who can envision what to do if they become top management, and some who are ready to take the lead in creating new frameworks. Leadership succession is the most important theme for corporate governance, and the role of the Nomination and Remuneration Committee will become increasingly significant.

Message from Outside Directors



(3) Strengthening Organizational Execution

The overall direction and organizational framework are now in place. Unique non-financial businesses are growing that other regional banks do not have. An aggressive governance system that supports implementation linked to results is nearly complete. To prove that this framework is correct, each business must generate profits because of creating customer value and achieve sustainable growth. The executive body must have strong execution and strategy implementation abilities, but the Board must also consider how it can support this. Strengthening execution capacity as an organization to deliver results while continuing governance reforms is a pressing issue for realizing Governance to Value. The Board will especially support the following points so that self-discipline and a drive for results are fostered in the executive team:

- ① Support strong execution by monitoring KPIs and the PDCA cycle, ensuring effective execution, understanding the background of variances, and developing improvement measures.
- ② A healthy sense of tension with the executive also leads to stronger execution. Outside directors will deepen their understanding of management issues and aim for high-quality discussions in the Board. Advance explanations will be used as opportunities to discover issues, creating a healthy tension through deeper discussions during meetings.
- ③ Regarding human resources, the organization is widely recognized as a rewarding place to work. Is long-term talent development progressing? Are there enough opportunities for female executive candidates? Are promising candidates for executive positions being appointed to so-called “hot jobs”? These will be monitored as appropriate.

④ In a world of uncertainty and no precedent, innovation that creates new value is required. Diverse talent must be able to freely think and experiment in a psychologically safe environment. We are now in an era where AI is routinely used in business. Maximizing this environment is also vital for fostering innovation. The Board will support the development of an environment where people take the initiative to lead innovation.

Recently, a group of outside directors used a holiday to visit Wajima and Wakura Onsen areas on the Noto Peninsula. In once-bustling areas, flat land cleared of debris, raised sidewalks, and houses still covered with blue tarps are now prominent. Perhaps due to the rain, no tourists were seen that day. Temporary housing units are everywhere. The hardships of those still living in temporary housing are evident. Still, liquor stores that survived the fires, cake shops that escaped collapse, and restaurants jointly established by disaster victims are operating vigorously. Roads are being restored. I hope that as tourists gradually return, more such shops will open. After returning to Tokyo, I attended the Hokuriku/Kanazawa Gargantua Music Festival 2025 Tokyo Performance (Reconstruction Support Concert). The performance by the Danish National Philharmonic conducted by Henrik Schäfer was wonderful, but the highlight was the song Noto Peninsula, sung by a soprano from Ishikawa Prefecture backed by the Danish National Philharmonic. Her voice echoing in Opera City was itself a song of support for Noto’s recovery.

This fiscal year is the second year of Governance to Value, and as chairperson I will make every effort to evaluate our progress and realize value.

Governance to Value

Basic Approach to Corporate Governance

Our group is committed to the corporate philosophy: “A bridge of trust to a prosperous tomorrow—expanding the circle of interaction and building a prosperous future together with the community.” To realize this philosophy, we aim to be a comprehensive regional company, providing multifaceted solutions not only in the financial sector but also in non-financial fields, always staying close to our local customers and contributing to the entire community’s development. As a regional corporate group striving for leadership and creating new value for the region through continuous challenge, while also exercising appropriate risk control and supervisory functions, we regard corporate governance as having a crucial role.

Emphasizing Tension to Achieve Governance to Value

To achieve the objectives of Governance to Value, our group places importance on healthy tension between the executive team and the Board. The executive side takes ownership in creating corporate value, while the Board fulfills its supervisory role, ensuring clear separation of execution and oversight, management objectivity, transparency, and soundness. We also provide outside directors with advance briefing sessions on Board proposals. Based on the issues identified through these sessions, substantive and effective discussions are held at the Board.

Main Initiatives for Fiscal Years 2024–2025

Utilizing External Third Parties for Board Effectiveness Evaluations

Since last year, we have conducted questionnaires and individual interviews with each director through an external third party. Based on the reported results, we will work to improve the Board’s effectiveness going forward.

Setting the Agenda to Enhance Corporate Value Through Board Discussions	· From the perspective of “what should be discussed,” strategic agendas are set to promote planned and effective debates.
Deepening Board Discussions	· Discussing medium- to long-term business portfolios, sharing investments, measures, and timelines. · Debating and making decisions on management issues based on quantitative analysis. · Deepening multifaceted discussions on community contribution, shareholder value, profitability, sustainability, and human resource development.
Further Enhancement of the Nomination and Remuneration Committee	· Redefining and sharing the committee’s roles, actively participating in forming, developing, evaluating, and reviewing the management talent pool.
Enhancing Dialogue with Shareholders and Investors	· Incorporating direct dialogue by outside directors, reflecting independent perspectives and investor feedback in decision-making.

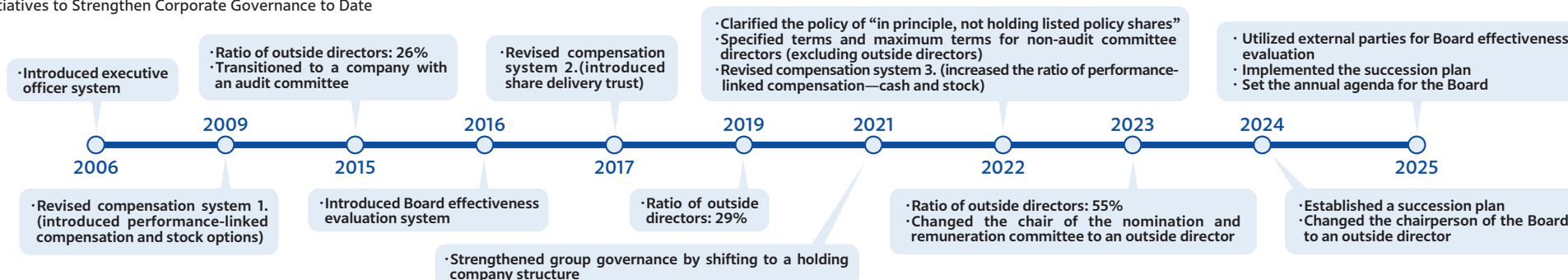
Implementation of a Succession Plan

Through interviews with outside directors, nomination and remuneration committees chaired by outside directors, and discussions at the Board, we have selected three director candidates for the company and one president candidate for Hokkoku Bank for fiscal 2025. Our group regards management continuity as one of the most important themes for corporate governance. In addition to past achievements, we define the requirements for future top management and work on developing and broadening the perspectives of successors.

Setting the Annual Agenda for the Board

To facilitate more constructive discussions and better reflection of opinions on important issues such as medium- to long-term strategic challenges, human resource development, and high-impact revenue topics, we set a schedule of important topics for the year in advance and planned the submission of proposals to the Board while adapting to changing circumstances.

Initiatives to Strengthen Corporate Governance to Date

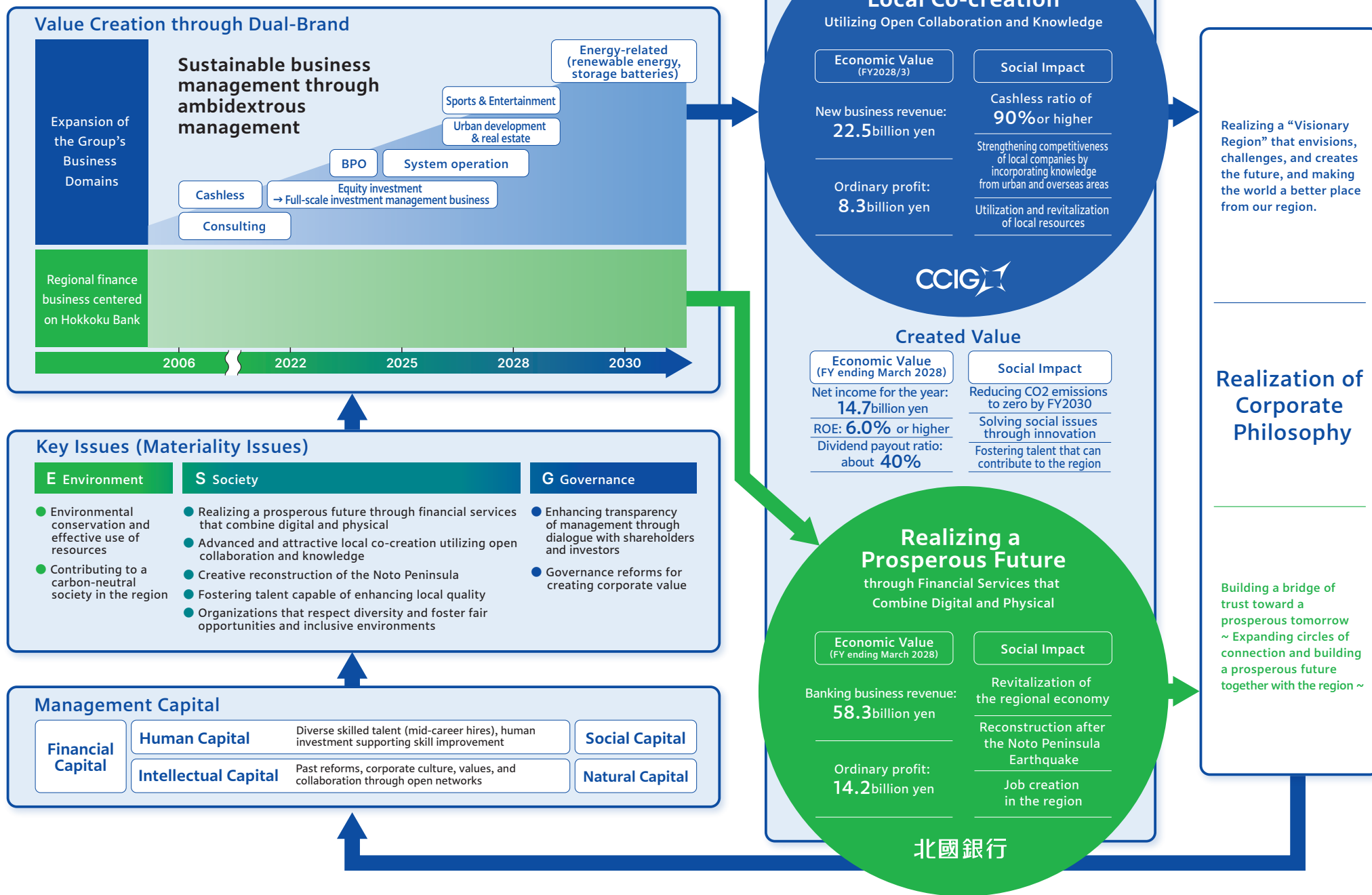


Materiality

Under our sustainability policy, which aims to realize a sustainable society together with all stakeholders including local communities, we have set nine materiality issues (key issues) and are making various efforts to actively address environmental, social, and governance (ES&G) challenges through our business activities.



Value Creation Process



Noto Peninsula Earthquake: From Recovery to Full-scale Reconstruction Phase

A year and a half has passed since the Noto Peninsula Earthquake that occurred on January 1, 2024, and the support system for business recovery in the affected areas is being put in place. At Hokkoku Financial Holdings, in addition to providing smooth financial services to customers affected by the disaster, group companies have continued their efforts to support reconstruction.

Going forward, our group will work together to further promote recovery, aiming for an even more attractive Noto and Ishikawa, and will strive to support the creation of more vibrant communities.

Business Support Using Reconstruction Funds

A Group company, QR Investment, established and invested in two funds with the aim of supporting the recovery of businesses affected by the disaster.

The first project is a pioneering initiative in supporting the recovery of the Noto region, and QR Investment will continue to provide ongoing support alongside local businesses.

First Project

Noto Peninsula Earthquake Reconstruction Support Fund (Manufacturer in Nanao City)

We implemented debt purchase-type support for a manufacturer in Nanao City whose manufacturing equipment was damaged and who faced difficulties continuing operations due to the earthquake.

By purchasing a portion of the debt that had existed since before the earthquake, we aim to improve financial conditions and enable new financing support. Through this investment, we support the restoration of facilities and the full-scale resumption of business.

Noto Beyond Reconstruction Fund (NOTO Naorai Co., Ltd.)

NOTO Naorai Co., Ltd. is a new company established in the Noto region by Naorai Co., Ltd., which is based in Kure City, Hiroshima Prefecture, and owns a sake brewery in the town of Jinsekikogen, Hiroshima Prefecture. Through the production and sale of aged sake using sake from breweries damaged in the earthquake as an ingredient, they aim to support the recovery and revitalization of the region's nature and culture.

Through this investment, we support the restoration of Noto's historic sake breweries and enhance the region's appeal as a tourist destination, thereby supporting the creative recovery of Noto.



Utilization of E-commerce Site COREZO

Through our e-commerce site, COREZO, we have supported consumption of Noto region industries and used COREZO FAMILY FUNDING to collect support nationwide for the reconstruction of customers' businesses affected by the disaster. In addition, at the Noto Reconstruction Marche, we deliver selected products created with sincerity by Noto's producers to people across the country. Through introducing the voices of producers and products such as miso, soy sauce, Japanese sweets, and lacquerware, people can feel the current state of Noto.



<https://shopping.corezo.co.jp/contents/special/product/0000001366/>

Rebuilding Stores in the Noto Area

To further recovery, we are rebuilding multiple stores in the Noto area, including the Anamizu branch, aiming to make them more accessible and comfortable for customers.

The new stores will have in-store consultation spaces, providing an environment that can meet an even wider range of customer consultations and needs than before, and offer a space where customers can feel secure. Going beyond the framework of a mere financial institution, we will serve as a community hub where everyone can comfortably gather and consult. By using locally sourced building materials, we also contribute to the revitalization of the local economy.

Financial Support:

Dispatching Personnel to the Noto Industrial Recovery Consultation Center

The Noto Industrial Recovery Consultation Center was established as a contact point for early reconstruction support for businesses receiving support from the Noto Peninsula Earthquake Reconstruction Support Fund.

The center provides one-stop consultation for various issues faced by businesses, focusing on addressing double debt problems arising from pre-earthquake borrowings and the need for new financing for restoration and reconstruction.

Believing that public-private collaboration is essential for recovery, we have dispatched personnel and established a support system that utilizes local perspectives and financial expertise.

We will continue to provide full support for early business reconstruction and further promote recovery.

Holding Noto Reconstruction Support Concerts

With the hope of delivering smiles to children in affected areas through music, Noto Reconstruction Support Concerts are held at kindergartens, nursery schools, elementary and junior high schools in three cities (Suzu, Wajima, and Nanao) and three towns (Noto, Anamizu, and Shika) that were heavily damaged by the earthquake. The concerts feature familiar classical music as well as school and kindergarten songs, providing opportunities to heal hearts and foster community connections through the power of music.



Message from the President of Hokkoku Bank

Haruhiko Kometani

President and Representative Director
The Hokkoku Bank, Ltd.

Joined Hokkoku Bank in 1993. Served as General Manager of the Head Office Sales Department in 2016, Tokyo Branch Manager in 2020, Executive Officer and Tokyo Branch Manager in 2021, and Executive Officer and Komatsu Sales Department Manager in 2022. After serving as Senior Executive Officer and Corporate Manager in 2023, became President & CEO of Hokkoku Bank in March 2025.



Toward Creative Reconstruction of Noto

About a year and a half have passed since the 2024 Noto Peninsula Earthquake, and already 10 months since the 2024 Oku-Noto Heavy Rains. Once again, I would like to express my condolences to those who lost their lives and my heartfelt sympathy to those affected. In this earthquake, our business offices also suffered significant damage, and at first, we were forced to close 16 branches. Now, despite some limitations such as operating within government buildings or temporary facilities, all branches have reopened. We sincerely apologize to customers for the inconvenience caused over this prolonged period.

Thanks to the tremendous cooperation of local governments and construction and civil engineering professionals both within and outside the prefecture, emergency restoration of main roads has progressed. However, the complete restoration of some living infrastructures, such as water and sewage systems, still requires time. We earnestly hope for the earliest possible full recovery and restoration of all essential infrastructure.

Immediately after the disaster, we were involved in the establishment of the 10 billion yen Noto Peninsula Earthquake Reconstruction Support Fund to offer financial assistance. In May 2025, we also launched the new Noto Beyond Reconstruction Fund, fully committed to creative reconstruction that fosters new

value for Noto 100 years into the future. We believe that not only financial support but also functions such as digital and consulting are indispensable for reconstruction. By leveraging the capabilities of the entire Group, not just the bank, we are determined to contribute to recovery.

Business Conditions of Hokkoku Bank

As for the non-consolidated results of Hokkoku Bank for the fiscal year ended March 31, 2025, core profit increased thanks to steady growth in loans and higher funding profits due to rising policy interest rates. On the other hand, additional expenses of 1.8 billion yen were incurred for earthquake response (totaling 3.2 billion yen including the previous period), and total loan-loss provisions amounted to 5.7 billion yen, resulting in a net income of 8.3 billion yen.

As of March 31, 2025, deposit balances reached 4.9158 trillion yen (an increase of 204.1 billion yen from the previous period), approaching the 5 trillion-yen mark, and loan balances expanded to 2.6297 trillion yen (an increase of 186.1 billion yen from the previous period). This achievement is entirely thanks to the trust of our customers, shareholders, employees, and all stakeholders who have supported us over the years. We are deeply grateful. In the fiscal year ending March 31, 2026, we expect to achieve a net income of 10 billion yen, and all employees will work as one to attain this goal.

Hokkoku Bank Brand

In March 2025, our group adopted a new dual-brand system. One brand is Hokkoku Bank, which, as a trusted regional financial institution, will continue to provide community-focused services as a partner supporting a brighter tomorrow for the region. We have also recast our brand slogan to “Thinking of the Future, Thinking of You.” This slogan reflects our unwavering commitment to valuing each local customer while looking ahead to the coming times. Even as society changes rapidly, our fundamental desire remains unchanged: “to create the future together with our customers.” This has been our wish in the past, and it will never change in the future.

We are proud to say that Hokkoku Bank will celebrate its 82nd anniversary in December 2025. Through this long history, we have grown together with the region, thanks to many

Message from The President

customer relationships and the support of our shareholders and employees. The business foundation we have built is our greatest strength. Now, we must further refine the Hokkoku Bank Brand to remain a bank chosen and needed by the community. Through renewed communication with local people, we will strive to become a bank that truly meets the needs of the region.

In a society facing population decline, our mission is to face every challenge head-on and work alongside the community to realize a sustainable society. For this reason, we will first increase the quantity of dialogue with our customers and improve the quality of those interactions, offering solutions tailored to their needs. Through these continued efforts, we aim to further enhance the Hokkoku Bank brand and strengthen the bonds of

trust with our customers.

Recently, we have received feedback from customers, such as “Our bank representatives visit us more often than before and bring various proposals,” which makes us very happy. Such words encourage us and reinforce our role as a bank that stands by the community. Both the Board members and I proactively visit our customers, listen directly to their voices, and strive to contribute to the community with a variety of financial services.

Deposits, Settlements, and Loans Are the Most Important Transactions

It is no exaggeration to say that all financial services begin with

transactions involving deposits, settlements, and loans. The essence of banking lies in deposits— safeguarding customers’ funds, settlements— supporting the flow of the economy by connecting people and companies, and loans— supporting new challenges for companies and individuals. We have a solid financial base and excellent personnel to ensure customers can use these services with confidence. To enhance convenience, we have expanded our digital channels, including our self-developed internet banking for both corporate and individual clients. We will continue to expand our service menu and strengthen security so that deposits, settlements, and loans can be used quickly and securely, evolving our financial services to meet the needs of the times. These services are not just financial transactions—behind deposits are the responsibility to protect assets, behind settlements is the mission to circulate funds safely and reliably, and behind loans is the determination to support and nurture customers’ future possibilities. We believe that building relationships of trust with our customers is fundamental. This is especially true for communication based on understanding clients’ businesses for corporations and life planning for individuals. No matter how times change, we will continue to maximally leverage both digital and human strengths and walk together with the region. Utilizing the Group’s capabilities in consulting, investment, and systems, we will continue to be the closest and most reliable financial partner for our customers and community.

As a Partner to the Community

Even as we face the great challenge of recovering from an unprecedented disaster, we have steadily advanced with the mission of being a financial institution that works with the community. We will continue to listen sincerely to the voices of local people, engage in dialogue, and fulfill our role as a trusted partner.

Even in an era of rapid change, our origins do not change. With the desire to create the future with our customers, we will further refine the Hokkoku Bank brand and contribute to the sustainable development of the local community. We sincerely ask for your continued support and patronage.



Banking Business Model and Growth Strategy: Corporate Sales

Starting Point Is Understanding Clients' Businesses

In Hokkoku Bank's corporate sales, all activities start with understanding clients' businesses through dialogue to deeply understand their business details and organizational structures.

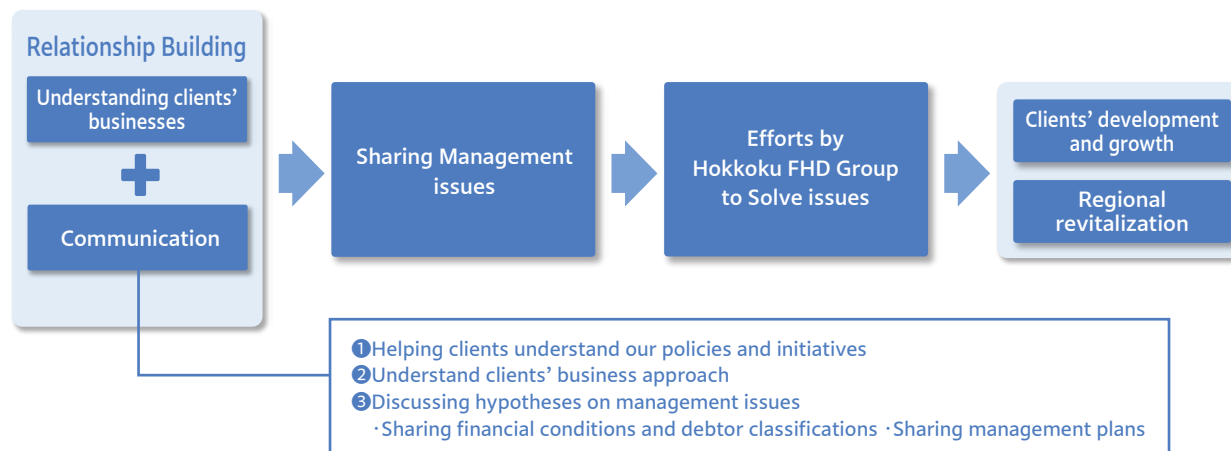
The main objective of this initiative is relationship building. We not only seek to understand our clients but also actively communicate to ensure clients understand our approach, creating relationships based on mutual understanding. An important aspect of this is "understanding non-financial aspects" such as business models, products and services, supply chains, management philosophies, organizational structures, and even initiatives on ESG and SDGs. In addition to financial data, we accumulate and deepen our understanding of these qualitative factors, discuss them internally, form hypotheses, and then engage in dialogue with clients to share management issues and propose solutions.

An emphasis in helping clients understand our approach is sharing financial conditions and debtor classifications and management plans. By discussing financial data and management plans from past, present, and future perspectives, we provide candid feedback to business owners on how we view their companies. By disclosing debtor classifications—one of the benchmarks for lending decisions—and delving into medium- to long-term management visions, we bridge gaps in understanding and future outlooks, strengthen mutual trust, and enable more effective business support.

When challenges and needs identified through these dialogues are difficult for the bank alone to resolve, we can propose solutions leveraging the expertise of group companies, creating an environment for one-stop support.

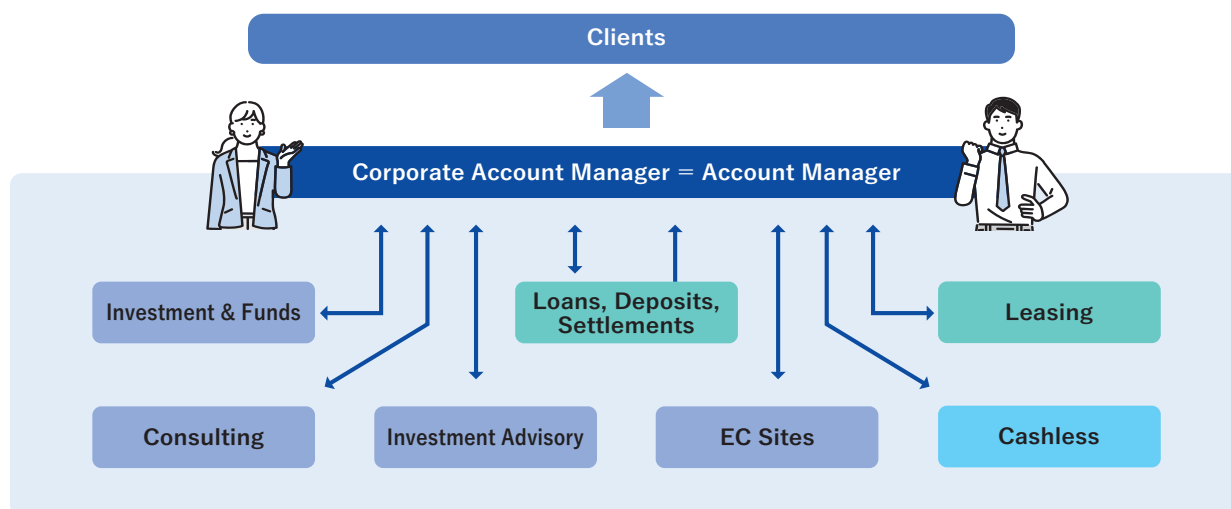
By starting with understanding clients' businesses and engaging in open dialogue, we aim to deepen trust and build relationships as a true partner who can be consulted on anything, responding to the diverse needs of clients and the community. We are convinced that these efforts will solve social and community issues and ultimately contribute to the sustainable development of clients and the region.

Business Model Based on Understanding Clients' Businesses



Account Managers Maximize Group Company Functions

Corporate account managers at Hokkoku Bank serve as the point of contact for Hokkoku FHD, utilizing the full range of group company functions to respond to the broad needs of clients and the community.



Banking Business Model and Growth Strategy: Corporate Sales

Finance

As part of our finance efforts based on understanding clients' businesses, account managers provide loans and leasing in a one-stop manner to meet capital needs, enabling speedy and accurate problem solving. Our finance policy is shifting from a focus on increasing loan balances (quantity) to emphasizing profitability (quality), resulting in rising yields on business loans since FY2022. Last year, we transitioned from loans based on the traditional short-term prime rate to a market-linked rate system using TIBOR and swap rates. This allows our portfolio to instantly reflect changes in market interest rates and policy rate hikes. Such flexible interest rate management leads to more advanced risk management and contributes to building a stable and sustainable earnings base. In January 2025, we launched Hokkoku Digital Banking Overdraft, which allows customers to execute and repay overdrafts in real time via internet banking. Previously, using overdrafts required in-person procedures, but this service enables customers to borrow and repay at their convenience, reducing interest payments and improving capital

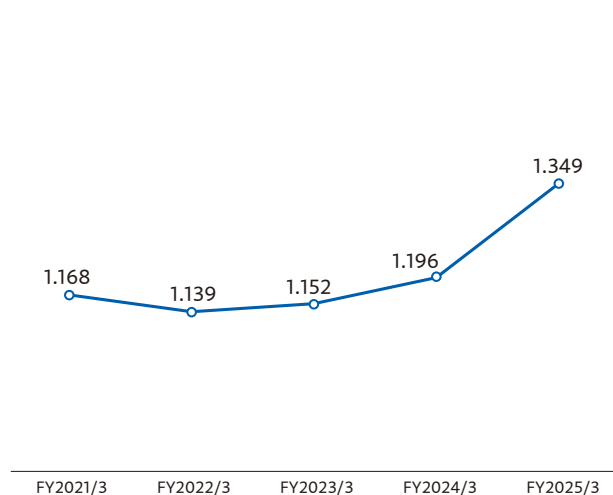
efficiency. Within five months of launch, outstanding balances exceeded 50 billion yen, and customer feedback has been very positive. For the bank, fewer application forms and administrative procedures also mean greater efficiency and productivity. Going forward, we plan to further advance regional DX through this digital banking service. Moreover, the expansion of such digital services not only enhances convenience but also offers regional companies more options for fundraising and enables fast and flexible cash management, thereby strengthening management stability and growth. By providing new value that combines convenience and speed in finance, we contribute to the revitalization of the regional economy.

Credit Management

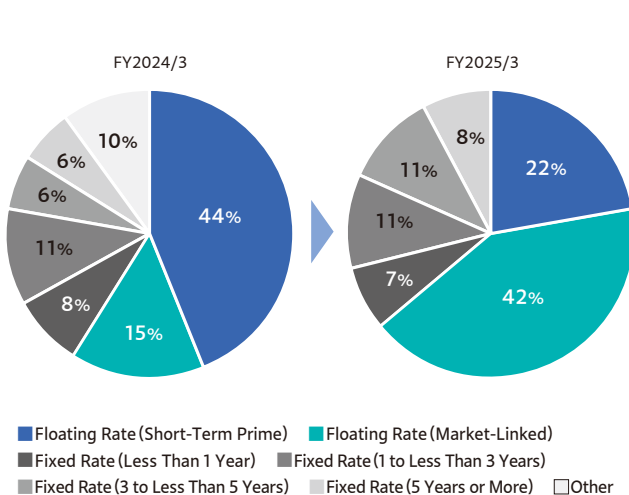
For clients whose performance is sluggish and who require quick support ("early intervention clients"), head office and branch staff work together and visit clients, conducting multifaceted

business understanding. Specifically, head office executives and corporate managers are assigned to each branch, and not only the branch manager but also the corporate manager visits clients as needed to build relationships, share challenges, and deepen dialogue. Issues identified here are addressed in cooperation with Group companies such as CC Innovation and QR Investment, providing solutions and working to prevent non-performing loans and improve debtor rankings through business improvement. We have also begun alert notifications based on financial statements and account transaction information for predictive management. Credit costs related to the Noto Peninsula Earthquake have already been provisioned for business loans, and we expect no impact on results from FY2025 onward. From FY2026 onward, credit costs are projected to hover around 3 billion yen annually.

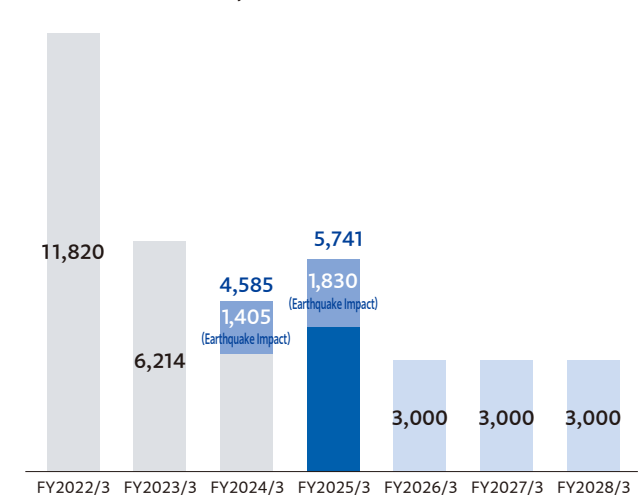
● Yields on Business Loans (%)



● Loan Interest Rate Structure (% of Balance)



● Credit Costs (millions of yen)



Banking Business Model and Growth Strategy: Retail Sales

Building Medium- to Long-Term Customer Relationships

The financial industry is now exiting the era of zero interest rates and returning to a world where interest rates exist again.

Amid these circumstances, Hokkoku Bank's retail sales division places importance on building medium- to long-term relationships of trust centered on deposits, which is the essence of banking.

Individual deposits have grown to exceed 3 trillion-yen, accounting for two-thirds of our total deposits. The stable income generated by these deposits (stock-type business) forms the foundation of group earnings as well as the engine for launching and growing new businesses.

As customers' values and lifestyles change rapidly, we believe it is important to make all efforts customer-centric so that they continue to trust and do business with us for the long term. We have strengthened four aspects: customer touchpoints, our service delivery system, product offerings, and the mindset of our employees.

Building New Relationships Through Digital

Most individual customers rarely visit branches. Therefore, we focus on creating digital-based touchpoints for communication, and since 2021, have promoted the new HOKKOKU LIFE+ account style. This is a new type of account tailored to the digital age, integrating passbook-less and seal-less savings accounts, internet banking, and Visa debit functions. Favorable services such as free interbank transfers and ATM usage at convenience stores have been well received, and the number of accounts has grown to over 180,000.

As a regional bank, we aim to deliver the benefits of digital to all local customers. For those unfamiliar with digital, we hold digital classes to guide them on how to use internet banking via smartphones. Last year, we held approximately 17,000 sessions, going beyond mere transactions to improve quality of life and provide a sense of security. Particularly as society ages, the convenience of being able to check balances and transfer funds safely from home is extremely valuable. Furthermore, we are

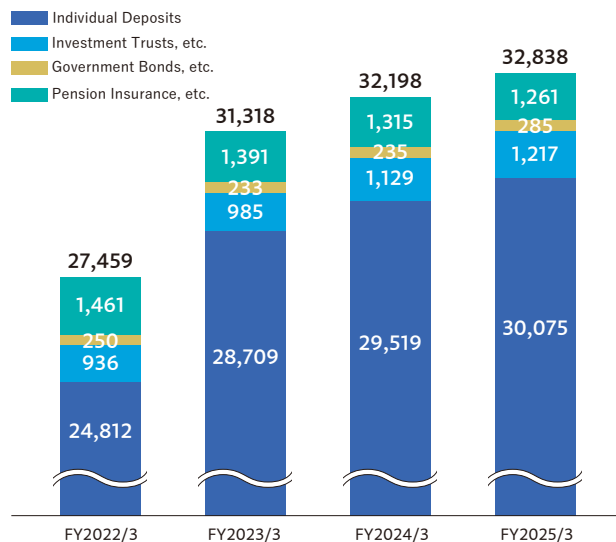
focused on customer success, using collected digital data to provide optimal information and proposals to each customer. We also actively approach younger generations and those raising children, who previously had less contact with financial services, through educational YouTube channels and information via email/SNS, supporting financial literacy for the future. In this way, we support the creation of an environment in which customers can confidently engage in asset formation for the long term.

We will continue to strengthen our digital foundation, enhance customer touchpoints, and create an environment in which customers can use our services with confidence.

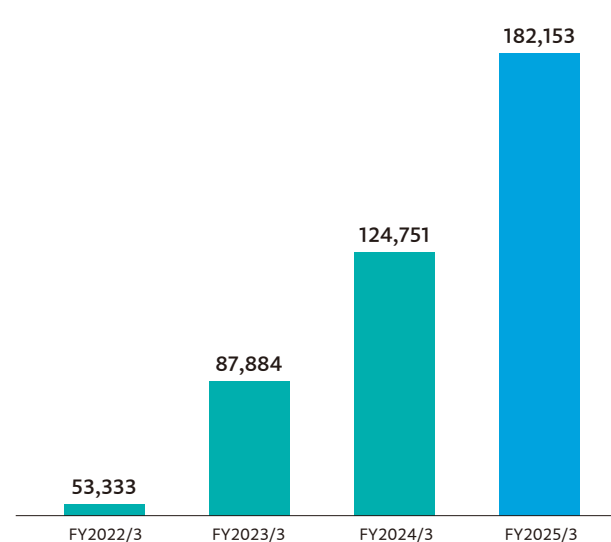
Triple Loop for Customer-Centered Service

To meet the diverse lifestyles and needs of all customers, we aim to create an environment in which digital channels encompass

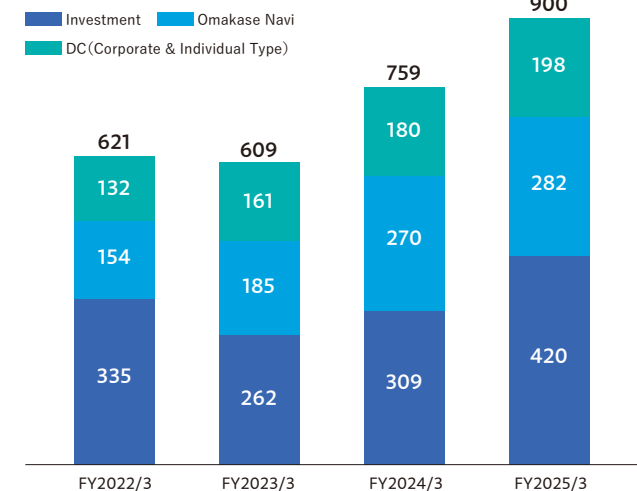
● Individual Managed Asset Balance Trend (100 millions of yen)



● HOKKOKU LIFE+ Number of Contracts



● Monthly Accumulation Trend for Investment, Omakase Navi, DC (Corporate & Individual Type) (millions of yen)



Banking Business Model and Growth Strategy: Retail Sales

real channels, allowing customers to choose the optimal channel at their preferred timing.

