CCI Group, Inc.

2026
FINANCIAL REPORT

Create Together. Grow Together.

CCIG

Consolidated Balance Sheets

CCI Group, Inc. and Consolidated Subsidiaries

	As of March 31,		
	2026	2025	**2026**
	Millions of yen		Thousands of U.S. dollars (Note 2)
Assets:			
Cash and due from banks (Note 13)	¥ 1,378,941	¥ 1,653,620	$ 8,624,855
Call loans and bills bought	116,000	152,000	725,544
Monetary claims bought	2,510	3,133	15,700
Money held in trusts (Note 10)	13,508	13,508	84,489
Securities (Notes 7, 8, 9 and 15)	1,883,131	1,872,071	11,778,407
Loans and bills discounted (Notes 7 and 8)	3,017,344	2,599,491	18,872,555
Foreign exchanges (Note 7)	5,219	5,485	32,649
Lease receivables and investment in leased assets (Note 20)	43,322	42,223	270,970
Other assets (Notes 7 and 15)	38,480	19,950	240,684
Tangible fixed assets (Notes 12 and 14)	49,794	45,089	311,450
Intangible fixed assets	20,572	13,250	128,672
Net defined benefit asset (Note 25)	3,553	2,060	22,228
Deferred tax assets (Note 24)	4,559	13,941	28,517
Customers' liabilities for acceptances and guarantees (Note 7)	19,931	18,878	124,662
Reserve for possible loan losses	(60,083)	(61,634)	(375,806)
Total assets	¥ 6,536,786	¥ 6,393,070	$ 40,885,582
Liabilities:			
Deposits (Notes 8 and 15)	¥ 4,731,808	¥ 4,884,810	$ 29,596,002
Negotiable certificates of deposit (Note 8)	59,400	—	371,528
Call money and bills sold (Note 15)	545,556	559,680	3,412,285
Guarantee deposit received under securities lending transactions (Note 15)	839,297	599,306	5,249,546
Borrowed money (Notes 8, 15 and 16)	5,944	6,174	37,178
Foreign exchanges	3	0	23
Bonds payable (Note 17)	—	20,000	—
Borrowed money from trust account (Note 18)	37	136	235
Other liabilities	77,068	79,548	482,040
Reserve for bonuses	680	701	4,258
Reserve for management board benefit trust	257	350	1,612
Reserve for reimbursement of deposits	31	47	197
Deferred tax liabilities (Note 24)	1,924	1,335	12,039
Deferred tax liability arising from revaluation of land (Note 12)	1,070	1,208	6,698
Acceptances and guarantees	19,931	18,878	124,662
Total liabilities	¥ 6,283,013	¥ 6,172,180	$ 39,298,310
Net assets:			
Common stock	¥ 10,000	¥ 10,000	$ 62,546
Capital surplus	8,430	10,750	52,728
Retained earnings	209,779	200,709	1,312,104
Treasury stock	(4,252)	(3,484)	(26,599)
Total shareholders' equity (Note 19)	223,956	217,975	1,400,780
Valuation differences on available-for-sale securities	5,368	(10,813)	33,578
Net deferred gains (losses) on hedging instruments	11,076	1,539	69,282
Land revaluation surplus (Note 12)	1,616	1,914	10,111
Remeasurements of defined benefit plans (Note 25)	2,527	1,404	15,810
Total accumulated other comprehensive income	20,589	(5,954)	128,783
Non-controlling interests	9,226	8,869	57,708
Total net assets	253,773	220,889	1,587,272
Total liabilities and net assets	¥ 6,536,786	¥ 6,393,070	$ 40,885,582

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

CCI Group, Inc. and Consolidated Subsidiaries

	Years ended March 31,		
	2026	2025	**2026**
	Millions of yen		Thousands of U.S. dollars (Note 2)
Income			
Interest income on:			
Interest on loans and discounts	¥ 37,718	¥ 28,071	$ 235,915
Interest and dividends on securities	27,115	16,964	169,599
Other interest income	3,962	2,251	24,786
Total interest income	68,796	47,287	430,302
Trust fees	0	0	4
Fees and commissions	12,810	11,107	80,126
Other operating income	18,122	16,345	113,347
Other income (Note 21)	67,372	14,834	421,392
Total income	167,102	89,576	1,045,173
Expenses			
Interest expenses on:			
Deposits	7,948	2,376	49,714
Borrowings and rediscounts	2,576	1,591	16,112
Interest on bonds	110	179	691
Cash collateral received for securities lent	6,428	5,398	40,208
Other	1,023	305	6,399
Total interest expenses	18,086	9,851	113,125
Fees and commissions	4,144	3,908	25,924
Other operating expenses	74,708	20,101	467,279
General and administrative expenses (Note 21)	40,781	34,274	255,078
Other expenses (Note 21)	9,623	9,141	60,191
Total expenses	147,345	77,277	921,599
Special gains and losses (Note 22)	(1,910)	(660)	(11,947)
Profit before income taxes	17,846	11,638	111,626
Income taxes (Note 24):			
Current	7,061	3,510	44,165
Deferred	(2,149)	(311)	(13,446)
	4,911	3,199	30,718
Profit	12,935	8,438	80,907
Profit attributable to non-controlling interests	302	317	1,893
Profit attributable to owners of parent	¥ 12,632	¥ 8,120	$ 79,014

	2026	2025	**2026**
	Yen		U.S. dollars (Note 2)
Amounts per share (Note 26)			
Net assets	¥ 1,095.51	¥ 933.85	$ 6.85
Profit	55.98	35.50	0.35
Profit - diluted	55.96	35.48	0.35

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

CCI Group, Inc. and Consolidated Subsidiaries

	Years ended March 31,		
	2026	2025	**2026**
	Millions of yen		Thousands of U.S. dollars (Note 2)
Profit	¥ 12,935	¥ 8,438	$ 80,907
Other comprehensive income (Note 23)			
Valuation differences on available-for-sale securities	16,211	(39,062)	101,400
Net deferred gains (losses) on hedging instruments	9,537	1,575	59,651
Revaluation reserve for land	—	(34)	—
Remeasurements of defined benefit plans (Note 25)	1,123	2,123	7,024
Total other comprehensive income	26,872	(35,398)	168,076
Comprehensive income	¥ 39,807	¥ (26,959)	$ 248,983
Total comprehensive income attributable to:			
Owners of parent	¥ 39,475	¥ (27,114)	$ 246,906
Non-controlling interests	332	154	2,077

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

CCI Group, Inc. and Consolidated Subsidiaries

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance as of March 31, 2024	¥ 10,000	¥ 19,507	¥ 195,209	¥ (9,814)	¥ 214,902
Cash dividends	—	—	(2,657)	—	(2,657)
Profit attributable to owners of parent	—	—	8,120	—	8,120
Repurchase of treasury stock	—	—	—	(3,005)	(3,005)
Disposal of treasury stock	—	31	—	594	625
Cancellation of treasury stock	—	(8,740)	—	8,740	—
Reversal of land revaluation surplus	—	—	37	—	37
Change in ownership interest of parent due to transactions with non-controlling interests	—	(47)	—	—	(47)
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during the year	—	(8,757)	5,500	6,329	3,072
Balance as of March 31, 2025	¥ 10,000	¥ 10,750	¥ 200,709	¥ (3,484)	¥ 217,975
Cash dividends	—	—	(3,861)	—	(3,861)
Profit attributable to owners of parent	—	—	12,632	—	12,632
Repurchase of treasury stock	—	—	—	(4,001)	(4,001)
Disposal of treasury stock	—	165	—	748	913
Cancellation of treasury stock	—	(2,485)	—	2,485	—
Reversal of land revaluation surplus	—	—	297	—	297
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during the year	—	(2,320)	9,069	(767)	5,981
Balance as of March 31, 2026	¥ 10,000	¥ 8,430	¥ 209,779	¥ (4,252)	¥ 223,956

	Millions of yen						
	Accumulated other comprehensive income						
	Valuation differences on available-for-sale securities	Net deferred gains (losses) on hedging instruments	Land revaluation surplus	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income	Non-controlling interests	Total net assets
Balance as of March 31, 2024	¥ 28,084	¥ (35)	¥ 1,986	¥ (718)	¥ 29,317	¥ 8,735	¥ 252,954
Cash dividends	—	—	—	—	—	—	(2,657)
Profit attributable to owners of parent	—	—	—	—	—	—	8,120
Repurchase of treasury stock	—	—	—	—	—	—	(3,005)
Disposal of treasury stock	—	—	—	—	—	—	625
Cancellation of treasury stock	—	—	—	—	—	—	—
Reversal of land revaluation surplus	—	—	—	—	—	—	37
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	—	(47)
Net changes in items other than shareholders' equity	(38,898)	1,575	(71)	2,123	(35,272)	134	(35,137)
Total changes during the year	(38,898)	1,575	(71)	2,123	(35,272)	134	(32,065)
Balance as of March 31, 2025	¥ (10,813)	¥ 1,539	¥ 1,914	¥ 1,404	¥ (5,954)	¥ 8,869	¥ 220,889
Cash dividends	—	—	—	—	—	—	(3,861)
Profit attributable to owners of parent	—	—	—	—	—	—	12,632
Repurchase of treasury stock	—	—	—	—	—	—	(4,001)
Disposal of treasury stock	—	—	—	—	—	—	913
Cancellation of treasury stock	—	—	—	—	—	—	—
Reversal of land revaluation surplus	—	—	—	—	—	—	297
Net changes in items other than shareholders' equity	16,182	9,537	(297)	1,123	26,544	357	26,901
Total changes during the year	16,182	9,537	(297)	1,123	26,544	357	32,883
Balance as of March 31, 2026	¥ 5,368	¥ 11,076	¥ 1,616	¥ 2,527	¥ 20,589	¥ 9,226	¥ 253,773

See accompanying notes to consolidated financial statements.

