

# 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.

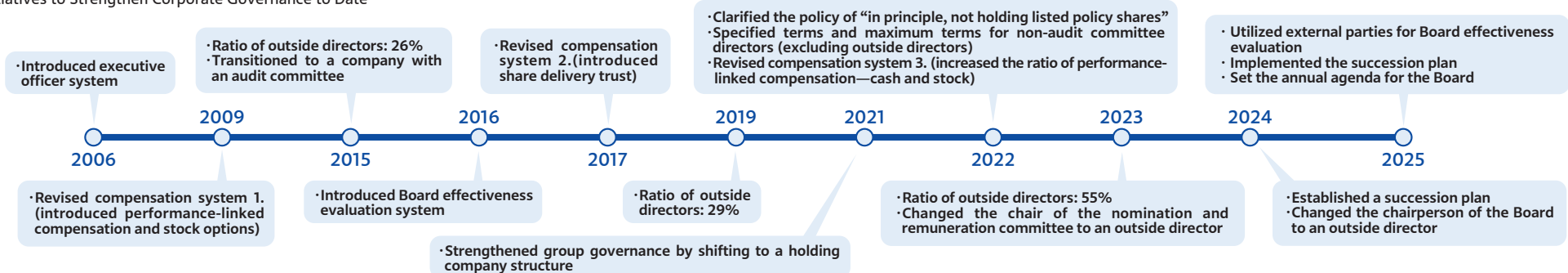
### Implementation of a Succession Plan

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



# Corporate Governance

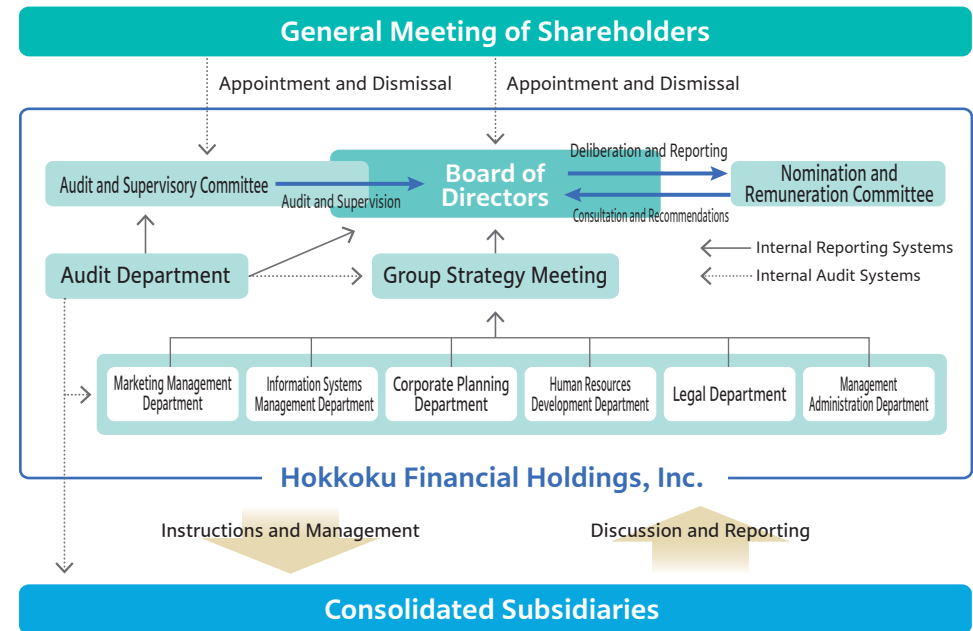
## Basic Views on Corporate Governance

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	<ul style="list-style-type: none"> <li>Utilization of external third-party organizations for board effectiveness evaluation</li> <li>Implementation of succession planning</li> <li>Appointment of an outside director as Chairperson of the Board</li> <li>Formulation of succession plan</li> <li>Appointment of an outside director as Chairperson of the Nomination and Remuneration Committee</li> <li>Ratio of outside directors: 55%</li> </ul>
2020~2022	<ul style="list-style-type: none"> <li>Revision of compensation system (increase in proportion of performance-linked compensation, both monetary and stock-based)</li> <li>Regulation of term and maximum term for directors not serving on the Audit and Supervisory Committee (excluding outside directors)</li> <li>Clarification of the policy to “principally not hold listed policy shares”</li> <li>Strengthening of group governance structure through transition to a holding company system</li> </ul>
2017~2019	<ul style="list-style-type: none"> <li>Ratio of outside directors: 29%</li> <li>Revision of compensation system (introduction of stock delivery trust)</li> </ul>
2014~2016	<ul style="list-style-type: none"> <li>Introduction of board effectiveness evaluation system</li> <li>Transition to a company with an Audit and Supervisory Committee</li> <li>Ratio of outside directors: 26%</li> </ul>
~2013	<ul style="list-style-type: none"> <li>Revision of compensation system (introduction of performance-linked compensation and stock options)</li> <li>Introduction of executive officer system</li> </ul>

### 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	Performance-linked	Total	Total	Fixed	Performance-linked	Total	
	Cash	Cash			Stock	Cash		Cash
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 FDI&Co 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                               | 8. Composition and Role of the Audit and Supervisory Committee |
| 2. Role and Function of the Board of Directors                       | 9. Operation of the Audit and Supervisory Committee            |
| 3. Status of Board Operation                                         | 10. Support System for Outside Directors                       |
| 4. Discussion at Board Meetings                                      | 11. Relations with Investors and Shareholders                  |