In the “tech touch” category we offer highly convenient services through non-face-to-face means, such as HOKKOKU LIFE+ and Hokkoku Marugoto Window Navi. We have established a system where unsecured loan applications, contracts, and repayments can all be handled online without visiting a branch. This year, we also plan to digitize investment trust account openings and mortgage applications. We will continue to increase the number of products and services that can be completed non-face-to-face. In the “low touch” category, we communicate with employees of client companies and busy working generations through seminars, including on weekends. These activities are precious touchpoints for asset-building customers and help expand awareness of asset-building services and digital offerings. (We held 621 asset-building seminars last year, with 7,095 participants.) The feedback has been very positive, and we will continue to strive for both improved financial literacy and an expanded customer base by holding

even more fulfilling seminars tailored to customers’ interests and needs.

In the “high touch” category, we pay special attention to uncovering not only apparent but also latent needs through face-to-face and online individual consultations at branches. Experienced consultants closely support customers’ life plans, building long-term trust and deepening stock-type business. By creating a system that allows for triple-loop communication according to customer needs and timing, we build relationships in which customers can always connect optimally.

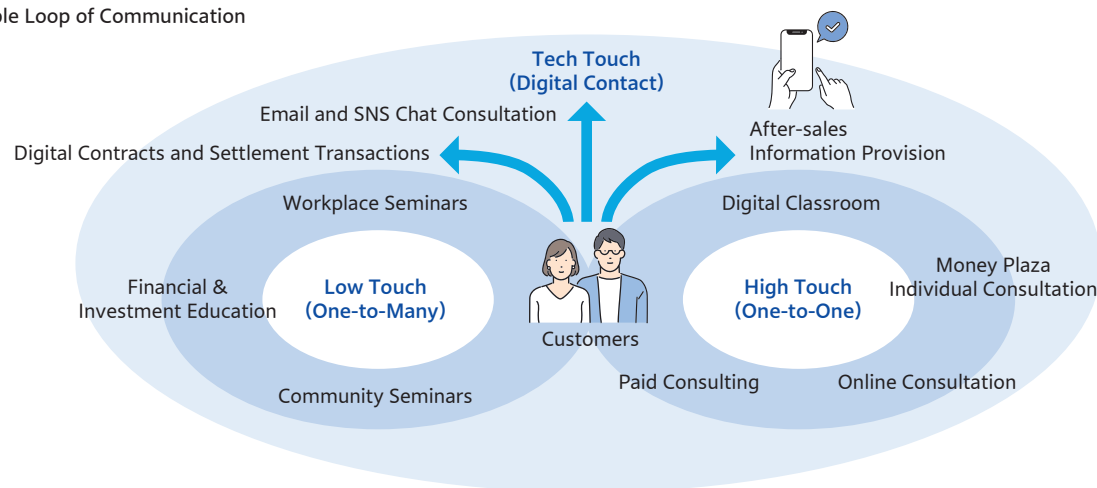
Product Content & Employee Mindset

Shifting the focus from being bank-driven to being customer-driven, we have worked steadily to establish a truly customer-oriented business structure. We have eliminated purchase fees for investment trusts and introduced funds suitable for long-term and stable asset building. For customers with concerns or issues regarding inheritance, we have provided reassurance through services such as will trusts. In 2015, we discontinued sales quotas

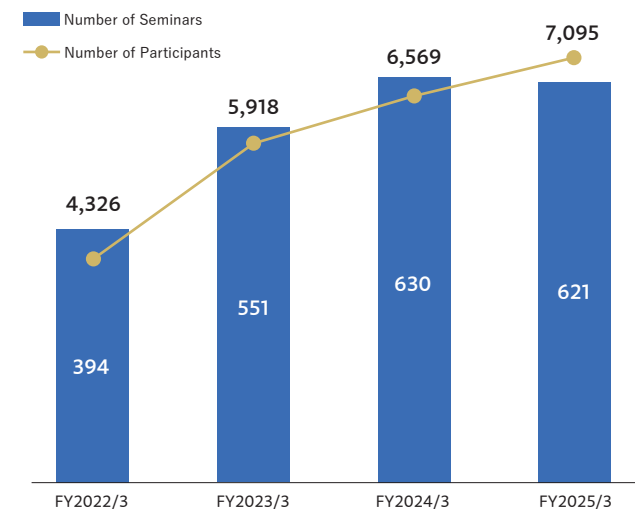
and built a sales structure focused on long-term customer lifestyles rather than short-term results. Furthermore, through transforming employee mindsets, we have fostered a sense of mission as life partners who walk alongside customers, rather than simply proposing products.

What these efforts have in common is the desire to enrich and make the lives of all customers more convenient and secure, aiming for a society where everyone can live with peace of mind. We will continue to strive for this goal, through the provision of various services and communication with customers.

●Triple Loop of Communication



●Number of Workplace Asset-Building Seminars and Participants



Consulting & Advisory Business Model and Growth Strategy: CC Innovation



Director and Managing Executive Officer
Hokkoku Financial Holdings, Inc.

President and Representative Director
CC Innovation, Inc.

Tomohiko Kikuzawa

Joined Hokkoku Bank in 1991. Served as general manager of the Human Resources Development Office in 2016, executive officer and Marketing Department manager in 2020, executive officer and General Planning Department manager in 2021, and led reforms. In 2022, will concurrently serve as executive officer and General Planning Department manager at Hokkoku Financial Holdings and Hokkoku Bank. Became president and CEO of CC Innovation in 2024. In June 2025, became director and senior executive officer of Hokkoku Financial Holdings, while continuing as President and Representative Director of CC Innovation.

Our Progress So Far

The consulting and advisory business of Hokkoku Financial Holdings plays a role in transforming the region with experience and the ability to execute based on experience, with CC Innovation as the central driver. Starting from practical knowledge gained through self-reform, we have developed support for regional companies through problem-solving dialogue led by Hokkoku Bank's corporate representatives, adding CC Innovation's problem-solving power and expertise.

Our origin lies in returning the fundamental knowledge gained through drastic business reforms, digital transformation, and human resource development at Hokkoku Financial Holdings to the region. From an early stage, we have not limited ourselves to simply transferring past successes but have proactively restructured organizational systems and menu design to enhance the value we provide with an eye to future changes. For example, we have expanded our support areas beyond our traditional practical domains, offering consistent support from formulation to execution of capital strategies and on-site manufacturing consulting. As a result, we have established a system that quickly responds to change and has built a support style based on long-term trust, forming the foundation for our current growth.

We initially grew mainly through projects referred to by Hokkoku Bank, but in recent years have expanded into urban areas. By expanding external partners, we have acquired high-value projects for large companies, with contract amounts reaching 1.9 billion yen, about 1.5 times the previous year. Both sales and the number of cases continue to grow steadily, and we are building a network of

support nationwide and overseas that does not depend solely on referrals from Hokkoku Bank.

Going forward, we will continue to take the lead as a management partner that connects the region and the world, anticipating changes and supporting increased corporate value.

Growth Strategy

We aim to achieve annual contract amounts of 3 billion yen by FY2028 and will promote growth strategies from the following four directions.

① Full-scale Expansion to Mid-Sized and Large Companies

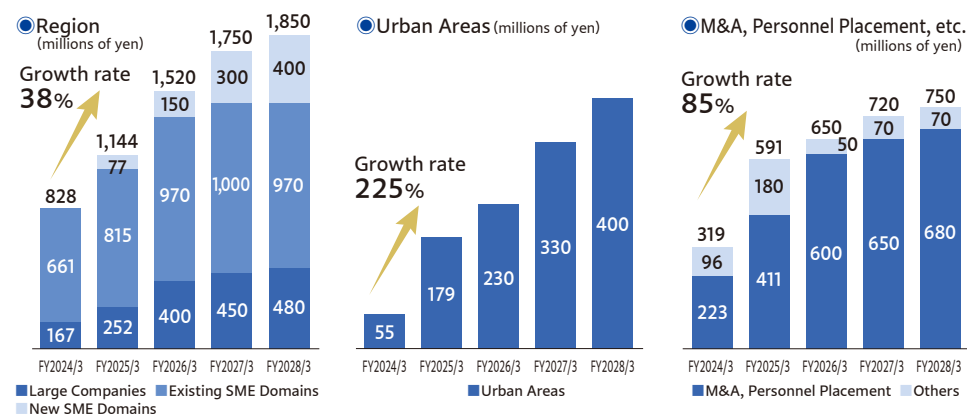
Based on our approach developed through support for small and medium-sized enterprises, we are now providing full-scale support to mid-sized and large companies facing advanced management challenges such as business succession, capital policy, human resource strategy, and DX. Our teams, with multifaceted knowledge and strong execution capabilities, respond to these complex themes.

Through these efforts, our track record with listed companies has steadily increased, and our brand value is now highly evaluated in the market. The achievements and experiences accumulated in urban areas not only help us win new projects but also strengthen relationships of trust with existing customers.

② Identifying Consulting Needs in Urban Areas

Urban clients seek partners who can quickly adapt to changes and consistently execute everything from conceptualization to system design, business, and IT. To meet these expectations, we provide support for advanced themes such as platform construction, value enhancement for listed companies, and DX support for financial institutions.

The extensive knowledge gained from urban projects is also fed back to regional companies, supporting their growth. These efforts have led to increased revenue, and our sales ratio in urban areas continues to rise. Our support, which combines expertise and versatility, is highly valued by many clients.

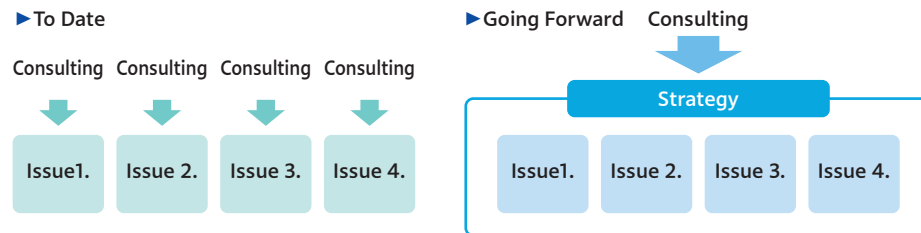


Consulting & Advisory Business Model and Growth Strategy: CC Innovation

③ Expanding Value Provided to Existing Customers

Until now, our support has aimed to align with corporate strategies, but due to insufficient systems and experience, responses were often limited to solving individual issues. By expanding our support areas and building up achievements, we have polished our service menus to anticipate changes in needs and now have a system in place that enables us to consistently and sequentially solve multiple issues starting from strategic dialogue.

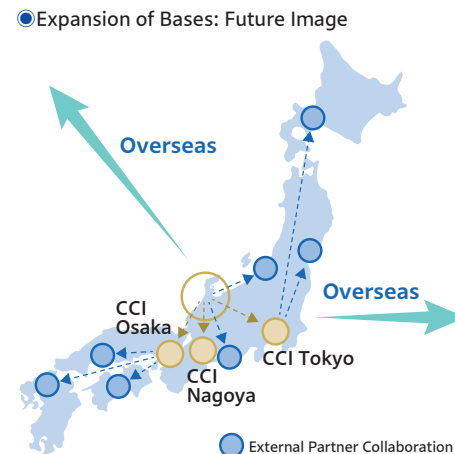
With this system, we can provide integrated support with a strategic perspective for clients' multifaceted challenges. Each measure creates synergies, powerfully supporting client growth. These efforts directly lead to increased contract values and greater process efficiency for us. As management issues become more multilayered, we will further enhance the value we provide and deepen our role as a management partner by responding to change.



④ Overseas Expansion: Bringing External Growth Back to the Region

We are currently expanding globally with bases in Singapore, Vietnam, Thailand, and Kenya. The knowledge gained from these growth markets in Asia and Africa is being fed back into domestic projects, improving the quality of our support.

Especially since entering Kenya, we have taken on themes directly linked to solving social issues, resulting in more inquiries from major companies and an increase in social value. In these growth markets, we will continue to proactively hire external talent and form partnerships with partner companies to enhance our responsiveness, proposal capabilities, and organizational strength. At the same time, we will accelerate human resource development and operational efficiency using accumulated experience, evolving into a consulting firm that provides high-value-added support more efficiently.



Mission to Improve Regional Productivity

Our core mission is to fundamentally raise the productivity of the regional economy through systemic reforms. We approach this not only through business process efficiency, but also by supporting the elevation of companies' perspectives and designing mechanisms that ensure feasibility.

Recently, support focused on the use of generative AI and digital tools has expanded, including knowledge organization, business process redesign, and BPO collaboration, pushing overall management productivity forward.

We can undertake these challenges because of strong relationships with regional companies and a practical, on-the-ground perspective. We will continue to give back the knowledge and vision gained in urban and overseas markets to the region and keep supporting new challenges.

At a Crucial Stage of Recovery, and Toward the Future

With infrastructure restoration progressing since the Noto Peninsula earthquake in January 2024, our responsibility has become even greater as regional companies now move towards business reconstruction. We support not only the rebuilding of affected companies but also further growth, by combining management strategy, BPO, IT, marketing, and human resource development. Through comprehensive support including fundraising, business restructuring, and reviewing hiring and personnel placement, we will back their recovery.

Recovery support is not just a social contribution. Being a supporter with the ability to execute solutions to social issues is at the core of our vision for a "visionary region" and represents our challenge to shape the future ideal of the region.

Striving to Create Value Through the Circulation of Knowledge

We are promoting the circulation of knowledge by refining the transformation knowledge we have acquired, expanding to urban and overseas markets, and then returning it to the region.

Our challenge is not to remain on the extension of the past, but to continue creating value with the vision and execution to tackle social issues. As we evolve this practical consulting, we will remain an entity that supports management decision-making and its execution, rooted in the region and ahead of social changes.

Message from the General Manager of Corporate Planning Department

Medium-Term Management Plan



Managing Executive Officer
General Manager,
Corporate Planning Department
Hokkoku Financial Holdings, Inc.

Naotaka Terai

Joined Hokkoku Bank in 1993. Appointed as head of Human Resource Development, General Planning Department in 2017. Became executive officer and head of human resource development in 2021, Digital Division head in March 2022, and currently serves as senior executive officer, head of Corporate Planning and Digital Division as of 2024.

Summary of Financial Results for the Fiscal Year Ending March 2025

The consolidated results for our group in the fiscal year ending March 2025 fell short, with net income attributable to owners of the parent at 8.1 billion yen against the full-year target of 10 billion yen, a decrease of 0.9 billion yen from the previous year. ROE was 3.7% (down 0.8pt from the target). In summary, net interest income increased due to the rise in yen interest rates following the Bank of Japan's policy rate hike and the reduction of foreign currency procurement costs from the sale of foreign bonds, resulting in steady core business profits at the bank level. However, the fund business, which has been developed since 2021, experienced a temporary downturn in profits, pulling down overall earnings. We are currently reviewing investment selection criteria, strengthening the management structure of the fund business, and working to stabilize profits by providing enhanced support to portfolio companies.

In response to the Noto Peninsula earthquake, we posted a provision of 1.8 billion yen this fiscal year, following a similar amount last year, totaling 3.2 billion yen in credit costs over the two periods. We do not anticipate any further credit costs related to the disaster going forward.

●Hokkoku Financial Holdings Consolidated

(millions of yen)

	FY2024/3	FY2025/3	Increase Decrease	Increase Decrease Rate
Ordinary Income	90,839	89,576	△1,263	△1.3%
Ordinary Profit	14,461	12,298	△2,163	△14.9%
Profit	9,055	8,120	△935	△10.3%

●Hokkoku Bank Non-consolidated

(millions of yen)

	FY2024/3	FY2025/3	Increase Decrease	Increase Decrease Rate
Ordinary Income	73,449	72,862	△587	△0.7%
Ordinary Profit	11,185	11,511	326	2.9%
Profit	8,233	8,323	90	1.0%
Core Business Net Profit	6,162	11,325	5,163	83.7%

●Capital Adequacy Ratio

	FY2023/3	FY2024/3	FY2025/3
Consolidated	10.08%	10.37%	9.85%

For details, please see the IR presentation materials entitled "Update of Medium-Term Management Strategy and Overview of Financial Results for the Fiscal Year Ending March 2025."

<https://www.hfhd.co.jp/english/ir/material/>



Message from the General Manager of Corporate Planning Department

Outline of the Medium-Term Management Plan

While continuing our long-term strategy based on back casting for the next 10 years, we have clearly outlined plans up to the third year. With the rise in interest rates expanding profits from the regional finance business, as well as growth in consulting, cashless, and fund businesses, we aim to achieve ROE of 5% by the fiscal year ending March 2026, over 6% in the third year, and over 8% by the fiscal year ending March 2030. Although there are risks such as Trump tariffs, we consider their impact in our region to be limited because the main local industries are less affected by such tariffs.

Actual Results and Medium-Term Plan for FY03/2025

Item	FY2025/3	
	Actual	Achievement Rate
Key Business Segment Revenue	38.9 billion yen	113.4%
Ordinary Profit (Consolidated)	12.2 billion yen	80.2%
Profit (Consolidated)	8.1 billion yen	79.4%
ROE ※	3.7%	▲0.8pt

Item	FY2026/3	FY2027/3	FY2028/3
	1 Year Later	2 Year Later	3 Year Later
Banking Business Revenue	48.3 billion yen	54.6 billion yen	58.3 billion yen
New Business Revenue	21.2 billion yen	21.7 billion yen	22.5 billion yen
Ordinary Profit (Consolidated)	18.0 billion yen	19.8 billion yen	22.5 billion yen
Profit (Consolidated)	11.0 billion yen	12.4 billion yen	14.7 billion yen
ROE ※	5.1%	5.0% or higher	6.0% or higher

※ROE is calculated as net income attributable to owners of the parent divided by Basel III core capital under domestic standards.

Initiatives for Enhancing Corporate Value

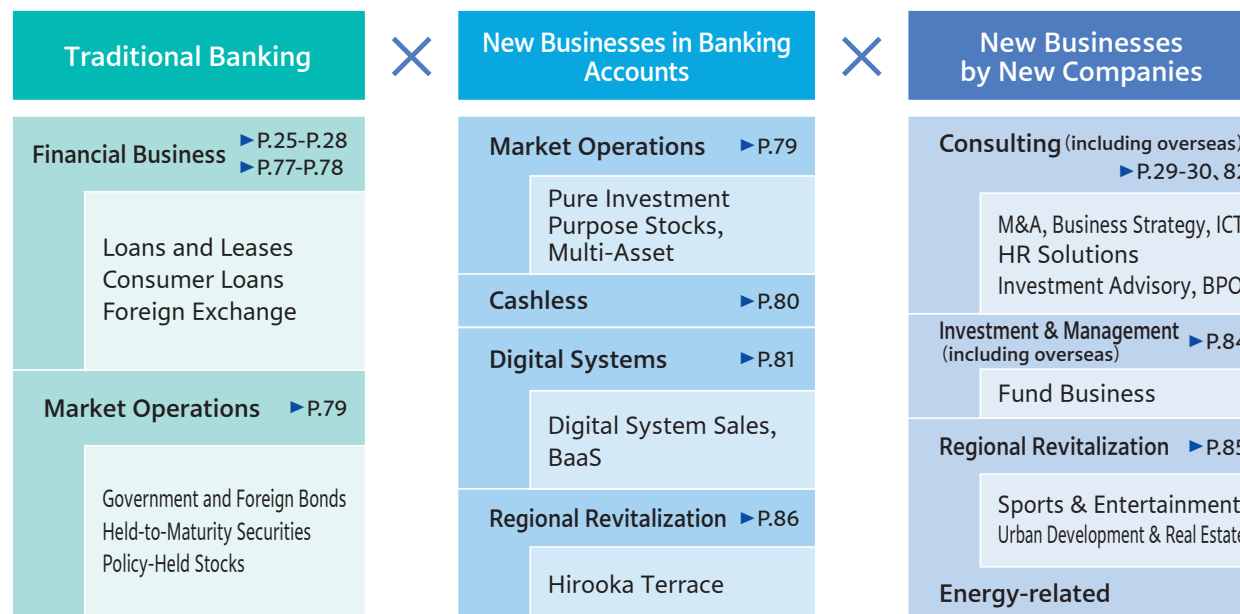
Dual-Brand, Ambidextrous management

In October 2025, we will change the name of the holding company, Hokkoku Financial Holdings, to CCI Group, establishing a dual-brand system with Hokkoku Bank. This is a strategic measure aiming to balance innovation and trust. Specific initiatives include the introduction of new digital services and strengthening customer service. We will build the respective brands according to their different messages and target audiences.

Banking and New Businesses

Under President Yonetani, Hokkoku Bank will enhance customer-oriented services rooted in the region while aiming to achieve an ROE of over 6% by March 2028 through improved management efficiency. At the same time, to address the significant issue of population decline in the region, the CCI Group will expand its business areas beyond traditional banking, taking leadership to make Ishikawa Prefecture a pioneering and innovative region. By refining new businesses, we are confident that from 2030 onward, we can sustainably achieve an ROE of over 8%.

Traditional Banking and New Businesses



Message from the General Manager of Corporate Planning Department

Capital Strategy

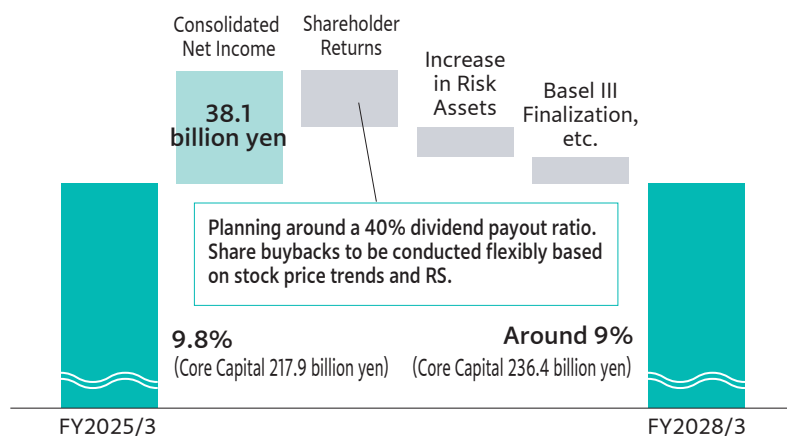
We have changed our shareholder return policy to a dividend payout ratio of about 40% + flexible share buybacks, and plan to pay a dividend of 200 yen per share (pre-split basis) for the fiscal year ending March 2026. In addition, to broaden our investor base, we will conduct a stock split of 1 to 10 shares on October 1, 2025. With this split, we aim to provide an attractive investment opportunity, especially for individual investors, including younger and new investors.

The background for this policy change is our intention to achieve both shareholder returns and business expansion. Going forward, we will conduct share buybacks flexibly depending on stock price levels, while emphasizing stable dividends. By enhancing the quality of shareholder returns and investing in new businesses, we aim for sustainable growth in corporate value.

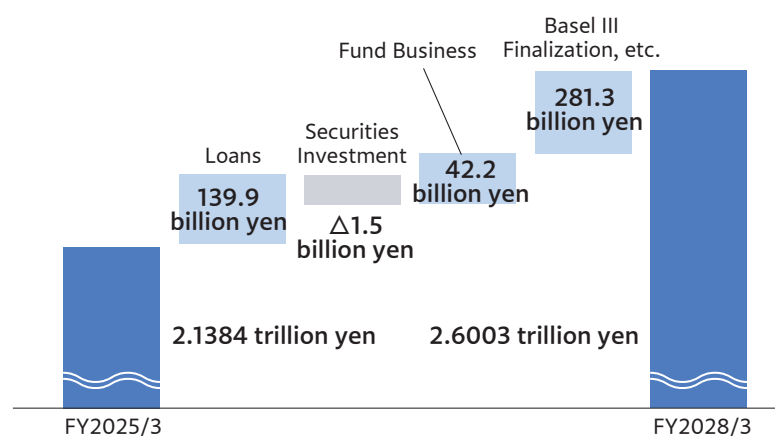
Capital Policy & Shareholder Returns

Item	FY2025/3 (Actual)	FY2026/3 (1 year later)]	FY2027/3 (2 years later)	FY2028/3 (3 years later)
Dividend Payout Ratio	33.7%	41.2%	Around 40% Dividends to be paid based on sustainable profit growth own share buybacks to be implemented flexibly	
Total Dividend Amount	2.7 billion yen	4.6 billion yen		
Own Share Buyback Amount	3.0 billion yen	1.0 billion yen		
Cost of Capital	Roughly 6-9%	About 7-9%		
ROE	3.7%	5.1%	Over 5%	Over 6%
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
Capital Adequacy Ratio	9.8%	9.5%	9.1%	9.1%

Trends in Capital Adequacy Ratio



Risk Asset Plan



Message from the General Manager of Corporate Planning Department

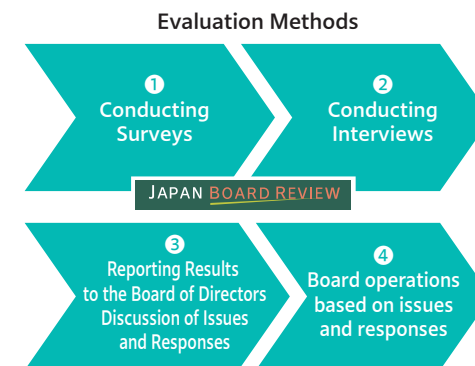
Governance

We are focusing on strengthening governance and enhancing the effectiveness of the Board of Directors to support the dual-brand system. Specifically, we are activating discussions at the Board through facilitation by the chairperson (an outside director), aiming to raise the quality of strategic decision-making, solve challenges for medium- and long-term growth strategies, and optimize resource allocation based on business portfolio policy, thus enhancing value creation functions. In terms of human capital management, we are recruiting and developing skilled personnel who can respond to new business areas and have started to transform our human resource portfolio.

Implementation of Succession Plan



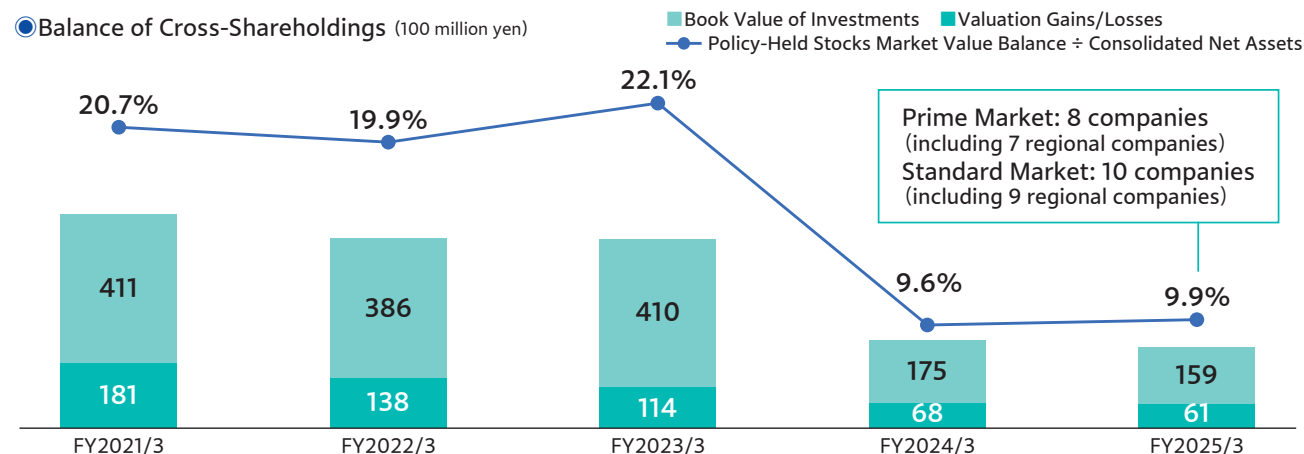
Utilizing External Third Party in Board Effectiveness Evaluation



Review of Policy-Held Stocks

We set a goal to halve policy-holding stocks by the end of March 2025 compared to 2022 and have strengthened dialogue with counterparties. As a result, we have sold these stocks smoothly and achieved the halving goal ahead of schedule. On the other hand, through dialogue, we determined that some stocks could deliver mutual corporate value enhancement and social impact through our initiatives. Therefore, while upholding the principle of not holding policy stocks in listed companies, we have revised our policy to allow strategic holdings when appropriate. We will continue to refine our holding criteria and deepen dialogue to further strengthen governance functions without becoming more stable shareholders.

Balance of Cross-Shareholdings (100 million yen)



Sales Status (September 2022 – September 2024: Stocks changed to pure investment purpose)

	FY2022/9	FY2023/3	FY2023/9	FY2024/3	FY2024/9	FY2025/3
Number of Shares 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

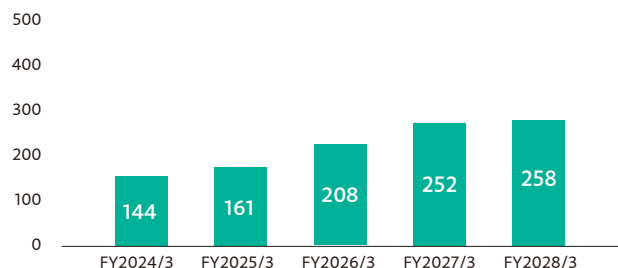
(shares)

Profit Plan by Business Segment

Profit plans for each business segment have been formulated based on anticipated market conditions and strategic direction. Key performance indicators (KPIs) have been established for each business segment. Both individual business units and cross-functional departments, such as the Marketing Headquarters, monitor strategic progress using quantitative metrics, continuously evaluating and refining outcomes to enhance corporate value.

Business Loans & Leases

(100 millions of yen)

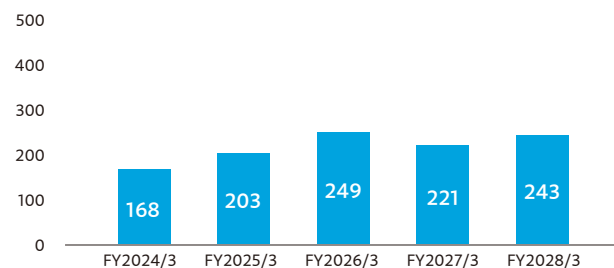


KPI

	FY2025/3		FY2026/3
	Target	Actual	Target
Business Loan Yield	1.25%	1.35%	1.55%

Market Operations

(100 millions of yen)



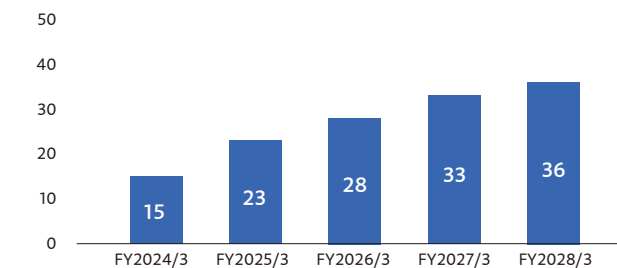
KPI

	FY2025/3		FY2026/3
	Target	Actual	Target
Total Profit and Loss Ratio ※	2%	▲2.3%	2%

※Total Profit and Loss Ratio=(Net Interest Income+Trading Gains/Losses+Change in Valuation Gains/Losses for the Period) ÷ (End of Previous Period Valuation Gains/Losses+Average Book Value for the Period)

Consulting (including Investment Advisory)

(100 millions of yen)

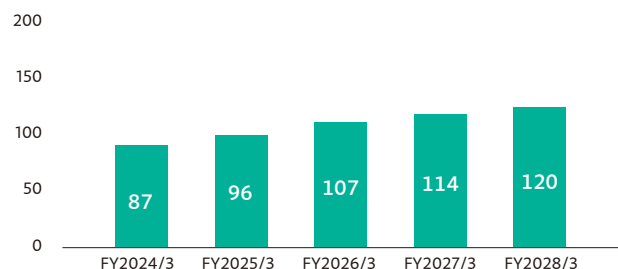


KPI

	FY2025/3		FY2026/3
	Target	Actual	Target
Number of Consulting Contracts	570	642	700

Consumer Loans

(100 millions of yen)

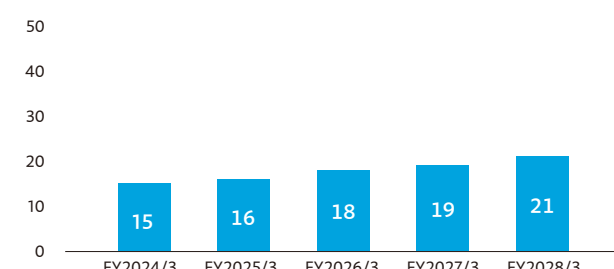


KPI

	FY2025/3		FY2026/3
	Target	Actual	Target
Consumer Loan Yield	0.98%	0.99%	1.11%

Cashless

(100 millions of yen)

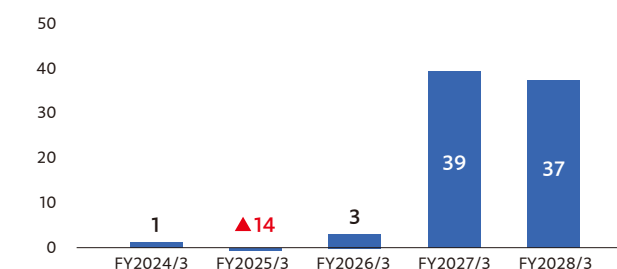


KPI

	FY2025/3		FY2026/3
	Target	Actual	Target
Transaction Amount	89.9 billion yen	86.8 billion yen	105.3 billion yen

Fund Business

(100 millions of yen)



KPI

	FY2025/3		FY2026/3
	Target	Actual	Target
Investment Multiple	1.06x	1.10x	1.00x

Profit, Costs, and Investment by Business Segment

Traditional Banking

Net interest income from financial operations centered on loans and leases by Hokkoku Bank, fee income from settlement services (excluding cashless operations) such as fund transfers, and net interest income from market operations using government and foreign bonds

New Business

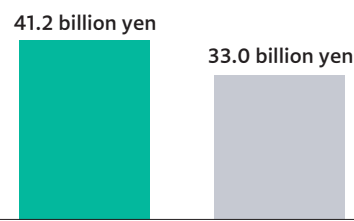
Net interest income from market operations such as listed stocks and multi-assets, fee income from consulting and cashless businesses (payments by debit cards and digital regional currencies, merchant operations), and fee income from sales of in-house developed banking systems by our group

Costs & Investment

We are building a cost structure in traditional banking that supports stable earnings and improved management efficiency. Simultaneously, we are increasing investment in new business areas such as consulting and digital systems to accelerate growth.

FY2025/3

Traditional Banking Ordinary Profit: 8.2 billion yen



■ Ordinary Profit by Segment ■ Cost & Investment Amount by Segment

New Business Ordinary Profit: 4.1 billion yen

Market Operations (Stocks & Multi-Asset): 7.0 billion yen



Cashless: 0.3 billion yen



Digital Systems: -1.3 billion yen



■ Ordinary Profit by Segment ■ Cost & Investment Amount by Segment

Consulting: 0.6 billion yen



Fund Business: -1.5 billion yen

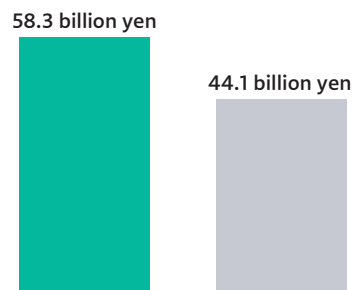


Regional Revitalization: -1.0 billion yen



FY2028/3

Traditional Banking Ordinary Profit: 14.2 billion yen



■ Ordinary Profit by Segment ■ Cost & Investment Amount by Segment

New Business Ordinary Profit: 8.3 billion yen

Market Operations (Stocks & Multi-Asset): 5.6 billion yen



Cashless: 0.6 billion yen



Digital Systems: -0.9 billion yen



■ Ordinary Profit by Segment ■ Cost & Investment Amount by Segment

Consulting: 1.9 billion yen



Fund Business: 2.9 billion yen



Regional Revitalization: -1.8 billion yen



Section2

Management Foundation Supporting Value Creation

This section explains our initiatives in human capital management, a core element of our overall management strategy, as well as the establishment of a governance structure that serves as the foundation for creating new business models. It also covers our efforts targeting DX and system modernization, which are indispensable for improving productivity, and environmental measures that are becoming increasingly important as a materiality issue.

CONTENTS

- 38 Human Capital Management
- 51 Corporate Governance
- 59 DX and System Modernization
- 63 Environmental Conservation and Resource Efficiency / Contribution to Regional Carbon Neutrality
- 67 Internal Audit System
- 71 Risk Management System
- 73 Compliance

Human Capital -Oriented Management: Message from the General Manager of Human Resources Development Department



Executive Officer
General Manager, Human Resources
Development Department
Hokkoku Financial Holdings, Inc.

Junko Inoue

Joined Hokkoku Bank in 1998. She has held various roles, including Promotion Officer of Branch Coordination Section in April 2018, Head of the Compliance Group in the Corporate Management Department in March 2021, and Executive Officer of the Customer Service Department in March 2023. In March 2025, she became Executive Officer and Head of Human Resources Development at both Hokkoku Bank and Hokkoku Financial Holdings, leading reforms to maximize human capital and promote initiatives for talent development.