	Thousands of U.S. dollars (Note 2)				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance as of March 31, 2025	$ 62,546	$ 67,241	$ 1,255,378	$ (21,797)	$ 1,363,369
Cash dividends	—	—	(24,151)	—	(24,151)
Profit attributable to owners of parent	—	—	79,014	—	79,014
Repurchase of treasury stock	—	—	—	(25,029)	(25,029)
Disposal of treasury stock	—	1,033	—	4,680	5,714
Cancellation of treasury stock	—	(15,547)	—	15,547	—
Reversal of land revaluation surplus	—	—	1,863	—	1,863
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during the year	—	(14,513)	56,726	(4,801)	37,411
Balance as of March 31, 2026	$ 62,546	$ 52,728	$ 1,312,104	$ (26,599)	$ 1,400,780

	Thousands of U.S. dollars (Note 2)						
	Accumulated other comprehensive income						
	Valuation differences on available-for-sale securities	Net deferred gains (losses) on hedging instruments	Land revaluation surplus	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income	Non-controlling interests	Total net assets
Balance as of March 31, 2025	$ (67,637)	$ 9,631	$ 11,975	$ 8,785	$ (37,245)	$ 55,474	$ 1,381,598
Cash dividends	—	—	—	—	—	—	(24,151)
Profit attributable to owners of parent	—	—	—	—	—	—	79,014
Repurchase of treasury stock	—	—	—	—	—	—	(25,029)
Disposal of treasury stock	—	—	—	—	—	—	5,714
Cancellation of treasury stock	—	—	—	—	—	—	—
Reversal of land revaluation surplus	—	—	—	—	—	—	1,863
Net changes in items other than shareholders' equity	101,216	59,651	(1,863)	7,024	166,028	2,233	168,262
Total changes during the year	101,216	59,651	(1,863)	7,024	166,028	2,233	205,673
Balance as of March 31, 2026	$ 33,578	$ 69,282	$ 10,111	$ 15,810	$ 128,783	$ 57,708	$ 1,587,272

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

CCI Group, Inc. and Consolidated Subsidiaries

	Years ended March 31,		
	2026	2025	**2026**
	Millions of yen		Thousands of U.S. dollars (Note 2)
Cash flows from operating activities:			
Profit before income taxes	¥ 17,846	¥ 11,638	$ 111,626
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:			
Depreciation and amortization	5,169	4,468	32,332
Loss on impairment	724	354	4,531
Amortization of goodwill	1,279	53	8,001
Increase (decrease) in reserve for possible loan losses	(1,550)	1,690	(9,697)
Increase (decrease) in reserve for bonuses	(15)	3	(95)
Decrease (increase) in net defined benefit asset	(1,493)	(2,060)	(9,342)
Increase (decrease) in net defined benefit liability	—	(684)	—
Increase (decrease) in reserve for management board benefit trust	(92)	(60)	(578)
Increase (decrease) in reserve for reimbursement of deposits	(16)	(20)	(100)
Increase (decrease) in reserve for losses on refund of interest	–	(0)	—
Accrued interest and dividend income	(68,796)	(47,287)	(430,302)
Accrued interest expenses	18,086	9,851	113,125
Losses (gains) on securities, net	(2,912)	(5,804)	(18,216)
Losses (gains) on money trusts	—	24	—
Foreign exchange losses (gains), net	(11,606)	973	(72,594)
Losses (gains) on disposal of tangible fixed assets	275	306	1,725
Net decrease (increase) in loans and bills discounted	(418,201)	(180,968)	(2,615,722)
Net increase (decrease) in deposits	(93,601)	205,116	(585,448)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(230)	778	(1,440)
Net decrease (increase) in due from banks (excluding of Due from the Bank of Japan)	348	(5,175)	2,182
Net decrease (increase) in call loans and others	36,623	14,062	229,067
Net increase (decrease) in call money and others	(14,124)	136,383	(88,344)
Net increase (decrease) in guarantee deposit received under securities lending transactions	239,990	280,666	1,501,068
Net decrease (increase) in foreign exchange assets	265	859	1,658
Net increase (decrease) in foreign exchange liabilities	3	(1)	23
Net decrease (increase) in lease receivables and investment in leased assets	(1,034)	(3,132)	(6,467)
Net decrease (increase) in cash collateral paid for financial instruments	(85)	303	(531)
Net increase (decrease) in cash collateral received for financial instruments	11,789	2,844	73,736
Net increase (decrease) in borrowed money from trust account	(99)	(31)	(619)
Interest and dividends received	40,489	30,341	253,250
Interest paid	(16,834)	(9,430)	(105,293)
Other, net	6,407	47,090	40,077
Subtotal	(251,393)	493,153	(1,572,386)
Income taxes refund	613	1,715	3,837
Income taxes paid, net of refund	(5,018)	(4,495)	(31,390)
Net cash provided by (used in) operating activities	(255,798)	490,373	(1,599,938)
Cash flows from investing activities:			
Purchase of securities	(1,009,136)	(597,873)	(6,311,835)
Proceeds from sale of securities	892,637	129,673	5,583,169
Proceeds from redemption of securities	123,476	51,917	772,310
Interests and dividends received on investments	23,213	18,565	145,194
Purchase of tangible fixed assets	(10,508)	(9,457)	(65,725)
Purchase of intangible fixed assets	(10,307)	(5,971)	(64,469)
Proceeds from sale of tangible fixed assets	42	183	267
Payments for asset retirement obligations	(22)	(6)	(138)
Proceeds from acquisition of shares of subsidiaries resulting in change in scope of consolidation	126	—	790
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(160)	—	(1,000)
Net cash provided by (used in) investing activities	9,362	(412,969)	58,561
Cash flows from financing activities:			
Redemption of subordinated bonds (Note 17)	(20,000)	–	(125,093)
Cash dividends paid	(3,847)	(2,647)	(24,062)
Cash dividends paid to non-controlling interests	(5)	(5)	(34)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(62)	—
Repurchase of treasury stock	(4,001)	(3,005)	(25,029)
Proceeds from sale of treasury stock	—	0	—
Net cash provided by (used in) financing activities	(27,854)	(5,720)	(174,220)
Effect of exchange rate changes on cash and cash equivalents	8	(2)	55
Net increase (decrease) in cash and cash equivalents	(274,280)	71,680	(1,715,542)
Cash and cash equivalents at beginning of year	1,642,236	1,570,556	10,271,684
Cash and cash equivalents at end of year (Note 13)	¥ 1,367,956	¥ 1,642,236	$ 8,556,142

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CCI Group, Inc. and Consolidated Subsidiaries
For the years ended March 31, 2026 and 2025

1. Basis of Presentation

CCI Group, Inc. (the "Company"), which changed its name from Hokkoku Financial Holdings, Inc. in October 2025, is a holding company with the Hokkoku Bank, Ltd. (the "Bank") as its principal operating company.

The accompanying consolidated financial statements of the Company and its consolidated subsidiaries (collectively the "Group") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan. In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan, but is presented herein as additional information. As permitted by the Financial Instruments and Exchange Act, amounts of less than one million yen have been rounded down. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sums of the individual amounts.

2. U.S. Dollar Amounts

The Company maintains its records and prepares its financial statements in yen. Amounts in U.S. dollars are presented solely for the convenience of readers outside Japan. The rate of ¥159.88 = U.S. $1.00, the rate of exchange in effect on March 31, 2026 has been used in conversion. The conversion should not be construed as a meaning that yen could be converted into U.S. dollars at the above or any other rate.

3. Summary of Significant Accounting Policies

a. Principles of consolidation

As of and for the year ended March 31, 2026, the accompanying consolidated financial statements include the accounts of the Company and its 13 subsidiaries: the Bank, the Hokkoku General Leasing Co., Ltd., the Hokkoku Credit Service Co., Ltd., the Hokkoku Credit Guarantee Co., Ltd., the Hokkoku Servicer, Ltd., Digital Value Co, Ltd., the CCI Asset Partners, Ltd., the CC Innovation, Ltd., the QR Investment, Ltd., the QR Partners, Ltd., CCI Enterbase, Ltd., the Honey Bee Sports, Ltd. and Kanazawa Samurais Co., Ltd.

CCI Enterbase, Ltd. was newly established and included in the scope of consolidation from the year ended March 31, 2026. Kanazawa Samurais Co., Ltd. was included in the scope of consolidation due to its acquisition from the year ended March 31, 2026. The COREZO, Ltd. was excluded from the scope of consolidation from the year ended March 31, 2026 since it was merged into the Regional Future Creation Co., Ltd. on May 28, 2025.

All significant inter-company receivables and payables and transactions have been eliminated in consolidation.

The fiscal year-end of the consolidated subsidiaries is as follows:
March 31: 12 subsidiaries
June 30: one subsidiary

For a subsidiary with a fiscal year-end of June 30, financial statements based on provisional accounts as of March 31 are used for consolidation. Necessary adjustments were made for significant transactions occurring between the consolidated fiscal year-end and the above fiscal year-end.

The Company does not treat the following companies as subsidiaries while holding more than half of their voting rights: Kudo Kogyo Co., Ltd., HIDA Holdings Co., Ltd., K Holdings Co., Ltd., Mizumoto Koumuten Co., Ltd., Fuji Kogyo Co., Ltd. and Hokushin Telnex Co., Ltd. The investment was made by the Company's consolidated subsidiary which engages in the investment business for the purpose of investment development instead of controlling the companies; thus, they are not treated as subsidiaries.

The following 14 subsidiaries are not consolidated, nor accounted for by the equity method, as the assets, contribution of their income and retained earnings are considered immaterial and do not have a material impact on the consolidated financial statements if excluded from the scope of consolidation, and their non-consolidation will not prevent reasonable judgments regarding the Group's financial position and operating results: Ishikawa Small Business Revitalization Fund II Investment Limited Partnership, Ishikawa Small Business Revitalization Fund III Investment Limited Partnership, QR Fund Limited Partnership, QR Fund II Limited Partnership, QR Fund III Limited Partnership, QR Fund IV Limited Partnership, Noto Peninsula Earthquake Reconstruction Support Fund Investment Limited Partnership, QR Private Equity I Investment Limited Partnership, Thai CC Innovation Co., Ltd., CC Innovation Vietnam Co., Ltd., CC Innovation Singapore Pte. Ltd., CC Innovation Africa Ltd, Noto Reconstruction Co., Ltd. and CCIForward Co., Ltd.