| 5. Board Size and Composition                                        | 12. Overall Governance Structure and Board Effectiveness       |
| 6. Composition and Role of the Nomination and Compensation Committee | 13. Self-Assessment                                            |
| 7. Operation of the Nomination and Compensation Committee            |                                                                |

### 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	<ul style="list-style-type: none"> <li>Discussing and sharing long-term business portfolio strategies, including the banking business, and aligning investments, initiatives, and timelines to realize them</li> <li>Engaging in more quantitative analysis-based discussions and decision-making regarding management issues for each business</li> <li>Balancing regional contribution and shareholder value for each project, and reflecting profitability, sustainability, and human resource development considerations in decision-making</li> </ul>
Further Advancement of Activities of the Nomination and Compensation Committee	<ul style="list-style-type: none"> <li>Redefining and sharing the scope of responsibility of the Nomination and Compensation Committee</li> <li>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</li> </ul>
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

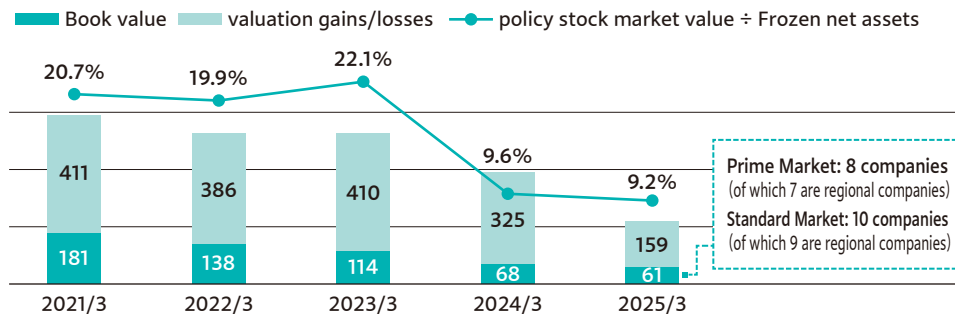
#### Policy and Progress on Reduction of Holdings

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 Komiyama

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. Komiyama 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, Audit Department)

**Takayuki Yamamoto**

Managing Executive Officer  
(General Manager, Marketing Management Department)

**Takehito Itani**

Executive Officer  
(General Manager, Legal Department)

**Takashi Mori**

Executive Officer **Satoshi Oe**

Managing Executive Officer  
(General Manager, Corporate Planning Department)

**Naotaka Terai**

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

**Atsushi Shintani**

Managing Executive Officer

**Masayuki Kita**

Executive Officer  
(General Manager, Information Systems Management Department)

**Tomoyuki Yoshikawa**

Managing Executive Officer  
(General Manager, Management Administration Department)

**Akihisa Nitta**

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

**Masaki Iwama**

Executive Officer  
(General Manager, Human Resources Development Department)

**Junko Inoue**

Executive Officer  
(General Manager, Information Systems Management Department)

**Shigefumi Yoshida**