The Talent Ecosystem and Diverse Opportunities for Challenge

We have constructed a “talent ecosystem” that covers everything from recruitment to development, assignment, challenge, achievement, and personnel transfer. Our mid-career hiring ratio has reached 61%, and we proactively collaborate with external talent on a project-by-project basis. Attracted by our philosophy and equipped with high expertise and a desire to take on challenges, these talents directly drive our new business initiatives. In terms of development, we have established “volunteer application” and “job challenge” programs to balance employee growth with organizational vitality. We view “personnel transfer” as a process for employees to leverage the values, skills, and perspectives cultivated at our company as they take on new challenges at local companies, municipalities, or group firms. In 2025, for example, an employee in their thirties was appointed president of a group company, demonstrating our flat evaluation and compensation system, which enables prompt promotion based on ability and eagerness to challenge, regardless of seniority.

The foundation for challenge and growth is “employee health.” In 2024, we were certified as a “White 500” Health and Productivity Management Organization for the fourth consecutive year and ranked first nationwide in the comprehensive evaluation index set by Japan’s Ministry of Health, Labour and Welfare (*). Our Wellness Support Team, composed of multiple experts, conducted over 2,800 interviews annually, providing comprehensive support for both mental and physical well-being, which significantly contributes to employee performance.

*Comprehensive Evaluation Index for Insurers in Category 1 Subject to Reduction of Support Payments for Late-stage Elderly

Evolution of Human Capital Supporting Ambidextrous Management

We firmly believe “human resources are the core of management” and have positioned investment in human capital at the heart of our management strategy. To nurture a culture through which every employee can independently pursue their career and take on new challenges, we introduced a career-based HR system in 2022. This shift has transformed employees’ mindsets from “being given a career” to “creating their own career,” spreading positive change throughout the organization.

In a time of rapid change, achieving “ambidextrous management”—balancing the deepening of existing businesses with the exploration of new ones—requires the continual evolution of human capital management. We are optimizing our human resources portfolio in line with changes in our business portfolio and urgently focusing on developing talent with AI and data utilization skills by strategically promoting reskilling and continuous education. Through support for graduate-level education, professional certification assistance, and AI training, we empower employees to expand their potential and contribute to business growth.

Fair Evaluation and Autonomous Growth Environment

We have introduced an evaluation and compensation system based on skills, roles, productivity, and contribution while implementing cross-departmental reviews to establish a salary structure independent of seniority. Moving forward, we will further clarify the skills and job scopes required for each position, enable employees to understand the capabilities needed for their desired career paths, and foster autonomous growth, fair compensation, and optimal placement.

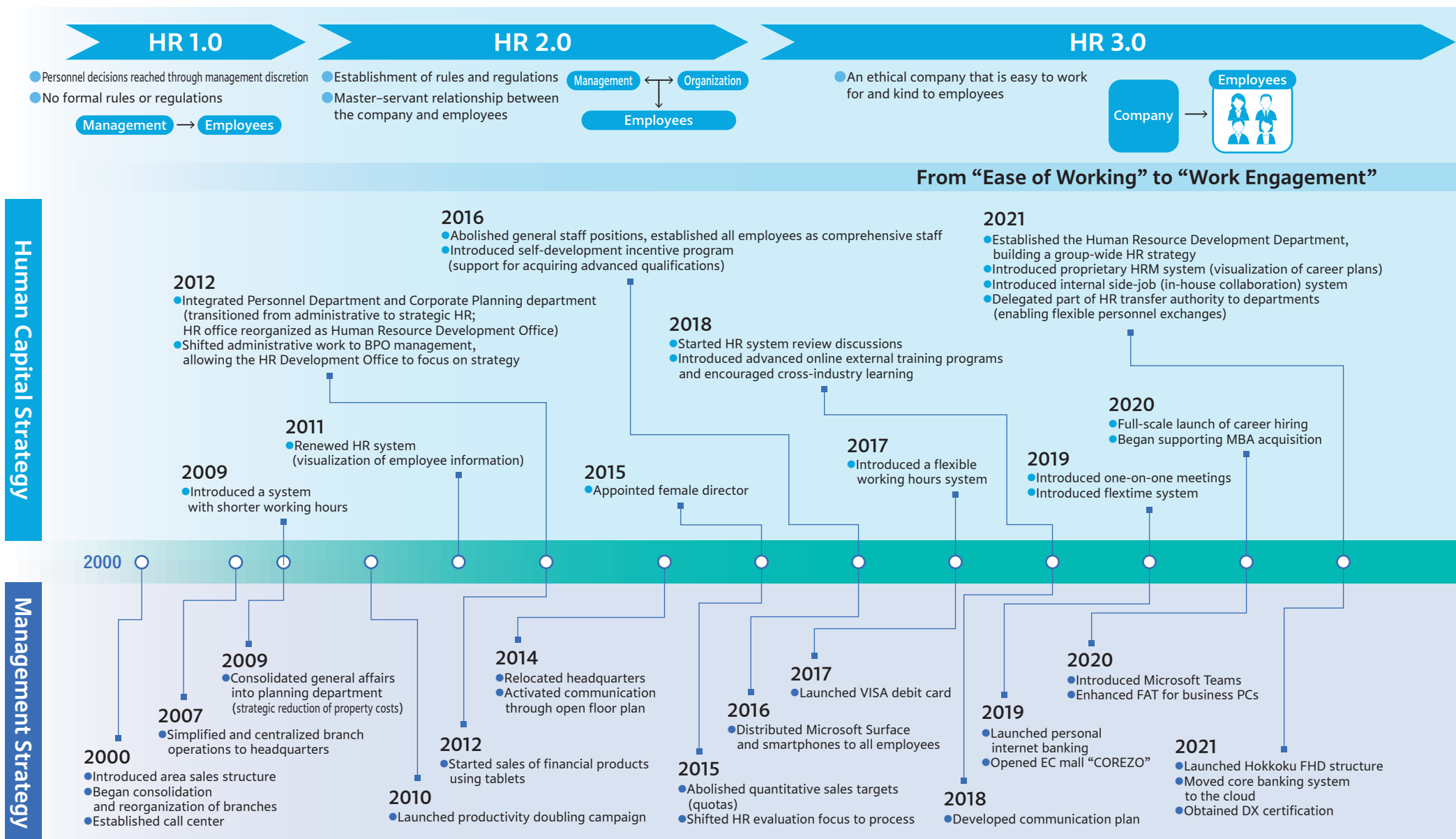
Toward Further Reform of Organizational Culture

The advancement of human capital management requires both systems and the transformation of employee awareness and organizational culture. So far, we have promoted a workplace that is flat and psychologically safe by implementing “one-on-one meetings” between employees and management, visualizing key project discussions, and conducting career reviews.

As part of organizational culture reform, in July 2025, we held a “one-on-one meeting” between the Employee Shareholding Association and the CEO, attended by about 500 participants both in-person and online. Prior to the meeting, each workplace discussed key issues, and representatives actively exchanged opinions with management, asking questions and making proposals on “strategy,” “capital policy,” and “branding.” By encouraging employees to speak in their own words from a management perspective, we enhance organizational transparency and buy-in, fostering a willingness to take on challenges. Additionally, with the introduction of the Restricted Stock (RS) scheme, employees have shifted their mindset from being just “members of the company” to “owners,” leading to more proactive involvement in enhancing corporate value.

Currently, through the “Organizational Capability Upgrade Project,” we are actively discussing measures aiming to further strengthen sustainable competitiveness and organizational power. Standing at a new transformation stage for ambidextrous management, we will continue to prioritize investment in human capital and building an environment where every employee can realize their full potential—driving both sustainable corporate growth and contributions to the local community.

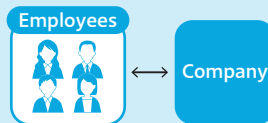
Human Capital-Oriented Management: The Story of HR Transformation



Human Capital-Oriented Management: The Story of HR Transformation

HR 4.0

- Employees autonomously select their own careers and grow together with the organization through a two-way relationship
- The company becomes a “platinum company,” offering not only ease of working, but also fulfillment in work



HR 5.0

- Both employees and the company collaborate and co-create both internally and externally, generating new value for the local community



Toward Further Career Autonomy and Growth

2022

- Introduced employee engagement survey (eNPS)
- Started career reviews
- Introduced career-based HR system
- Appointed first female executive officer hired directly from within
- Lifted the ban on side jobs outside the company
- Replaced the entrance ceremony with a “Welcome Meeting”
- Published the book “Brushing Up Human Resources Energizes Companies and Communities”
- Established a skill map
- Started HR exchanges with local governments

2023

- Shifted to role-based pay through dialogue (departure from seniority-based pay)
- Received Human Capital Leaders 2022 Award
- Won our 13th Japan Most Valued Company Award, Minister for Regional Revitalization Prize
- Introduced “Grandpa and Grandma Parental Leave” system (childcare leave for grandparents)
- Introduced unrestricted leave of absence system (for all purposes, including study abroad)
- Launched “Wellness Support Team” as part of health management
- Introduced employee restricted stock compensation plan (RS plan)
- Started initiatives for financial wellness
- Introduced “Career Design Training” for autonomous career development

2025

- Certified as a “White 500” health and productivity management corporation (large enterprise category) for four consecutive years
- Appointed first female director hired directly from within
- Ranked No. 1 in Ministry of Health, Labour and Welfare comprehensive evaluation of health insurance association activities
- Established a nursing care consultation desk
- Ranked No. 1 nationwide in comprehensive evaluation indicators set by Japan’s Ministry of Health, Labour and Welfare
- Strengthened career training from Career Support Team (pre-return-to-work training, new employee training, active listening seminars for all employees)

2024

- Started “Job Challenge Program” to encourage career changes
- Introduced expert system
- Acquired Platinum Eruboshi certification
- Launched challenge-driven self-nomination system
- Introduced CEO and Employee Shareholder Association one-on-one meetings
- Introduced AI interviews for new graduate recruitment

2025

2022

- Introduced BYOD
- Accelerated internal production of subsystems
- Introduced AI chatbot
- Migrated call center system to the cloud

2023

- Started digital local currency project
- Established human rights policy

2024

- Launched Japan’s first deposit-type stablecoin “Tochika”
- Established local subsidiary in Kenya, Africa
- Launched new internet banking service for corporations
- Established Honey Bee Sports, a women’s handball team operating company
- Established Regional Future Creation for regional promotion and attraction
- Started pilot of AI (copilot)

2025

- Launched organizational capability upgrade project
- Shifted to a two-brand system (“ambidextrous management”)
- Established CCIForward, a BPO consulting firm (appointed president in their thirties)
- Abolished executive floor at headquarters, renovated to a flat workspace
- Opened new cafeteria area “Palette” in main building
- Completed new office building “Hirooka Terrace” as a venue for collaboration and co-creation with local communities

Human Capital-Oriented Management: Organizational Culture as Revealed by Engagement Surveys

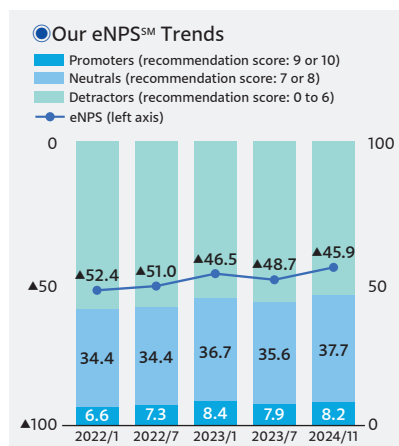
Evolution of Job Satisfaction through Engagement Surveys

Our company aims to deliver value to the region by widely sharing our vision, strategies, and initiatives both internally and externally, fostering a collective commitment among all employees. To realize this goal, we utilize online tools such as Microsoft Teams to visualize strategic discussions within each department in real time. Additionally, our proprietary HRM system enhances information transparency by sharing employee career plans and one-on-one dialogue content throughout the organization.

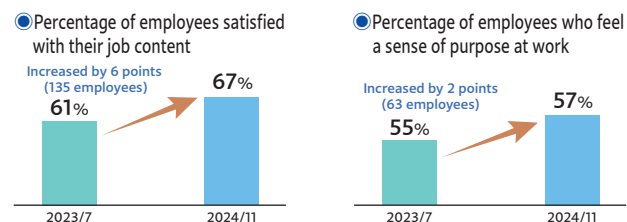
This visualization of information encourages cross-departmental collaboration, driving innovation and improving engagement. We have also abolished top-down quotas, established an open and flat workplace, and created opportunities for dialogue beyond job titles and departments, thereby fostering a psychologically safe work environment. These efforts have enabled employees to freely exchange ideas, cultivating an open and communicative organizational culture.

Since 2022, we have adopted the Employee Net Promoter Score (eNPSSM) as an indicator of job satisfaction (combining ease of work and sense of purpose). In the fifth survey conducted in November 2024, we achieved a record high score of -45.9 (average recommendation score: 6.0).

This improvement is attributed to an increase in positive

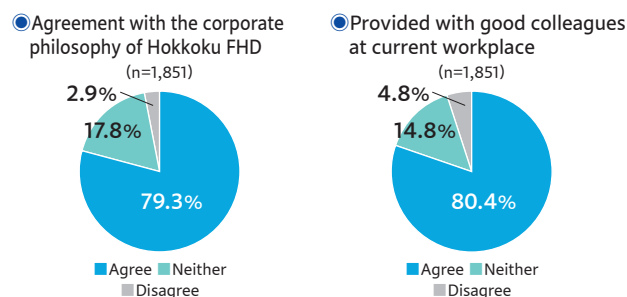


responses to questions about “satisfaction with job content” and “sense of purpose at work.” We believe this favorable shift is the result of initiatives such as assignments and dialogue tailored to career plans, which addressed issues identified in the fourth survey.



Another notable feature revealed by the engagement survey is our employees’ strong empathy toward our corporate philosophy and their high level of satisfaction with workplace relationships.

In the November 2024 survey, approximately 80% of employees responded positively to “agreeing with the corporate philosophy” and “being blessed with good colleagues at the current workplace.”



This reflects the daily permeation of our corporate philosophy through the weekly messages delivered by the CEO, frequent dialogs between management and employees, and opportunities within workplaces to discuss corporate strategies and philosophy. Sharing our mission has become the driving force behind various company initiatives.

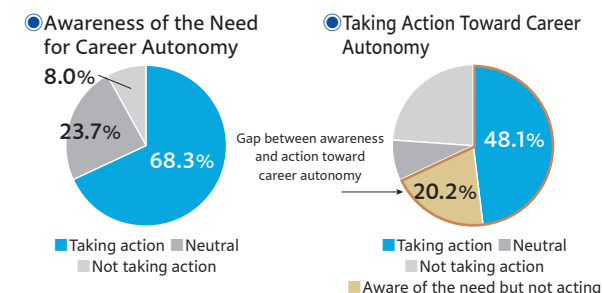
Furthermore, regarding workplace relationships, monthly one-on-one meetings and open forums for free exchange of opinions—made possible by increased information transparency—have fostered trust among employees and enhanced workplace comfort.

Further Enhancing Job Satisfaction

While the overall trend in our engagement survey has been positive, two key challenges have emerged from our pursuit of even greater job satisfaction.

Challenge 1: Promoting Actions Toward Career Autonomy

The data shows employees with higher engagement scores are significantly more likely to report taking action toward autonomous career development. However, there is a 20% gap between those who “recognize the need for career autonomy” and those who actually “take action.” To address this, our company has been creating an environment that encourages action through efforts such as offering career development workshops and providing individual support through our Career Support Team, as described later.



Challenge 2: Differences in Job Satisfaction by Role

The survey also highlighted variances in job satisfaction depending on the nature of work. In particular, employees engaged in individual front-line operations reported an average satisfaction score of 5.4, which is 1.4 points lower than the 6.8 average among those involved in corporate sales and planning roles. A key issue appears to be the reduced real contact with customers, making it harder for these employees to feel a connection between their work and the company’s strategy and vision. Through job crafting workshops, opportunities for direct one-on-one discussions with the CEO, and initiatives aiming to visualize customer feedback, we are providing employees with more opportunities to rediscover meaning in their roles and realign with company direction. These efforts are designed to enhance both customer satisfaction and corporate value.

Human Capital-Oriented Management: Organizational Culture as Revealed by Engagement Surveys

Cultivating Action Toward Career Autonomy

We have established a support system that empowers employees to proactively design their career plans and take autonomous actions toward career development.

To enable each employee to realize their ideal career and fulfill expected roles within the organization, we have introduced “career reviews” as a mechanism for reflecting on desired career paths and daily work. By taking stock of their duties, employees clarify their strengths and challenges to inform their career development. Twice a year, during “Career Month,” we also conduct “tailor-made one-on-one” meetings across departments and positions; through these meetings, employees discuss career goals and consult on work styles suited to their life plans. These opportunities help employees determine their direction and translate aspirations into concrete action. Our “Career Support Team,” composed of nationally certified career consultants, expanded to 12 members through internal recruitment in 2024 and provides expert, third-party viewpoints during career consultations and interviews.

Furthermore, in June 2025, we collaborated with the employee union and Human Resource Development Department to hold a “Listening Skills Seminar” for all employees. This event provided both theoretical and practical communication techniques that can be used in one-on-one meetings. We also conduct career consultations and workshops in new graduate training and hold events for employees returning from childcare leave. Through these initiatives, we continue to develop an environment where employees can independently consider and act on their careers.

Fostering an Ownership Mindset

We are working to enhance each employee’s ownership mindset—encouraging them to view company strategies from a “shareholder’s perspective” and participate in management as individual investors.

In July 2025, we held the second “Employee Stockholding Association × CEO One-on-One Meeting.” This hybrid event, combining in-person and remote participation, was attended by about 500 employees.

After thorough discussions at the workplace level, representatives from each department shared questions and proposals on topics such as “strategy,” “business initiatives,” “capital policy,” and

“branding” directly with the CEO, resulting in lively exchanges that reflected the perspectives of employees. Following the meeting, a roundtable discussion between employees and management was also held in a casual atmosphere, deepening mutual understanding.

As an initiative aiming to boost engagement through ownership, we have introduced a Restricted Stock (RS) program that grants shares to employees based on ROE performance levels. Through such systems and opportunities for dialogue, we aim to draw out employee initiative while strengthening governance and enhancing corporate value.

By encouraging every employee to think of themselves not just as members, but as “owners” of the company, we are creating an environment where stronger governance and sustainable growth in corporate value can be achieved.

●Scenes from CEO One-on-One Meetings



Launch of the “Organizational Capability Upgrade Project”

To further advance our “ambidextrous management,” which balances the deepening of existing businesses with the exploration of new fields, we have initiated the “Organizational Capability Upgrade Project.”

This project visualized on-the-ground feedback from employee and executive interviews, clarifying organizational challenges previously difficult to identify through conventional surveys. The issues identified are not limited to systems and operations, but are deeply related to organizational culture and mindsets. We recognize that further transformation will be necessary for achieving sustainable growth and higher corporate value.

Group executives are leading repeated discussions to consider improvement directions from five perspectives of organizational analysis. Based on the challenges identified, we will continue to implement cross-departmental conversations and measures to further strengthen organizational capabilities.

●Discussions on organizational issues from five perspectives



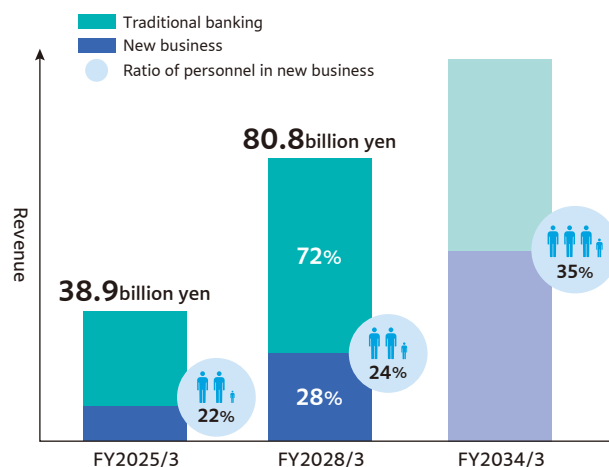
Human Capital-Oriented Management: Human Resource Portfolio linked to our business strategy

Organizational Linkage Between Business and Human Resource Portfolios

Our company advances through an “ambidextrous management” approach, leveraging our traditional banking strengths while expanding into new business domains such as consulting, cashless transactions, investment funds, regional revitalization, and digital systems. Aiming to balance the composition ratio of operating profit between banking and new businesses at 50:50 by 2030, we are accelerating the evolution of our business portfolio for sustainable growth.

Meanwhile, our human resource portfolio remains in development to match this business transformation. As of March 2025, the composition stands at “Traditional Banking: New Business = 78%:22%.” Looking ahead, we aim to increase the proportion of employees engaged in new businesses to 35% (current planned value) while pursuing greater productivity through AI and data utilization. The synergy of human and digital capital will dramatically enhance our organizational competitiveness.

● Business Revenue and Personnel Ratio Trends



Clarification of Personnel Requirements and Visualization of Skills

To build an effective human resource portfolio, we first need to clarify personnel requirements for each business portfolio. By systematically defining skill sets via skill maps, we visualize the requirements for each role. This approach increases the accuracy of talent matching for recruitment, development, and deployment, enabling us to realize a human resource portfolio aligned with our business strategy.

With a career-based HR system, employees work within an evaluation framework based on skills, roles, productivity, and contribution, supporting autonomous career development. Through programs such as temporary internal trial postings, in-house second jobs, and open recruitment, we provide opportunities for employees to gain cross-functional experience, promoting internal talent mobility and fostering innovation.

Business Transformation and Maximization of Human Capital Value Through AI Utilization

We are standardizing skills for AI and data utilization, actively implementing initiatives for operational efficiency and value creation. All employees already use Copilot, and we have applied generative AI to a wide range of activities, including document creation, recommendations for sales activities using AI/data, automatic speech-to-text and summarization for call center operations, chatbots, and AI interviews for hiring. Currently, we are launching a new project in the field of customer support, where AI and humans collaborate; by automatically brushing up knowledge from inquiry logs, we are building an autonomous support model that delivers optimal responses tailored to individual customer situations.

By coexisting with AI, employees are shifting to more advanced and creative tasks, developing an environment that maximizes the potential of our human capital. Moving forward, we will enhance AI literacy across all positions through role-specific guides and phased training programs, supporting the practical application of AI skills and concentrating personnel on strategic tasks to maximize human capital value.

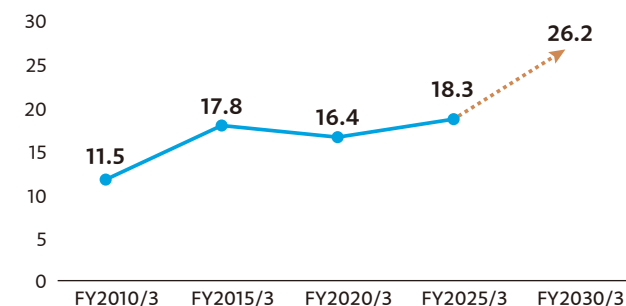
Vision for Human Capital Toward 2030

To date, we have achieved streamlining through centralization and digitization of routine office tasks, clearly distinguishing between roles that can be replaced by systems and those that should be performed by people. By focusing on employee development, we have increased the ratio of full-time employees while reducing part-time workers handling routine tasks. With a full-time employee ratio of 91.7%, significantly exceeding the national average for regular employees (69.2%)*, we foster an organization that maximizes the abilities and potential of every employee (▶P.49).

This initiative has also led to higher per capita compensation and growth in employee added value, yielding steady results as a measure for enhancing employee contributions. In constructing a mid-to-long-term human resource portfolio, we aim to keep overall personnel numbers moderate while increasing per capita added value, allowing employees to maximize their abilities and drive corporate value. Achieving this requires a system in which AI and people complement each other. By acquiring AI and digital skills, all employees will shift to roles that require creativity and strategic thinking, while AI continues to drive operational efficiency. By promoting these two pillars, we will deliver business operations that are both precise and agile, tailored to regional needs.

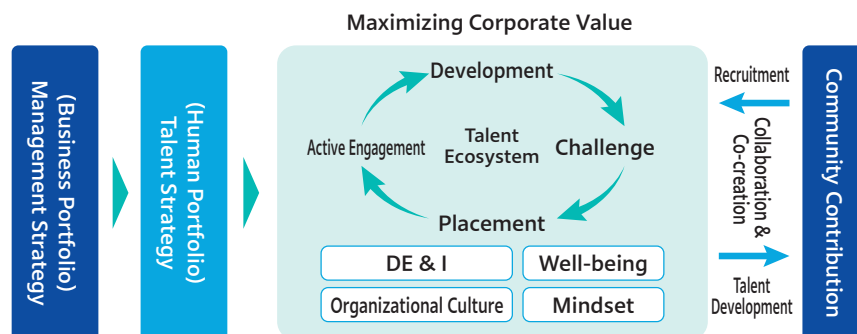
* Ministry of Health, Labour and Welfare, Monthly Labour Survey, April 2025

● Trends in Added Value per Employee (millions of yen, including part-timers)



Human Capital-Oriented Management: The Human Resource Ecosystem

Overview of the Talent Ecosystem



We view investment in human capital as a key management initiative for responding to rapidly changing business environments and increasingly diverse markets. To achieve sustainable corporate growth while contributing to local communities, we have established and operate a comprehensive "Talent Ecosystem" that encompasses recruitment, development, placement, challenge, and performance. This integrated approach ensures the continuous creation and activation of talent, supporting both our organizational objectives and broader societal value.

Recruitment: Creating Spaces for Diverse Talent

Recruitment marks one of the starting points of our ecosystem, where we welcome individuals with a strong drive for challenge and diversity. In addition to hiring new graduates, we proactively utilize mid-career recruitment, which accounted for 61% of hires in FY2024. The influx of external perspectives and values brings fresh ideas and energy to our organization, driving business growth.

Furthermore, we do not limit ourselves to traditional recruitment frameworks; we actively engage with freelancers and external partners as well. By enhancing the function of our organization as a "place" where employees, alliance members, and external professionals with specialized skills can all flexibly join, we are cultivating a foundation for diverse talent to create value together. This integrated approach accelerates our business speed and flexibility, contributing to greater added value.

Talent Development: Autonomous Learning and Skills Enhancement

To empower recruited talent, we strengthen reskilling and recurrent education opportunities, supporting the acquisition of advanced qualifications and subsidizing attendance at universities and graduate schools. We focus on nurturing professionals equipped with both expertise and practical skills. All employees are encouraged to acquire knowledge and skills related to AI and data utilization, making it possible to concentrate on creative and strategic tasks through the synergy of human and digital capital.

Placement and Challenge: Systems That Enable Self-Driven Career Moves

Beyond development, it is vital to provide an environment where employees can proactively take on new roles and responsibilities. Through open recruitment, temporary internal trial posting programs, and internal side jobs, approximately 400 employees have embraced new opportunities. This flexibility allows personnel placement suited to individual career aspirations and life stages, invigorating the entire organization.

Placement is not merely a matter of personnel adjustment; it enhances the sense of growth among employees and leads to improved performance and engagement.

Performance: Talent Creating Value Both Inside and Outside the Organization

After embracing new challenges, employees find expanded fields to thrive. In addition to taking on broader roles within the group, opportunities are increasing for our talent to be dispatched to local enterprises and governments, demonstrating value externally as well. By contributing to local communities as management and expert talent, our corporate philosophy and values permeate society, while fostering a spirit of challenge that cycles back into our organization.

Well-Being: Linking Management Strategy with Employee Health

At the core of our talent ecosystem, which aims to maximize corporate value, is the well-being of our employees. To support health, our company, health insurance association, and employee union work closely together, and in 2024, we were certified as a "White 500" Outstanding Health & Productivity Management Organization for the fourth consecutive year. Additionally, we ranked first nationwide on the comprehensive evaluation index set by Japan's Ministry of Health, Labour and Welfare, receiving high marks for our multifaceted health initiatives.

Our Wellness Support Team consists of occupational physicians, mental health specialists, counselors, psychiatric social workers, public health nurses, and registered dietitians. In FY2024, the team conducted more than 2,800 consultations and interviews, contributing to a reduction in average leave duration (down by 1.7 months per person), a decrease in absenteeism rate (down by 0.09%), and improved employee performance.

Going forward, we will further visualize and analyze health data to provide more effective support, taking proactive measures to address issues. In FY2025, we plan to introduce a system that visualizes each employee's health status and supports behavioral changes to improve lifestyle habits, aiming to promote health for both individuals and the organization.

*Comprehensive Evaluation Index for Insurers Subject to Post-retirement Support Payment Reductions (Category 1)



Human Capital-Oriented Management: Human resource Development and Capability Enhancement

Talent Development Policy

In an era of rapid environmental change and growing uncertainty, we have refined our talent development policy to realize “ambidextrous management” for sustainable growth and the establishment of lasting competitive advantage. Our approach emphasizes building a foundation of mindset—including organizational culture and ownership—while enhancing both basic and hard skills, aiming to nurture “professional talent” who contribute to improving regional quality.

1. In addition to the foundational skills—such as human skills and problem-solving abilities—that we have traditionally valued, we now explicitly include rapidly evolving digital skills, such as AI proficiency, as essential basic skills for job execution. By utilizing generative AI and AI agents, we will accelerate fundamental business reforms and promote talent shifts from routine tasks to high value-added work through targeted development programs.

2. To strategically advance and monetize new businesses in each domain, we recognize the need for talent with high levels of expertise. Furthermore, in order to foster the growth of local companies, it is crucial to develop “management talent” who will form the core of business operations. Therefore, in addition to “professional talent,” we have newly defined “management talent” and “expert talent” as aspirational roles within our organization.

These initiatives contribute to enhancing corporate value from the perspective of human capital management, and through talent development, we will strengthen the foundation for medium- to long-term growth.

Career Stages Toward Achieving Management Strategies through Talent Development

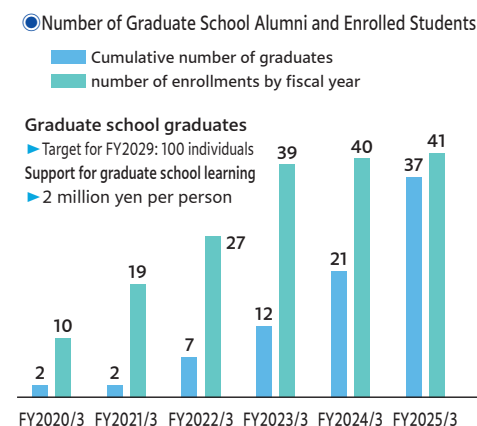


Toward the Development of Transformational Management Talent

Our company is dedicated to cultivating high-quality talent essential for realizing management strategies. In particular, we aim to develop personnel who directly engage with regional business management. We recognize the importance of developing individuals capable of adapting to rapidly changing external environments, driving innovation, and leading organizational and business transformation.

Based on this understanding, we position reskilling as a key element of our management strategy and support the systematic acquisition of advanced skills necessary to lead transformation, such as conceptualization, creativity, logical thinking, and problem-solving abilities.

Currently, the number of graduates and current students who have developed through graduate school learning has reached 78, and they have achieved practical results as management talent, including the commercialization of business plans and appointment as board members in group companies and regional enterprises. This year, a younger employee in their thirties, who had studied business development, was appointed president of a group company—an example of career advancement made possible through learning. Going forward, we will accelerate the development of “management talent” that balances the realization of management strategies with contributions to regional society through proactive investment in human capital.



Takuya Maeda
President and Representative Director
CCIForward Co., Ltd.

With Determination as a Business Leader: Becoming President in My Thirties

Since joining Hokkoku Bank in 2011, I have worked as a corporate representative, providing consulting and loan services to local companies in the Hokuriku region. As I reflected on my career, I decided to systematically acquire the skills necessary for management and leadership by enrolling in the Graduate School for Project Design. There, I studied new business creation as a researcher and further developed liberal arts and leadership skills through BBT courses. Both institutions offered rich opportunities to learn from peers across different ages and industries, as well as from diverse faculty, allowing me to cultivate business conceptualization, multifaceted perspectives, an executive mindset, and an understanding of what it means to be a leader.

Leveraging these skills and the personal networks I built, I established CCIForward Co., Ltd. in May 2025 together with Money Forward and Seven Rich, launching a BPO business and assuming the role of President. Moving forward, I am committed to demonstrating strong conceptualization and leadership abilities to grow this business and develop it into a core enterprise for our company.

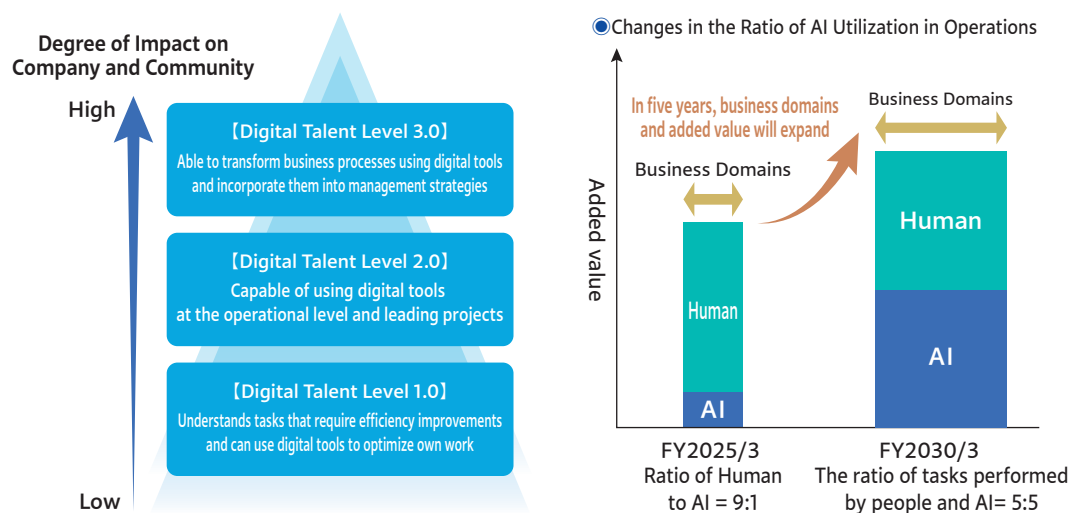
Human Capital-Oriented Management: Human resource Development and Capability Enhancement

Development of Digital Talent

In today's rapidly changing external environment, leveraging digital technology and AI is essential to productivity enhancement, business domain expansion, and the creation of new added value. At our company, we define "digital talent" as individuals who can utilize IT and AI to improve operational efficiency and deliver new value to clients and the community. We are committed to fostering such talent.

Specifically, we have provided approximately 600 employees with paid licenses for M365 Copilot and regularly hold in-house study sessions to share best practices and promote efficiency. While our initial use of AI centered on tasks such as taking minutes and creating documents, we have since expanded its application—through external partnerships—to areas like call center operations and business matching with client companies. This shift reflects a growing digital and AI-driven mindset across our organization.

However, the number of employees actively utilizing AI remains limited. To maximize added value, it is vital for all employees to embrace digital and AI tools. Therefore, we have set a goal for all employees to reach "Level 1.0" by 2030. This level is defined as "understanding which tasks require efficiency improvements" and "being able to use digital tools to streamline one's own work." We support skill development through the use of checklists and by offering training and practical opportunities tailored to each skill level. These initiatives empower employees to broaden their business scope and increase added value, enabling us to build a talent portfolio centered on digital expertise. As a result, we believe these efforts will strengthen our organizational capabilities toward realizing business strategies and establish a foundation for sustainable growth.



Initiatives for Talent Development Using Skill Maps

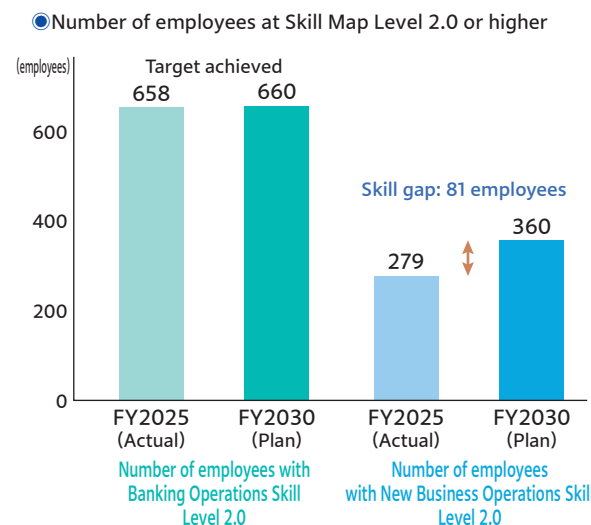
The acquisition of essential hard skills for business execution is positioned as a key factor in talent development. We have formulated a "Skill Map" that covers not only banking operations but also a broad range of business domains such as consulting and investment. With this Skill Map, employees can grasp the skill sets required for both their current roles and future career paths, promoting autonomous growth.