Similarly, there are eight associates that are not accounted for by the equity method as profit or loss (for the holding interest), retained earnings (for the holding interest) and accumulated other comprehensive income (for the holding interest), etc. are considered immaterial and do not have a material impact on the consolidated financial statements if excluded from the scope of the equity method. The major associates are as follows: OKUNOTO SDGs Investment Limited Partnership, QRI Growth Support Reconstruction Fund Investment Limited Partnership, Hokuriku Region Venture Investment Limited Partnership, Hokuriku Start-up Community Investment Limited Partnership, NOTO Beyond Revival Investment Limited Partnership, Social X Impact Fund Limited Partnership, and the Regional Future Co., Ltd.

The Company does not treat the following companies as associates while holding 20% or more and 50% or less of its voting rights: thinkrun Holdings Co., Ltd. and Fushimi Holdings Co., Ltd. The investment was made by the Company's consolidated subsidiary which engages in the investment business for the purpose of investment development instead of exercising significant influence over the company; thus, they are not treated as associates.

b. Trading account securities

Trading account securities are stated at fair value at end of year, and the related cost of sale is determined using the moving average method.

c. Securities

Held-to-maturity securities are stated at amortized cost (straight-line method) using the moving average method. Stocks of unconsolidated subsidiaries which are not accounted for by the equity method are stated at cost using the moving average method. Available-for-sale securities are stated at fair value based on market prices at the balance sheet date (related cost of sale is determined using the moving average method). However, equity securities without market prices are stated at cost using the moving average method.

The valuation differences on available-for-sale securities are included directly in net assets.

For translation differences of available-for-sale securities (bonds) denominated in foreign currencies, the translation differences related to changes in fair value are recognized as valuation differences and other differences are recognized as foreign exchange gains or losses.

Securities managed as assets held in trust in money trust, whose primary purpose is to invest in securities, are stated at fair value.

d. Derivative financial instruments

Derivatives are stated at fair value.

e. Tangible fixed assets

Tangible fixed assets are carried at cost less accumulated depreciation.

Depreciation of tangible fixed assets of the Bank being a consolidated subsidiary of the Company, is computed by the declining-balance method. The useful lives are summarized as follows.

Buildings	10 to 50 years
Others	3 to 20 years

Depreciation of tangible fixed assets of other consolidated subsidiaries other than the Bank is computed primarily by the declining-balance method over the estimated useful lives of the respective assets.

f. Intangible fixed assets

Amortization of intangible fixed assets is computed by the straight-line method. Acquisition costs of internal use software are capitalized and amortized by the straight-line method primarily over a useful life, determined by consolidated subsidiaries, of 5 to 10 years.

g. Reserve for possible loan losses

The reserve for possible loan losses of the Bank being a consolidated subsidiary of the Company, is provided as detailed below in accordance with the internal rules for providing reserves for possible loan losses:

For claims to debtors who are legally bankrupt (as a result of bankruptcy special liquidation, etc.) or who are substantially bankrupt, a reserve is provided based on the amount of the claims, net of the amount expected to be collected by the realization of collateral, or as a result of the execution of a guarantee.

For claims to debtors who are not currently bankrupt, but are likely to become bankrupt ("debtors at a risk of bankruptcy"), a reserve is provided according to the amount considered necessary for the claims, net of the amount expected to be collected by the realization of collateral, or as a result of the execution of guarantee, based on an overall debt servicing capacity assessment of the debtor. In addition, for claims to debtors with large exposure exceeding certain amount or debtors at a risk of bankruptcy, including restructured claims, which it is possible to reasonably estimate cash flows from collection of principal and receipt of interest, a reserve is provided according to the difference between the amount of related cash flows discounted by the original contract interest rate before restructuring the loans and their carrying value (estimated cash flow method).

For other claims, the Bank classifies debtors into groups based on relationship with debtors, understanding of debtors' business (business feasibility), as well as debtors' financial information. For each group, the Bank estimates the probability of default using the Bank's past default experience over one year or three years. In addition, in order to take into account economic fluctuation factors, the expected rate of loan losses calculated with reference to the long-term average rate of default is also used for the calculation of the probability of default.

All claims are assessed by the Bank's business sections (at the branches and the related head office divisions) based on the Bank's internal rules for the self-assessment of asset quality. The Bank's internal audit department, which is independent of the Bank's business sections, subsequently conducts audits of such assessments.

At consolidated subsidiaries other than the Bank, reserves for general claims are provided at an amount estimated based on the actual historical rate of loan losses and reserves for specific claims (from potentially bankrupt customers, etc.) are provided at an amount deemed to be uncollectible based on the respective assessments.

For collateralized or guaranteed claims to debtors who are legally or substantially bankrupt, the amount exceeding the estimated value of the collateral or guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The total amount of write-off was ¥2,413 million ($15,096 thousand) and ¥21,146 million for the years ended March 31, 2026 and 2025.

h. Bonuses to employees

The reserve for bonuses to employees is provided at the estimated amount to be attributed to the current fiscal year.

i. Reserve for management board benefit trust

The reserve for management board benefit trust is recorded at an estimated amount of obligation to be required for delivery of its shares through the trust to directors and executive officers of the Bank being a consolidated subsidiary of the Company, based on its internal rules.

j. Reserve for reimbursement of deposits

The reserve for reimbursement of deposits is recorded at an estimated amount to be required to reimburse the customers' claims on the derecognized inactive deposit accounts.

k. Retirement benefit plans

In calculating retirement benefit obligations, the benefit formula basis is used as a method of attributing expected retirement benefits to the period up to the end of this fiscal year. Treatments of prior service cost and actuarial gains or losses are as follows:

Prior service cost is amortized by the straight-line method over a certain period (10 years) which falls within the average remaining years of service of the employees when incurred.

Actuarial gains or losses are amortized in the following years after incurred by the straight-line method over a certain period (10 years) that falls within the average remaining years of service of the employees.

l. Foreign currency translations

Assets and liabilities denominated in foreign currencies are translated into Japanese yen equivalents primarily using the exchange rate prevailing at the balance sheet date.

m. Revenue recognition

(1) Revenue recognition for finance leases

Sale and cost of sale are recognized at the time of the receipt of lease payments.

(2) Recognition of dividends on stocks included in interest and dividends on securities

Dividends on stocks resulting from appropriation of other retained earnings (limited to cash to be distributed as dividends), which are approved by resolutions of meetings of shareholders, the Board of Directors or other decision-making bodies of issuing companies, are recognized in the fiscal year to which the effective date of the respective dividend belongs.

However, dividends are recognized in the fiscal year in which the payments are received, when the payments are made within the period normally required after the effective date.

(3) Recognition of revenue from contracts with customers

Revenue from contracts with customers is recognized at a point in time when a promised good or service is transferred to a customer, at the amount assumed to be received in exchange for the good or service. As to the third-party's point program participated by certain consolidated subsidiaries, the amount assumed to be used is recognized as the amount to be collected on behalf of third-party, and deducted from fees and commissions.

n. Hedge accounting

Hedging interest rate risk

The Group applied the deferral method to account for financial instruments that hedge the interest rate risk on financial assets and liabilities, as provided in the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (The Japanese Institute of Certified Public Accountants (JICPA) Industry Committee Practical Guideline No. 24, March 17, 2022). The hedge effectiveness is assessed by grouping and specifying hedged items including deposits and loans and hedging instruments including interest rate swaps by a certain period.

Hedging foreign exchange risk

The Group applies the deferral method to account for derivative instruments that hedge the foreign exchange risk on various foreign-currency financial assets and liabilities, as provided in the "Treatment for Accounting and Auditing with Regard to Accounting for Foreign Currency Transactions in Banking Industry" (The Japanese Institute of Certified Public Accountants (JICPA) Industry Committee Practical Guideline No. 25, October 8, 2020). The hedge effectiveness of these currency-swap transactions, FX swap transactions and similar instruments to hedge the foreign exchange risks of foreign-currency financial assets or liabilities is assessed by comparing the foreign currency position of the hedged assets or liabilities with that of the hedging instruments.

o. Goodwill

Goodwill is amortized by the straight-line method over a reasonable number of years within 20 years, on a case-by-case basis

p. Consumption taxes

Nondeductible consumption taxes levied on the purchase of premises and equipment are charged to income when incurred.

q. Cash and cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents consist of cash and due from the Bank of Japan.

r. Accounting treatments and procedures adopted in cases where relevant accounting standards are unclear

Gains or losses on cancellation of investment trusts are aggregated by individual issue, then the gains are recognized as interest and dividends on securities under interest income and the losses are recognized as other operating expenses.

4. Accounting Standards and Guidance Issued but Not Yet Effective

(Accounting Standard for Leases)

"Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)

"Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024)

(1) Overview

As part of efforts to align Japanese GAAP with international standards, the ASBJ has been discussing the development of an accounting standard for leases that would require lessees to recognize an asset and a liability for all leases, in line with international accounting standards. As a general policy, while IFRS 16's single accounting model serves as a basis, the ASBJ has primarily adopted its major provisions, rather than all of its provisions. Accordingly, the new accounting standard was issued with the aim of being simple and practical, as well as compatible with the application of IFRS 16 provisions in non-consolidated financial statements without requiring adjustments.

As the accounting treatment for lessees, a single accounting model is applied to all leases in the same manner as IFRS 16, whereby depreciation on the right-of-use asset and interest expense on the lease liability are recognized, regardless of whether the lease is a finance lease or an operating lease.

(2) Planned date of application

The Company plans to apply the new accounting standard and guidance from the beginning of the period ending March 31, 2028.

(3) Effect of application

The impact on the Company's consolidated financial statements from the application of the new accounting standard and guidance is under evaluation.