Visualizing employee skill levels enables us to optimize our human resource portfolio and arrange personnel in the right positions, facilitating talent development and activity in line with our management strategies. The Skill Map sets skill levels from 1.0 to 3.0 using two axes: "knowledge" and "practice." We define those at Level 2.0 and above as "talent who possess business knowledge and experience and can deliver value independently," and apply this standard as a benchmark for talent development. By 2030, we plan to allocate approximately 1,100 staff to banking operations and around 600 staff to new business operations, aiming for more than 60% of talent in each area to reach Level 2.0 or higher.

In banking operations, we have already achieved the target of 660 staff at Level 2.0 or above. However, for new business operations, we are short by about 80 staff against our goal of 360, making this gap a key focus for future initiatives. Traditionally, in banking operations, experienced personnel have mentored trainees in knowledge and practical skills. In new business operations, however, methods for skill acquisition are not yet systematized. Going forward, we will introduce new sheets that visualize employee growth levels and clarify specific learning methods.

We are also revising our evaluation system to ensure employee growth is reflected through compensation, aiming to boost motivation and accelerate development. Employees who acquire new business skills in addition to their banking expertise develop further strengths and become increasingly valuable talent. Improvement of this nature benefits the individual while also fostering the development of talent capable of creating new added value for the company.

Through these initiatives, we aim to establish a human resource portfolio based on our business strategy and build an organizational foundation that enables flexible and sustainable growth in a rapidly changing business environment.



Human Capital-Oriented Management: Cultivating and Deploying Professional Talent

Initiatives for Talent Deployment That Creates Value in Local Communities

As part of our human capital management strategy, we focus on both internal talent development and the deployment of individuals who can provide value to local communities and client companies. Our mission is for employees to utilize the values, skills, experiences, and perspectives they have developed within our organization to take on new challenges and directly contribute to value creation as management personnel in regional companies.

Diverse Approaches to Talent Deployment

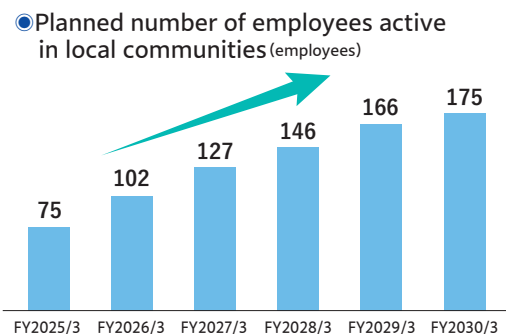
Specifically, we actively dispatch personnel to regional companies as board members, enabling them to participate in key management decisions. We also promote “hands-on support” aimed at business revitalization and improvement, where our employees are deeply involved in day-to-day operations, providing practical assistance in areas such as finance, HR, and operational improvement to address management challenges. Furthermore, we offer secondment opportunities for specialized talents, including system engineers, thus broadening the scope and impact of our deployment initiatives.

As of March 2025, 75 of our employees are actively contributing outside the company, and we expect this number to exceed 160 by the end of March 2029. By sharing our advanced practices, culture, and values externally, we strive to deepen trust with local communities and realize sustainable value creation.

Rising Expectations for Advanced Talent

As the business environment undergoes rapid change, the expertise and skills required in management roles are becoming increasingly sophisticated. In particular, management professionals are expected to possess a broad understanding of diverse fields and the flexibility to address complex issues. To meet these evolving demands, we are accelerating our talent development efforts.

Our deployment initiatives deliver value to external environments while also providing employees with opportunities for personal growth and new challenges. The experiences gained outside the company help broaden internal perspectives, thereby fostering a self-perpetuating cycle of human capital advancement.



Collaboration and Co-Creation with Local Communities: Sharing Knowledge for Regional Value Creation

Sharing Knowledge Through Collaboration and Co-Creation with Communities
With the vision of “providing value to local communities,” our company actively promotes the sharing

of insights and experiences cultivated internally through cooperation and co-creation with regional partners. By disseminating our knowledge to the wider community, we foster the formation of shared values and deepen the understanding of future visions.

This initiative goes beyond mere information provision, expanding into practical partnerships aimed at solving regional issues. Specific approaches include dispatching personnel to regional enterprises, providing hands-on management support and advice, facilitating exchanges of expert resources, and promoting joint projects. Through these diverse efforts, we are building a framework for companies and communities to work together toward common goals.

Accelerating Regional DX through Talent Exchange with Local Governments

Since April 2023, we have launched talent exchange programs with local governments to accelerate regional digital transformation (DX). Currently, we exchange personnel with Kanazawa City and Komatsu City, helping to digitize and streamline government administration and public services.

These efforts include initiatives aiming to enhance the usability of the digital community currency service “Tochitsuka,” as well as activities geared toward strengthening collaborative planning for future regional development. By leveraging our expertise alongside the insights of local governments, we are generating positive synergies that spread throughout the region, leading to advanced value creation.

Knowledge Sharing for Sustainable Regional Development

Sharing knowledge contributes to the sustainable growth of communities while helping us fulfill our corporate social responsibilities. By designing activities and sharing results that incorporate local perspectives, we realize two-way value creation and foster relationships built on trust, with a commitment to “evolving together.”

These initiatives have a broad impact on regional societies while also laying the foundation for a future in which companies and communities grow side by side.



Keisuke Nishida

Director,
General Affairs Department
Komatsu Electronics Co., Ltd.

New Challenges for Regional Business Growth

Since March 2023, I have been working at Komatsu Electronics Co., Ltd., serving as General Affairs Manager while assuming responsibility for accounting, human resources, and asset management. I am also involved in various projects, such as the migration of accounting software and on-premises servers to the cloud, the revision of HR evaluation systems, and the launch of a new factory relocation project. In May 2025, I was appointed as Director.

In 2021, I enrolled in BBT Graduate School, continued my studies at my secondment destination, and graduated in March of this year. In today’s rapidly changing environment, I find great satisfaction in being able to contribute to the growth of regional companies by applying the knowledge gained at graduate school and the experience accumulated at Hokkoku FHD. Moving forward, I will continue to focus on input through continuous reskilling and output through practical experience, devoting myself to the development of my company and the mentoring of future leaders as a management professional.

Human Capital-Oriented Management: Achievement of Diverse Talent

Fair Evaluation and Treatment Enabling Diverse Talent to Thrive

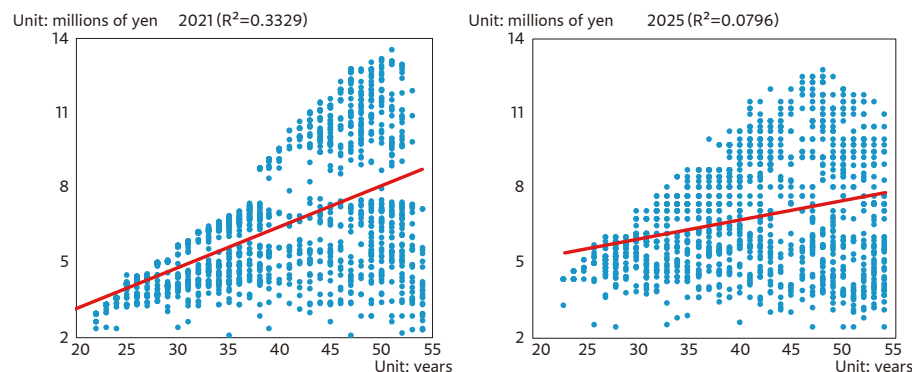
In March 2022, we revamped our traditional seniority-based HR system and introduced a “career-based HR system” focused on talent development and career autonomy. Each employee designs his or her own career proactively and grows together with the organization, ultimately enhancing corporate and regional value. This career-based HR system has three key features: ① “Career Reviews,” enabling all employees to realize their career goals and regularly reflect on their expected roles within the organization; ② a “Career-based Salary Revision Flow,” which shifts away from seniority-based pay and determines compensation through dialogue based on skills, roles, productivity, and contribution; and ③ a system under which employees with diverse backgrounds are not disadvantaged by shorter years of service, as retirement lump-sum payments are incorporated into monthly wages. Through this HR transformation, we aim to maximize organizational capabilities by fostering collaborative and co-creative talent.

Transition to Early Promotion for Young Employees Through Evaluation and Pay System Reform

In our second career-based salary revision flow implemented in 2025, the influence of seniority further diminished, shifting toward a job-size-based pay structure. We quantified the degree of seniority by calculating the “seniority coefficient”; in 2021, the correlation between age and annual salary was 0.3329 (moderate), but by 2025, it had fallen to 0.0796, indicating minimal impact of age on compensation. Additionally, by abolishing regular raises for younger employees and moving to a job-size-based salary system, we expanded opportunities for young talent and achieved fair treatment based on individual performance and value contribution.

Since 2024, we have introduced a “self-nomination system” for assignment and promotion, providing opportunities based on motivation, enthusiasm, and abilities. By fairly evaluating the results of these challenges and contributions to the organization, we promote early advancement of young employees and accelerate talent development, leading to greater organizational vitality.

Correlation Between Age and Salary (Seniority Coefficient)



Eliminating Gender Pay Gap

Under the previous HR system, significant gender pay gaps existed due to years of service and the distinction between “general” and “professional” tracks, resulting in substantial differences even for identical job sizes. With the latest salary revision, we introduced a fair evaluation system based on job size regardless of gender, greatly reducing pay disparities per role. However, the overall gender pay gap remains significant at 29.4%, and addressing this issue remains a priority. The two main causes are:

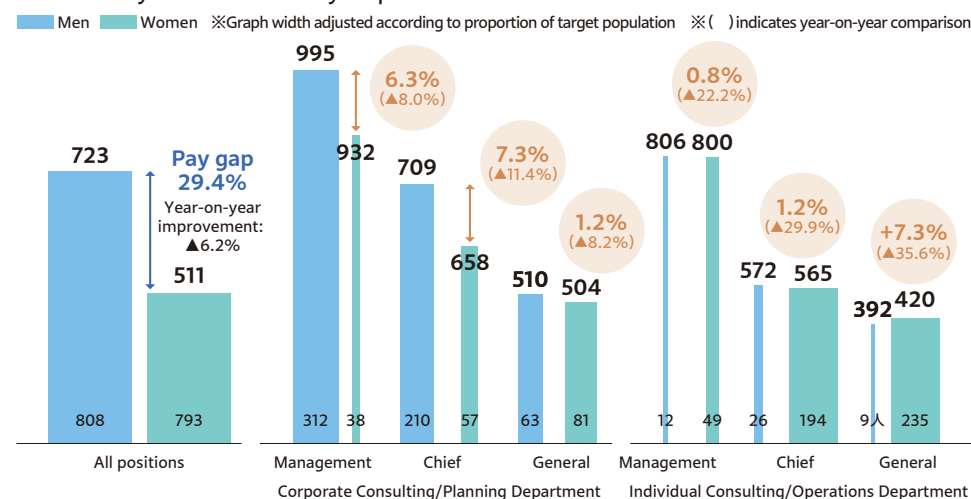
- Low female promotion rates to management, resulting in fewer women in upper positions
- Legacy track-based HR system, leading to concentration of women in individual consulting and operations departments

Going forward, we will proactively support women seeking new challenges and build a framework allowing all employees to select positions and roles regardless of gender.

[Measures]

- ① Supporting women in corporate consulting/planning departments, ensuring life events such as childcare and caregiving do not interrupt their careers (e.g., introduction of corporate consulting assistant roles, use of flextime system)
- ② Assisting career changes from individual consulting/operations to corporate consulting/planning roles (e.g., implementation of job challenge programs)
- ③ Increasing motivation for promotion to management and creating opportunities to take on new challenges (e.g., encouraging participation in external exchanges, introducing self-nomination system)

Income by Position and Pay Gap (Unit: ten thousands of yen)



Human Capital-Oriented Management: DE&I

Current Status of Promoting Women's Participation and Future Challenges

Our company positions DE&I (diversity, equity, and inclusion) as a core management principle, striving to create an environment where each employee can work authentically while maximizing his or her potential. In July 2024, we received the highest-grade “Platinum Eruboshi” certification as a company promoting women’s participation, but we view this achievement as a mere milestone. Going forward, we aim to support women’s active roles in even more diverse fields and become an organization that leads social and generational change.

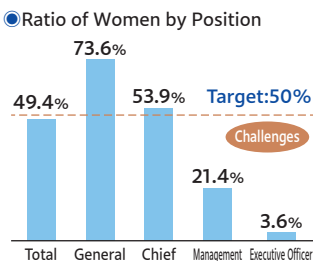
Broad participation of women in management and strategic decision-making enhances corporate competitiveness while also serving as a driving force for expanding opportunities for women in local communities. Promoting women’s participation is more than just effective human resource utilization—it is a strategy for sustainable corporate growth.

The ratio of women in our total workforce stands at a high 49.4%, maintaining an industry-leading standard. However, by position, the percentage of female managers remains at 21.4%, highlighting ongoing challenges in promoting women to higher positions.

Expanding Opportunities and Assignments to Key Positions for Women

We are now accelerating the appointment of women to both individual consulting/operations roles, where they have been traditionally prominent, and corporate consulting/planning departments. In March 2025, 15 female employees were assigned to head positions (department heads, sales managers, group leaders) in 14 divisions (an increase of three divisions from the previous year), expanding opportunities for women to play key roles in strategic decision-making and value creation for clients.

Future Outlook: Creating Opportunities and Diversifying Careers



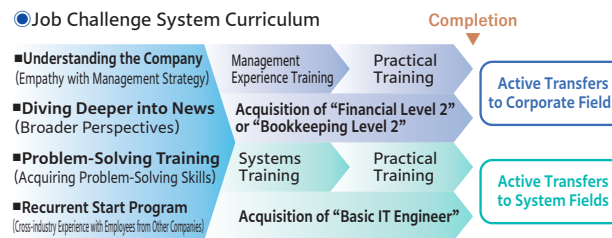
Careers

To help women gain diverse experiences both inside and outside the company and expand their career possibilities, we are strengthening initiatives such as ①sending employees to external training and courses, ②encouraging “cross-industry” learning opportunities, and ③

creating more chances for women to challenge themselves and broaden their career choices. By expanding the range of opportunities for women, we aim to enable all employees to demonstrate their abilities and contribute to organizational quality and regional development.

Supporting Career Changes

Lack of self-confidence and low self-evaluation due to insufficient experience or skills are major reasons for anxiety among women regarding their careers. To address these concerns, we introduced the “Job Challenge System” in June 2024. This system supports employees in customer service or operations roles to expand into more specialized fields, such as corporate sales or systems/digital operations, through structured knowledge and practice. Over a year-long curriculum, participants deepen their understanding of our company and the local community, broaden their perspectives, and acquire soft skills such as problem-solving and logical thinking, as well as hard skills through relevant certifications. As a result, eight participants (20.5% of participants) successfully changed careers. We will continue these initiatives to dispel career anxieties for women and build an environment where all employees can proactively develop their careers.



Building Confidence Through Cross-Industry Exchange

For management development, in addition to sharing company know-how, broader perspectives and higher viewpoints are essential. To this end, we implemented joint training sessions for chief-level employees with NTT DOCOMO Hokuriku, as part of growth support through cross-industry exchanges.

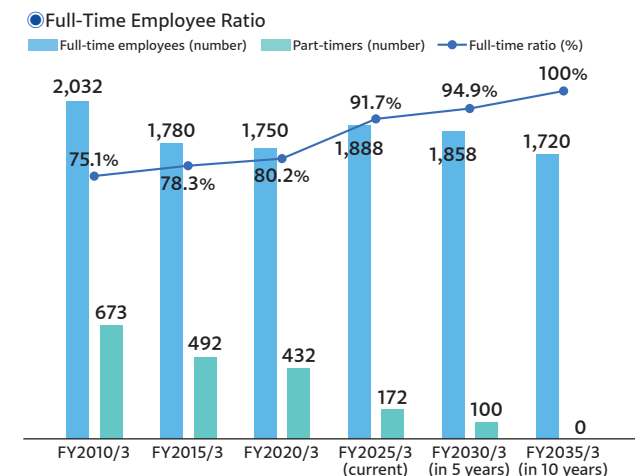
This training focused on the theme “Challenges and Countermeasures for Promoting Women’s Participation in the Hokuriku Region,” involving group work over about a month and

a half. Teams proposed initiatives and held discussions extending beyond company boundaries, deepening their understanding of social issues and encouraging behavioral change through personal declarations.

Dialogue with other industries provides objective self-reflection, helping participants develop problem-solving and influence while building confidence for the next stage.

Promoting Full-Time Employment for Part-Timers

Amid increasingly diverse and sophisticated operations, we are striving to create a flexible and robust organization where all motivated employees can fully thrive. One such initiative is “promoting part-timers to full-time employment.” Currently, our full-time employee ratio stands at 91.7%, far above the corporate average, with a goal of reaching 100% by FY2035. These promotion represent more than a mere change in employment type—they support financial security, career development, and sustainable organizational growth. By becoming full-time employees, individuals gain more opportunities for career changes and advancement, and there are increasing cases of part-timers stepping up to chief or management roles. We believe in each person’s potential and will continue to enhance systems and support so everyone can work authentically and shine in their own way.



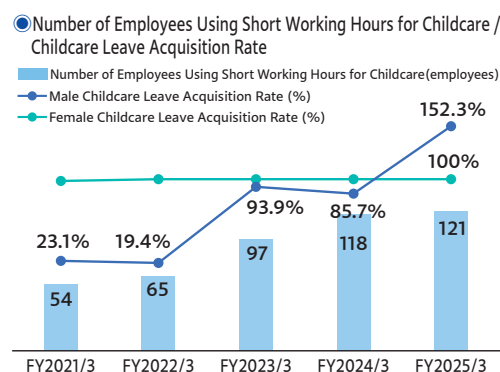
Human Capital-Oriented Management: Well-Being

Realizing Sustainable Work Styles Through Support for Balancing Childcare, Nursing Care, and Careers

We are strengthening initiatives to prevent career interruptions caused by childcare or nursing care as part of our efforts to create an environment where each employee can continue to work long-term with peace of mind. We provide seamless support for childcare, spanning from before childbirth to after returning to work, to help employees maintain and grow their careers. “Pre-maternity leave” has been introduced to accommodate health concerns during pregnancy, preparation for childbirth, and participation in seminars for parents. Before resuming work, employees have one-on-one meetings with the Human Resource Development Department to resolve anxieties and redesign their career paths, thereby preventing career segmentation due to leave.

We are also actively promoting paternal participation in childcare. In FY2024, the male childcare leave acquisition rate reached a high level of 152.3%. Initiatives include direct promotion of leave acquisition by the Head of Human Resource Development to employees and their supervisors and the hosting of seminars for fathers (“Ikupapa!”), fostering a culture through which men can easily take childcare leave. Moving forward, we aim to lengthen the average duration of male childcare leave—which currently stands at 11 days—to approximately one month.

Support for balancing work and caregiving is also a critical measure from the perspectives of talent retention and personnel acquisition. By changing nursing care leave from unpaid to paid from July 2024, the number of users of this system in FY2024 increased to 40 (up 35 from the previous year). Additionally, eight employees utilized short working hours for nursing care, making work-life balance possible even while caring for family. We have also established a consultation desk for nursing care and will continue to grasp the actual situation of potential “business careers” within the company while working to build communities where caregivers can connect and further promoting system awareness and utilization.



Financial Wellness Initiatives

~Supporting the Balance Between Treatment and Work: Introduction of GLTD (Group Long-Term Disability Income Protection)~

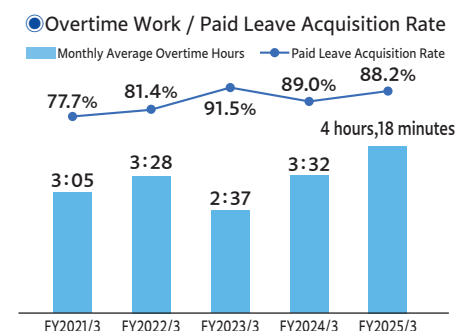
We are working to improve each employee’s financial wellness, ensuring they can work with peace of mind now and into the future. Through support for corporate DC and iDeCo utilization and educational opportunities related to asset formation, we help employees achieve financial independence and expand their choices, serving as a foundation for flexible working styles and career development tailored to each life plan.

In April 2025, we introduced the GLTD (Group Long-Term Disability Income Protection) system for

all group employees. The GLTD system is designed to compensate a certain percentage of income if an employee is unable to work for an extended period due to illness or injury. This system provides financial support for employees who require long-term medical care, helps create an environment that facilitates early return to work, ensures fairness and transparency in benefits, and enhances the sense of security and engagement among employees.

Achieving Fulfilled Lives and Job Satisfaction

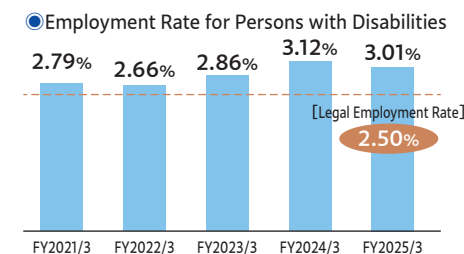
We aim to create an environment where all employees can work autonomously and creatively, focusing on developing and operating flexible work systems. In particular, the introduction and enhancement of flextime and short working hours systems have increased operational efficiency and improved work-life balance. The flextime system introduced in March 2024 allows employees to freely choose their start and end times with no core hours, and thanks to an expansion of eligible departments in April 2025, about 60% of employees are now using the system. Feedback from employees includes comments such as “productivity and work-life balance have improved,” “focus during work has increased,” and “commuting outside rush hours reduces fatigue.” The average overtime worked per month remains low at around four hours, and the paid leave acquisition rate is about 90%, creating a flexible and comfortable work environment.



Promotion of Employment for Persons with Disabilities

To create a workplace where everyone can thrive, it is essential to develop an environment that enables people with disabilities to combine their unique strengths and stay highly motivated. We tailor support to each individual from recruitment through development and placement, working to build a workplace where everyone can work with peace of mind and expand contribution opportunities.

At the end of March 2025, our employment rate for persons with disabilities was 3.01%, exceeding the legally mandated rate. In particular, in FY2024, our Wellness Support Team, led by employees certified as mental health social workers, focused on continuous line care by regularly conducting interviews with employees with disabilities, their supervisors, and colleagues. The number of interviews (including interviews for managers) increased approximately 41% year on year in FY2024, improving the quality of workplace communication and providing enhanced support for employee success.



Corporate Governance

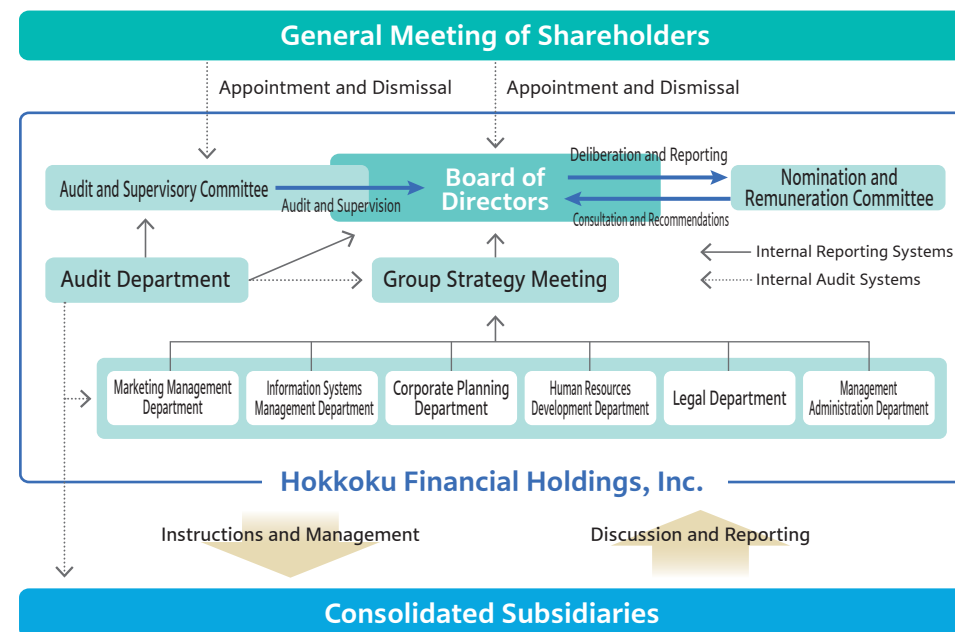
Basic Views on Corporate Governance

Our group believes that, in order to realize the philosophy and targets set out in our Corporate Philosophy and Medium-Term Management Strategy, it is vital to maintain smooth relationships with stakeholders—including shareholders—while promoting management transparency and strict compliance. We are committed to proactive IR activities and disclosure via our website and integrated reports to foster broad understanding regarding our corporate governance initiatives, aiming to be an open and highly transparent company.

Overview of Current Governance Structure

To enhance our corporate governance and further raise corporate value, we have adopted a company structure with an Audit and Supervisory Committee. By granting voting rights at the Board of Directors to directors who are members of the Audit and Supervisory Committee, we have strengthened the auditing and supervisory functions of both the board and business executives. Furthermore, the participation of external directors in management decision-making boosts transparency and efficiency, leading to further governance enhancement.

Currently, five out of nine directors are external directors (ratio of external directors: 55.5%), and all five external directors are independent, providing objective and neutral oversight and opinions. We have also established a voluntary Nomination and Remuneration Committee—chaired by an external director and composed of a majority of external directors—to secure transparency and objectivity in the process of selecting director candidates and determining director compensation. In FY2025, the number of committee members will be reduced from five to three to ensure more constructive discussion and further enhance the committee's effectiveness.



	Board of Directors	Audit and Supervisory Committee	Nomination and Remuneration Committee
Chairperson (Committee Chair)	Outside Directors	Outside Directors	Outside Directors
Composition	9 members	4 members	3 members
Ratio of Outside Directors	5 members 55%	3 members 75%	2 members 66.6%
Ratio of Female Directors	3 members 33.3%	3 members 75%	—

Inside Directors (Male)
 Inside Directors (Female)
 Outside Directors (Male)
 Outside Directors (Female)

Corporate Governance

Meeting Status of the Board and Related Committees

▶ Board of Directors (12 meetings held in FY2024)

In principle, meetings are held once a month, with extraordinary meetings convened as necessary. The board determines important matters such as management policies and strategies, receives reports on the status of business execution and other key topics, and supervises the execution of directors' duties.

〈Main agenda items〉

- **Review of group companies' business strategies and updates to the medium-term management plan**
Discussion on the results and future strategies of each group company and how these will be incorporated into the updated medium-term management plan
- **Group capital policy**
Discussions on overall capital allocation, including the appropriate level of risk assets, shareholders' equity, dividends, and share buybacks
- **Human capital strategy**
Discussions based on the direction of health management initiatives and the results of employee engagement surveys
- **System strategy**
Discussions on the direction of initiatives based on medium- to long-term system strategy and expected trends in costs and personnel
- **Measures aiming to enhance the effectiveness of the Board of Directors**
Reconfirmation of the roles and positioning expected of each director and discussions held to further revitalize deliberation and enhance effectiveness

▶ Nomination and Remuneration Committee (six meetings held in FY2024)

An optional advisory body established to discuss and exchange opinions regarding the election and remuneration of directors; with a majority of external directors, objectivity and transparency are ensured through appropriate involvement and advice.

〈Main topics discussed〉

- **Composition and structure of Board of Directors (excluding Audit and Supervisory Committee members) and director remuneration**
Discussions on the structure and remuneration of the board for the next fiscal year
- **Succession plan**
Multiple discussions on nomination and development policy, target positions, human resource requirements, and candidate pool operations; candidates were selected based on the succession plan formulated in FY2023, referencing results of 360-degree assessments and contributions to corporate value improvement through interviews with external directors and discussions among internal directors.

▶ Group Strategy Meeting (50 meetings held in FY2024)

In principle, these are held in writing online using communication tools, with in-person meetings convened as necessary. The Group Strategy Meeting makes decisions on important matters not requiring board resolution, as well as items delegated by the board, and receives reports on the status of business execution and other key topics.

Audit Status

▶ Audit and Supervisory Committee (11 meetings held in FY2024)

In principle, meetings are held once per month, with extraordinary meetings as needed. The committee audits the execution of directors' duties, prepares audit reports, and makes decisions on the election and remuneration of directors.

〈Main discussion items〉

- **FY2024 audit plan and audit contents**
Discussions on the scope and items of audits for the current year, including new projects, as well as on the results of the audits
- **Election of directors**
Discussions on the election of Audit and Supervisory Committee members, including three new appointees

▶ Overview of each audit

[Audit and Supervisory Committee Audit]

Audits are conducted independently of the Board of Directors based on policies and plans set by the committee, in coordination with accounting auditors and the internal audit department, to appropriately audit decision-making and execution by directors. Important audit issues are discussed regularly with the representative directors.

[Internal Audit]

The internal audit department, which reports directly to the Audit and Supervisory Committee, conducts audits based on the internal audit policies determined by the committee. Results are reported regularly to both the Board of Directors and the Audit and Supervisory Committee.

[Accounting Audit]

Kanade Audit Corporation is appointed as the accounting auditor, providing fair and impartial audits from an independent standpoint.

Corporate Governance

Transition of Governance Structure and Major Governance Enhancement Initiatives



2023~2025	- Utilization of external third-party organizations for board effectiveness evaluation - Implementation of succession planning - Appointment of an outside director as Chairperson of the Board - Formulation of succession plan - Appointment of an outside director as Chairperson of the Nomination and Remuneration Committee - Ratio of outside directors: 55%
2020~2022	- Revision of compensation system (increase in proportion of performance-linked compensation, both monetary and stock-based) - Regulation of term and maximum term for directors not serving on the Audit and Supervisory Committee (excluding outside directors) - Clarification of the policy to “principally not hold listed policy shares” - Strengthening of group governance structure through transition to a holding company system
2017~2019	- Ratio of outside directors: 29% - Revision of compensation system (introduction of stock delivery trust)
2014~2016	- Introduction of board effectiveness evaluation system - Transition to a company with an Audit and Supervisory Committee - Ratio of outside directors: 26%
~2013	- Revision of compensation system (introduction of performance-linked compensation and stock options) - Introduction of executive officer system

Main Initiatives for FY2024–2025

Utilization of External Third-Party Organizations for Board Effectiveness Evaluation

Since last fiscal year, we have conducted questionnaires and individual interviews with each director through Boardroom Review Japan Co., Ltd., an external third-party organization. Moving forward, we will incorporate aggregated and analyzed results into self-assessment procedures, thereby enhancing Board effectiveness and advancing the sophistication of our governance system.

Succession Plan Implementation

We have conducted candidate selection for three directors of Hokkoku Financial Holdings and one president of Hokkoku Bank for fiscal year 2025.

Multiple candidates for each position were evaluated through interviews with outside directors, as well as discussions in the Nomination and Compensation Committee and the Board of Directors—where outside directors serve as chairpersons or facilitators—to ensure a comprehensive selection process.

Setting the Annual Agenda of the Board of Directors

To facilitate constructive discussions and the effective application of participant viewpoints on key issues, we have established an annual schedule for the Board of Directors based on the group’s priority challenges. By planning and updating the agenda items in advance, we ensure systematic and timely deliberation.

Appointment and Dismissal of Directors and Executive Officers

Appointment and Dismissal Policy

Nominations for director candidates are reviewed by the Nomination and Compensation Committee before being presented to the Board of Directors. For internal director candidates, selections are made from a pre-designated pool based on integrity, a mindset for recurrent learning and reskilling, communication skills, and strategic vision—ensuring candidates possess the knowledge and experience necessary to manage the group’s operations accurately, fairly, and efficiently.

External director candidates must have extensive management experience and broad insight, providing appropriate advice and recommendations to support the Board’s decision-making, maintain and enhance the rationality and soundness of management, and strengthen corporate governance.

Reappointments are discussed in the Nomination and Compensation Committee, and the board determines whether the directors have fulfilled their expected roles. In cases of legal violations or significant misconduct, the board may call a shareholders’ meeting to decide on dismissal.

Executive officers, appointed by the board, must have the knowledge and experience necessary to manage operations fairly and efficiently. Executive officers failing to meet these criteria will not be reappointed, and those who commit legal violations or serious misconduct may be dismissed by the board.

Maximum Term for Directors (Excluding Audit and Supervisory Committee Members)

Since April 2022, we have established the maximum term for directors not serving as Audit and Supervisory Committee members. This measure aims to prevent organizational rigidity, strengthen governance, and revitalize the board while emphasizing the importance of succession planning.

Director(President) (Excluding Audit and Supervisory Committee Members)	Term: 1 year Individuals who have served for over 10 years will not be re-nominated as candidates upon expiration of their term.
Directors (except President) (Excluding Audit and Supervisory Committee Members)	Term: 1 year Individuals who reach the age of 65 upon term expiration will not be re-nominated as candidates.

Corporate Governance

Succession Plan

We have established a succession plan to enhance management sustainability and increase long-term corporate value. Key requirements for major positions are defined, and candidates are selected from a designated pool based on personality, execution ability, qualifications, and professional history, with external evaluations and interviews with outside directors as additional measures. The Nomination and Compensation Committee considers candidates before recommending them to the board for final selection.

For talent development, we implement programs tailored to individual abilities and qualifications and promote internal mobility to expand managerial capacity and perspective. Progress is regularly checked in the Nomination and Compensation Committee and the board, with plans and candidate pools reviewed as necessary to ensure proper succession.

〈Personnel Requirements and Target Positions〉

Target Positions:

① President and Representative Director ② Internal Directors ③ President of Hokkoku Bank (subsidiary)

Personnel Requirements:

① Integrity ② Mindset for continuous learning and reskilling ③ Communication skills ④ Strategic vision

〈Selection Flow〉



Director Remuneration

Policy for Determining Director Remuneration

Director remuneration is structured to incentivize contributions to regional development and sustainable corporate value growth, aligning with shareholder interests. Individual remuneration is set at appropriate levels based on each director's responsibilities. As a holding company, we have established and operate a unified remuneration system across group companies, apportioning fixed remuneration for concurrent positions held across the group

Outline of the compensation system

The executive remuneration system introduced in April 2022 increases the proportion of performance-linked remuneration, strengthening incentives for corporate value enhancement and aligning value with shareholders. Directors dismissed due to certain acts of misconduct will lose their entitlement to performance-linked remuneration, and in cases of significant fraud resulting in financial restatements, any performance-linked remuneration already received must be refunded in whole or in part.

Type	Payment Criteria, and Composition Ratios	Directors (excluding Audit and Supervisory Committee members)	Directors serving as Audit and Supervisory Committee members	Executive Officers
Fixed remuneration	paid monthly in cash	●	●	●
Performance-linked cash remuneration	paid according to ROE for the relevant fiscal year, based on the ratios below	●	—	●
Performance-linked stock remuneration	paid according to ROE for the relevant fiscal year, as restricted stock based on the ratios below	●	—	●

ROE	Director and President				Directors (excluding the President)			
	Fixed Cash	Performance-linked		Total	Fixed Cash	Performance-linked		Total
		Cash	Stock			Cash	Stock	
8% or above	45%	30%	105%	180%	50%	25%	90%	165%
7% or above, less than 8%	45%	30%	75%	150%	50%	25%	65%	140%
6% or above, less than 7%	45%	30%	45%	120%	50%	25%	40%	115%
5% or above, less than 6%	45%	30%	25%	100%	50%	25%	25%	100%
4% or above, less than 5%	45%	25%	20%	90%	50%	20%	20%	90%
3% or above, less than 4%	45%	20%	15%	80%	50%	15%	15%	80%
2% or above, less than 3%	45%	15%	10%	70%	50%	10%	10%	70%
1% or above, less than 2%	45%	10%	5%	60%	50%	5%	5%	60%
Less than 1%	45%	0%	0%	45%	50%	0%	0%	50%

Composition ratio image (※)

Fixed remuneration 45%	Performance-linked cash 30%	Performance-linked stock 25%
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※For presidents and representative directors with ROE between 5% and less than 6% (ratios vary according to position and company performance)

Corporate Governance

Skill Matrix

Our company has established a skill matrix based on the abilities necessary to advance the key business strategies outlined in our medium-term management plan. The skill matrix, which reflects the expertise and experience of our directors and executive officers, can be found below. In order to conduct appropriate management oversight and achieve sustainable growth in corporate value, we assign individuals with abundant experience, keen insight, and advanced expertise. For directors who are not audit and supervisory committee members, areas of particular expectation are marked with “◎”.

Name	Position	Company role			Expertise and experience										
		Board of Directors	Audit and Supervisory Committee	omination and Remuneration Committee	Corporate planning and strategy	Governance and risk management	Financial and capital strategy	ESG and sustainability	Marketing	Consulting	Global	Investment and fund management	Market operation	HR strategy	Digital IT strategy
Shuji Tsuemura	President & Chief Executive Officer (Representative Director)	○		○	◎	●	◎	◎		●	◎	●	◎		◎
Takeshi Igawa	Director, Managing Executive Officer (Representative Director) (General Manager of Information Systems Management Department)	○			●	◎	●								◎
Tomohiko Kikuzawa	Director, Managing Executive Officer	○			◎		●	●	◎	◎				●	●
Sakon Uda	Outside Director	★		○	◎	◎			●	◎		●		◎	
Fumihiko Haga	Outside Director	○		★	●	◎									◎
Aki Yokogoshi	Director, Audit and Supervisory Committee Member	○	○			●		●	●					●	●
Kimie Harada	Outside Director, Audit and Supervisory Committee Member	○	★				●	●					●		
Michio Kitahara	Outside Director, Audit and Supervisory Committee Member	○	○		●		●				●		●		
Sakae Komiyama	Outside Director, Audit and Supervisory Committee Member	○	○			●	●			●			●		
Kenya Tatsuno	Managing Executive Officer (General Manager, Corporate Planning Department)	—	—	—	●					●				●	●
Naotaka Terai	Managing Executive Officer (General Manager, Corporate Planning Department)	—	—	—	●	●	●	●			●			●	●
Akihisa Nitta	Managing Executive Officer (General Manager, Management Administration Department)	—	—	—	●	●			●						●
Takayuki Yamamoto	Managing Executive Officer (General Manager, Audit Department)	—	—	—	●	●	●		●						
Atsushi Shintani	Managing Executive Officer (General Manager, Information Systems Management Department)	—	—	—		●									●
Masaki Iwama	Managing Executive Officer (General Manager, Information Systems Management Department)	—	—	—						●					●
Takehito Itani	Managing Executive Officer (General Manager, Marketing Management Department)	—	—	—			●		●	●	●				
Masayuki Kita	Managing Executive Officer	—	—	—	●		●		●	●	●				
Junko Inoue	Executive Officer (General Manager, Human Resource Development Department)	—	—	—		●			●	●				●	
Takashi Mori	Executive Officer (General Manager, Legal Department)	—	—	—	●	●	●				●				
Tomoyuki Yoshikawa	Executive Officer (General Manager, Information Systems Management Department)	—	—	—		●			●						●
Shigefumi Yoshida	Executive Officer (General Manager, Information Systems Management Department)	—	—	—					●	●		●			●
Satoshi Oe	Executive Officer	—	—	—					●	●					

※★indicates the chairperson of the Board of Directors and the chairperson of each committee.

Skill Areas to Be Strengthened

We recognize the following items as skill areas that should be further strengthened for the sustainable enhancement of our corporate value. In addition to internal development and assignment of personnel with specialized skills and experience, we also envision bringing in individuals from outside the company who possess objective and effective knowledge and experience to reinforce our management foundation.

Consulting

We identify consulting and advisory services as one of our key business domains. While the consulting level of our group company, CC Innovation, has improved, we recognize the need for personnel with more advanced skills and knowledge to provide greater value to regional clients and raise overall regional quality.

Investment and Fund Management

Investment and fund management are positioned as additional key business areas. Through our investment company, QR Investment, we aim to meet increasingly diverse fundraising needs via funds and function as a regional ecosystem leader, thereby contributing to the growth and value enhancement of the entire region. In the future, while focusing on the Hokuriku region, we also plan to expand investments nationwide and overseas. To achieve a balance of return, portfolio company growth, and regional contribution, we recognize the need for individuals with more advanced skills and expertise.

Market Operation

Market operation has also been identified as a key business area. We have transferred core group market operation functions to the investment advisory company FDIco and are revising our market operation system to further enhance our capabilities. We are working to optimize portfolios based on medium- to long-term scenarios and proactively rebalance them in response to changing market conditions. To ensure stable earnings, we recognize the need for personnel with higher-level operational skills and knowledge.

Digital IT Strategy

For over 20 years, we have driven business reforms via system strategies and are currently continuing efforts targeting digital transformation. The know-how we have accumulated is returned to local clients through consulting and other means to improve productivity. Furthermore, regarding system strategies, speed and performance are essential, but cybersecurity skills are also increasingly important, and we recognize the need for personnel with more advanced skills and expertise.

Corporate Governance

Evaluation of Board Effectiveness

We conduct annual evaluations and analyses of the effectiveness of our Board of Directors, reflecting the self-assessments of each director, and disclose the results. Based on the belief that addressing issues identified through these evaluations leads to enhanced board effectiveness and, ultimately, higher corporate value, we continue our efforts to further advance the operation of the Board of Directors.

From the fiscal year 2024 evaluation, in order to ensure objective and expert evaluation of the effectiveness of our board, we petitioned Japan Boardroom Review Co., Ltd., a third-party organization specializing in board evaluations, to support the process.

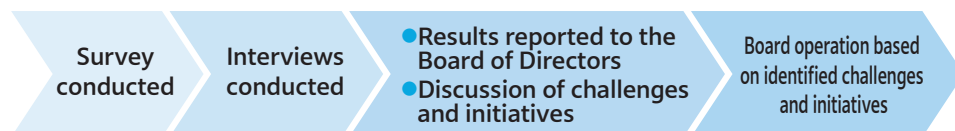
Challenges Identified in FY2024 and Response Measures

Issues	Initiatives
Redefining the Roles Expected of Directors and Sharing Understanding to Stimulate Further Discussion	We discussed and shared perspectives on the roles expected of each director (internal, external, executive, and non-executive). Based on these defined roles, we also selected three candidates for the Hokkoku Financial Holdings Board of Directors for the 2025 fiscal year.
Strengthening Commitment to Various Strategies Through Systematic Discussion of Important Proposals	We created an annual agenda for important proposals and endeavored to submit them systematically according to this plan. In addition to the existing “Matters for Resolution” and “Matters for Report,” we newly established a category of “Matters for Discussion.” This new category has facilitated early sharing of important agendas and ensured constructive and sufficient deliberation by clarifying key points and issues for resolution.
Enhancing Follow-Up on Comments and Instructions from the Board of Directors	We standardized and thoroughly managed additional reports that were previously handled individually by relevant departments. Additionally, recognizing opportunities to further improve the follow-up cycle and level of reporting detail, we will continue to work on these enhancements.

FY2024 Board Effectiveness Evaluation Procedures

A survey and individual interviews were conducted with each director by Japan Boardroom Review Co., Ltd., a third-party evaluation organization, and the results were reported to the Board of Directors. The survey consisted of a five-point scale for each question and free-form responses, while the individual interviews were conducted in dialogue format based on each director’s survey responses.

Moving forward, we plan to hold discussions regarding challenges and responses based on the reported results.



Survey Items (Main Categories)

1. Company Management Issues and Risks
2. Role and Function of the Board of Directors
3. Status of Board Operation
4. Discussion at Board Meetings
5. Board Size and Composition
6. Composition and Role of the Nomination and Compensation Committee
7. Operation of the Nomination and Compensation Committee
8. Composition and Role of the Audit and Supervisory Committee
9. Operation of the Audit and Supervisory Committee
10. Support System for Outside Directors
11. Relations with Investors and Shareholders
12. Overall Governance Structure and Board Effectiveness
13. Self-Assessment

Key Issues and Initiatives for Further Enhancing Board Effectiveness

Based on the results of the survey and individual interviews, we confirmed that our Board of Directors is composed of diverse members and engages in open, active, and constructive discussions, ensuring its effectiveness. However, in order to further enhance board effectiveness, the following challenges have been identified.

Issues	Initiatives
Setting Agendas Linking Board Discussion to Corporate Value Enhancement	To connect governance to corporate value enhancement, we plan to set strategic agendas from the perspective of “what should be discussed by the board,” enabling systematic and effective discussion.
Deepening Discussion at Board Meetings	- Discussing and sharing long-term business portfolio strategies, including the banking business, and aligning investments, initiatives, and timelines to realize them - Engaging in more quantitative analysis-based discussions and decision-making regarding management issues for each business - Balancing regional contribution and shareholder value for each project, and reflecting profitability, sustainability, and human resource development considerations in decision-making
Further Advancement of Activities of the Nomination and Compensation Committee	- Redefining and sharing the scope of responsibility of the Nomination and Compensation Committee - Ensuring appropriate involvement in forming and nurturing a talent pool for key management positions and in evaluating and reviewing the candidate pool to further enhance committee activities
Enhancing Dialogue with Shareholders and Investors	We will strengthen the involvement of independent outside directors in dialogues with shareholders and investors. Through direct dialogues and the observation of investor one-on-ones, outside directors will communicate independent assessments of our company and reflect unfiltered feedback from investors in the board’s decision-making.

Important Issues Essential to Further Deepening Discussions

- Long-term optimal business portfolio
- Balancing regional contribution and shareholder value, as well as profitability and sustainability
- Defining, developing, and allocating talent in line with business portfolio strategy
- Risk tolerance, risk-taking standards, and risk management for each business/project
- Understanding and verifying system investment costs
- Updating GX, sustainability policy, and value creation process
- Details and implementation of CEO, external, internal, and succession plans
- System design for executive compensation levels and addition of reference indicators

Corporate Governance

Policy Stock Holdings

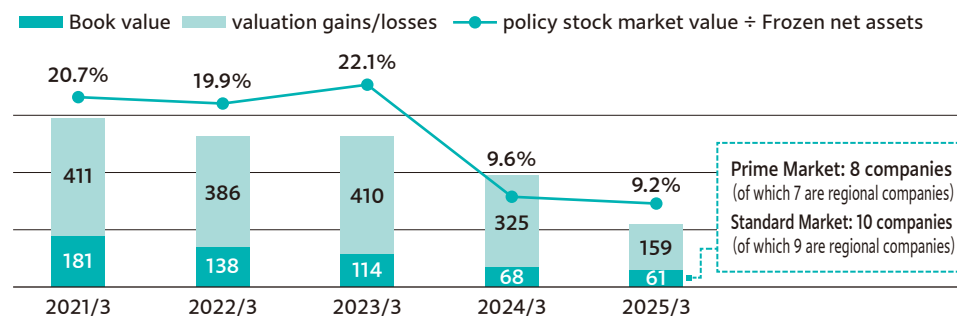
Policy and Progress on Reduction of Holdings

Our group, in principle, does not hold listed stocks for policy purposes. However, for certain issues, we maintain holdings from a strategic perspective to contribute to the enhancement of corporate value for both our group and the investee companies. The current status of reduction is as follows.

Progress in Reducing Holdings

Since announcing our holding policy in April 2022, we have engaged in ongoing dialogue with companies through which we hold shares to ensure an understanding of our group's policy. As a result, the goal announced in April 2022—to halve the book value of investments by the end of March 2025 (a reduction of 6.9 billion yen compared to the end of March 2022)—was achieved one year ahead of schedule, by the end of March 2024 (with a reduction of 7.0 billion yen compared to the end of March 2022). We will continue to further reduce our holdings while also collaborating with target companies to realize regional economic revitalization (a material priority in our sustainability policy) and enhance the corporate value of investees.

Transition of Policy Stock Holdings (Unit: 100 millions of yen)



Status of Sales (Policy Change to Retained Earnings from September 2022 to September 2024) (Unit: shares)

	2022/9	2023/3	2023/9	2024/3	2024/9	2025/3
Shares changed	46,200	—	2,091,216	31,700	471,740	—
shares sold	—	▲3,700	▲4,900	▲197,300	▲25,900	▲582,400
total shares	46,200	42,500	2,086,316	1,920,716	2,366,556	1,784,156

Governance Initiatives Through IR

- We publish detailed IR presentation materials at the time of full-year and interim financial results announcements, and our president holds one-on-one meetings with institutional investors as part of our efforts aiming to enhance management governance.
- Major Q&A topics from these meetings are disclosed on our website to ensure fair and open information disclosure.
- Based on feedback from individual meetings and our integrated report, we continually update our IR presentation materials and integrated report, aiming for more appropriate and effective information disclosure.
- IR activities are reported to the Board of Directors and the Group Strategy Meeting twice a year and are utilized to improve management and policies through discussion.

Main IR Activities	FY2022 Results	FY2023 Results	FY2024 Results
Individual meetings for institutional investors	61 meetings / 84 participants	49 meetings / 99 participants	47 meetings / 81 participants
Briefings on financial results and management strategies for analysts and institutional investors	3 meetings / 27 participants (small meetings)	4 meetings / 20 participants (small meetings)	2 meetings / 21 participants (small meetings)
Online briefings for individual investors	1 meeting / 503 participants	1 online session / 1,118 views	1 online session / 2,715 views

Main Disclosure Materials

Japanese

IR presentation materials, integrated reports, Shared Research reports, etc.
⇒ For details, please refer to the “IR Information” section on our website.
(<https://www.hfhd.co.jp/ir/>)

English

IR presentation materials, integrated reports, Shared Research reports, etc.
⇒ For details, please refer to the “IR Information” section on our website.
(<https://www.hfhd.co.jp/english/#irInformation>)



【Stock Status】 (As of March 31, 2025)

Total shares issued (※1) 23,408 thousand shares
Number of shareholders (※2) 9,843

※1 Number of shares rounded down to the nearest thousand shares ※2 Number of shareholders with voting rights

Corporate Governance

List of Directors and Executive Officers

Directors

Shuji Tsuemura

President &
Chief Executive Officer
(Representative Director)



[Reason for Appointment]

Having served for many years in management planning within the Hokkoku Bank—part of our group—Mr. Tsuemura has played a central role in cross-functional leadership on projects fundamental to our business, making significant contributions to enhancing corporate value. He has actively driven business model restructuring and digital transformation (DX) in banking operations and assumed the roles of Representative Director and President in October 2021. Leveraging his extensive experience and insight, he can accurately, fairly, and efficiently execute company management, and is expected to further strengthen the board's decision-making and supervisory functions.

Takashi Igawa

Director,
Managing Executive Officer
(Representative Director)
(General Manager of
Information Systems
Management Department)



[Reason for Appointment]

Since joining Hokkoku Bank, Mr. Igawa has worked extensively in management planning, strategy, administration, and systems. He has played a pivotal role as a project leader in reforms and DX promotion at both the company and Hokkoku Bank and has contributed to the establishment of an in-house development framework. His leadership, strategic thinking, and track record make him well-suited to drive further DX and system modernization, the next core banking system project, and the horizontal deployment of proprietary systems for the group.

Tomohiko Kikuzawa

Director,
Managing Executive Officer



[Reason for Appointment]

Mr. Kikuzawa, having served as branch manager of major locations at Hokkoku Bank, has also worked in management planning, strategy, ESG and sustainability, marketing, consulting, human resources strategy, and digital/IT strategy. His comprehensive experience, wide perspective, decision-making across the group, and balanced judgment have fully demonstrated the qualities required of a director. He is expected to display outstanding leadership in further enhancing the group's corporate value.

Aki Yokogoshi

Director, Audit and Supervisory
Committee Member



[Reason for Appointment]

After joining Hokkoku Bank, Ms. Yokogoshi contributed greatly to increasing corporate value through her experience in administrative planning and DX promotion as well as her ability to identify key issues as a leader in human capital management. She is expected to apply her expertise to supervise and manage the group's overall operations.

Sakon Uda

Outside Director,
Chairperson of the Board
of Directors



Outside independent

[Reason for Appointment]

With extensive executive experience at McKinsey & Company, Japan Post Co., Ltd. and Business Breakthrough, Inc., as well as a prior role as Chairperson of the Board at Ebara Corporation as an outside director, Mr. Uda brings a wealth of specialized knowledge gained through his executive activities. He is expected to leverage this expertise—particularly in management planning and strategy, governance and risk management, marketing, consulting, investment/fund management, and human resources strategy—to further strengthen the board's decision-making and supervisory functions from an independent perspective.

Fumihiko Haga

Outside Director,
Chairperson of the Nomination
and Remuneration Committee



Outside independent

[Reason for Appointment]

Mr. Haga has gained extensive and specialized knowledge through his executive roles, including serving as an executive officer at IBM Japan and as Senior Executive Officer and Head of Financial Services at Kyndryl Japan. He is expected to further strengthen the board's decision-making and supervisory functions from an independent perspective, especially in management planning and strategy, governance and risk management, and digital/IT strategy.

Kimie Harada

Outside Director,
Chairperson of the Audit and
Supervisory Committee



Outside independent

[Reason for Appointment]

Professor at Chuo University's Faculty of Commerce and a member of various governmental financial committees, Ms. Harada possesses deep expertise in financial policy, securities, and equity markets. She is expected to leverage her knowledge to provide supervision and advice on operations, particularly in finance/capital strategy, ESG/sustainability, and market management.

Michio Kitahara

Outside Director,
Audit and Supervisory
Committee Member



Outside independent

[Reason for Appointment]

With abundant practical experience in finance, including serving as Branch Manager of Kanazawa at the Bank of Japan and Senior Planning Officer, as well as a prior role serving as Senior Executive Officer at Aioi Nissay Dowa Insurance Co., Ltd., Mr. Kitahara possesses extensive and specialized knowledge as an executive. He is expected to provide supervision and advice on operations, especially in management planning and strategy, finance/capital strategy, global initiatives, and market management.

Sakae Komiya

Outside Director,
Audit and Supervisory
Committee Member



Outside independent

[Reason for Appointment]

Drawing on many years of experience as a certified public accountant and as a member of the board and the Audit Committee for the Government Pension Investment Fund, Mr. Komiya brings deep expertise in accounting, finance, and securities/equity markets. He is expected to provide specialized supervision and advice, particularly relating to governance, risk management, finance/capital strategy, consulting, and market management.

Executive Officers

Managing Executive Officer
(General Manager, Corporate Planning Department)

Kenya Tatsuno

Managing Executive Officer
(General Manager, Corporate Planning Department)

Naotaka Tera

Managing Executive Officer
(General Manager, Management Administration Department)

Akihisa Nitta

Managing Executive Officer
(General Manager, Audit Department)

Takayuki Yamamoto

Managing Executive Officer
(General Manager, Information Systems Management Department)

Atsushi Shintani

Managing Executive Officer
(General Manager, Information Systems Management Department)

Masaki Iwama

Managing Executive Officer
(General Manager, Marketing Management Department)

Takehito Itani

Managing Executive Officer

Masayuki Kita

Executive Officer
(General Manager, Human Resources Development Department)

Junko Inoue

Executive Officer
(General Manager, Legal Department)

Takashi Mori

Executive Officer
(General Manager, Information Systems Management Department)

Tomoyuki Yoshikawa

Executive Officer
(General Manager, Information Systems Management Department)

Shigefumi Yoshida

Executive Officer Satoshi Oe

DX and System Modernization



Director and Managing Executive Officer
(Representative Director)
General Manager,
Information Systems
Management Department
Hokkoku Financial Holdings, Inc.

Takeshi Igawa

After joining Hokkoku Bank in April 1988, Takeshi Igawa was appointed General Manager of General Administration and the System Department in 2016. The following year, he became an executive officer, dedicating himself to operational efficiency and IT strategy. From November 2019 to February 2023, he concurrently served as President and CEO of Digital Value Co., Ltd. From 2021, he was Executive Managing Director and General Manager of the System Division for Hokkoku Bank. In March 2025, he assumed the roles of Executive Managing Director and General Manager of the Systems Supervisory Division at Hokkoku Financial Holdings. Since June of the same year, he has served as Executive Managing Director, overseeing group-wide systems strategy.

Vision and Strategy

In a rapidly changing and highly uncertain society, continuous enhancement of corporate value and organizational capabilities requires dedicated digital transformation (DX) initiatives. To meet the diverse needs of our customers and the local community, we are working to transform our business model using cutting-edge digital technologies. In addition to finance, with Hokkoku Bank at its core, we are actively pursuing consulting, investment management, fund operations, and regional revitalization through sports and entertainment. By leveraging AI and cloud services, we are accelerating new business growth.

By developing our own systems, we provide high-quality services to customers and aim to promote DX across the entire region through consulting. Through these efforts, we contribute to the region's sustainable development.

System Modernization

Our approach to “system modernization” is to adopt modern technologies, architectures, and agile development methods to improve speed, productivity, and flexibility, enabling systems to promptly support business strategies. In an era demanding constant transformation, these initiatives are essential to swiftly addressing innovation and customer needs. By deploying modernized systems, we eliminate the constraints of legacy systems and, through the following measures, enhance our competitiveness and achieve sustainable growth.

① Enhancing Productivity and Quality

Traditional systems often cannot accommodate the latest technologies, leading to higher maintenance costs due to human factors. By modernizing, we can leverage cloud services and generative AI to automate code and test generation as well as DevOps, improving the development process, increasing productivity and quality, and reducing maintenance costs. These efforts facilitate optimal allocation of investment and resources. Faster lead times from development to release also enhance customer satisfaction and operational efficiency.

② Advanced Data Management and Utilization

Data silos create isolated information within each system, making access and sharing difficult. Modernization enables centralized management of big data, allowing predictive analytics using AI for quick insight into internal and market trends, thereby strengthening strategic decision-making. Proactive risk identification and countermeasures through analytics also enhance business stability.

③ Strengthening Security

Cyberattacks are increasing in both variety and sophistication. Legacy systems face higher security risks. Modernization allows the adoption of advanced security technologies, improving our ability to respond to threats, preventing potential attacks, and enhancing both data safety and system reliability.

Leveraging Advanced Technologies

Advanced technologies play a key role in improving customer experience while streamlining system development and operations. When performing in-house product development, we incorporate AI to boost customer value, productivity, and cost optimization. By maximizing compatibility with existing cloud-based systems and seamlessly integrating diverse AI services, we achieve these goals concurrently. Below are some specific initiatives:

① AI Utilization in Customer Management Systems

We have developed an in-house “AI Agent” that analyzes customer data to provide optimal proposals, supporting the activities of sales representatives and improving value delivered to customers.

② AI Application Throughout the Development Lifecycle

From the defining of requirements and prototyping through design, implementation, testing, and release, we use tools such as GitHub Copilot and internal AI tools. These automate the drafting of requirement documents, the generation of test cases, and the extraction of key points for code review while shortening development periods and reducing costs.

③ Automation of Operations Processes

By embedding AI into operations monitoring and troubleshooting, we speed up initial responses and reduce operational burden, supporting stable operations even with a lean team.

DX and System Modernization

④ New Service Development Through Open Innovation

We build one-team development models with domestic and overseas startups, incorporating expertise beyond our organization to create new services.

Optimal Allocation of System Personnel

Recognizing human capital as the source of corporate value, appropriate “placement” that maximizes each employee’s abilities and aspirations is a driving force for realizing our system strategy. With the rise of generative AI and growing uncertainty, steady digital-driven operational innovation, the enhancement of in-house capabilities, reskilling opportunities, and nurturing DX leaders have all become essential to ensuring strategic alignment between business and talent.

Through recruiting and developing engineers to accumulate technical expertise internally, responding to diverse and flexible work styles, and leading digital talent development, we are building a resilient, value-generating organization by organically combining these measures.

① Accumulating Technical Expertise as Assets

We actively adopt advanced practices and software, systematizing technology and promoting in-house engineering, aiming to improve productivity, reduce costs, and increase organizational responsiveness.

② Building Flexible Organizations and Enhancing Scalability

At Digital Value Co., Ltd., we have adopted annual salaries and full-remote recruitment to support diverse work styles. Hiring overseas engineers enhances diversity, while leveraging offshore operations reduces costs. We also focus on standardizing and reusing workflows to improve the scalability and responsiveness of our organization.

③ Supporting the Growth of Employees Aspiring to System Roles

We offer hands-on and cross-functional experiences to employees interested in systems, expanding the foundation for in-house development by nurturing motivated talent.

Deepening Consulting Functions and Creating New Businesses

We are committed to contributing to the sustainable growth of local communities by deepening our consulting functions related to systems and promoting new business creation. To date, our group company, CC Innovation, has led consulting services. However, going forward, Digital Value Co., Ltd. and the Hokkoku Bank system division will play a more active role in advancing regional DX.

Specifically, we support clients such as corporations, financial institutions, and local governments with the establishment of agile development teams, IT infrastructure renewal, and the adoption of DevOps to transform organizational culture. This has led to the creation of new transactions initiated by consulting. As DX accelerates, demand for such consulting is expected to grow. We are also preparing to expand consulting services based on product roll-outs targeting regional financial institutions that share our values.

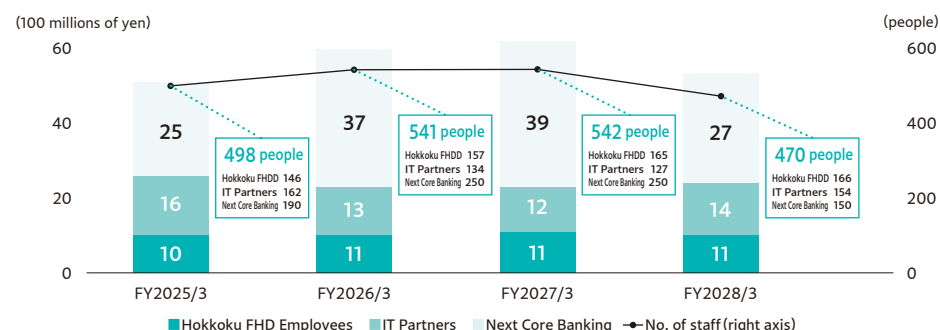
For new business creation, we are leveraging networks established through the group’s overseas bases and offshore development, aiming to create new system-related services. In addition, we collaborate with advanced initiatives based in Silicon Valley, aligning with the growth strategies of the entire corporate group. Moving forward, CC Innovation and the system division will work together to drive new business creation, further accelerating the deployment of services using our overseas networks.

System Cost Outlook

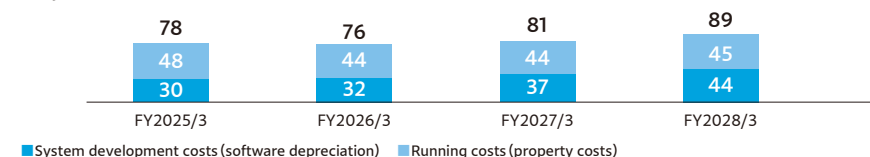
Ongoing system investment is essential to advancing digital transformation and delivering high-quality services that combine convenience and security. At the same time, it is crucial to manage system investment plans appropriately, considering their impact on our financials and corporate value, to optimize system costs.

We are committed to reducing and optimizing system costs through initiatives such as “improving productivity in development, operations, and maintenance by utilizing AI and system modernization” and “reducing personnel costs by increasing the proportion of in-house system engineers and leveraging offshore development.” By enhancing productivity and optimizing talent acquisition, we

● Personnel Expense and Development Staff Trends



● System Cost Trends (100 millions of yen)



※System costs have been calculated excluding the value of office equipment and ATMs.

DX and System Modernization

plan to maintain and improve our system development and operations capacity with a 270-person structure (60% employees, 40% IT partners) in the system division by 2035.

As for system costs, we are making focused investments toward the early release of the next core banking system, with system costs peaking at 9.1 billion yen in the fiscal year ending March 2029. Afterward, by executing the aforementioned cost reduction measures, we expect to reduce system costs to 6.0 billion yen by the fiscal year ending March 2035.

System Risk Management

Basic Policy

Our group positions risk management related to systems supporting our services as a top management priority to ensure customers can use our services with peace of mind. Under the leadership of management, we have established a system risk management framework tailored to the characteristics of each group company, working to advance system risk management, including cybersecurity.

Continuous Publication of Service Operating Status

To ensure customers can use our group's services with confidence, we continuously provide service operating status on our website. In the event of a system failure, the entire company works to minimize customer impact by offering alternative solutions and restoring systems as quickly as possible. Additionally, feedback received in conjunction with the publication of system failure information is reflected in future service improvement measures.

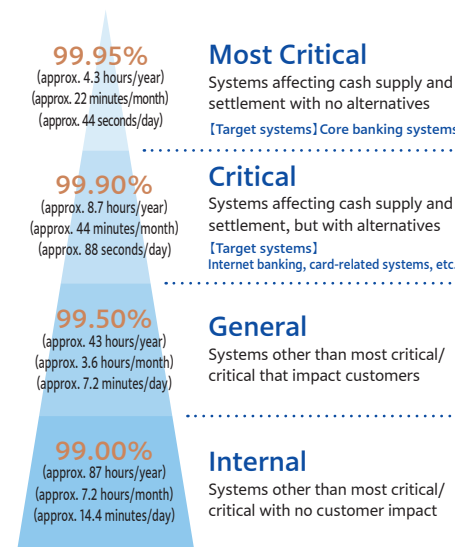
Service Operation Targets and FY2024 Performance

We have published “operation targets” for each level of service importance and annual “actual results” since FY2021. In FY2024, the actual performance for all services exceeded the operation targets. We will continue to proactively share service operation results and system failure information and by implementing improvement measures, further enhance service quality.

Cybersecurity

Our group is strengthening and promoting initiatives to protect customers' valuable assets and information from the ever-increasing threats of cyberattacks. We have formulated a “security strategy” outlining our vision and future initiatives, aiming to build an organization where all employees proactively apply security measures in their respective roles. By sharing our group's

Service Operation Targets



FY2024 Service Operation Performance

Importance	Target	Name	Actual performance
Critical	99.90%	Card merchant system	99.99%
		VISA debit card	99.99%
		Hokkoku Cloud Banking	99.97%
		ATM	99.94%
		Tochitsuka (Digital community currency)	99.92%
General	99.50%	Comprehensive claim management system	99.98%
		Card instant issuance system	99.98%
		Homepage application reception system	99.94%

※All services not listed above achieved 100% actual performance.

initiatives with customers and local communities, we aim to contribute to enhancing security in the region.

Security Strategy

Cyberattack methods are evolving daily, making it difficult to completely protect systems and information from malicious attacks with only traditional “perimeter defenses.” Therefore, our group is implementing security measures based on “zero trust,” which can flexibly respond to evolving attack techniques without hindering user productivity. Depending on the systems and information to be protected, we take a hybrid approach, combining perimeter defenses with zero-trust measures. Furthermore, to achieve both productivity enhancement and stronger security, we are shifting our approach to IT environment control from “rule-based” to “principle-based.” We support the improvement of employees' IT literacy—an essential prerequisite for principle-based security—through continuous education and awareness activities. At the same time, we are enhancing detective controls such as log monitoring and behavior detection based on zero trust concepts, thereby building a secure and highly convenient IT environment.

DX and System Modernization

Cybersecurity Management System

We have established internal reporting lines within the group, as well as frameworks for collaboration with external organizations, to enable swift responses to security risks through regular, close communication. In the event of an incident, a response headquarters is promptly set up, and the group-wide CSIRT works to resolve the situation at an early stage.

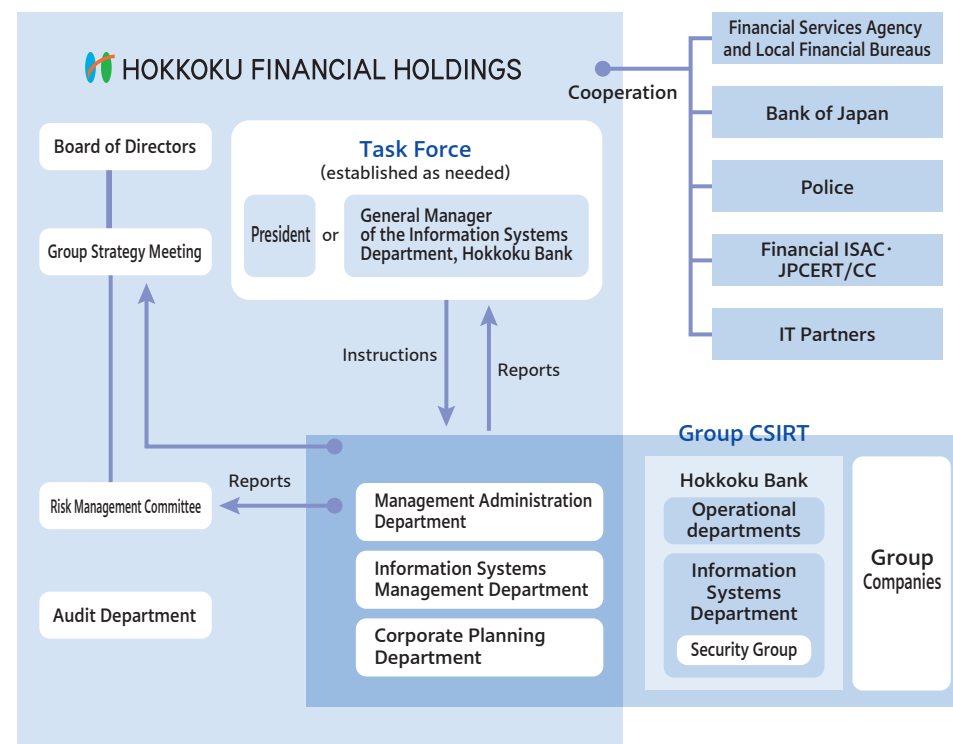
Security Strategy

Vision (Ideal State)	·Balancing “convenience” and “security” to flexibly adapt to changes in the business environment ·Enhancing the productivity of cybersecurity measures through the use of cloud technology and AI
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Strategy	Governance	Strengthening the group’s oversight functions by redefining roles and policies within the security division
	Technology	Implementing flexible security by leveraging automation and modernization with cloud resources, tailored to each business domain’s IT environment
	People	Security Division: Enhancing expertise and productivity through AI and automation Business Divisions and Users: Improving security awareness and IT skills

	FY2025	Medium Term (FY2026–2028)	Long Term (FY2029–)
Governance	●Reviewing basic policies to strengthen group oversight functions	●Clarifying risk control systems and accountability through revision of policy documents	●Integrated risk management processes emphasizing risk ownership
Technology	●Testing functions for flexible network control ●Focused efforts on access rights management and log utilization	●Establishing flexible data protection and access control policies in line with business risks ●Automated controls according to importance (asset management, vulnerability management, etc.)	●Providing multiple environments tailored to business domains ●Applying flexible security using automation and modernization with cloud resources ●Automating protection and recovery processes according to importance
People	●Reviewing and strengthening monitoring and response processes	●Employee education tailored to business characteristics ●Building a security division structure utilizing automation	●Security levels appropriate to business risks premised on risk ownership ●Establishing a sustainable detection system that does not excessively rely on human resources, utilizing automation

In ordinary times, we conduct TLPT (threat-led penetration testing) and various drills and exercises involving a broad range of stakeholders to enhance the skills of the CSIRT and strengthen the organization’s cyber resilience.



Environmental Conservation and Effective Resource Utilization

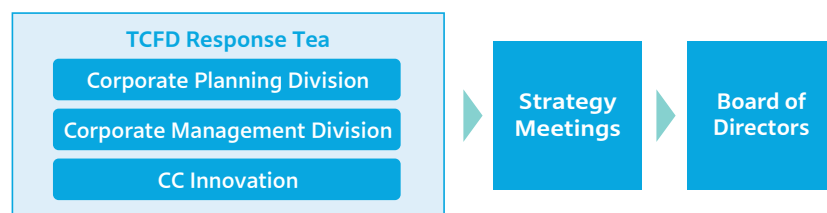
TCFD-Based Climate Change Initiatives

Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we disclose our activities based on the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets.

Governance

A cross-functional project has been established, involving departments such as the Corporate Planning Division, Corporate Management Division, and the consulting subsidiary CC Innovation, to identify and discuss sustainability issues, including climate change. We have built a management system under which the Board of Directors makes decisions on climate-related policies and significant matters after discussions at strategy meetings attended by the President and other senior executives.

TCFD Governance Structure



Strategy

For climate-related risks and opportunities, we have identified the following elements as “Transition Risk,” “Physical Risk,” and “Opportunity”:

Transition Risk (Assumed to be most significant under the 1.5–2°C scenario)

Policy and regulatory risk	- Decreased earnings at investees or impairment of existing assets due to cost growth incurred to limit carbon emissions - Increased costs incurred to comply with domestic and international climate-related regulations
Technological risk	Decreased earnings at investees or impairment of existing assets due to changes in supply and demand for products/services
Market risk	Decreased earnings at investees or impairment of existing assets due to changes in supply and demand for products/services
Reputation risk	- Deterioration of reputation and corporate brand due to delayed responses - Lower external ratings due to insufficient information disclosure - Reputational risk from continued business with partners insufficiently addressing climate change

Physical Risk (Assumed to be most significant under the 4°C scenario)

Acute risks	- Risk of business disruption or increased costs for countermeasures and recovery due to damage to branch offices or other owned real estate - Increased credit-related costs due to performance deterioration or collateral damage at investees caused by natural disasters - Fluctuation in the value of owned securities due to deterioration in markets, investment environments, and credit of investees caused by climate disasters
Chronic risks	Increased facility and energy costs incurred to strengthen business continuity

Opportunities

Resource efficiency	- Reduction of operational costs through paperless operations and improved efficiency - Higher energy efficiency through the introduction of energy-saving equipment - Efficient use of owned facilities
Energy source	Lower procurement costs through a shift in energy sources
Products and services	- Expansion of financing and leasing opportunities alongside increased demand for investment in renewable energy and decarbonization-related equipment - Expansion of consulting opportunities related to decarbonization - Expansion of consulting opportunities in response to increased demand for paperless and efficient operations - Expansion of consulting opportunities in response to increased demand for business transformation strategy formulation
Market	Enhanced corporate image achieved through promotion of climate-related information disclosure
Resilience	- Expansion of financing opportunities through infrastructure investments for disaster countermeasures - Expansion of consulting opportunities in response to increased demand for BCP (Business Continuity Planning) countermeasures for disasters

We utilize scenario analysis to understand the impact of climate-related risks and opportunities on our business, strategy, and financial planning. Referring to scenarios published by the Intergovernmental Panel on Climate Change (IPCC), and based on agreements such as the Paris Agreement and the decisions of COP26 in November 2021, we conducted two scenario analyses.