5. Significant Accounting Estimates

Reserve for possible loan losses is the item identified and recognized in the current fiscal year's consolidated financial statements based on the accounting estimates and may give significant impact on the consolidated financial statements of the following fiscal year.

a. Amounts recognized in the consolidated financial statements as of March 31, 2026 and 2025

	2026	2025	2026
	Millions of yen		*Thousands of U.S. dollars*
Reserve for possible loan losses	¥ 60,083	¥ 61,634	$ 375,806

b. Information that contributes to an understanding of the nature of significant accounting estimates for the identified items

(1) Estimation method

The Bank being a consolidated subsidiary of the Company, determines the amount of reserve for possible loan losses based on the determination of judgments of debtor classification in accordance with the self-assessment of asset quality guidelines, and as stated in "3. Summary of Significant Accounting Policies, g. Reserve for possible loan losses."

(2) Key assumptions

Key assumptions include "outlook for future performance of credit recipients in determining debtor classification."

Outlook for future performance of credit recipients in determining debtor classification

In determining debtor classification, the Bank comprehensively evaluates credit recipients based on their financial position, future outlook, loan contract terms, transaction history and other qualitative information, etc. In particular, regarding the debtor's future outlook, such as their business improvement plan based on the expected future improvement of business performance and the expected establishment of future business improvement plan, the evaluation is made based on certain assumption.

(3) Impact on the consolidated financial statements in the following fiscal year

Since the aforementioned assumption involves uncertainty, it may give a significant impact on the amount of reserve for possible loan losses in the consolidated financial statements of the following year if the economic environment and the status of debtors were to change in the following year.

6. Additional Information

(Management board benefit trust)

The Bank, a consolidated subsidiary of the Company, abolished the stock option plan for directors and executive officers (hereinafter "Officers") of the bank and has adopted a share-based payment plan, "management board benefit trust," (hereinafter the "Plan") to Officers.

a. Outline

The Plan is a share-based payment plan under which the Bank contributes capital to establish a trust (hereinafter the "Trust") and the Trust acquires the Company's shares. The Company's shares are provided to the respective Officers corresponding to the number of points granted to the respective Officers through the Trust. In principle, Officers will receive delivery of the Company's shares at the time of their retirement as Officers.

b. The Company's shares remaining in the Trust

The Company's shares remaining in the Trust are recognized as treasury stock under shareholders' equity. The carrying value and the number of the shares are ¥347 million ($2,174 thousand) and 730 thousand shares as of March 31, 2026 and ¥440 million and 924 thousand shares as of March 31, 2025, respectively.

(*)The Company conducted a 10-for-1 common stock split on October 1, 2025. The number of the shares above has been calculated under the assumption that stock split had taken place at the beginning of the year ended March 31, 2025.

7. Claims to be disclosed under the Financial Revitalization Act and the Banking Act

Claims to be disclosed under the Act on Emergency Measures for the Revitalization of the Financial Functions (the "Financial Revitalization Act") and the Banking Act are included in the following accounts in the consolidated balance sheets:

- corporate bonds (limited to those whose principal and interest are fully or partially secured and issued under private placements as permitted in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) under "Securities,"
- "Loans and bills discounted,"
- "Foreign exchanges,"
- Accrued interest and suspense payments under "Other assets,"
- "Customers' liabilities for acceptances and guarantees" and
- securities when such securities are lending (limited to those under loan for use contracts or lease contracts).

The following table summarizes claims to be disclosed under the Financial Revitalization Act and the Baking Act:

	2026	2025	2026
	Millions of yen		*Thousands of U. S. dollars*
Claims against bankrupt or quasi-bankrupt debtors	¥ 25,485	¥ 29,519	$ 159,406
Doubtful claims	42,914	41,875	268,415
Claims past due for three months or more	877	1,042	5,488
Restructured claims	8,006	4,324	50,080
Total	¥ 77,284	¥ 76,760	$ 483,390

Claims against bankrupt or quasi-bankrupt debtors present loans to borrowers in bankruptcy procedures, including commencement of bankruptcy proceedings, reorganization proceedings and rehabilitation proceedings, and other similar claims.

Doubtful claims present loans, other than claims against bankrupt or quasi-bankrupt debtors, for which the borrowers have not yet entered into bankruptcy, but their financial conditions and business performance have deteriorated, and therefore, it is highly probable that the principal and interest cannot be collected in accordance with the contracts.

Claims past due for three months or more present loans whose principal or interest payments are three months or more past due, but are not classified as claims against bankrupt or quasi-bankrupt debtors and doubtful claims.

Restructured claims present loans on which certain concessions are granted to debtor, including reduction or waivers of interest, deferred payment of principal or interest and debt forgiveness.

The amounts of claims are before deducting reserve for possible loan losses.

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. The Bank being a consolidated subsidiary of the Company, has the right to sell or re-pledge the banker's acceptance bills, commercial bills discounted, documentary bills and foreign exchange bought without restrictions. The face value of banker's acceptance bills, commercial bills, documentary bills and foreign exchange bought at a discount was ¥3,859 million ($24,142 thousand) and ¥7,003 million as of March 31, 2026 and 2025, respectively.

Overdraft agreements and loan commitments are agreements under which the Group is obliged to extend loans up to a prearranged limit unless the customer is in breach of contract. The loan commitments not yet drawn down as of March 31, 2026 and 2025 totaled ¥507,094 million ($3,171,717 thousand) and ¥416,887 million, respectively; ¥496,585 million ($3,105,985 thousand) of which, as of March 31, 2026 (2025: ¥406,391 million), was related to agreements whose contractual terms were for one year or less or which were unconditionally cancelable at any time.

As the majority of these agreements expire without the right to make the loans being exercised, the undrawn commitment balance does not necessarily affect the future cash flows of the Company's consolidated subsidiaries. These agreements usually include clauses which stipulate that the Company's consolidated subsidiaries have the right either to refuse the execution of the loans or to reduce the contractual commitments in cases where changes in the borrower's financial position are identified, protection them through credit enhancement is required or other unforeseen circumstances arise.

The Company and its consolidated subsidiaries take various measures to protect their credit. Such measures include obtaining real estate or securities as collateral at the time of entering into the agreements, monitoring a customer's business on a regular basis in accordance with established internal procedures, and modifying the loan commitment agreements when necessary.

8. Financial Instruments and Related Disclosures

Status of Financial Instruments

a. Policy on financial instruments

The Group provides financial services such as banking business and leasing business. Major banking business includes lending services, bills discounting and fund management through dealing and underwriting Japanese government bonds, municipal bonds and available-for-sale securities. On the other hand, funds are raised mainly by taking deposits and also by issuance of bonds, call money and others as needed.

The Group conducts asset and liability management (ALM) and manages the risks identifying various types of risk exposures associated with the banking business, since the Group holds financial assets and liabilities exposed to the market risk of fluctuation of interest rates. As part of risk management, the Group also utilizes derivative transactions.

b. Contents and risk of financial instruments

Financial assets held by the Group mainly consist of loans to corporate and individual customers which are exposed to credit risk arising from nonperformance of the customers. In addition, the loan balances are concentrated to Ishikawa prefecture where the head office of the Bank, a consolidated subsidiary of the Company, is located and accordingly, the changes in the economic circumstances of the region may have a great impact on the credit risk. Securities mainly consist of Japanese government bonds, municipal bonds, corporate bonds and equity securities that are classified as available-for-sale securities. These securities are exposed to credit risk of issuers and market risks of fluctuation in interest rates, market prices and foreign exchange rates for bonds denominated in foreign currencies.

On the other hand, financial liabilities consist of mainly deposits, call money and others. With respect to call money, the Company and the Bank may be forced to raise fund under unfavorable conditions and accordingly, significantly increase funding costs in case that fund raising capacity of the Company and the Bank significantly declined under certain circumstances such as significant deterioration of financial positions of the Company and the Bank, serious systemic risk of the financial system and downgrades of the credit rating of the Company and the Bank by external rating agencies.

Derivative transactions consist of hedging activities performed as part of ALM against market risks (interest rate risk and foreign exchange risk) associated with assets and liabilities held by the Group and transactions to respond to customers' diversified needs for hedging against the risks of customers. The Group applies hedge accounting for interest rate swaps and currency swaps employed by the Group for hedging purposes and periodically verifies the effectiveness of hedging activities to assess if the relationships between hedging instruments and hedged items including assets and liabilities are appropriate, and also if the market risks of interest rates and foreign exchange rates are offset by hedging instruments.

c. Risk management system for financial instruments

Credit risk management:

The Group has established and operates a credit control system including credit review by individual loan transaction, internal credit rating, self-assessment of asset quality, large exposure control, measurement of risk exposure and management of problem loans in accordance with credit risk management policies, credit policies, lending operation rules and credit risk control rules. These credit controls are performed by the credit review sections of the consolidated subsidiaries as well as each operating office and are periodically deliberated by and reported to the decision-making bodies including Board of Directors, where appropriate. In addition, the Audit Department audits the status of credit risk controls.

Credit risk associated with the issuers of securities and counterparty risk associated with treasury transactions and derivative transactions are controlled by periodically identifying credit information and the mark-to-market values by the Market Finance Division of the Bank being a consolidated subsidiary of the Company.

Market risk management:

(1) Interest rate risk management

The Group funds loans and securities mainly with deposits taken, but holds long-term and short-term interest rate gaps arising from the timing difference in the maturities repricing of deposits and loans. Accordingly, the Management Administration Division of the Group monitors the risk exposures by establishing risk limits based on the integrated risk control policy and integrated risk control rule and reports to the Group Strategic Committee and the Board of Directors. In addition, the Corporate Planning Department and Management Administration Division monitor the interest rate risk based on the interest rate sensitivity analysis, gap analysis, ladder analysis as well as Interest Rate Risk in the Banking Book (IRRBB) approach and report to the Group Strategic Committee on a regular basis.

The Group also enters into interest rate swap contracts to hedge the interest rate fluctuation risk.

(2) Foreign exchange risk management

The Group holds, in part, foreign currency denominated assets and liabilities. These foreign currency denominated assets and liabilities are appropriately hedged using currency swaps and other methods, whereby their exposures to the foreign exchange risk are controlled.