[Transition Risk]

Scenario analysis for transition risks was expanded to ten industries with the greatest potential impact on our company and regional customers, following the flowchart below.

[Physical Risk]

The analysis for physical risks was conducted using the 4°C and 2°C scenarios, focusing on the three Hokuriku prefectures as target areas.

Environmental Conservation and Effective Resource Utilization

Results of Analysis	Transition Risks
Risk Events Analyzed	Potential deterioration of the financial conditions of clients due to decreased sales and increased costs accompanying the transition to a decarbonized society
Target Sectors	Metals and mining, food, land transportation/railways + air freight/logistics, machinery, apparel/textiles & luxury, construction/civil engineering, electric power, electrical equipment, automotive, chemicals
Scenario	Assumed to become most apparent under the 1.5°C–2°C scenario.
Methodology	Based on transition scenarios, forecasted the future business performance of the top 10 credit recipients in each sector (totaling 100 companies) and analyzed impacts on ratings and credit costs.
Results	Estimated increase in credit costs by FY2050: approximately 2.6 billion yen.
Results of Analysis	Physical Risks
Risk Events Analyzed	Deterioration in client business conditions and damage to owned properties/collateral, as well as company-owned properties in the three Hokuriku prefectures, in the event of a large-scale flood (on the order of once every 100 years) caused by climate change.
Target Sectors	Company branches and business-credit client buildings in the three Hokuriku prefectures, in areas where flood depth is estimated to exceed 0.5m.
Scenario	Analysis conducted using both 4°C and 2°C scenarios from the IPCC.
Methodology	For the above risk events, estimated the increases in credit-related costs and damages to company-owned assets from potential flooding through 2050 for each scenario, factoring in flood probabilities
Results	- Estimated impact on company-owned properties (up to 500 million yen under the 4°C scenario, up to 200 million yen under the 2°C scenario) - Estimated increase in credit costs (up to 3.8 billion yen under the 4°C scenario, up to 1.3 billion yen under the 2°C scenario)

Risk Management

We have formulated “Integrated Risk Management Regulations,” which establish fundamental risk management priorities, including sustainability-related risks, and we identify risks to be managed based on their scale and characteristics. For the risks identified, we implement scenario analysis and establish investment/lending policies and sector policies for evaluation and management.

Investment and Lending Policies

Businesses Actively Supported	Initiatives implemented by clients relating to environment, society, and governance, as well relevant business activities
Prohibited Businesses	Businesses and organizations associated with anti-social forces, child labor and forced labor, and companies involved in the development or manufacturing of weapons of mass destruction (such as nuclear and chemical weapons), or inhumane weapons such as cluster munitions.
Key Sectors	Coal-fired power generation, cluster munitions manufacturing, forestry, palm oil plantation development

Sector Policies

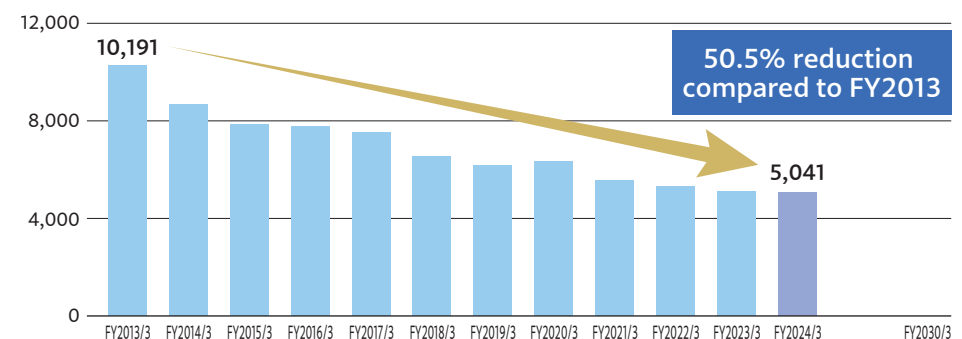
Coal-Fired Power Generation	In consideration of climate change risk response, environmental protection, and efforts toward sustainable energy, investment and lending for coal-fired power generation projects are examined carefully on a case-by-case basis.
Cluster Munitions Manufacturing	Given the inhumane nature of cluster munitions, investment and lending to companies engaged in their manufacturing are strictly prohibited.
Forestry	For large-scale forest clearing projects, we carefully consider investment and lending decisions based on the client's environmental and social initiatives and the potential impacts on local environments and communities.
Palm Oil Plantation Development	To preserve forest resources, biodiversity, and human rights, investment and lending for palm oil plantation development are prohibited.

Metrics and Targets

We have set a target of 100% reduction in our company's GHG emissions (Scope 1 and 2) by fiscal year 2030 compared to fiscal year 2013. In line with the GHG Protocol, we are working to accurately measure emissions while actively implementing initiatives aimed at reduction.

Scope 1 and 2

In FY2024, we achieved a reduction of 5,041 t-CO₂, amounting to a 50.5% decrease compared to FY2013.



Scope 3

CO₂ emissions from Category 15 (investments and loans) are regarded as a key reduction target among financial institutions. As in the previous year, Hokkoku Bank calculated these emissions based on its business loan clients.

※Calculation method: Scope 3 Category 15 (financed emissions) calculated in line with PCAF methodologies

CO₂ Emissions (Unit: t-CO₂)

Total for all industries		2,580,435
top three industries	general machinery	337,775
	metal products	316,684
	construction work	247,984

Initiatives Toward Reduction

To reach Scope 1 and 2 reduction targets, we are implementing “Nearly ZEB” standards for new branch construction and transitioning to EV (HV) vehicles. (▶ P65)

or Scope 3, we gather both qualitative and quantitative information on supplier initiatives and promote reduction efforts through consulting and advisory services in collaboration with municipalities and other financial institutions. (▶ P66)

Environmental Conservation and Effective Resource Utilization

Corporate Activities to Reduce Environmental Impact

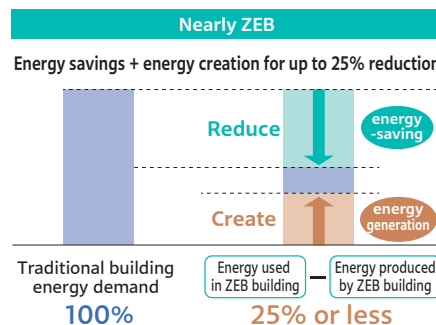
Implementation of ZEB Standards for New Branch Construction

In 2021, we established a policy to ensure all newly constructed branches comply with ZEB standards. Large-scale branches are built to “Nearly ZEB” standards, while smaller branches meet “ZEB Ready” criteria. All eight locations completed since 2022 have obtained either “Nearly ZEB” or “ZEB Ready” certification.



Hokkoku Bank Toyama Branch Newly Opened in July 2025

The rooftop features 108 solar panels. Designed with energy efficiency in mind, the branch has received the highest rating in the “BELS” environmental certification and achieved “Nearly ZEB” status.



Innovative Initiatives for Environmental Consideration

LEED is a globally recognized environmental performance evaluation system originating in the United States. It promotes cost and resource reduction, positively impacts health, and encourages the use of renewable, clean energy. At the “Hirooka Terrace” currently under construction next to the headquarters building, we are undertaking innovative measures to reduce energy consumption, decrease water usage, and select environmentally friendly building materials. (“Hirooka Terrace” is being submitted for “LEED GOLD” certification.)



Reduction of Company Vehicles and Transition to EV/HV

We are actively switching from gasoline vehicles, which have a large environmental impact due to exhaust emissions, to HV/EV vehicles, while also striving to reduce the total number of company vehicles.

● Number of business-use vehicles

	FY2023/3	FY2024/3	FY2025/3
Gasoline vehicles	408	359	338
HV/EV vehicles	52	85	88
Total	460	444	426

Initiatives for Forest Regeneration Using Tree Planting and Thinned Wood

Since 2010, Hokkoku Bank has been engaged in forest creation activities (“Hokkoku Forest”) on 0.7 hectares within Ishikawa Forest Park as part of its environmental conservation efforts. Additionally, since February 2023, we have deployed ATMs developed in-house using Ishikawa-grown wood (Noto cypress) at select branches.

Internally Developed ATM “Hokku Touch”

A total of 59 units installed at Hokkoku Bank branches



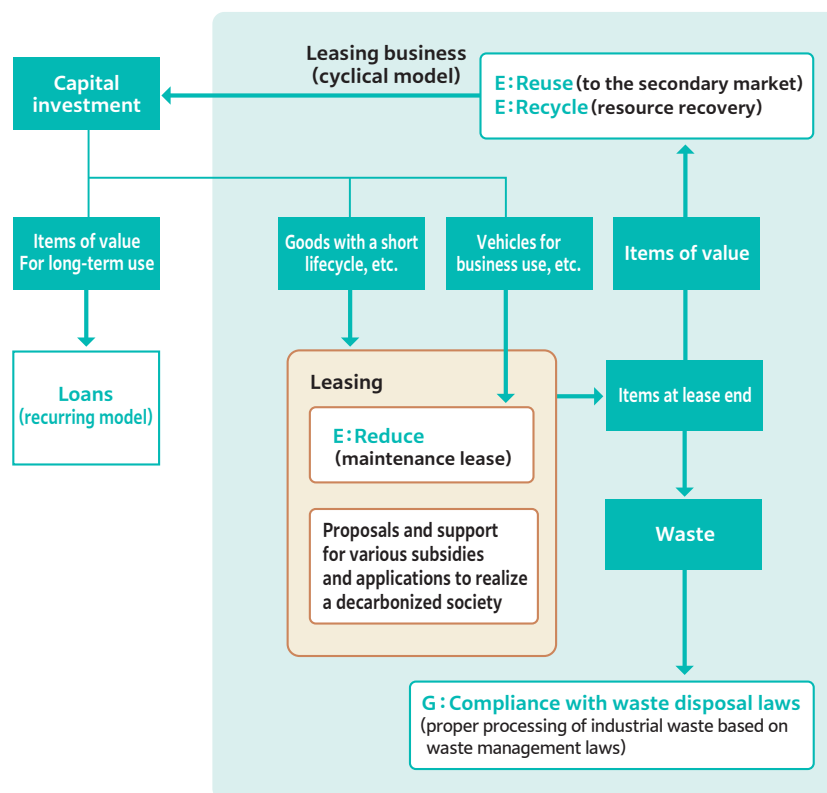
Contributing to a Regional Carbon Neutral Society

Contribution to a Circular Economy Through Loans and Leasing

To help reduce Scope 3 CO₂ emissions, we conduct educational activities based on an understanding of business characteristics and provide appropriate support, such as information on subsidies and equipment financing, to meet customer needs.

Last year, we launched Positive Impact Finance. We support the creation of a sustainable society and economy by generating positive impacts across the “environment,” “society,” and “economy.” Through our group’s leasing business, we are promoting the 3Rs (Reduce, Reuse, Recycle), advancing our contribution toward a circular economy.

●Visualizing the 3Rs (Reduce, Reuse, Recycle) through Leasing Business



	FY2024 actual	FY2025	FY2026	FY2027
Number of companies positively engaged in thinking about ESG/SDGs through understanding of business characteristics	2,691	3,000	4,000	5,000
Number of hearings regarding calculation and recording status of greenhouse gas emissions	117	1,450	3,150	4,800
Number of sustainable finance deals handled (leases, loans)	119	150	220	300

Consulting Functions and Provision of Appropriate Solutions

Our Consulting & Advisory business offers a menu of “ESG/SDGs Consulting” to support customers in sustainable management.

Addressing climate change is an urgent and important issue for companies, and we view GX (green transformation), like DX, as an essential part of fulfilling our customers’ visions. Through our understanding of each client’s business, we share their challenges and support their transformation.

Dialogue with Local Governments and Regional Companies Toward a Community-Wide GX Vision

Achieving carbon neutrality requires not only our group, but also collaboration with local governments and regional businesses to expand efforts across the region. Since last year, we have launched dialogues with a variety of stakeholders and will continue to engage proactively.

November 19, 2024 “Hokuriku Region Decarbonization Seminar”

A panel discussion aimed at providing business hints for regional companies to enhance corporate value through decarbonized management, co-hosted by Hokkoku Bank and six other financial institutions.



Internal Audit Structure

Our Vision

With the key phrase “Audit for the Community,” we aim to be a trusted presence for management, the community, and both internal and external stakeholders. By realizing our vision of contributing to our group, employees, and the region, our goal is to become a top-level auditor, provide management-oriented audits, and be a trusted advisor.

The roles expected of the internal audit department are evolving due to environmental changes surrounding financial institutions and the increasing complexity of business. In addition to assuring the effectiveness of business processes, internal audits are now expected to contribute to the enhancement of corporate governance and management strategies by providing advice, insights, and foresight.

<Vision>

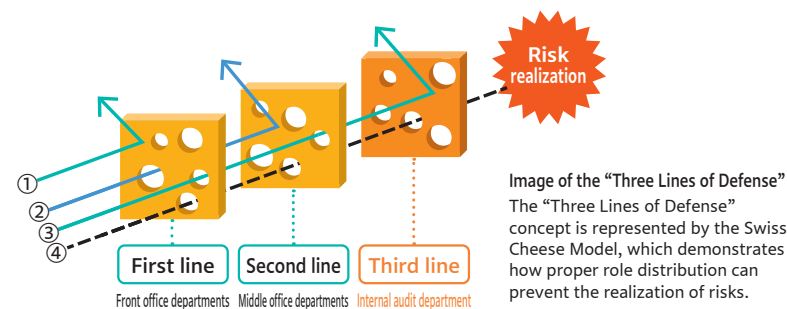
- ① Audits that contribute to achieving the group’s brand philosophy and strategic objectives
- ② Audits that nurture a healthy corporate culture among employees
- ③ Audits that contribute to the community through advice to business partners

Role and Chain of Command of the Audit Department

What Is Internal Auditing?

The “Three Lines of Defense” is a model for enhancing risk management and governance. The three lines are: the first line (front office departments) responsible for taking and managing risks for profit; the second line (middle office departments), which establishes policies and procedures for risk assessment and management; and the third line (internal audit department), which independently evaluates the appropriateness of the first and second lines and provides assurance. For organizations to ensure operational adequacy and soundness and to steadily execute management strategies towards their corporate vision, effective governance—including internal audit—is essential. The model has now evolved into the “Three Lines Model,” which positions risk management not just as “defense” but also as “a part of value creation.” Accordingly, the role of internal audit now includes “more proactive proposals” and “contributions to value creation” in coordination with the first and second lines.

Image of the Role of Internal Auditing



The “Three Lines of Defense” has evolved into the “Three Lines Model”

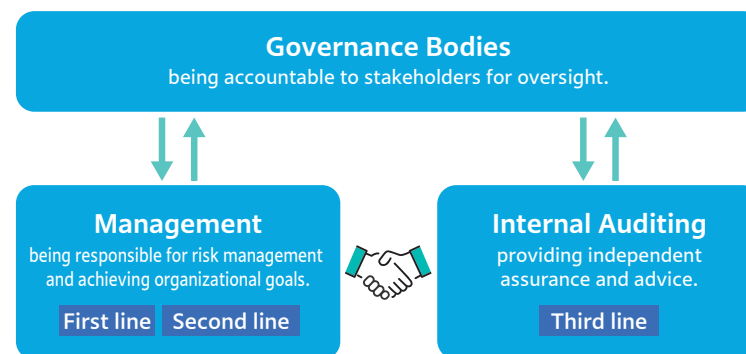


Image of the “Three Lines of Defense”

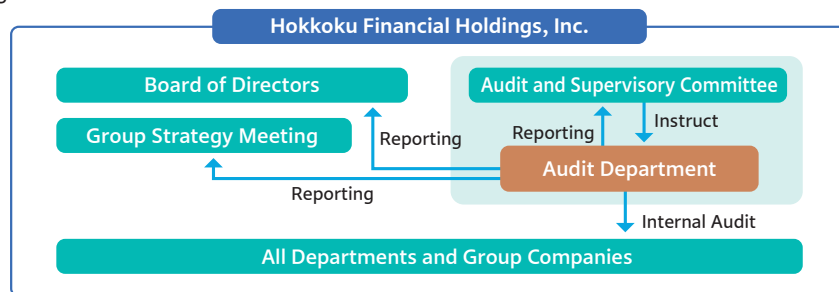
Under this model, the first, second, and third lines work together to contribute to both defense and value creation.

Organizational Structure

To further enhance our corporate governance structure and increase corporate value, we transitioned to a company with an Audit and Supervisory Committee in June 2015. The Audit Department, directly under the Audit and Supervisory Committee, conducts internal audits in accordance with internal audit policies and plans approved by the committee and reports these to the Board of Directors. Audit results are reported to the Audit and Supervisory Committee and the Board of Directors and shared within the Group Strategy Meeting, accessible to all employees. In addition to the dual reporting lines required by the Corporate Governance Code, our company is equipped with triple reporting lines.

Internal Audit Structure

Organizational Structure



Communication with Management and the Audit and Supervisory Committee

The important governance role of the internal audit department and the need for further advancement to establish our business model are communicated to all employees as a message directly from management. Audit plans and results are regularly shared with full-time members of the Audit and Supervisory Committee. Audit department members attend the committee meetings, sharing audit results and risk awareness in close communication with committee members. Through questionnaires and interviews with management, we capture their expectations and suggestions for the internal audit department, providing opportunities to share risk awareness within the company.

~Message from an Outside Director~



Chairperson of the Audit and Supervisory Committee

Kimie Harada

In our company, the Audit Department is positioned directly under the Audit and Supervisory Committee, aiming to realize effective governance. The committee and the Audit Department collaborate closely on a daily basis, and most survey responses reflect that communication between the committee and the department is strong. Informal exchanges, such as at social gatherings, also help deepen mutual understanding. The Audit Department consists of a diverse team with a high ratio of young and female members, whose flexible perspectives facilitate smooth dialogue with audited departments.

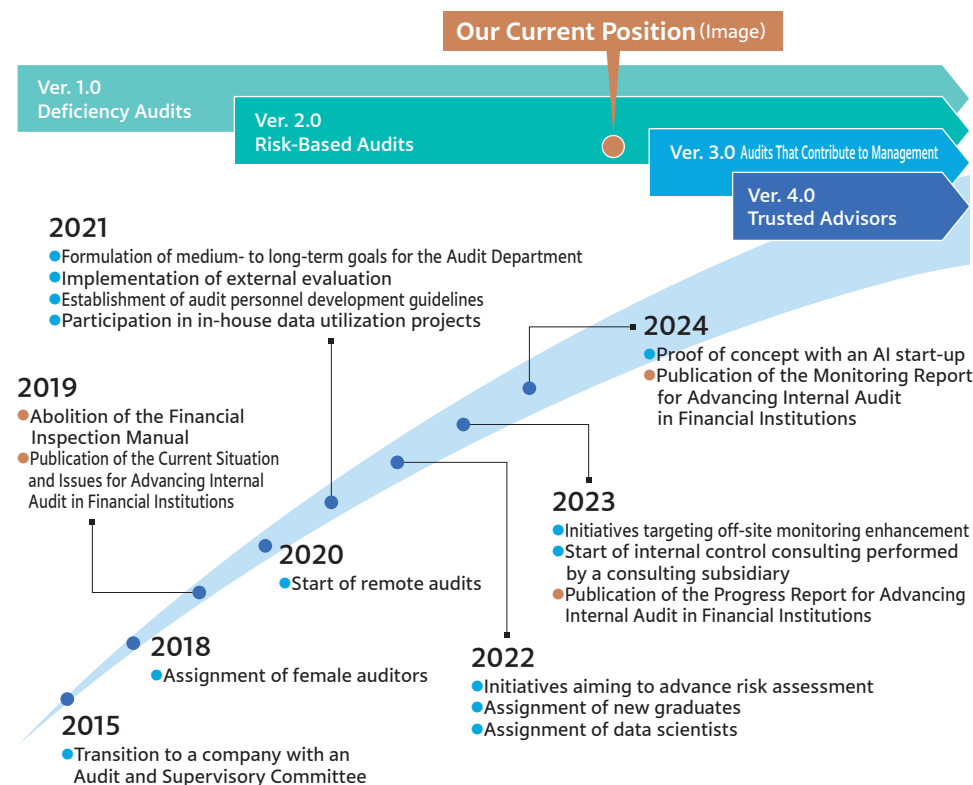
Furthermore, the department is actively working to improve the efficiency of audit operations by utilizing DX and AI for risk assessment and data analysis, enhancing the accuracy and speed of monitoring. Future challenges we will face include increasing opportunities for dialogue with key persons, including the CEO, and becoming more deeply involved in important management issues such as medium-term management strategy planning. Through these initiatives, the Audit and Supervisory Committee will further contribute to advanced governance and sustainable corporate value enhancement.

Initiatives for Advancing Internal Audit

Background of Internal Audit Advancement

In the past, the primary role of the internal audit department was to identify administrative deficiencies and regulatory violations through deficiency audits; dialogue with audited departments and data utilization were limited. Many staff were on secondment for less than a year, making it difficult to accumulate audit experience and skills. As our business areas have expanded and become more complex, and company-wide governance enhancement has become essential, the audit department has shifted from deficiency audits (Ver. 1.0) to risk-based audits (Ver. 2.0). Since 2021, we have been promoting various initiatives to further advance internal audits.

Audit Department Initiatives to Date (Including Reports Published by the Financial Services Agency)



Internal Audit Structure

Advancement in Risk Assessment

Risk assessment is a process for identifying and measuring the potential impact and likelihood of events (risks) that may affect corporate goal achievement. Our Audit Department has been working to establish a comprehensive and explanatory risk assessment system by incorporating external expertise. Currently, regular off-site monitoring is used to track changes in risk, and these insights are periodically reflected in our risk assessment. Based on this approach, we formulate and revise our annual audit plans using a risk-based methodology.

Our group comprises diverse business types, requiring comprehensive monitoring and risk identification with limited personnel. To ensure sufficient resources for daily monitoring, improving operational efficiency and productivity is an urgent issue. We are committed to establishing a more effective risk assessment system by deepening dialogue with audited departments, where risk ownership has permeated, and by promoting automation of monitoring with AI.

Quality Evaluation

The Audit Department is not subject to audit by other departments. Therefore, to maintain and improve audit quality, we conduct quality evaluations in accordance with international standards set by the IIA (*). Quality evaluations are divided into internal evaluations (self-assessment) and external evaluations performed by qualified outside parties. At our company, internal evaluations are conducted annually, and external evaluations are performed every five years. Through these evaluations, we identify gaps between our practices and IIA international standards and continually enhance audit quality via the PDCA cycle. The IIA's international standards underwent a major revision in 2024, and the core "Global Internal Audit Standards" came into effect in 2025. We are currently working to ensure audit quality meets these new standards.

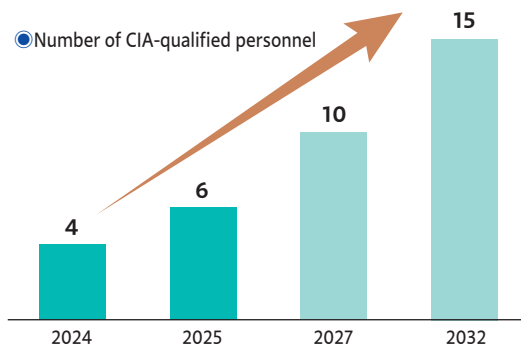
IIA (※) : IIA: The Institute of Internal Auditors

The most widely recognized global association for advocacy, education, standards, guidance, and certifications related to internal audit professionals. Founded in 1941, the IIA has over 260,000 members in more than 170 countries and regions.

Human Resource Development and Allocation

Development of Professional Personnel

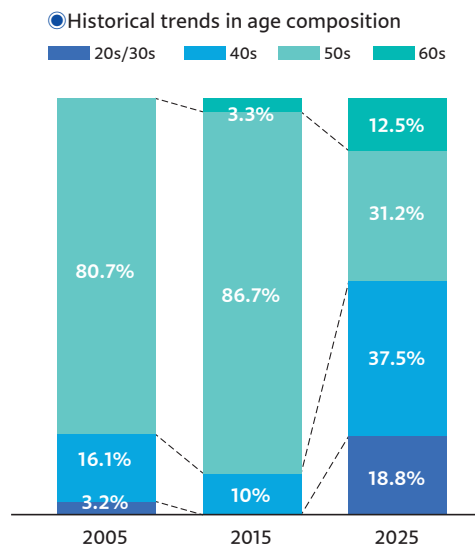
The Audit Department aims to develop professionals with extensive experience and deep knowledge of audit operations, capable of working in any company and even auditing other companies. To systematically acquire basic skills as auditors, we encourage obtaining the international certified internal auditor (CIA) qualification. We also focus on



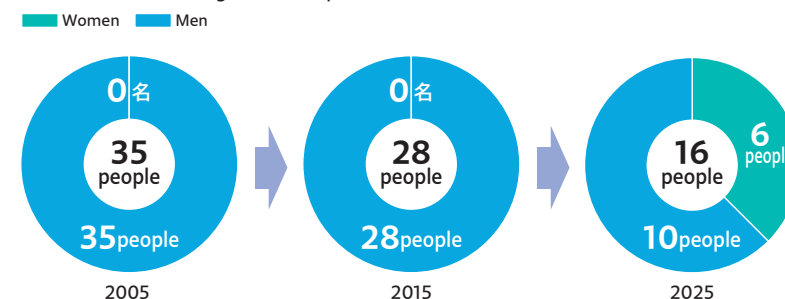
nurturing highly specialized audit personnel by promoting knowledge acquisition in areas such as systems (IT), market operations, and anti-money laundering. To address the increasing sophistication and diversification of audit subjects, we accumulate practical insights and deepen skills through joint audits with external experts.

Diversity in Human Resources

The Audit Department promotes a human resource strategy that values both diversity and expertise, building an audit function capable of contributing to corporate value enhancement in partnership with management. Traditionally, the department comprised mainly older men; however, we have been actively appointing personnel with diverse gender, age, and career backgrounds. By placing women and new graduates in key positions, we incorporate fresh perspectives and values, broadening our audit approaches and enhancing flexibility and creativity. In addition, we foster sharing of experience and knowledge through internal rotation and project-based teams, establishing a system that can adapt to diversification and complexity in audit targets.



● Historical trends in gender composition



Internal Audit Structure

Efficiency and Digital Transformation in Auditing

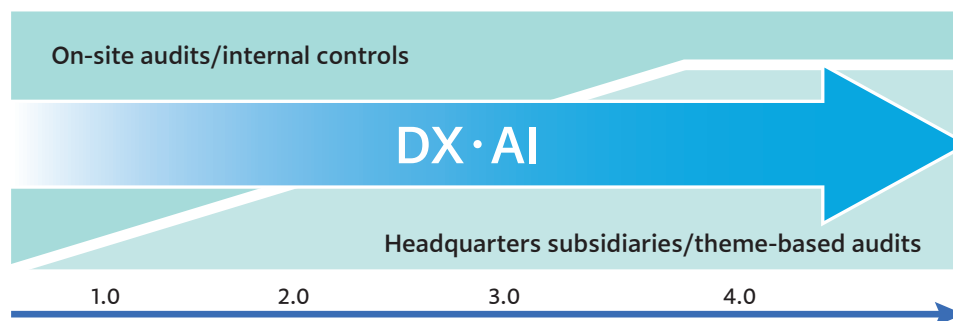
Company-Wide Initiatives for Greater Efficiency

For over 20 years, we have promoted company-wide business process reforms (BPR) and digital transformation (DX). As a result, we have established a system under which most documents necessary for audits can be monitored remotely, significantly reducing the need for on-site data collection. In addition to face-to-face interviews with audited departments, we actively utilize online communication tools for remote meetings, which has led to a substantial reduction in required audit personnel and audit days while alleviating the burden on audited departments.

Optimal Allocation of Audit Resources

Thanks to company-wide efficiency initiatives and consolidation of branches, the workload for branch audits has decreased. Meanwhile, the roles of group companies and headquarters functions have expanded further, driven by the establishment of new companies, organizational changes, new business launches, new products, and system renewals. Against this backdrop, we employ a risk-based approach when selecting audit targets to enable strategic allocation of audit resources. By clarifying audit priorities based on importance and impact, we conduct more effective and impactful audits, thereby maintaining and strengthening the risk management system and sound management across the group.

● Image of resource allocation ratio changes due to efficiency and DX



Efforts Targeting Digital Transformation

Aiming to improve both efficiency and sophistication of audit operations, our audit department participates in internal data utilization projects, collaborating with data scientists to advance data-driven auditing. We also partner with AI startup companies to streamline audit procedures through AI-powered solutions. Going forward, our audit department will further deepen the use of data and AI to build a more strategic and efficient audit system, enabling early detection of risk signs.

Demonstrating Consulting Functions

Our audit department leverages the expertise and skills cultivated through auditing to support consulting on internal controls provided by CC Innovation, a group company. Through internal and external personnel development, we aspire to serve not only as internal auditors, but also as trusted advisors who contribute to the sustainable growth of regional businesses and the development of the local economy.

~Consulting Services~

『Building and Operating Internal Controls and Governance』



Solutions Group
CC Innovation
Hideki Saka

Utilizing the knowledge gained in the audit department, I am currently engaged in consulting operations on internal controls and governance construction at CC Innovation, a group company. Our consulting covers important areas such as business processes, compliance, and business continuity planning (BCP), conducting risk-based, objective assessments and reporting both evaluation results and improvement proposals. Internal auditing, often likened to a “health checkup” for organizations, periodically checks the condition of the organization and encourages early improvements. When communicating audit findings, there is a risk of giving a negative impression, so I take utmost care in how I convey them. Personally, I strive to communicate facts objectively while also ensuring careful and considerate communication, thereby enabling the recipient to accept and embrace the feedback positively.

Risk Management System

Integrated Risk Management Policy and Operating Framework

Our company conducts integrated risk management to centrally and systematically identify, assess, and respond to various risks based on three core pillars.

Risk Appetite Framework (RAF)

We employ a risk appetite framework, which predefines and monitors the level of risk to be taken in the course of business execution. Risk assets are set in line with our financial plans and business strategies. Each business unit is allocated risk assets, and the status of risk assets and profits is regularly monitored to ensure appropriate risk-taking and profit realization. By leveraging the risk appetite framework, we optimize risk and return to achieve our medium- to long-term management strategies.

※Risk appetite: The type and amount of risk an organization is willing to accept to achieve its objectives and business plans.

Integrated Risk Management Structure

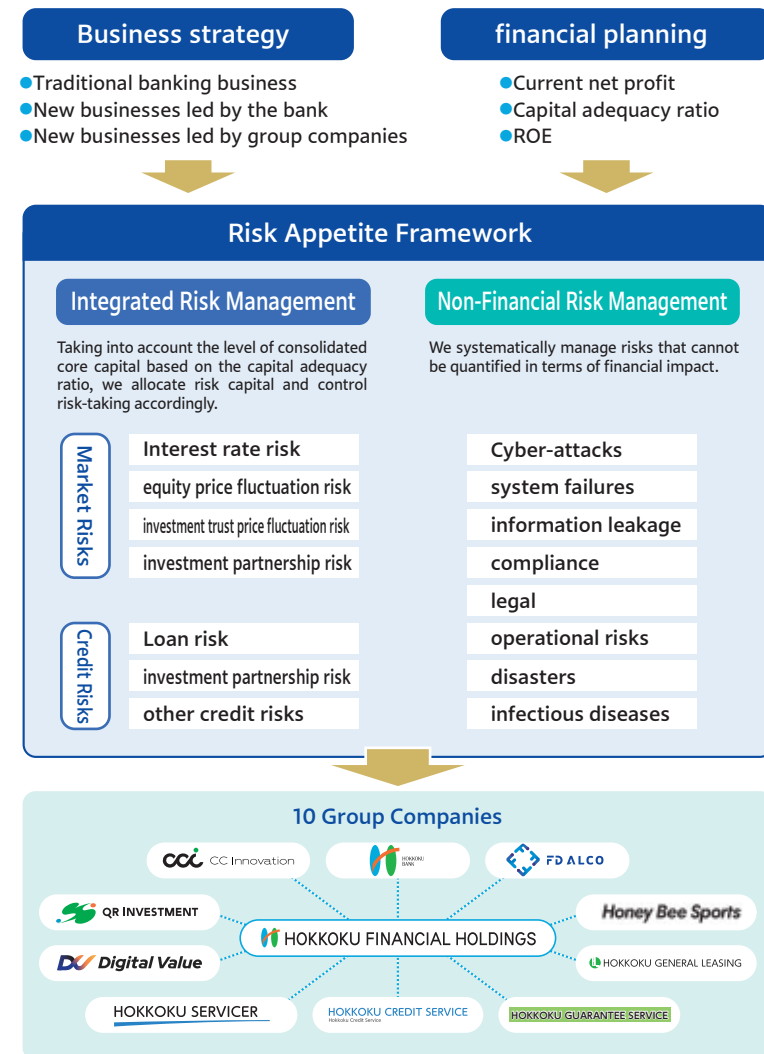
For credit risk related to loans and market risk (including interest rate risk and price fluctuation risk) associated with market-related products and banking accounts, our company measures risk using a unified indicator: Value at Risk (VaR). For these quantifiable risks, we formulate an integrated risk management policy each fiscal year, set a capital allocation budget, and manage actual values to enable precise risk control. We ensure adequate capital by measuring integrated risk against core capital. In anticipation of sudden financial market changes and unforeseen events, we conduct stress tests to evaluate our fiscal soundness. Furthermore, when developing comprehensive budgets, we also assess risk appetite on a stress-tested basis.

Non-Financial Risk Management System

Risks that cannot be quantified in terms of financial impact are positioned as non-financial risks and managed systematically. As our business areas expand, non-financial risks have diversified; thus, the risk management and business departments work together to identify, assess, and develop countermeasures for these risks. When introducing new products or services, departments closely collaborate to implement controls proportionate to risk levels. Company-wide initiatives ensure comprehensive risk identification and effective mitigation measures.

※Main non-financial risks include cyber-attacks and system failures, information leakage, compliance and legal risks, operational risks, disasters, and infectious diseases.

Image of Integrated Risk Management



Risk Management System

Basic Policy on Business Continuity

1.Purpose

As a regional comprehensive company, we aim to strengthen and enhance our risk management system by establishing a business continuity framework. Based on our internal management policy (“Basic Policy on Internal Control Systems”), this framework establishes the fundamental principles regarding business continuity for our group as a whole and aims to ensure these are widely shared throughout the organization.

2.Basic Approach to Management

In the event of an emergency, we strive to minimize the impact on our operations and restore them promptly and efficiently, maintaining a certain level of business continuity. In addressing such situations, we focus on the following points:

- ① Ensuring the safety of customers, employees, and stakeholders.
- ② Restoring and continuing operations as quickly as possible to contribute to regional economic activity and minimize impacts on settlement systems.
- ③ Minimizing opportunity losses resulting from business suspension, etc.
- ④ Building necessary systems and conducting training to ensure the effectiveness of these measures.

3.Anticipated Emergencies

We anticipate emergencies such as natural disasters, pandemics, system failures, cyber-attacks, and reputational harm.

4.Priority Operations and Recovery Targets

As a provider of highly public financial services, we define operations that should be prioritized during recovery to prevent the disruption of social and economic activity and ensure the allocation of management resources to these areas. For these prioritized operations, we set target recovery times and milestones for prompt response.

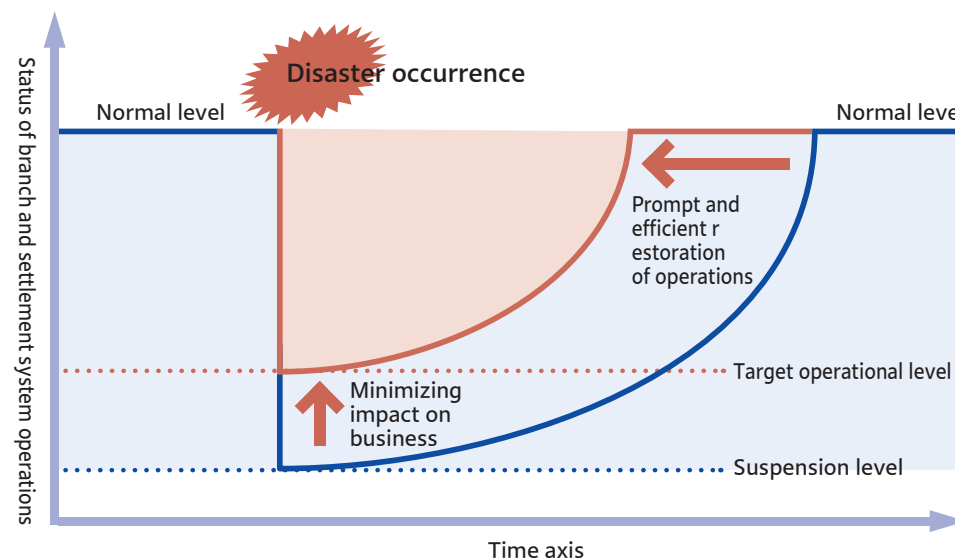
5.Rules and Regulations

In accordance with this policy, we establish the “Basic Rules for Business Continuity” to clarify commitments and enact subordinate regulations for thorough dissemination.

6.Continuous Improvement

We regularly conduct training based on our business continuity plan, evaluate employee proficiency and understanding of emergency procedures, and periodically verify effectiveness. In response to changes in the external environment and business diversification, we update the relevant rules and guidelines as necessary to further enhance business continuity.

Basic Approach to Business Continuity



Compliance

Basic Approach

Our company regards compliance not only as adherence to laws and regulations, but also as observing social norms and internal rules, positioning it as a top management priority. We are committed to thoroughly ensuring awareness and establishing a robust compliance framework based on our “Compliance Policy.”

Understanding and Dissemination of Corporate Philosophy

All executives and employees fully understand and share our corporate philosophy, management policies, and codes of conduct. We are mindful that our trust and credibility are built through daily actions, and each individual strictly observes the “Ethics Charter.”

Compliance Management System

Our compliance system is managed by the Board of Directors, Group Strategy Meeting, compliance officers at each business division and branch, and the Corporate Administration Department. The Corporate Administration Department, as the compliance supervising division, aggregates, manages, investigates, and analyzes compliance information, implements necessary measures, and formulates and executes the Compliance Program (activity plan). The Board of Directors and other committees regularly or as needed receive reports on compliance and deliberate on important measures. Compliance officers are appointed in each business division and branch to ensure checks and balances in the workplace.

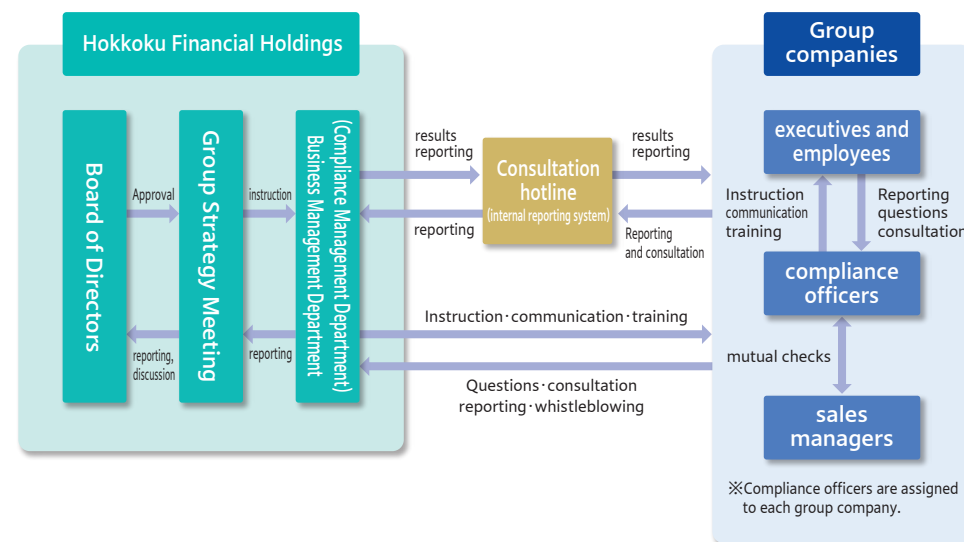
Implementation of the Compliance Program

Based on the Compliance Program (activity plan), we appropriately check, report, and evaluate the status of compliance activities and implement effective corrective and recurrence prevention measures through the Board of Directors and other bodies. An annual “Compliance Awareness Survey” is conducted to gauge employee awareness and changes in corporate culture, and the contents of the Compliance Program are continually reviewed based on these results and changes in internal and external environments.

Training and Education

We foster compliance awareness among employees through training, education, and practical discussions. In each division and branch, compliance officers lead efforts to strengthen the prevention of violations. This approach prevents arbitrary interpretation or formalization of rules and creates an environment where employees can act autonomously. The compliance supervisory division maintains an effective monitoring system to support these initiatives and ensures continuous improvement.

● Compliance Management System Diagram



Internal Reporting and Consultation System (Consultation Hotline)

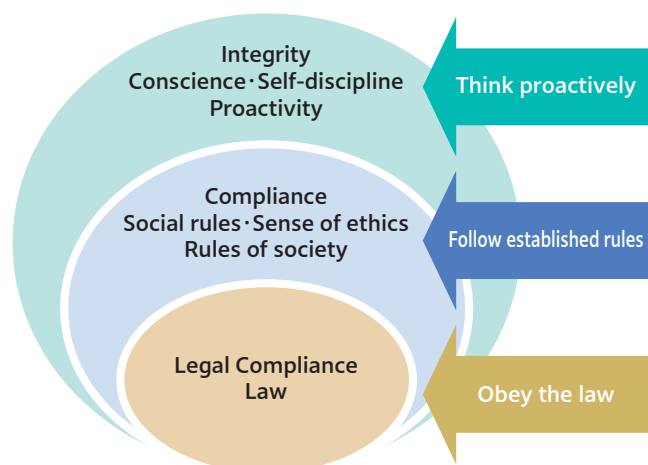
We have established an internal reporting system for all group employees (including officers and those who have retired within the preceding year). The system designates the Head of Compliance, Head of Human Resource Development, and a designated external attorney as contact points. To prevent and promptly detect legal violations or misconduct, we conduct interviews between employees and supervisors to discuss workplace issues or personal concerns, and use compliance questionnaires for reporting and consultation. Efforts are made to protect whistleblowers and collect a wide range of employee feedback. In fiscal 2024, we addressed 35 requests and consultations regarding workplace environment and related matters.

Additionally, specialists handle consultations regarding mental health and career issues, ensuring systems are in place for responding to a wide range of employee concerns.

Compliance

Initiatives Aiming to Enhance Integrity

We consider the enhancement of “integrity”—the commitment of each employee to act according to their own conscience and judgment—as a crucial theme, in addition to strengthening compliance. Beyond ongoing communication from top management, we promote the sharing of values and the establishment of ethical behavior throughout the organization through workplace dialogue and training.



Measures for Preventing Money Laundering, etc.

We view the prevention of money laundering, terrorism financing, proliferation financing, and violations of foreign exchange and related laws (“money laundering, etc.”) as a key management issue. Based on guidelines published by Japan’s Financial Services Agency, we implement effective measures against money laundering, etc. Specifically, each group company prepares a risk assessment document, as required by the nation’s Act on Prevention of Transfer of Criminal Proceeds, to identify and evaluate risks included in the products and services offered by our group. We also take appropriate risk mitigation measures, such as detecting and reporting suspicious transactions. Additionally, we are strengthening measures to protect customer assets against increasingly sophisticated financial crimes, such as fraud and unauthorized withdrawals

Efforts for Preventing Financial Crime Victimization

- To prevent recent cases of special fraud, we confirm the purpose of large cash payments or transfers at the counter. For ATM remittances, we display warning messages on the operation screen and install announcement devices to raise awareness and prevent remittance fraud.
- We provide educational videos on financial crimes targeting younger generations through our website, and as part of financial education, we introduce case studies of financial crimes to businesses and schools, striving to improve financial literacy in the community.
- All employees, including management, are regularly trained to deepen their knowledge and understanding of financial crime prevention and anti-money laundering measures, thereby strengthening and building management systems.

Severing Ties with Anti-Social Forces

- Our group maintains a firm stance against anti-social forces that threaten the order and safety of local communities, with a basic policy of severing all relationships. In business operations, we prioritize the severance of ties with such entities and resolutely reject any improper demands, never providing funds or engaging in backroom deals. We also collaborate with external specialists such as the police and lawyers as necessary, enabling rapid and appropriate responses throughout the organization.

Response to Customer Harassment

Based on our Human Rights Policy, the group has established a “Basic Stance on Customer Harassment.” We respond as an organization with a resolute attitude towards demands that exceed what is socially reasonable or behaviors that personally harm employees or deny them their dignity. By doing so, we maintain a healthy working environment where employees can work with peace of mind, and, through sincere dialogue with customers, strive to provide better service and build long-term trust.

Section3

Business-Specific Strategies

A relentless focus on customer-centricity underlies every initiative of our company. We explain our business development and activities through three major categories: “traditional banking,” “new business under banking accounts,” and “new business by new companies,” highlighting the value we aim to deliver as a unified group.

CONTENTS

- 76 Business-Specific Operating Revenue Plan
- 77 Corporate Banking
- 78 Retail Banking
- 79 Market Operations
- 80 Cashless Services
- 81 Digital / BaaS
- 82 Consulting
- 83 Investment Advisory
- 84 Investment Funds
- 85 Co-Creation with Communities
- 86 Regional Revitalization

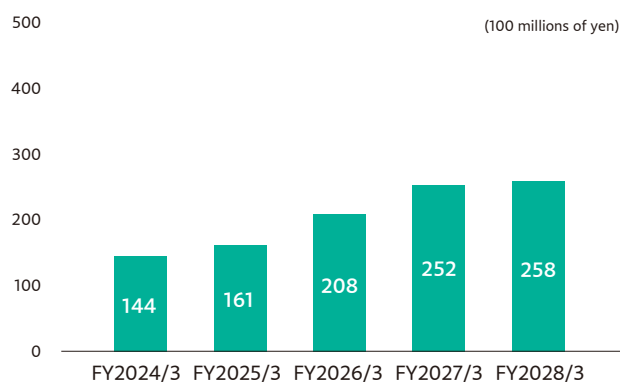
Business Segment Revenue Plans

This section outlines the revenue performance and targets for key business areas, divided into traditional banking, new business under banking accounts, and new business by new companies.

Traditional Banking

Corporate loans and leasing

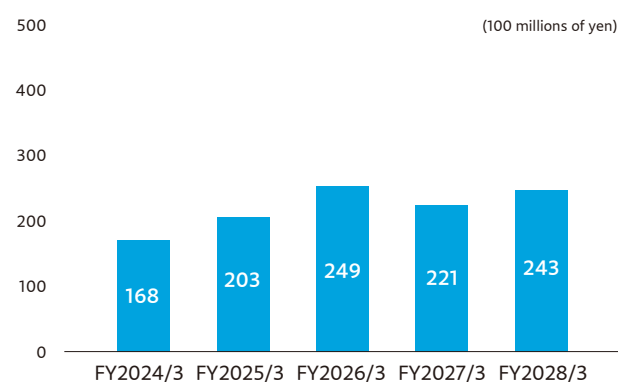
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New Businesses Under Banking Accounts

Market operations

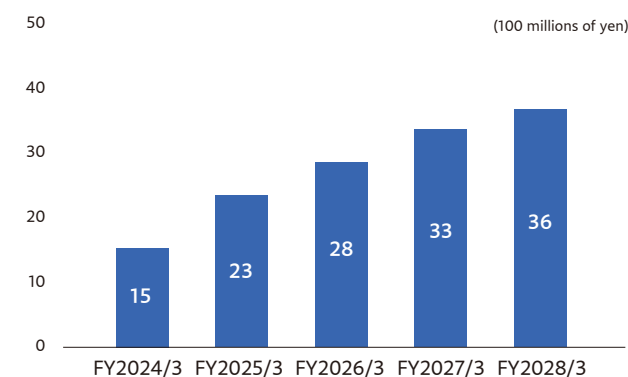
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New Businesses by Newly Established Companies

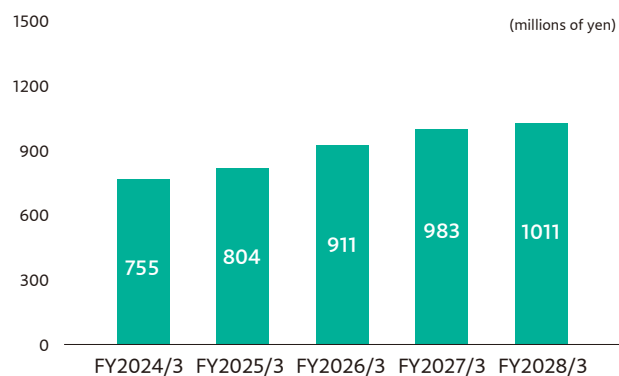
Consulting

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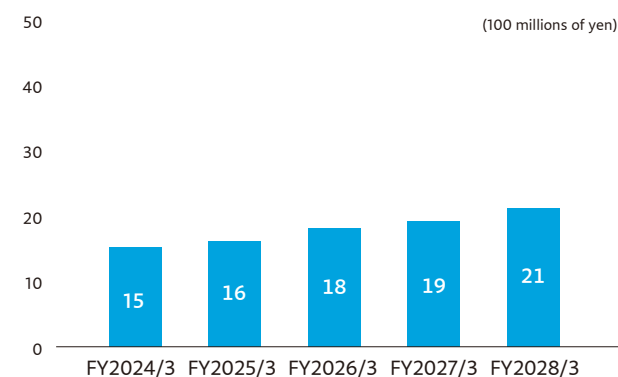
Life Planning (Individual Consulting)

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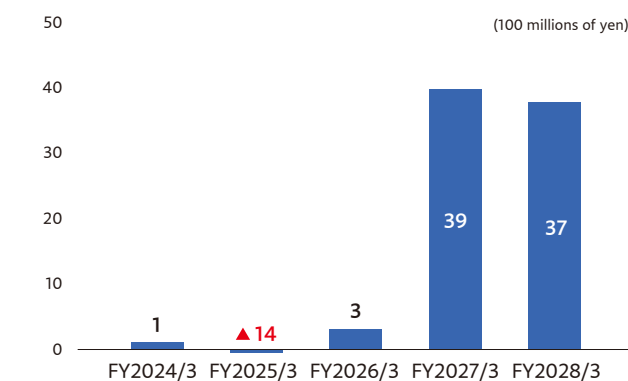
Cashless

▶ P.80



Investment Fund Business

▶ P.84



Traditional Banking Business

Corporate Sales



Takashi Nakano

Executive Officer,
General Manager,
Corporate Department
The Hokkoku Bank, Ltd.

Joined Hokkoku Bank in 1996; served as Branch Management Section Chief in the Branch Management Department in 2017, then as Nagoya Branch Manager in 2019. After serving as Executive Officer, Head of Marketing Department in 2023, he was appointed Executive Officer, General Manager of the Corporate Department in March 2025.

Industry-Specific Representative System to Advance Business Understanding

In March 2024, we consolidated our corporate sales bases in the Kanazawa area into the Head Office Sales Department and introduced the “Industry-Specific Representative System,” shifting from a “region-based” to an “industry-based” assignment structure. This initiative was implemented to deepen our core approach of “understanding our clients’ businesses” in corporate sales by enhancing expertise in each industry and improving the quality of dialogue with clients.

Under the previous region-based system, thoroughly addressing industry-specific issues and needs was challenging under certain circumstances. With the new structure, we have organized representatives into eight industries—including real estate and construction, machinery manufacturing, healthcare and welfare, and services and retail—enabling each representative to develop a deeper understanding of trends and challenges in their respective industries. As a result, conversations with clients can proceed smoothly without the need for extensive industry explanations. When complex needs or issues arise during discussions, we are now able to propose comprehensive solutions, leveraging the

Business Overview

In addition to offering deposits, financing, and settlement services, we also provide various services such as consulting and collaborating with group companies to address challenges and deliver comprehensive solutions.

Strengths

Starting from a deep understanding of our clients’ businesses, we offer not only traditional banking services but also diverse solutions as a unified group.

Materiality-Based Key Initiatives

Maintaining the stability of financial functions
Contributing to a circular economy through loans and leases

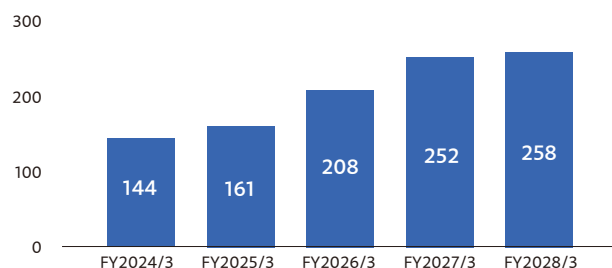
specialized expertise of our group companies, and provide prompt, one-stop support.

Customers have shared positive feedback such as, “It’s great to have conversations without needing industry explanations,” and “We now receive accurate proposals based on best practices and examples from similar businesses.” Internally, this system has produced significant benefits as well. Team members can now deepen their expertise by focusing on specific industries, which has led to greater specialization. Sharing information and holding study sessions among team members has helped accumulate knowledge throughout the organization. This structure has enabled us to develop industry-specific strategies and set KPIs, resulting in improved productivity in sales activities.

Profit Plan: Transitioning Finance from Volume to Quality

By shifting our approach from volume to a focus on profitability, we have primarily provided financing to small- and medium-sized enterprises in the three Hokuriku prefectures. However, with rising yen interest rates, we are now also increasing loans to large corporations. Compared to the previous fiscal year, the loan balance for FY2025/3 rose by ¥117.4 billion, with lending margins up by 0.153%. For FY2026/3, we are targeting recurring business finance revenue—including leases—of ¥20.8 billion.

● Business Loan and Lease Recurring Revenue Plan (100 millions of yen)



Increase the number of directors from four to six

Enhance management depth and strengthen sales capabilities to improve profitability



▼ Further Increasing Opportunities for Communication

From FY2025, Hokkoku Bank has significantly reformed the executive activity structure for corporate sales. Instead of assigning directors or executive officers in charge of corporate divisions to specific regions, we have shifted to a style under which they meet with various clients throughout the year, regardless of area. Under this new framework, executives no longer remain at headquarters for most of the week; instead, they actively visit clients as a basic practice. This approach enables us to capture feedback from the field more directly and respond quickly and flexibly. As a result, clients have commented “Hokkoku Bank feels much closer now,” and our ties with the community have deepened even further.

▼ Practical Learning Opportunities for Young and Mid-Career Employees

Additionally, we have made improvements to the members who accompany executives during on-site visits. While it was previously common for managers such as division managers or branch managers to accompany executives, we now focus on including account managers (sales representatives). This provides young and mid-career employees with more opportunities to work directly with executives and gain practical learning experiences. By raising the skill level of account managers, we aim to further expand our business relationships.

Sector coverage teams

Sales structure

Real estate and construction, etc.	General Manager-Account Manager
Chemicals, textiles and energy, etc.	General Manager-Account Manager
Machinery manufacturing, etc.	General Manager-Account Manager
Food and restaurants, etc.	General Manager-Account Manager
Transport, automotive, and gas stations, etc.	General Manager-Account Manager
Medical care and welfare, etc.	General Manager-Account Manager
Telecommunications, printing, and broadcasting, etc.	General Manager-Account Manager
Services and retail, etc.	General Manager-Account Manager

Traditional Banking Business

Retail Operations



Junichi Shinkawa

General Manager,
Marketing Department
The Hokkoku Bank, Ltd.

Joined Hokkoku Bank in 1999; After gaining extensive experience at branch offices since joining the bank, he transferred to the Digital Department in 2015 and served as Digital Group Manager from 2022. Following my tenure as Fukui Sales Department Manager in 2023, he was appointed as Marketing Department Manager in March 2025.

Advancing Together with the Community: The Evolving “Digital × Face-to-Face” Service Model

Digital Initiatives

We strive to enrich the lives of individual customers by offering services such as “HOKKOKU LIFE+” and hosting digital classrooms. We are actively promoting the adoption of digital services beneficial for daily life, such as internet banking, Visa debit cards, and various apps. To ensure even customers unfamiliar with IT feel comfortable, we provide thorough support for app setup and usage, helping create an environment where everyone can naturally benefit from digital convenience. These efforts form a crucial foundation supporting regional digitalization and will continue to underpin future service expansion.

Face-to-Face Initiatives

Our basic policy is “customer-first sales,” with a robust consulting framework provided by knowledgeable consultants. By starting with life planning, we share customers’ dreams and goals, striving to offer the best advice and services. With the introduction of online consultation desks, customers can consult with specialists from their home or nearest branch, aiming to deliver high-quality consulting regardless of location.

For housing loans, we go beyond simple lending; specialized consultants support customers’ future planning and household management by reviewing life plans and insurance, offering optimal solutions tailored to each situation. We are also enhancing convenience with developments such as online consultation systems, making it easier for more customers to take the first step towards home ownership with peace of mind.

We are committed to improving in-branch services. Since introducing an appointment system at all branches in August 2023, approximately 3,000 customers per month have utilized this service, enabling more effective use of their valuable time. We will continue to enhance safe and comfortable branch service environments moving forward.

As a financial institution rooted in the community, we are actively

Business Overview

In addition to fundamental banking services such as deposits and settlements, we propose and provide optimal services tailored to each customer’s lifestyle and asset situation.

Our Strengths

Flexibility and convenience through the use of online consultation tools, enabling customers to consult with specialists “anytime, anywhere, at any branch.”

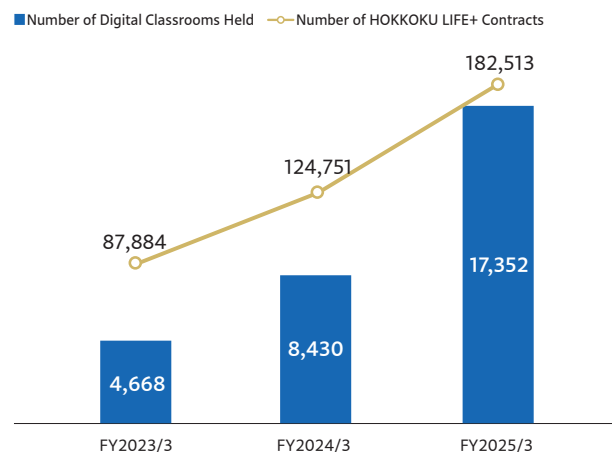
Key Initiatives Based on Materiality

Asset building and inheritance support based on life planning; support for regional digitalization through digital classrooms

involved in disaster support as well. For customers affected by the Noto Peninsula Earthquake, we held weekend loan consultation meetings at the Anamizu Town SAWAYAKA Exchange Center Pluto, providing financial support for rebuilding lives. We listen attentively to our customers’ voices and have established a system to deliver the necessary support swiftly and with care.

We will continue to foster an environment where everyone can consult with us with confidence, balancing the convenience of digital services with the reassurance of face-to-face interaction, and advancing together with our regional customers.

Number of Digital Classrooms Held and HOKKOKU LIFE+ Contracts



Introduction of Online Consultation Services

Enabling consultations with
expert staff efficiently from any location



▼ About the Introduction of Online Consultations

To further improve customer convenience and service quality, we have introduced an online consultation service. This system enables customers to meet with specialists from their home or workplace, regardless of location, ensuring flexible and efficient consultations on life planning, asset management, and loans.

Customer Feedback

Reason for Consultation

I chose to use the online consultation service because it allows me to seek advice during gaps in my work or childcare, or at a convenient time for myself, without having to visit a branch in person

Customer Feedback After Consultation

After the consultation, I felt reassured as all of my questions were answered clearly and thoroughly through the screen. The use of graphs and on-screen explanations made the content easy to understand and helped convey the information effectively. If my family or friends ever ask, “Where can I get financial advice?” I would definitely recommend Hokkoku Bank’s online consultation desk.

New Businesses Under Banking Accounts

Market Operations



Haruki Maekawa

Executive Officer,
General Manager,
Capital Market Department
The Hokkoku Bank, Ltd.

Joined Hokkoku bank in 1997; he engaged in market operations for a total of nine years three and a half years from 1999 and another five and a half years from 2007. He served as Risk Management Section Manager in the Corporate Management Department in 2017, and as Card Department Manager in 2022. In March 2025, he was appointed Executive Officer and Head of Market Finance Department.

Investment of Innovation (Continued Evolution of Market Operations)

Achievements and Features of Market Operations

In fiscal 2024, the market division achieved a total profit of ¥20.3 billion, combining interest and trading gains, resulting in performance that exceeded initial expectations. Following the Bank of Japan's lifting of negative interest rates in March 2024, yen interest rates rose sharply, creating new investment opportunities. As a result, total securities holdings reached ¥1,849.7 billion, an increase of ¥435.5 billion from the previous year.

We establish model portfolios focused on medium- to long-term risk-return efficiency, while flexibly managing our securities portfolio in response to short-term market scenarios. As markets return to a world with real interest rates, we continue to operate a stable securities portfolio based on bond investments, complemented by pure equity investments and multi-asset strategies for further diversification. This approach enables us to maintain stability and adaptability, even amid highly volatile market conditions.

Raising the Sophistication of Securities Management

In fiscal 2025, we will continue to pursue overall performance improvement of our securities portfolio from a medium- to long-term perspective, executing investment strategies based on our unique market outlook.

In particular, we will enhance our pure equity investment operations alongside our yen-denominated bond management.

Recently, by reinvesting proceeds from the sale of policy-holding shares into pure equity investments, we have maintained our overall equity investment balance.

We focus primarily on “quality growth stocks” in the Japanese equity market, controlling overall portfolio risk while capturing the steady growth of companies over the medium to long term.

FDALco's equity team diversifies investments into promising companies, drawing not only from public information but also from qualitative

Business Overview

We are responsible for the overall management of securities operations, striving to maximize and stabilize the profits of the market division.

Our Strengths

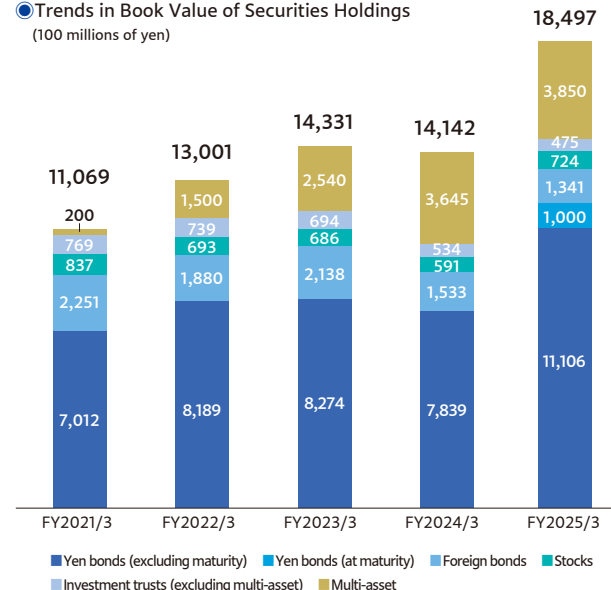
We are implementing more advanced management practices in collaboration with our group's investment advisory company, FDALco.

Key Initiatives Based on Materiality

Maintaining Stability of Financial Functions

insights gained through approximately 160 annual company interviews. The collaboration between Hokkoku Bank as asset owner and FDALco as asset manager utilizes appropriate engagement through proxy voting as well, driving performance improvement.

Trends in Book Value of Securities Holdings (100 millions of yen)

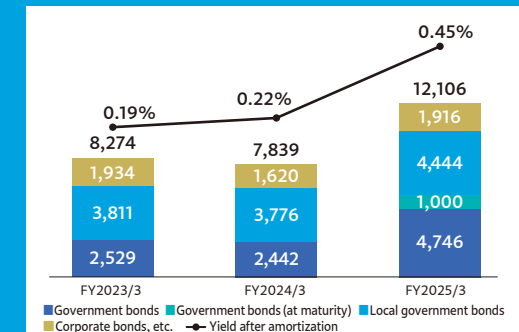


Yen-Denominated Bond Investments amid Rising Interest Rates

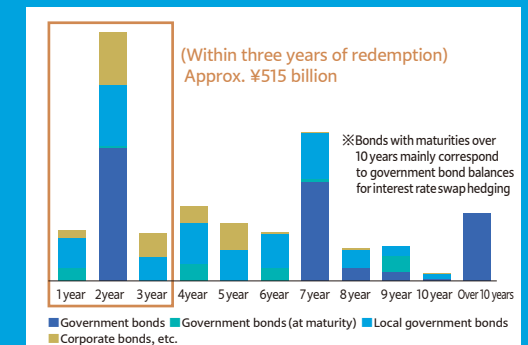
Aiming to secure stable earnings by reinvesting while carefully determining the timing of monetary policy shifts

In FY2024, yen-denominated bond holdings increased by ¥426.7 billion. By efficiently managing our portfolio, we seek to return as much profit as possible. As our primary approach, we accumulated ¥300 billion in two-year government bonds, focusing on short-term investments. As a result, redemption amounts within the next three years will exceed ¥515 billion, accounting for over 40% of our yen-denominated bond balance. We will continue building a yen-denominated bond portfolio that enables stable earnings through reinvestment, closely monitoring shifts in Japan's monetary policy.

Yen-Denominated Bond Balance and Portfolio Yield Trends (¥100 million)



Redemption Ladder (FY2025/3) (¥100 million)



New Businesses Under Banking Accounts

Cashless



Masahiro Koishi

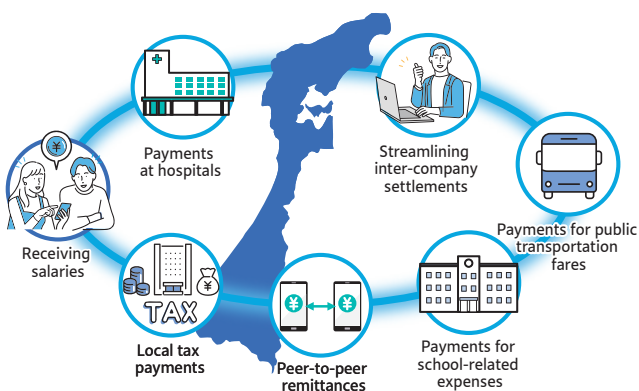
Executive Officer,
General Manager,
Digital Department
The Hokkoku Bank, Ltd.

Joined Hokkoku Bank in 1996; over the years, he has held positions such as Uozu Branch Manager in 2019 and Johoku Area Manager and Kanazawa Johoku Branch Manager in 2021, mainly in corporate sales. Became Executive Officer, Card Division Manager in 2023 and Executive Officer, General Manager of Digital Division in March 2025.

Toward a Super Cashless Region

Our company aims to achieve a 100% cashless rate in Ishikawa Prefecture through the distribution of digital regional currency and the spread of Hokkoku Visa Debit Cards. By promoting cashless commerce and digitalization throughout the entire prefecture, we strive to enhance regional productivity and foster new innovation together with government, industry, and academia. Through these initiatives, we aim for Ishikawa to become a pioneering regional model that attracts attention from other areas. Furthermore, as the proportion of cashless payments increases nationwide, we believe this will raise overall social productivity and help boost corporate growth investment and human capital development.

What We Aim to Achieve with Digital Currency



Business Overview

Promoting cashless transactions through both card business and digital regional currency business, contributing to enhanced convenience and productivity in the Hokuriku region

Strengths

Directly licensed by Visa for card business, with about 10 years of operational experience; in the regional currency business, developed Japan's first deposit-type stablecoin

Key Initiatives Based on Materiality

Contributing to the creation of a digital and cashless society

From Regional to Nationwide Cashless Commerce

In the card business, in collaboration with Infcurion, Inc., we are developing two new cloud-based systems: a new issuing system for the issuance and operation of debit cards and an acquiring system for managing merchant partners. Meanwhile, we are also promoting the Hokkoku Visa Debit Card and other existing services.

Additionally, we are publicizing the digital regional currency service "Tochituka," and through "Tochipo," which has already been introduced in Ishikawa Prefecture, Suzu City, and Nomi City, we have supported local spending while improving administrative efficiency. Moving forward, we are considering additional features such as supporting payment of local taxes, public utilities, medical and school fees, salary payments for local companies, and exchanges with digital currencies from other regions to further enhance convenience. These efforts in both card and digital regional currency areas are not limited to local adoption but are also being considered for expansion to other regions and businesses.

Cashless Business Plan

	FY2024/3	FY2025/3	FY2026/3	FY2027/3	FY2028/3
Issuing (Number of Visa debit members)	308,000	351,000	391,000	448,000	505,000
Acquiring (Number of affiliated merchants/partners)	6,678	7,035	7,300	7,680	8,060
Tochituka (Number of users)	2,500	14,000	30,000	65,000	130,000
Tochitukat (Number of affiliated merchants)	200	2,200	3,000	8,000	10,000

Nomi City has decided to introduce the Tochitsuka system.

Digitizing point management has contributed to reducing costs associated with printing, distributing, and collecting paper vouchers, leading to greater efficiency in municipal operations.



Comments from the person in charge

In the face of challenges such as future population decline, an increasingly aging society, and consumer spending flowing out to neighboring cities, Nomi City introduced the digital regional currency and point service "Nomi Tochipo," provided by Hokkoku Financial Holdings, in March 2025, aiming to enhance regional productivity and revitalize the local community.

"Nomi Tochipo" is a municipal point system that can be used through the smartphone application "Tochituka," allowing citizens to shop and dine at 160 participating stores in the city at a rate of one point = one yen. This initiative encourages consumption within the local community.

Furthermore, we have built a system that links with the city's health app, "Health Mileage," and the "SPOBY" decarbonization app, awarding points based on health promotion activities and environmentally friendly behavior. This incentive mechanism has been well received by many citizens, as it encourages positive behavioral change.

From an administrative perspective, digitizing point management has contributed to reducing costs associated with printing, distributing, and collecting paper vouchers, thereby increasing the efficiency of municipal operations.

Looking ahead, "Nomi Tochipo" will be utilized for local festivals, events, and child-rearing support payments, as we work to create a unique cashless society within Nomi City. Through these efforts, we aim to further revitalize the region, improve administrative efficiency, and enhance overall productivity throughout the city.

New Businesses Under Banking Accounts

Digital / BaaS



Shigefumi Yoshida

Executive Officer,
General Manager, Digital Department
The Hokkoku Bank, Ltd.

After more than 20 years of experience in financial and digital transformation at companies such as Microsoft Japan, Japan Business Systems, ORIX Bank, and IBM, Yoshida joined Hokkoku Bank in 2024. After serving as Head of the Digital Division in the same year, he was appointed Executive Officer and Head of Digital Division in March 2025.

Aiming to Become a Leading Digital Bank

Hokkoku Financial Holdings is committed to enhancing productivity throughout the region—including residents, businesses, and municipalities—by promoting cashless transactions and digitalization. By leveraging advanced digital technologies, such as AI and blockchain, we strive for flexible, dexterous responses that go beyond operational streamlining and efficiency, delivering high value-added services to our customers.

Building the Next-Generation Regional Digital Platform

To realize more flexible financial services and improve bank management efficiency, we are advancing a project aiming to build a “Next-Generation Regional Digital Platform” that provides financial services natively through the cloud. In 2024, we launched the “Hokkoku Digital Banking” corporate internet banking service through internal development and completed the BaaS (Banking as a Service) infrastructure.

This multi-cloud infrastructure serves as the foundation for diverse, convenient services provided by local businesses and municipalities, contributing to increased productivity and the revitalization of the entire region. In the BaaS field, we have started offering the “Finswer Bank” through collaboration with Finswer, Inc. Moving forward, we will leverage our expertise to provide solutions to other financial institutions and businesses.

Service Expansion Leveraging Digital Strengths

In April 2024, Hokkoku Bank began offering “Tochika,” Japan’s first deposit-type stablecoin. Built on blockchain-based banking systems, this is also the nation’s first service enabling payments with “Tochipo,” a municipal-issued point system.

For individual customers, use of “HOKKOKU LIFE+”—which features Visa debit, cloud banking, and paperless and seal-free operations—is expanding. For corporate clients, we launched the “Hokkoku Digital Banking Overdraft,” allowing simple, branchless procedures with immediate execution and repayment, an innovative new financial service.

Business Overview

By promoting digitalization, we are driving innovative productivity improvements across the entire region, including local residents, businesses, and municipalities.

Our Strengths

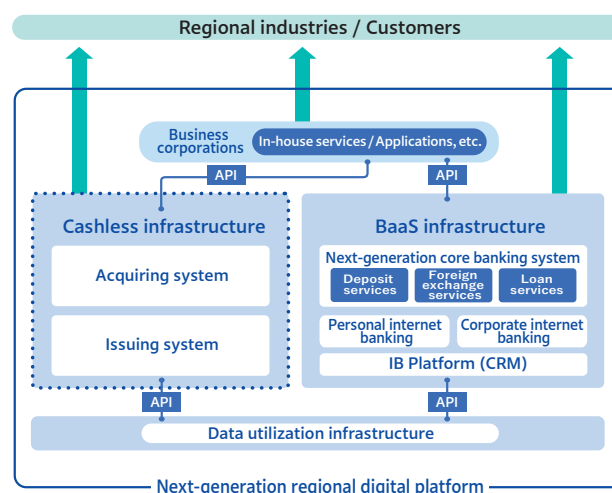
Based on a flexible development framework incorporating digital marketing and design capabilities, we are promoting digital transformation (DX) integrated with our management strategy.