(3) Price fluctuation risk management

The Group controls the price fluctuation risk associated with equity securities and investment trusts in accordance with the integrated risk management policies and procedures to control the exposures within the Group's risk tolerance while securing appropriate earnings. Among these, the Group established limits for transactions which require risk controls.

Moreover, the market middle division of the Group, in cooperation with the Management Administration Division responsible for risk management, monitors the risk exposures and verifies compliance with the limit. In addition, the Management Administration Division identifies, measures and analyzes those risks and conducts stress tests. Such information is reported to the Group Strategic Committee and the Board of Directors on a regular basis and where appropriate.

(4) Derivative transactions

With respect to derivative transactions, the internal rules have been established to define the authority and hedging policies, and the credit lines by counterparty have been determined. Front offices that enter into the contracts, back offices that conduct reconciliation procedures and control the credit lines and the divisions that assess the effectiveness of hedges are separated so that the internal control functions effectively.

(5) Quantitative information related to market risk

The financial instruments exposed to interest rate risk and price fluctuation risk such as stock price fluctuation risk include, among other things, "Loans and bills discounted," "Securities," "Deposits," and "Derivatives" recorded in the banking book. The Group uses the VaR model to measure market risk exposure of interest rate, stock and investment trust related instruments. Adopting the variance-covariance method (holding period: half a year, confidence level: 99.9%, observation period: 720 business days) in computing the VaR, the Group examines the correlation between interest rate risk and price fluctuation risk. Total market risk exposure of the Group was ¥34,064 million ($213,061 thousand) and ¥60,191 million as of March 31, 2026 and 2025, respectively. The deposit internal models are applied to measure interest rate risk of liquid deposits held by the Bank being a consolidated subsidiary.

The back-testing is implemented to compare the model-based VaR with actual profit and loss for the securities held by the Group and it is confirmed that the measurement model in use captures the market risk with sufficient precision. However, the risk under certain abnormal market fluctuations may not be captured, since the VaR is measured based on the probability of occurrence in a normal distribution of historical market fluctuations. In addition, VaR is a statistical value computed based on assumptions and it is not intended to estimate maximum amount of losses.

d. Supplementary explanation on the fair value of financial instruments

Certain assumptions are adopted to determine the fair value of financial instruments. The said fair value may differ when different assumptions are adopted.

Fair value of financial instruments

The following table summarizes the carrying value, fair value and difference of financial instruments as of March 31, 2026 and 2025.

Note that unlisted equity securities without market prices and investments in partnerships are not included in the table (see Note 1 below).

For cash and due from banks, call loans and bills bought, foreign exchanges (assets/ liabilities), call money and bills sold and guarantee deposit received under securities lending transactions, the disclosure is omitted since their fair value approximates their carrying value due to short maturity. The disclosure is also omitted for immaterial items in the consolidate balance sheets.

	March 31, 2026		
	Millions of yen		
	Carrying value	Fair value	Difference
Securities:			
Held-to-maturity securities	¥ 171,141	¥ 164,584	¥ (6,557)
Available-for-sale securities	1,653,815	1,653,815	—
Loans	3,017,344		
Reserve for possible loan losses (*1)	(58,144)		
	2,959,199	2,933,234	(25,965)
Assets, total	4,784,156	4,751,633	(32,522)
Deposits	4,731,808	4,730,972	(836)
Liabilities, total	4,731,808	4,730,972	(836)
Derivative transactions (*2)			
To which hedge accounting is not applied	171	171	—
To which hedge accounting is applied	16,007	16,007	—
Derivative transactions, total	16,178	16,178	—

	March 31, 2026		
	Thousands of U. S. dollars		
	Carrying value	Fair value	Difference
Securities:			
Held-to-maturity securities	$ 1,070,438	$ 1,029,422	$ (41,016)
Available-for-sale securities	10,344,102	10,344,102	—
Loans	18,872,555		
Reserve for possible loan losses (*1)	(363,675)		
	18,508,880	18,346,477	(162,403)
Assets, total	29,923,421	29,720,002	(203,419)
Deposits	29,596,002	29,590,771	(5,230)
Liabilities, total	29,596,002	29,590,771	(5,230)
Derivative transactions (*2)			
To which hedge accounting is not applied	1,070	1,070	—
To which hedge accounting is applied	100,119	100,119	—
Derivative transactions, total	101,190	101,190	—

	March 31, 2025		
	Millions of yen		
	Carrying value	Fair value	Difference
Securities:			
Held-to-maturity securities	¥ 100,037	¥ 98,569	¥ (1,467)
Available-for-sale securities	1,727,080	1,727,080	—
Loans	2,599,491		
Reserve for possible loan losses (*1)	(59,776)		
	2,539,715	2,528,566	(11,149)
Assets, total	4,366,833	4,354,216	(12,616)
Deposits	4,884,810	4,883,872	(938)
Liabilities, total	4,884,810	4,883,872	(938)
Derivative transactions (*2)			
To which hedge accounting is not applied	182	182	—
To which hedge accounting is applied	2,136	2,136	—
Derivative transactions, total	2,319	2,319	—

(*1) A general reserve for possible loan losses and a specific reserve for possible loan losses on loans are deducted.
(*2) Derivative transactions recorded under other assets and other liabilities are presented on a net basis. Net liabilities are shown in square parentheses.

(Note 1) The following table summarizes equity securities without market prices and investments in partnerships. Note that these instruments are not included in available-for-sale securities in the table above.

	2026	2025	2026
	Millions of yen		*Thousands of U. S. dollars*
	Carrying value		
Unlisted equity securities (*1) (*2)	¥ 11,289	¥ 6,183	$ 70,609
Investments in partnerships (*2) (*3)	46,885	38,768	293,256
Total	¥ 58,174	¥ 44,952	$ 363,866

(*1) The fair value of unlisted equity securities is not disclosed pursuant to Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).
(*2) The Group recognized loss on impairment of ¥17 million ($111 thousand) on investments in partnerships for the year ended March 31, 2026. The Group did not recognize loss on impairment on unlisted equity securities for the year ended March 31, 2026. The Group recognized loss on impairment of ¥181 million on unlisted equity securities and ¥1,695 million on investments in partnerships for the year ended March 31, 2025.
(*3) The fair value of investments in partnerships is not disclosed pursuant to Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

(Note 2) Maturity of financial assets and securities with contractual maturities as of March 31, 2026 and 2025

	March 31, 2026					
	Millions of yen					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Securities:						
Held-to-maturity securities	¥ 20,000	¥ 23,000	¥ 43,000	¥ 44,500	¥ 43,100	¥ —
Available-for-sale securities with contractual maturities:	314,976	316,038	269,544	29,804	180,546	160,047
Japanese government bonds	124,000	192,000	148,000	—	151,500	135,000
Municipal bonds	93,223	76,292	72,228	25,548	2,488	165
Corporate bonds	77,116	30,008	40,516	1,858	—	900
Other	20,636	17,737	8,799	2,398	26,557	23,982
Loans (*)	718,988	499,716	542,423	278,694	335,856	600,567
Total	¥ 1,053,965	¥ 838,754	¥ 854,968	¥ 352,999	¥ 559,503	¥ 760,615

	March 31, 2026					
	Thousands of U.S. dollars					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Securities:						
Held-to-maturity securities	$ 125,093	$ 143,857	$ 268,951	$ 278,333	$ 269,577	$ —
Available-for-sale securities with contractual maturities:	1,970,082	1,976,726	1,685,916	186,419	1,129,263	1,001,047
Japanese government bonds	775,581	1,200,900	925,694	—	947,585	844,383
Municipal bonds	583,085	477,186	451,769	159,798	15,566	1,034
Corporate bonds	482,341	187,695	253,415	11,621	—	5,629
Other	129,073	110,943	55,037	15,000	166,110	150,000
Loans (*)	4,497,049	3,125,569	3,392,692	1,743,148	2,100,680	3,756,366
Total	$ 6,592,225	$ 5,246,153	$ 5,347,560	$ 2,207,902	$ 3,499,520	$ 4,757,413

	March 31, 2025					
	Millions of yen					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Securities:						
Held-to-maturity securities	¥ —	¥ 25,000	¥ 25,000	¥ 20,000	¥ 31,600	¥ —
Available-for-sale securities with contractual maturities:	63,011	467,706	200,938	253,777	125,278	119,852
Japanese government bonds	—	196,000	—	128,500	32,000	101,000
Municipal bonds	44,697	126,382	106,147	119,063	48,607	—
Corporate bonds	10,978	111,093	62,014	1,516	2,000	3,900
Other	7,335	34,230	32,776	4,698	42,671	14,952
Loans (*)	614,247	372,884	388,700	251,089	285,343	647,268
Total	¥ 677,259	¥ 865,590	¥ 614,639	¥ 524,867	¥ 442,222	¥ 767,120

(*)Loans to "legally bankrupt," "substantially bankrupt" and "likely to become bankrupt" borrowers which are not expected to be repaid amounting to ¥31,005 million ($193,926 thousand) and ¥29,106 million are not included in the above as of March 31, 2026 and 2025, respectively.
Loans with no contractual maturities amounting to ¥10,092 million ($63,122 thousand) and ¥10,851 million are not included in the above as of March 31, 2026 and 2025, respectively.

(Note 3) Maturity of bonds and interest-bearing liabilities as of March 31, 2026 and 2025

	March 31, 2026					
	Millions of yen					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Deposits (*)	¥ 3,761,134	¥ 184,141	¥ 33,548	¥ —	¥ —	¥ —
Total	¥ 3,761,134	¥ 184,141	¥ 33,548	¥ —	¥ —	¥ —

	March 31, 2026					
	Thousands of U.S. dollars					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Deposits (*)	$23,524,737	$ 1,151,746	$ 209,835	$ —	$ —	$ —
Total	$23,524,737	$ 1,151,746	$ 209,835	$ —	$ —	$ —

	March 31, 2025					
	Millions of yen					
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
Deposits (*)	¥ 3,767,530	¥ 196,126	¥ 38,590	¥ —	¥ —	¥ —
Total	¥ 3,767,530	¥ 196,126	¥ 38,590	¥ —	¥ —	¥ —

(*) On-demand deposits are included under "Due in one year or less."

Fair value hierarchy of financial instruments

The fair value of financial instruments is classified into three categories depending on whether inputs for a fair value measurement are observable or significant.

Level 1 fair value: Fair value measured by using quoted prices in active markets as observable inputs for assets or liabilities subject to a fair value measurement
Level 2 fair value: Fair value measured by using observable inputs other than those used for Level 1 fair value
Level 3 fair value: Fair value measured by using unobservable inputs

The fair value is classified into a category to which the lowest priority is assigned for a fair value measurement.

(1) Financial instruments measured at fair value in the consolidated balance sheets

	March 31, 2026			
	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities:				
Available-for-sale securities:				
Japanese government bonds	¥ 721,043	¥ —	¥ —	¥ 721,043
Municipal bonds	—	259,472	—	259,472
Government-guaranteed bonds	—	34,987	—	34,987
Public corporation bonds	—	492	—	492
Bank debentures	—	36,521	—	36,521
Industrial bonds	—	72,941	3,344	76,286
Equity securities	30,479	—	—	30,479
Foreign bonds	30,515	63,627	—	94,142
Others	35,674	364,714	—	400,388
Included in Assets, total	817,712	832,757	3,344	1,653,815
Derivative transactions (*):				
Currency related	—	171	—	171
Interest rate related	—	16,007	—	16,007
Included in Derivative transactions, total	—	16,178	—	16,178

	March 31, 2026			
	Thousands of U. S. dollars			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities:				
Available-for-sale securities:				
Japanese government bonds	$4,509,905	$ —	$ —	$4,509,905
Municipal bonds	—	1,622,921	—	1,622,921
Government-guaranteed bonds	—	218,837	—	218,837
Public corporation bonds	—	3,081	—	3,081
Bank debenture bonds	—	228,428	—	228,428
Industrial bonds	—	456,228	20,919	477,148
Equity securities	190,638	—	—	190,638
Foreign bonds	190,865	397,968	—	588,834
Others	223,131	2,281,175	—	2,504,306
Included in Assets, total	5,114,540	5,208,641	20,919	10,344,102
Derivative transactions (*):				
Currency related	—	1,070	—	1,070
Interest rate related	—	100,119	—	100,119
Included in Derivative transactions, total	—	101,190	—	101,190

	March 31, 2025			
	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities:				
Available-for-sale securities:				
Japanese government bonds	¥ 451,192	¥ —	¥ —	¥ 451,192
Municipal bonds	–	428,083	—	428,083
Government-guaranteed bonds	–	35,355	—	35,355
Public corporation bonds	–	5,769	—	5,769
Bank debentures	–	43,593	—	43,593
Industrial bonds	–	100,265	3,464	103,730
Equity securities	121,343	—	—	121,343
Foreign bonds	73,035	56,387	—	129,423
Others	38,651	369,938	—	408,589
Included in Assets, total	684,222	1,039,393	3,464	1,727,080
Derivative transactions (*):				
Currency related	—	182	—	182
Interest rate related	—	2,136	—	2,136
Included in Derivative transactions, total	—	2,319	—	2,319

(*)Derivative transactions accounted for as other assets or liabilities are shown collectively. Assets and liabilities generated from derivative transactions are stated in net, and net liabilities are shown in square parentheses.

(2) Financial instruments other than those measured at fair value in the consolidated balance sheets

	March 31, 2026			
	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities:				
Held-to-maturity securities	¥ 164,584	¥ —	¥ —	¥ 164,584
Loans	—	—	2,933,234	2,933,234
Included in Assets, total	164,584	—	2,933,234	3,097,818
Deposits	—	4,730,972	—	4,730,972
Included in Liabilities, total	—	4,730,972	—	4,730,972

	March 31, 2026			
	Thousands of U. S. dollars			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities:				
Held-to-maturity securities	$ 1,029,422	$ —	$ —	$ 1,029,422
Loans	—	—	18,346,477	18,346,477
Included in Assets, total	1,029,422	—	18,346,477	19,375,899
Deposits	—	29,590,771	—	29,590,771
Included in Liabilities, total	—	29,590,771	—	29,590,771

	March 31, 2025			
	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities:				
Held-to-maturity securities	¥ 98,569	¥ —	¥ —	¥ 98,569
Loans	—	—	2,528,566	2,528,566
Included in Assets, total	98,569	—	2,528,566	2,627,136
Deposits	—	4,883,872	—	4,883,872
Included in Liabilities, total	—	4,883,872	—	4,883,872

(Note 1) Explanation of valuation techniques and inputs used for fair value measurement

<u>Assets</u>

Securities:

Securities for which unadjusted quoted prices in active markets are available are classified into Level 1 fair value. Such securities mainly include listed equity securities and government bonds issued by major countries.

Even if available quoted prices are used, securities are classified into Level 2 fair value when the relevant markets are not active. Such securities mainly include municipal bonds, corporate bonds as well as government bonds issued by countries other than major countries.

When quoted prices are not available, the fair value is measured by using valuation techniques such as the present value technique discounting future cash flows. Observable inputs are used in the valuation to the maximum extent possible. Inputs include risk-free interest rates, credit spreads, probability of default. When unobservable inputs are not used for the measurement or those impact is insignificant, the fair value is classified into Level 2. When significant unobservable inputs are used, the fair value is classified into Level 3.

Loans:

The fair value of loans is measured by discounting the aggregate value of principal and interest at the market interest rate reflecting credit risks, etc. for each category based on type of loans, internal ratings and maturities. Loans with floating interest rates reflect the market interest rates in the short-term; thus, the carrying value is used as the fair value of those loans as the fair value approximates the carrying value, where the credit situation of the credit recipients does not vary significantly after executing the loans. For loans with a shorter remaining period (i.e., less than one year), the carrying value is used as the fair value as the fair value approximates the carrying value.

With respect to claims to "legally bankrupt" borrowers, "substantially bankrupt" borrowers and "likely to become bankrupt" borrowers, the fair value is measured at the discounted present value of estimated future cash flows or the discounted present value of estimated collectible amounts through collateral and guarantee. The said fair value is classified into Level 3 since the impact from unobservable inputs is significant.

<u>Liabilities</u>

Deposits:

With respect to on-demand deposits, the fair value is measured at the amount that is required to paid at the balance sheet date. The fair value of time deposits is measured at the discounted present value of future cash flows based on each category of certain period of time. Market rates are used to discount future cash flows. For deposits with a shorter remaining period (i.e., less than one year), the carrying value is presented as the fair value as the fair value approximates the carrying value. The said fair value is classified into Level 2.

<u>Derivative transactions</u>

Derivative transactions comprise interest rate related transactions (e.g., interest rate swaps) and currency related transactions (e.g., currency options, currency swaps) and the fair value of derivatives is measured at the value determined by the discounted present value or option pricing models.

The fair value measured by using unadjusted quoted prices in active markets is classified into Level 1, which includes those of bond futures and interest rate futures. When unobservable inputs are not used for the measurement or those impact is insignificant, the fair value is classified into Level 2. When significant unobservable inputs are used, the fair value is classified into Level 3.

(Note 2) Information on Level 3 fair value, of financial instruments measured at fair value in the consolidated balance sheets

(1) Quantitative information on significant unobservable inputs

	Fiscal year ended March 31, 2026			
	Valuation techniques	Significant unobservable inputs	Range of inputs	Weighted-average of inputs
Securities:				
Available-for-sale securities				
Industrial bonds	Present value	Probability of default	0.15 – 2.84%	0.71%

	Fiscal year ended March 31, 2025			
	Valuation techniques	Significant unobservable inputs	Range of inputs	Weighted-average of inputs
Securities:				
Available-for-sale securities				
Industrial bonds	Present value	Probability of default	0.12 – 1.68%	0.78%

(2) Reconciliation from beginning balance to ending balance and valuation gains or losses recognized for the years ended March 31, 2026 and 2025

	March 31, 2026							
	Millions of yen							
	Balance at beginning of year	Profit or other comprehensive income ("OCI") recognized for the current fiscal year		Purchase, sale, issuance and settlement, net	Reclassi-fication to Level 3	Reclassi-fication from Level 3	Balance at end of year	Valuation gains (losses) (*2)
		Profit	OCI (*1)					
Securities:								
Available-for-sale securities								
Industrial bonds	¥ 3,464	¥ –	¥(62)	¥ (58)	¥ —	¥ —	¥ 3,344	¥ —
Assets, total	¥ 3,464	¥ –	¥(62)	¥ (58)	¥ —	¥ —	¥ 3,344	¥ —

	March 31, 2026							
	Thousands of U. S. dollars							
	Balance at beginning of year	Profit or other comprehensive income ("OCI") recognized for the current fiscal year		Purchase, sale, issuance and settlement, net	Reclassi-fication to Level 3	Reclassi-fication from Level 3	Balance at end of year	Valuation gains (losses) (*2)
		Profit	OCI (*1)					
Securities:								
Available-for-sale securities								
Industrial bonds	$ 21,672	$ —	$(389)	$ (362)	$ —	$ —	$ 20,919	$ —
Assets, total	$ 21,672	$ —	$(389)	$ (362)	$ —	$ —	$ 20,919	$ —

	March 31, 2025							
	Millions of yen							
	Balance at beginning of year	Profit or other comprehensive income ("OCI") recognized for the current fiscal year		Purchase, sale, issuance and settlement, net	Reclassi-fication to Level 3	Reclassi-fication from Level 3	Balance at end of year	Valuation gains (losses) (*2)
		Profit	OCI (*1)					
Securities:								
Available-for-sale securities								
Industrial bonds	¥ 3,659	¥ —	¥(86)	¥ (108)	¥ —	¥ —	¥ 3,464	¥ —
Assets, total	¥ 3,659	¥ —	¥(86)	¥ (108)	¥ —	¥ —	¥ 3,464	¥ —

(*1) The amount is included in "Valuation differences on available-for-sale securities" of "Other comprehensive income" of the consolidated statements of comprehensive income.