Key Initiatives Based on Materiality

Contribution to the creation of a digital and cashless society

We will continue to develop and improve services by making the most of digital advantages, aiming to modernize our financial functions. Additionally, by deploying our framework in other prefectures, we will promote cashless commerce and digital transformation beyond the Hokuriku region. Through such efforts, we are committed to enhancing the productivity and convenience of our communities and realizing a high-quality region.

Overview of the Next-Generation Regional Digital Platform Construction Project



Providing Back-Office Solutions That Drive Business

We supply banking functions to “Finswer Bank,” an online banking service offering comprehensive support for accounting operations through a single platform.

Kohei Ogawa

Representative Director

Finswer Inc.



Collaborative Initiatives

Rendering of the “Finswer Bank” service utilizing Hokkoku Bank’s BaaS infrastructure.

Reasons for Choosing Hokkoku Bank’s BaaS Platform

Hokkoku Bank is the only bank in Japan providing a BaaS infrastructure that includes APIs for opening corporate accounts.

Finswer Bank Outlook

Finswer Bank, launched in March 2025, is an online banking service for corporations. In addition to account opening and fund transfer features, it also offers functions such as OCR processing of received invoices and approval workflows. Clients open an account with the “Hokkoku Bank Finswer Branch” to access all features. Many customers have expressed appreciation for the seamless account opening process—for example, clients are not required to submit a certified copy of the commercial registry, as Hokkoku Bank obtains it directly. By offering Finswer Bank nationwide, we aim to accelerate the digital transformation of financial services for businesses across Japan.

New Business Operated by the Newly Established Company

Consulting



Tomohiko Kikuzawa

Director and Managing Executive Officer
Hokkoku Financial Holdings, Inc.
President and Representative Director
The CC Innovation, Ltd.

Joined The Hokkoku Bank, Ltd. in 1991; he served as Head of Human Resource Development Department, Corporate Planning Department in 2016, Executive Officer and Head of Corporate Planning Department in 2021, and was appointed President of The CC Innovation.

Transformative Consulting for Organizations

To achieve sustainable growth, three elements are essential: “sound strategy,” “enhanced productivity,” and “talent development.” CC Innovation embodies these pillars through its consulting and advisory functions.

Our approach prioritizes pre-consultation “dialogue” to identify true challenges. By emphasizing the process of uncovering fundamental issues, we deliver highly effective solutions that lead to organizational transformation. Sometimes, our proposals diverge from clients’ initial requests, but our consulting projects consistently receive high evaluations.

Our uniqueness lies in insistence on “execution and integration on site.” Without implementation, even the best strategies or systems cannot change an organization. We focus on bridging the gap between planning and execution, drawing out employee engagement and behavioral change through dialogue and co-creation.

This comprehensive support is possible because our group has firsthand experience implementing structural reforms and HR system changes. We combine pragmatic expertise and an on-the-ground perspective, delivering tailored end-to-end solutions for each client.

Three Core Consulting Areas

- 1 Strategy support: Redefining management philosophy and purpose, drafting medium-term plans, restructuring business portfolios, and facilitating vision penetration through employee engagement; we aim for “strategies that mobilize the entire organization,” even in the age of VUCA.
- 2 Productivity enhancement: optimizing workflow, introducing digital tools, and supporting cross-departmental collaboration to create systems that deliver results with limited personnel; we focus on improving “work quality,” rather than just efficiency.
- 3 Talent development: Designing training programs aligned with strategy, developing management and next-generation leaders, and revising evaluation systems to cultivate “human capital;” we strive to ensure training initiatives are practically utilized in the workplace.

Business Overview

Our management consulting services provide tailored, comprehensive support for a wide variety of challenges to drive corporate growth.

Our Strengths

We uncover the essence of issues through in-depth dialogue and offer holistic support from strategy formulation to on-site execution, leveraging our experience in internal reform and know-how.

Key Initiatives Based on Materiality

We deploy integrated consulting and advisory functions, both domestically and internationally, utilizing our proprietary knowledge to support corporate growth.

We will continue to leverage our “practical expertise in transformation” to co-create the future with regional businesses and deliver impactful change to society.

● Main Service Menu and Track Record

Management Strategy Formulation

Cumulative achievement: **1,178 cases**

- Management philosophy and plan formulation
- Cost management system construction
- Implementation support for plans

Human Resource Development and Human Capital

Cumulative achievement: **821 cases**

- Design of HR evaluation and compensation systems
- Hierarchical training and executive candidate development
- Introduction of diverse talent

Overseas Business

Cumulative achievement: **150 cases**

- Opening overseas sales channels
- Establishing overseas bases
- Problem-solving for local subsidiaries

Business Efficiency and ICT Utilization

Cumulative achievement: **606 cases**

- Business process optimization
- Various operational efficiency improvementst
- Implementation and utilization support for systems

Business Succession, Capital Strategy, and M&A

Cumulative achievement: **221 cases**

- Succession planning
- Organizational restructuring support
- M&A brokerage and FA services

Other

Cumulative achievement: **200 cases**

- Support for ESG and SDGs initiatives
- Management advisory services
- Consulting for financial institutions

Consulting Results

We have steadily accumulated consulting achievements for large corporations.

We have provided extensive support for large corporations with sales exceeding 5 billion yen, as well as for local governments and financial institutions. Building on this experience, we continue to engage with each client to deliver even higher quality consulting.

- Number of contracts with large enterprises (sales over 5 billion yen), local governments, and financial institutions
Past 3 years: 154 contracts

<Breakdown>

■ Breakdown by Industry	Number of Cases
Manufacturing	69cases
Construction	27cases
Retail and wholesale	38cases
Service	22cases
Other	3cases

■ Breakdown by Region	Number of cases
Hokuriku region	139cases
Urban areas	17cases
Overseas	3cases

■ Breakdown by Service Menu	Number of cases
Management strategy formulation	24cases
Business efficiency and ICT utilization	49cases
Human resource development and human capital	54cases
Service	9cases
Overseas business	3cases
Other	20cases

New Business Operated by the Newly Established Company

Investment Advisory



Seiichi Sagiike

President and
Representative Director
The FDALco, Ltd.

Joined Hokkoku Bank in 1993; after serving as General Manager of the Capital Market Department and Executive Officer from 2021 and as Executive Officer and General Manager of the Capital Market Department in March 2023, Sagiike led the bank's market operations for over 20 years. He was appointed President of The FDALco, Ltd. in March 2025.

Dedicated to the Clients' Best Interests

Three and a half years have passed since FDALco launched its investment advisory services, and the value of our “investment advisory” offering is gradually being recognized and appreciated by clients. We have remained committed to a neutral stance while providing advice grounded in advanced expertise, always prioritizing a close, client-focused approach.

We will continue to actively contribute to the enrichment of individuals' lives, the sustainable growth of businesses, financial literacy in our region, and revitalization of the local economy

Investment Advisory for Individual Clients and Owners

As an impartial and fair advisor, our top priority is to propose optimal solutions for clients' asset formation and problem-solving.

For individual clients, we provide asset management and inheritance strategies tailored to life plans. For corporate owners, we offer strategic advice focusing on business succession and asset preservation, supporting “peace of mind” for the future.

We value careful listening to each client's situation and background, aiming to deeply understand the essential issues and values. Through advice in line with each client's intentions, we build trust and strive to be chosen as a lifelong partner.

We also strive to continuously improve service quality by promoting understanding through the introduction of case studies and collecting and utilizing feedback via NPS (Net Promoter Score) surveys.

We will remain a partner who draws life plans with our clients and supports peace of mind for the future.

Investment Advisory Services for Corporate Clients

For corporate clients, our firm is strengthening its investment advisory services, with a particular focus on surplus asset management. As Japan's economy matures, more companies—regardless of size—are shifting from being “borrowers” to “lenders,” and the number of debt-free enterprises continues to rise.

Business Overview

We provide comprehensive, high-quality advice and ongoing support in asset management, inheritance, and business succession.

Our Strengths

By leveraging advanced expertise and maintaining independence from specific distributors, we deliver neutral, client-centric, and high-quality advice.

Key Initiatives Based on Materiality

Support for asset formation and inheritance based on life planning / Demonstration of integrated domestic and global consulting and advisory functions utilizing in-house expertise

Amid changing economic conditions, such as Bank of Japan interest rate hikes and inflation, attention toward asset management as a means of effective deposit utilization and inflation protection is increasing.

Leveraging our expertise in financial advisory, we are expanding our services to include asset-side investment advice, focusing on understanding each client's business and financial condition in detail to deliver optimal, long-term investment solutions.

In addition to investment advisory, our group network enables us to provide total solutions for owner-specific needs such as business succession, inheritance, and M&A transactions.

Investment Advisory for Regional Financial Institutions

Building on the expertise gained from enhancing Hokkoku Bank's securities management systems, we offer wide-ranging solutions—from supporting the development of investment strategies and plans for constructing medium- to long-term securities portfolios. We also propose optimal portfolio management to achieve stable revenues into the future, carefully evaluating risk.

Our support extends to the restructuring of middle and back-office operations and ALM strategy consultation, helping institutions build more effective management frameworks.

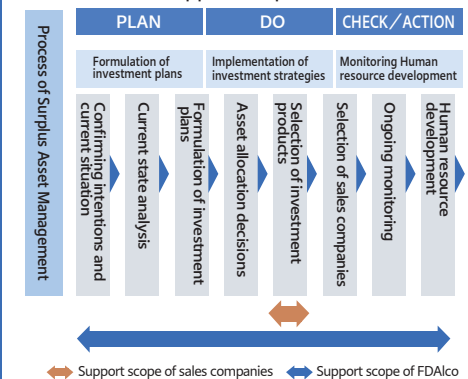
By harnessing the strengths of our group companies, we deliver tailored solutions for a range of management challenges faced by financial institutions.

Distinctive Features of Corporate Investment Advisory

Total Support Across All Phases of Surplus Asset Management

Effective surplus asset management for corporate clients demands both stability and systematic operational oversight. To help realize optimal asset management for clients, we conduct thorough business analysis, provide end-to-end support—from planning and execution to monitoring—and remain committed partners after implementation. We offer ongoing, comprehensive support in a consultative capacity to executives and financial managers, working together to build sustainable asset management systems.

Image of the Surplus Asset Management Process and Support Scope



PDCA Cycle and Our Support Plan



New Business Operated by the Newly Established Company

Investment Fund



Fumio Hamano

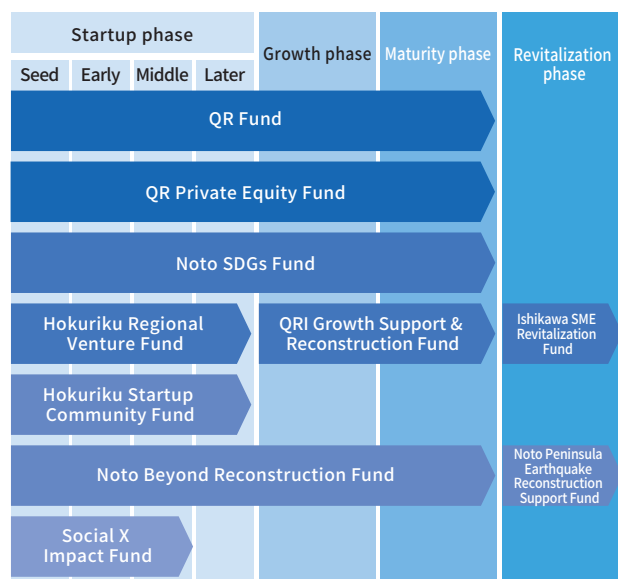
President and
Representative Director
The QR Investment, Ltd

Joined Hokkoku Bank in 1997; over a total of eight years—four years from 2001 and another four years from 2006—he was engaged in international operations. In 2013, he was appointed Assistant Manager of the Market Finance Department's Market Operation Section and worked in market operations for eight years. After serving as Group Leader of the Planning Group in the Corporate Planning Department in 2021, he became president of The QR Investment, Ltd. in March 2023.

Investing in a Better Future Transforming Regions into Quality Regions

Through our fund business, QR Investment aims to contribute to raising the quality of regions (“Region” × “Quality”). Because we target every stage of a company’s life cycle, we offer ten different funds, broadly supplying risk capital. Our investments extend beyond Hokuriku, reaching across Japan and internationally.

●List of Funds



Business Overview

Operation of revitalization funds, business succession funds, and venture funds

Our Strengths

Based on strong trust from the region, we invest in Hokuriku as well as globally through collaboration with the overseas offices of Hokkoku Financial Holdings.

Key Initiatives Based on Materiality

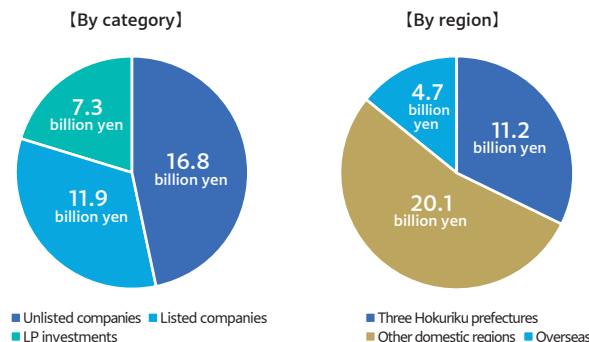
Growth support through private equity

Investment Strategy

To realize quality regions that continuously generate innovation, our dual approach combines deepening support for local business succession and growth—leveraging regional trust—and expanding our business domain through investments both domestically and abroad.

Moreover, to contribute to the “regional ecosystem,” we promote “impact-first” investments that address social issues in the region, while achieving economic returns that revitalize and enhance the quality of the area. By maximizing the synergy of both aspects, we strive to build sustainable communities. To be truly “impact-first,” we actively conduct impact assessments. Of course, we also pursue investment returns, with a target investment multiple KPI of 1.20. Additionally, we diversify our investments across Japan and overseas to avoid risk concentration in Hokuriku.

●Investment Portfolio (as of December 2024)



Investment Executed for the First Project of the “Noto Beyond Reconstruction Fund!”

Collaboration with Noto’s Sake Brewery, “Toriya Shuzo”

Koichiro Miyake

President

Naorai Co., Ltd.
NOTO Naorai Co., Ltd.
Noto Distillery



Naorai Co., Ltd., headquartered in Kure, Hiroshima Prefecture, with a sake brewery in Jinsekikogen, received investment from the “Noto Beyond Reconstruction Fund” in April 2025. In partnership with Toriya Shuzo in Nakanoto, Ishikawa Prefecture, the company established the Noto Distillery. This initiative aims for creative reconstruction following the Noto Peninsula Earthquake, and we are honored to work closely with the local community.

At Noto Distillery, we produce “Jochu—JOCHU,” an innovative type of alcohol made from sake using our proprietary “Low-Temperature Distillation®” technology, which extracts only the pure alcoholic content. This process concentrates the original aroma and flavor of sake, deepens them with aging, allows for long-term storage, and results in a high value-added product suitable for export.

The Noto Toji (master brewers) of Ishikawa Prefecture are renowned as one of the four greatest toji in Japan. We believe their tradition and fermentation techniques will be carried forward, overcoming the disaster.

We are committed to making “Jochu—JOCHU” a symbol of creative reconstruction in Noto, working together with the local community.



Towards New Business Development

Co-Creation with the Community


Yoichi Sakano

Executive Managing Director
Hokkoku Shimbun Co., Ltd.
President and
Representative Director
The Regional Future Co., Ltd.


Satoshi Sono

Executive Vice President and
Representative Director
The Regional Future Co., Ltd.

About Regional Future Co., Ltd. (Role as Hokkoku FHD)

Regional Future was established in December 2024 through joint investment conducted by Hokkoku Shimbun Co., Ltd. and Hokkoku Financial Holdings, Inc. (Hokkoku FHD). By combining the local insights and strengths cultivated by both companies over many years and through collaboration with municipalities, we aim to revitalize and achieve the sustainable development of communities through proposals, consulting, research, and event planning related to urban development. Our involvement in urban development (city planning) stems from the belief that creating the future of local areas in the context of population decline requires collaboration extending beyond merely political or administrative responsibility—corporate activities alone are not sufficient. Hokkoku Shimbun's reporting and communication capabilities, which enable it to uncover and share both local challenges and attractions, as well as its deep relationships with local governments, are combined with Hokkoku FHD's enterprise-wide reforms and financial expertise. By integrating their overlapping EC businesses and research functions, we will work even more robustly toward creating new value deeply rooted in the region. As a company founded through external collaboration, we serve as a contact point for co-creation between municipalities and the community, while also playing a key role in Hokkoku FHD's open innovation efforts.

Participation in Ishikawa Prefecture's Creative Reconstruction Plan

Regional future is organized into the Corporate Management Department, Planning Department, Regional Innovation Department, and Regional Trading Company Department. Employees seconded from Hokkoku FHD mainly belong to the Regional Innovation and Regional Trading Company Departments. The Regional Innovation Department is responsible for consulting for municipalities, urban development, and tourism promotion. By actively taking on commissioned projects from local authorities, we encourage the circulation of funds within the region while involving local businesses. As a leading project for Ishikawa Prefecture's

Business Overview

Consulting, research related to the economy and industry, regional trading company, online shopping, crowdfunding, accommodation booking, and information site management

Strengths

- ① Visionary and communicative power in finance × media to tackle regional issues
- ② Collaborative capability for regional initiatives centered on municipalities
- ③ EC and information dissemination as a regional trading company

Key Initiatives Based on Materiality

Promoting regional growth through sports, entertainment, and tourism
Urban design consulting and development finance

Creative Reconstruction Plan, Hokkoku FHD participates in the “Industry–Academia–Government Ishikawa Reconstruction Project Conference,” supporting the reconstruction of Noto while designing future city-building plans. We also facilitate discussions through symposiums and mass media. In the Regional Trading Company Department, we operate the EC site “COREZO MALL” to discover and sell the best products and experiences from Hokuriku, the crowdfunding platform “COREZO FAMILY FUNDING,” the accommodation booking site “COREZO TRAVEL,” and the information portal “COREZO HOKURIKU” (which means “This is Hokuriku”). We strengthen cooperation with local businesses and governments, work to enhance the value of regional brands, and aim to inspire the world with the best of Hokuriku by visualizing and effectively promoting the region's appeal. The Corporate Management and Planning Departments, mainly staffed by seconded employees from Hokkoku Shimbun, are involved in preparing for the Noto Ekiden event, a project of the “Industry–Academia–Government Ishikawa Reconstruction Project Conference.” Meanwhile, these departments are also participating in projects aiming to train the next generation of Wajima-nuri lacquerware artisans. Furthermore, they are engaged in commissioned research for municipalities.

- COREZO MALL <https://shopping.corezo.co.jp/>
- COREZO TRAVEL <https://travel.corezo.co.jp/>
- COREZO HOKURIKU <https://www.corezo.co.jp/>

Our Aims Going Forward

Leveraging the vision and communication of finance × media, we will continue to develop a co-creation platform aimed at solving regional issues and achieving sustainable development. Our goals include creating and communicating the ideal shape of the region and implementing various measures through thorough discussion and collaboration among all stakeholders—industry, academia, government, finance, labor unions, and media (“Industry–Academia–Government–Finance–Labor–Media”). By promoting collaborations that transcend individual companies, we strive to establish a new regional model for Japan's socioeconomic future.

Collaboration Beyond the Corporate Framework

Through “Industry–Academia–Government–Finance–Labor–Media” partnerships, we promote the execution of regional co-creation and vision.



Scenes from the Second Symposium



Examples of Remake Plans

▼ Remake Plans and Symposiums

To date, we have held two symposiums on the themes of “remaking the future of Noto and Ishikawa” and the “Grand Renovation Plan for the Urban Core of Kanazawa,” inviting guests such as Governor Hiroshi Hase of Ishikawa Prefecture and House of Councillors member Naoki Okada. For Kanazawa's remake, we proposed plans such as a facility combining the functions of an international conference hall and an opera house, a crafts village, a luxury hotel, an annex hotel for the 21st Century Museum of Contemporary Art, a multipurpose dome stadium with a roof, and the development of transportation infrastructure including LRT, BRT, and underground passages. These concepts have been discussed in depth to share visions for the future of the region. Going forward, we will continue promoting regional co-creation and the implementation of strategies through “Industry–Academia–Government–Finance–Labor–Media” collaboration.



The symposium archive is available below:

- [Kickoff] <https://www.youtube.com/watch?v=O5n9p48qR6s>
- [Second Symposium] <https://www.youtube.com/watch?v=iuwYg8tkw8>

Further New Business Initiatives

Regional Revitalization



Naotaka Terai

Managing Executive Officer,
General Manager, Corporate
Planning Department
Hokkoku Financial Holdings, Inc.

Joined Hokkoku Bank in 1993; he was appointed General Manager of Human Resources Development Office, General Planning Department in 2017. Later, he served as both an executive officer and as General Manager of Human Resources Development Department in 2021, then as General Manager of Digital Department in March 2022. As of 2024, he was serving as Executive Managing Officer and General Manager of Corporate Planning Department and Digital Department.

Aiming to Enhance Regional Value

Hokkoku Bank is committed to sustainable regional development and the (physical, mental, and social) well-being of local people, contributing to regional value enhancement through effective use of the bank's assets and urban spaces. We promote collaboration with local governments, residents, and businesses; aim to increase the number of people involved and attracted to the area; and realize future-oriented community building.

Effective Use of Bank Assets

Traditionally, bank branches have provided financial services while also serving as gathering and connecting places for local residents. However, as part of our branch strategy, we have closed some branches in certain areas, resulting in the loss of these functions.

To address the challenge of rebuilding new relationships with the community, we are reimagining closed branches to be more than mere idle assets; reconceiving these branches as “new starting points for value creation” distinct from conventional banking functions, we are advancing initiatives to contribute to the community in new ways.

As the regional environment continues to change dramatically, with a declining population and the progression of the aging society, our vision is “well-being and sustainable community development.” Leveraging the group's extensive network, wealth of information, and proposal capabilities, we aim to expand both the interactive and related populations through real estate utilization projects, growing together with communities, creating inspiration, and enhancing regional value.

A notable example is “Hirooka Terrace,” an office building adjacent to our head office building, scheduled for completion at the end of July 2025. Designed to reflect the unique character of Kanazawa, Hirooka Terrace will work with the main building to serve as a “community hub,” fostering innovation through communication and collaboration with tenants and contributing to the development of the area around Kanazawa Station.

Business Overview

Effective utilization of idle banking assets; creating vibrant communities and enhancing value through community production

Strengths

Owning highly valuable assets; maximizing real estate value by leveraging the group's wealth of information and proposal capabilities and collaborating with finance and partners

Key Initiatives Based on Materiality

Urban Design Consulting and Development Finance
Building partnerships that promote sustainable development

Initiatives for Regional Revitalization

Centered around “Regional Future Creation,” jointly established with Hokkoku Shimbun, we are proactively involved in urban development (community building) and tourism area development. For instance, in urban development, Regional Future Creation presents plans for the remodeling of Kanazawa's central area and, through symposiums and deepened discussion, leads collaboration with communities, residents, municipalities, and partner companies, and carries out implementation.

In tourism development, we enhance the value of local resources, communicate their appeal through collaboration with stakeholders, and aim to expand the interactive population and create new consumption.

We position Regional Future Creation as both a “producer of community building and a co-creation platform,” serving as the driving force from concept to execution, contributing to the creation of vibrancy and sustainable regional revitalization.



The open work lounge on the fourth floor of Hirooka Terrace is scheduled for completion at the end of July 2025.

Noto Area Branches —Toward NotoReconstruction

Plans are underway to rebuild several branches as part of future reconstruction.



Image of the planned Anamizu Branch reconstruction

Due to the Noto Peninsula Earthquake in 2024, 16 of our branches were forced to close temporarily, but all branches have since resumed operations. For branches with significant building damage making continued use difficult, we are moving forward with rebuilding plans as part of the reconstruction efforts.

New branches will feature communication spaces designed to encourage community gatherings. In addition, by using local Noto Hiba wood, we aim to create warm, inviting spaces while also supporting the branding of local timber, promoting the forestry and timber industries of Noto, and contributing to regional revitalization.

Furthermore, we have sold idle facilities in the Noto area, which had been closed prior to the earthquake, to reconstruction support organizations and local businesses for use as reconstruction support bases. This form of support may be indirect, but we are confident it contributes to the recovery of Noto.

Financial Highlights

Net Income(Consolidated)and ROE(Domestic Standard Bank Basis)

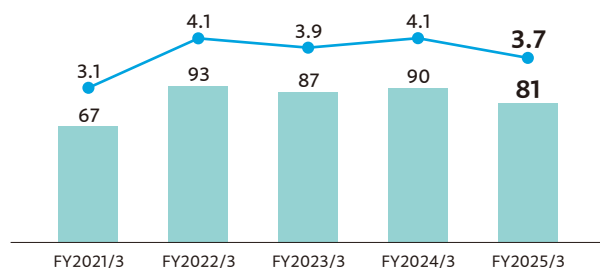
[Medium- to long-term targets]

[ROE] FY2026.3 5.1% FY2027.3 5.0 or higher FY2028.3 6.0 or higher

[Net income] FY2026.3 11.0 billion yen FY2027.3 12.4 billion yen FY2028.3 14.7 billion yen

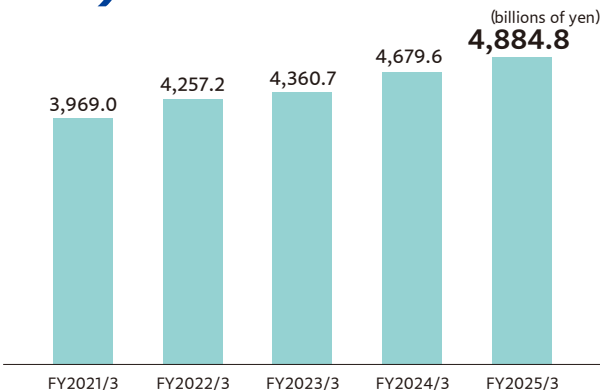
ROE **3.7%** Net income (consolidated) **8.1 billion yen**

— ROE(%) — Net income (consolidated) (billions of yen)



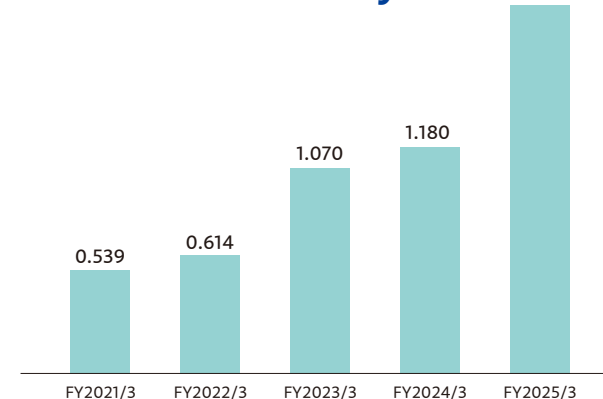
Deposit balance

4,884.8 billion yen



Consulting revenue

1.914 billion yen

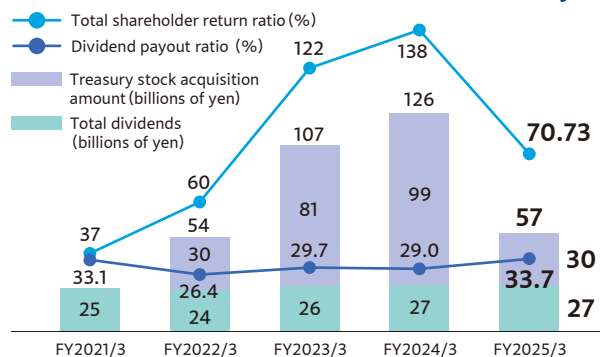


Total Shareholder Return Ratio, Total Dividends, Treasury Stock Acquisition Trend

[Medium- to long-term targets]

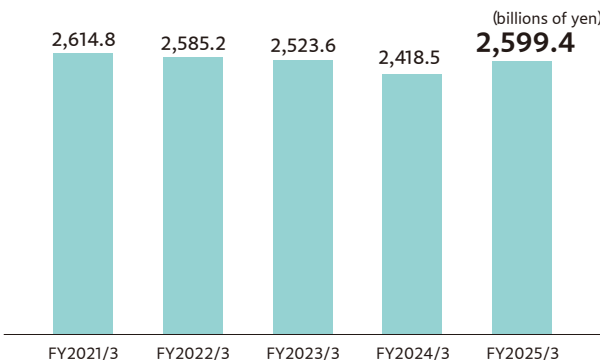
The shareholder return policy has shifted from “total return ratio of 50% or more” to “dividend payout ratio of around 40% plus flexible share buybacks.”

Dividend payout ratio **33.7%** Dividend amount **2.7 billion yen**



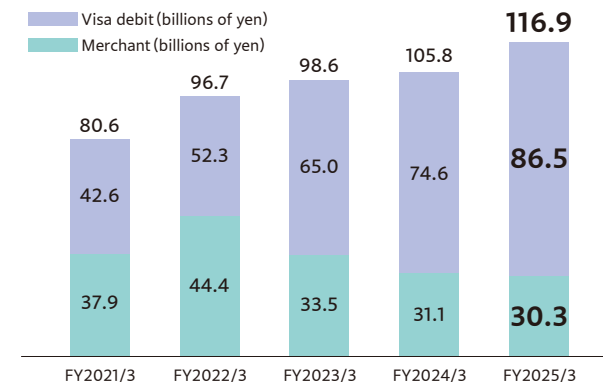
Loan balance

2,599.4 billion yen



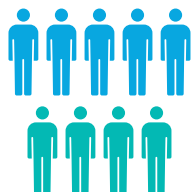
Cashless payment amount

116.9 billion yen



Non-Financial Highlights

Ratio of outside directors



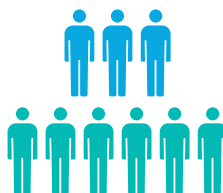
55%

(Five out of nine directors are outside directors.)

※Since November 2023, an outside director has served as Chairperson of the Nomination and Remuneration Committee.

※Since June 2024, an outside director has served as Chairperson of the Board of Directors.

Ratio of female directors

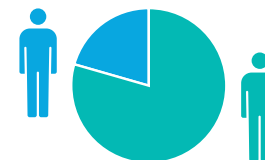


33%

(Three out of nine directors are women.)

※As of June 2025

Ratio of female managers



21.4%

(FY2024)

FY2020	FY2021	FY2022	FY2023	FY2024
14.6%	17.6%	20.3%	21.2%	21.4%

Number of meetings between CEO and institutional investors



49 sessions

(FY2024)

CO₂ emission reduction rate



50.5% reduction

(FY2013 to FY2024)

Number of digital classroom sessions held



17,352 sessions

(FY2024)

Number of corporate internet banking clients



25,828 companies

(as of the end of March 2025)

Number of individual internet banking contracts



388,535 subscribers

(as of the end of March 2025)

the Ishikawa Electronic Tax Payment Promotion Project



26 government agencies
12 financial institutions
59 various organizations

(FY2024)

Group Company Information (As of June 30, 2025)

HOKKOKU FINANCIAL HOLDINGS

Company name Hokkoku Financial Holdings, Inc.
Established October 1, 2021
Head office 2-12-6 Hirooka, Kanazawa City
Representative Shuji Tsuemura, President and Chief Executive Officer Representative Director
Business Bank holding company
Capital 10,000 million yen
Listed stock exchange Tokyo Stock Exchange Prime Market
Website <https://www.hfhd.co.jp/>



Company name The Hokkoku Bank, Ltd.
Established December 18, 1943
Head office 2-12-6 Hirooka, Kanazawa City
Representative Haruhiko Kometani, President and Representative Director
Business Banking, leasing business
Capital 26,673 million yen
Website <https://www.hokkokubank.co.jp/>

HOKKOKU GENERAL LEASING

Company name The Hokkoku General Leasing Co., Ltd.
Established April 27, 1974
Head office 2-2-15 Katamachi, Kanazawa City
Representative Shinzo Oya, President and Representative Director
Business Leasing business
Capital 90 million yen
Website <https://www.hksl.co.jp/>

HOKKOKU CREDIT SERVICE Hokkoku Credit Service

Company name The Hokkoku Credit Service Co., Ltd.
Established June 17, 1981
Head office 2-2-15 Katamachi, Kanazawa City
Representative Masahiro Koishi, President and Representative Director
Business Credit card business
Capital 90 million yen
Website <https://www.hokkokucard.co.jp/>

HOKKOKU GUARANTEE SERVICE

Company name The Hokkoku Guarantee Service Co., Ltd.
Established July 7, 1983
Head office 2-12-6 Hirooka, Kanazawa City
Representative Toshiyuki Konishi, President and Representative Director
Business Credit guarantee for consumer finance
Capital 90 million yen
Website https://www.hokkokubank.co.jp/as_service/index.html

HOKKOKU SERVICER

Company name The Hokkoku Servicer, Ltd.
Established September 21, 2011
Head office 2-2-15 Katamachi, Kanazawa City
Representative Akira Nishida, President and Representative Director
Business Claims management and collection
Capital 500 million yen
Website <http://www.hokkoku-servicer.co.jp/>

Digital Value

Company name Digital Value Co, Ltd.
Established November 22, 2019
Head office 8th Floor, Tekko Building, 1-8-2 Marunouchi, Chiyoda-ku, Tokyo
Representative Masaki Iwama, President and Representative Director
Business System development and management business
Capital 90 million yen
Website <https://www.digitalvalue.co.jp/>

CC Innovation

Company name The CC Innovation, Ltd.
Established June 10, 2021
Head office 2-12-6 Hirooka, Kanazawa City
Representative Tomohiko Kikuzawa, President and Representative Director
Business Consulting business
Capital 100 million yen
Website <https://www.ccinnovation.co.jp/>

QR INVESTMENT

Company name The QR Investment, Ltd.
Established June 10, 2021
Head office 1-16 Musashimachi, Kanazawa City
Representative Fumio Hamano, President and Representative Director
Business Fund administration and management business
Capital 90 million yen
Website <https://www.hfhd.co.jp/qri/>



Company name The FDALCO, Ltd.
Established May 31, 2021
Head office 2-12-6 Hirooka, Kanazawa City
Representative Seiichi Sagiike, President and Representative Director
Business Investment advisory business
Capital 90 million yen
Website <https://www.fdalco.co.jp/>

Honey Bee Sports

Company name The Honeybee Sports, Ltd.
Established November 20, 2024
Head office 2-12-6 Hirooka, Kanazawa City, Ishikawa Prefecture
Representative Kenya Tatsuno, President and Representative Director
Business Management of women's handball team
Capital 50 million yen
Website <https://www.honeybee-ishikawa.co.jp/index.html>

About the Integrated Report 2025

【Reporting period】

April 1, 2024–March 31, 2025

However, information outside this period may be included when showing historical context, data, or recent examples is deemed appropriate.

【Scope of organizations】

The report covers Hokkoku Financial Holdings, Inc. and its group companies.

【Reference guidelines】

International Integrated Reporting Council (IIRC) “International Integrated Reporting Framework”

Ministry of Economy, Trade and Industry’s “Value Co-Creation Guidance”

TCFD (Task Force on Climate-related Financial Disclosures) recommendations

Editorial Policy

This report is intended to clearly communicate our group’s long-term vision, strategies, and performance to all stakeholders. We also disclose information through various other media, so we encourage you to utilize this information for a deeper understanding.

Notes on Forward-Looking Statements

Any future outlooks or performance forecasts presented in this report are based on assumptions, plans, and predictions current as of the date of its publication. These are not guarantees of future results, and actual figures may differ due to changes in the business environment.

Information System Diagram

Main information disclosure system

Integrated Report (Publication: July 2025)

<https://www.hfhd.co.jp/english/ir/annualreport/>

Financial Report (Publication: August 2025)

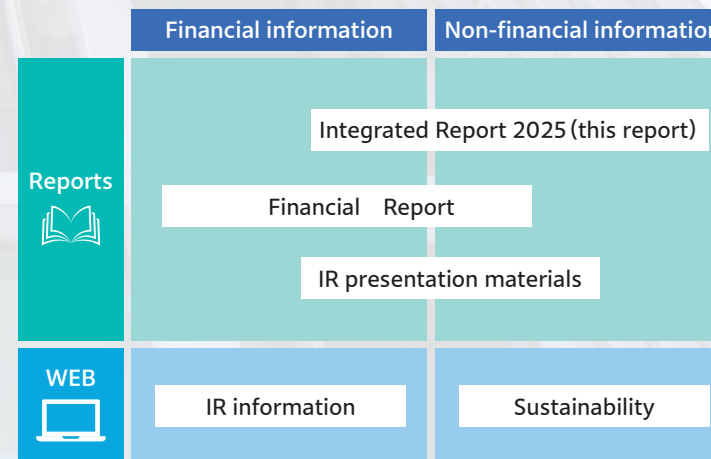
<https://www.hfhd.co.jp/wp/wp-content/uploads/2025/08/FinancialReport2025.pdf>

IR information

<https://www.hfhd.co.jp/english/#irInfomation>

Sustainability

<https://www.hfhd.co.jp/english/sustainability/>





2025

INTEGRATED REPORT

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