(*2) It presents valuation gains or losses of financial assets or liabilities held at the balance sheet date, out of profit recognized for the current fiscal year.

(3) Fair value valuation procedures

The Market Trading Division performs a fair value measurement in accordance with the policies and procedures prepared by the Risk Management Division. The measured fair value is verified by the independent valuation division for the reasonableness of inputs and valuation techniques used for the measurement and appropriateness of the classified level of the fair value. The verification result is reported to the Risk Management Division periodically, and thus, the appropriateness of the policies and procedures of the fair value measurement is ensured.

The fair value is measured using a valuation model that most appropriately reflects the nature, characteristics and risk of each asset. In case where quoted prices obtained from third parties are used, the reasonableness of the prices is verified by confirming the valuation techniques and inputs used and by applying appropriate methods including comparison with the market prices of similar financial instruments.

(4) The impact on the fair value in case where any changes are made to significant unobservable inputs

The significant unobservable input used in measuring the fair value of Industrial bonds is a probability of default. Significant increase (decrease) in this input alone results in significant decline (rise) in the fair value.

9. Securities

a. Trading account securities

There were no trading account securities to be reported as of March 31, 2026 and 2025.

b. Held-to-maturity securities which have a readily determinable fair value

The carrying value and fair value of held-to-maturity securities as of March 31, 2026 and 2025 are summarized as follows:

	March 31, 2026				
	Millions of yen				
	Carrying value	Acquisition cost	Difference	Gains	Losses
Government bond	¥ 171,141	¥ 164,584	¥ (6,557)	¥ —	¥ 6,557
Total	¥ 171,141	¥ 164,584	¥ (6,557)	¥ —	¥ 6,557

	March 31, 2026				
	Thousands of U.S. dollars				
	Carrying value	Acquisition cost	Difference	Gains	Losses
Government bond	$ 1,070,438	$ 1,029,422	$ (41,016)	$ —	$ 41,016
Total	$ 1,070,438	$ 1,029,422	$ (41,016)	$ —	$ 41,016

	March 31, 2025				
	Millions of yen				
	Carrying value	Acquisition cost	Difference	Gains	Losses
Government bond	¥ 100,037	¥ 98,569	¥ (1,467)	¥ 28	¥ 1,496
Total	¥ 100,037	¥ 98,569	¥ (1,467)	¥ 28	¥ 1,496

c. Available-for-sale securities which have a readily determinable fair value

The acquisition cost and carrying value of available-for-sale securities which have a readily determinable fair value and the related unrealized gains or losses as of March 31, 2026 and 2025 are summarized as follows:

	March 31, 2026				
	Millions of yen				
	Carrying value	Acquisition cost	Difference	Gains	Losses
Stock	¥ 30,479	¥ 5,124	¥ 25,355	¥ 25,355	¥ —
Debt securities	1,128,804	1,155,083	(26,279)	0	26,279
Others	494,531	489,803	4,728	17,933	13,205
Total	¥ 1,653,815	¥ 1,650,011	¥ 3,803	¥ 43,289	¥ 39,485

	March 31, 2026				
	Thousands of U.S. dollars				
	Carrying value	Acquisition cost	Difference	Gains	Losses
Stock	$ 190,638	$ 32,049	$ 158,588	$ 158,588	$ —
Debt securities	7,060,323	7,224,691	(164,368)	2	164,370
Others	3,093,140	3,063,568	29,572	112,170	82,598
Total	$10,344,102	$10,320,309	$ 23,792	$ 270,760	$ 246,968

	March 31, 2025				
	Millions of yen				
	Carrying value	Acquisition cost	Difference	Gains	Losses
Stock	¥ 121,343	¥ 67,732	¥ 53,611	¥ 55,974	¥ 2,362
Debt securities	1,067,724	1,110,600	(42,876)	44	42,920
Others	538,012	566,590	(28,578)	5,195	33,774
Total	¥ 1,727,080	¥ 1,744,923	¥ (17,842)	¥ 61,214	¥ 79,057

Japanese government bonds, equities and others loaned under the securities lending agreement in the amount of ¥102,307 million ($639,901 thousand) and ¥61,658 million is included in the above as of March 31, 2026 and 2025, respectively.

Securities (excluding equity securities without market prices and investments in partnerships) other than trade account securities, whose fair value is available, are written down to the fair value if the fair value has significantly declined compared with the acquisition cost and such decline is not considered to be recoverable. The difference between the acquisition cost and the fair value is recognized as a loss on impairment. The related loss on impairment was not recognized for the years ended March 31, 2026 and 2025. The criteria for determining if such decline is significant are as follows:

Securities whose fair value is 50% or less than the acquisition cost are necessarily written down and securities whose fair value is between 50% and 70% of the acquisition cost are written down when the market price is considered to be non-recoverable within one year, taking into consideration the trend of the market price and operating performances of the issuing entities. The components of net unrealized gains (losses) on available-for-sale securities recorded under net assets as of March 31, 2026 and 2025 are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Unrealized gains (losses) on available-for-sale securities	¥ 8,804	¥ (15,038)	$ 55,069
Deferred tax assets (liabilities)	(2,540)	5,090	(15,892)
	¥ 6,263	¥ (9,948)	$ 39,177
Attributable to non-controlling interest	(895)	(865)	(5,598)
Net unrealized gains (losses) on available-for-sale securities	¥ 5,368	¥ (10,813)	$ 33,578

Available-for-sale securities sold during the years ended March 31, 2026 and 2025 are summarized as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Proceeds from sale	¥ 895,557	¥ 129,602	$ 5,601,435
Gain on sale	65,761	14,861	411,319
Loss on sale	56,638	6,593	354,257

Of corporate bonds in securities, the amounts of guarantee obligations for privately placed corporate bonds (stipulated in Paragraph 3 of Article 2 of the Financial Instruments and Exchange Act) are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
	¥ 3,508	¥ 3,566	$ 21,941

d. Investments in unconsolidated subsidiaries and associates are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Investment in capital	¥ 46,596	¥ 38,393	$ 291,446
Equity securities	441	339	2,761

10. Money Held in Trusts

Money held in trusts for investment purposes

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Amount recorded in the consolidated balance sheets	¥ 13,508	¥ 13,508	$ 84,489
Valuation differences included in profit and loss for the consolidated fiscal year	—	—	—

11. Derivatives

The Group enters into interest rate swaps to hedge interest rate risk associated with deposits, loans and holding debt securities and currency swaps and foreign exchange forward contracts to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies. In addition, to respond to the customers' hedging needs related to their interest rate risk and foreign exchange risk, the Group enters into derivative contracts including interest rate swaps, currency swaps, foreign exchange forward contracts and currency options. These transactions are covered by the reversing trades to avoid market risk. The effectiveness of these hedging activities is assessed and verified on a regular basis.

Derivative contracts to which hedge accounting is not applied:

With respect to derivatives to which hedge accounting is not applied, contract amount or notional principal amount defined in the contract, fair value and valuation gains or losses by transaction type as of March 31, 2026 and 2025 are as follows:

Note that contract amount does not represent the market risk exposure of the derivative transactions.

(1) Interest rate related derivatives

There are no interest rate related derivatives as of March 31, 2026 and 2025.

(2) Currency related derivatives

		March 31, 2026			
		Millions of yen			
		Contract amount			Valuation gains (losses)
		Total	Over one year	Fair value	
OTC transactions:					
Currency swaps		¥ —	¥ —	¥ —	¥ —
Forward contracts on foreign exchange	Sold	25,330	—	233	233
	Bought	2,080	—	3	3
Currency options	Sold	4,201	4,017	(388)	(133)
	Bought	4,201	4,017	388	139
Total		¥ —	¥ —	¥ 237	¥ 242

		March 31, 2026			
		Thousands of U. S. dollars			
		Contract amount			Valuation gains (losses)
		Total	Over one year	Fair value	
OTC transactions:					
Currency swaps		$ —	$ —	$ —	$ —
Forward contracts on foreign exchange	Sold	158,436	—	1,459	1,459
	Bought	13,013	—	24	24
Currency options	Sold	26,281	25,128	(2,430)	(837)
	Bought	26,281	25,128	2,430	870
Total		$ —	$ —	$ 1,483	$ 1,516

		March 31, 2025			
		Millions of yen			
		Contract amount			Valuation gains (losses)
		Total	Over one year	Fair value	
OTC transactions:					
Currency swaps		¥ —	¥ —	¥ —	¥ —
Forward contracts on foreign exchange	Sold	31,527	—	181	181
	Bought	1,921	—	1	1
Currency options	Sold	5,584	5,061	(399)	46
	Bought	5,584	5,061	399	(40)
Total		¥ —	¥ —	¥ 182	¥ 188

Note:

The above transactions are stated at fair value and valuation gains or losses is recorded in the consolidated statements of income.

Derivative contracts to which hedge accounting is applied:

With respect to derivatives to which hedge accounting is applied, contract amount or notional principal amount defined in the contract and fair value by transaction type and by hedge accounting method as of March 31, 2026 and 2025 are as follows:

Note that contract amount does not represent the market risk exposure of the derivative transactions.

(1) Interest rate related derivatives

			March 31, 2026		
			Millions of yen		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferral hedge accounting	Interest rate swaps: Receive floating Pay fixed	Securities	¥ 133,102	¥ 133,102	¥ 16,007
Total			—	—	¥ 16,007

			March 31, 2026		
			Thousands of U. S. dollars		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferral hedge accounting	Interest rate swaps: Receive floating Pay fixed	Securities	$ 832,514	$ 832,514	$ 100,119
Total			—	—	$ 100,119

			March 31, 2025		
			Millions of yen		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Deferral hedge accounting	Interest rate swaps: Receive floating Pay fixed	Securities	¥ 83,903	¥ 83,903	¥ 2,136
Total			—	—	¥ 2,136

Note:

Gains or losses on above contacts is deferred until maturity of the hedged items in accordance with JICPA Industry Audit Committee Report No. 24.

(2) Currency related derivatives

There are no currency related derivatives as of March 31, 2026 and 2025.

12. Revaluation of Land

Pursuant to the "Act on Revaluation of Land" (the "Act"), land used for the business operations of the Bank being a consolidated subsidiary of the Company, was revalued on March 31, 1999. The excess of the revalued aggregate market value over the total book value (carrying value) before revaluation was included in net assets as land revaluation surplus at the net amount of the related tax effect as of March 31, 1999. The corresponding income taxes were included in liabilities as of March 31, 1999 as deferred tax liability arising from revaluation of land. The revaluation of the land was determined based on the official prices published by the Commissioner of the National Tax Authority in accordance with Article 2, Paragraph 4 of the Enforcement Ordinance Concerning Land Revaluation, with certain necessary adjustments.

The difference between the total fair value of land for business operation purposes, which was revalued in accordance with Article 10 of the Act, and the total book value of the land after the revaluation was ¥4,658 million ($29,138 thousand) and ¥5,004 million as of March 31, 2026 and 2025, respectively.

13. Cash Flows

A reconciliation between cash and due from banks in the consolidated balance sheets as of March 31, 2026 and 2025 and cash and cash equivalents in the consolidated statements of cash flows for the year then ended is as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Cash and due from banks	¥ 1,378,941	¥ 1,653,620	$ 8,624,855
Due from banks other than the Bank of Japan	(10,985)	(11,383)	(68,712)
Cash and cash equivalents	1,367,956	1,642,236	8,556,142

14. Accumulated Depreciation and Deferred Gains on Tangible Fixed Assets

Accumulated depreciation totaled ¥33,826 million ($211,573 thousand) and ¥32,787 million as of March 31, 2026 and 2025, respectively.
Deferred gains on tangible fixed assets deducted for tax purposes as of March 31, 2026 and 2025 were ¥2,352 million ($14,713 thousand) and ¥2,352 million, respectively.

15. Assets Pledged

Assets pledged as collateral as of March 31, 2026 and 2025 were as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Pledged assets:			
Securities	¥ 1,040,312	¥ 912,724	$ 6,506,834
Other assets	688	743	4,303
Total	1,041,000	913,467	6,511,137
Liabilities secured by the above assets:			
Deposits	42,597	64,740	266,435
Call money and bills sold	–	21,000	–
Guarantee deposit received under securities lending transactions	839,297	599,306	5,249,546
Borrowed money	5,300	5,300	33,149
Total	¥ 887,195	¥ 690,347	$ 5,549,131

Other than the above, securities of ¥36,933 million ($231,010 thousand) and ¥24,837 million were pledged as collateral for exchange settlement transactions as of March 31, 2026 and 2025, respectively.

Guarantee deposits of ¥52 million ($326 thousand) and ¥69 million were included in other assets as of March 31, 2026 and 2025, respectively.

16. Borrowed Money

The details of borrowed money as of March 31, 2026 and 2025 are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Borrowed money			
Due from October 2028 through May 2029 Average interest rate: 0.35% p.a.	¥ 5,944	¥ 6,174	$ 37,178

Scheduled repayments of borrowed money by each year:

Year ending March 31,	Millions of yen	Thousands of U. S. dollars
2027	¥ 203	$ 1,272
2028	203	1,272
2029	5,503	34,422
2030	33	211
2031 and thereafter	–	–
Total	¥ 5,944	$ 37,178

17. Bonds Payable

In the fiscal year of 2021, the Bank has issued series of unsecured callable subordinated bonds with special exemption clause in case of actual bankruptcy. These bonds were redeemed before their original redemption dates during the fiscal year ended March 31, 2026.

	Issued date	Redemption date	Interest rate	2026	2025	2026
				Millions of yen		Thousands of U. S. dollars
The Hokkoku Bank Ltd.:						
1st Unsecured Callable Bonds	July 22, 2020	–	–	¥ –	¥ 10,000	$ –
2nd Unsecured Callable Bonds	March 10, 2021	–	–	–	10,000	–
Total				¥ –	¥ 20,000	$ –

There are no bonds payable due for redemption within five years after the fiscal year ended March 31, 2026.

18. Borrowed Money from Trust Account

The principal amount of trust account with contracts indemnifying the principal is as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Money trust	¥ 37	¥ 136	$ 235

19. Shareholders' Equity

Japanese banks are subject to the Banking Act and the Companies Act. The Companies Act requires that all shares of common stock be issued with no par value and at least 50% of the amount paid of new shares is required to be recorded as common stock and the remaining net proceeds as additional paid-in capital, which is included in capital surplus. The Companies Act permits Japanese companies, upon approval of the Board of Directors, to issue shares to existing shareholders without consideration by way of a stock split. Such issuance generally does not give rise to changes within the shareholders' accounts.

The Banking Act provides that an amount at least 20% of the aggregate amount of cash dividends and certain other appropriations of retained earnings associated with cash outlays applicable to each period shall be appropriated as a legal reserve (a component of retained earnings) until such reserve and additional paid-in capital equals 100% of common stock. The amount of total additional paid-in capital and legal reserve that exceeds 100% of common stock may be available for dividends by resolution of the shareholders after transferring such excess in accordance with the Companies Act. In addition, the Companies Act permits the transfer of a portion of additional paid-in capital and legal reserve to the common stock subject to resolution of the Board of Directors.

The Companies Act allows Japanese companies to repurchase treasury stock and cancel such treasury stock upon resolution of the Board of Directors. The aggregate repurchased amount of treasury stock cannot exceed the amount available for future dividends plus the amount of common stock, additional paid-in capital or legal reserve that could be transferred to retained earnings or other capital surplus other than additional paid-in capital upon approval of such transfer at the ordinary general meeting of shareholders.

Dividends and interim dividends may be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Companies Act. The movements of outstanding shares and cash dividends during the years ended March 31, 2026 and 2025 are as follows:

a. Number of outstanding shares and treasury stock
<u>For the year ended March 31, 2026</u>

	Thousand shares			
Type of shares	Balance at beginning of year	Increase during the year	Decrease during the year	Balance at end of year
Issued stock:				
Common stock	23,408	206,177	500	229,085
Treasury stock:				
Common stock	704	6,415	1,259	5,860

Notes:
1. The Company conducted a 10-for-1 common stock split on October 1, 2025.
2. The increase in issued stock of 206,177 thousand shares is due to the stock split.
3. The decrease in issued stock of 500 thousand shares is due to the cancellation of treasury stock.
4. The increase in treasury stock of 6,415 thousand shares consists of the repurchase of treasury stock of 3,577 thousand shares, the stock split of 2,836 thousand shares and requests for the buyback of shares less than one unit of 0 thousand shares.
5. The decrease in treasury stock of 1,259 thousand shares consists of grant of restricted shares of 720 thousand shares, the cancellation of treasury stock of 500 thousand shares and shares provided from the Bank's management board benefit trust of 38 thousand shares.
6. The number of treasury stock (common stock) as of March 31, 2026 includes 730 thousand shares held by the Bank's management board benefit trust at Custody Bank of Japan, Ltd. (Trust account).

For the year ended March 31, 2025

Type of shares	Thousand shares Balance at beginning of year	Increase during the year	Decrease during the year	Balance at end of year
Issued stock:				
Common stock	25,208	—	1,800	23,408
Treasury stock:				
Common stock	2,023	601	1,920	704

Notes:

1. The decrease in issued stock of 1,800 thousand shares is due to the cancellation of treasury stock.
2. The increase in treasury stock of 601 thousand shares consists of the repurchase of treasury stock of 600 thousand shares and requests for the buyback of shares less than one unit of 1 thousand shares.
3. The decrease in treasury stock of 1,920 thousand shares consists of the cancellation of treasury stock of 1,800 thousand shares, shares provided from the Bank's management board benefit trust of 12 thousand shares, grant of restricted shares of 107 thousand shares and request for additional purchase of shares less than one unit of 0 thousand shares.
4. The number of treasury stock (common stock) as of March 31, 2025 includes 92 thousand shares held by the Bank's management board benefit trust at Custody Bank of Japan, Ltd. (Trust account).

b. Stock acquisition rights
There are no stock acquisition rights as of March 31, 2026 and 2025.

c. Dividends paid to the shareholders during the year
For the year ended March 31, 2026

Date of resolution	Resolution by	Type of shares	Total dividends	Dividends per share	Date of record	Effective date
May 14, 2025	Board of Directors	Common Stock	¥1,367 million ($8,554 thousand) (Note 1)	¥60.0 ($0.37)	March 31, 2025	May 26, 2025
October 31, 2025	Board of Directors	Common Stock	¥2,493 million ($15,596 thousand) (Note 2)	¥110.0 ($0.68)	September 30, 2025	December 5, 2025

Notes:

1. The total amount of dividends paid includes ¥5 million ($34 thousand) of dividends for shares held by the Bank's management board benefit trust.
2. The total amount of dividends paid includes ¥8 million ($51 thousand) of dividends for shares held by the Bank's management board benefit trust.

For the year ended March 31, 2025

Date of resolution	Resolution by	Type of shares	Total dividends	Dividends per share	Date of record	Effective date
May 10, 2024	Board of Directors	Common Stock	¥1,280 million (Note 1)	¥55.0	March 31, 2024	May 27, 2024
October 30, 2024	Board of Directors	Common Stock	¥1,376 million (Note 2)	¥60.0	September 30, 2024	December 5, 2024

Notes:

1. The total amount of dividends paid includes ¥5 million of dividends for shares held by the Bank's management board benefit trust.
2. The total amount of dividends paid includes ¥5 million of dividends for shares held by the Bank's management board benefit trust.

Dividends applicable to the years ended March 31, 2026 and 2025, but not recorded in the accompanying consolidated financial statements, since the effective date is subsequent to the current fiscal year end:

For the year ended March 31, 2026

Date of resolution	Resolution by	Type of shares	Total dividends	Dividends per share	Date of record	Effective date
May 22, 2026	Board of Directors	Common stock	¥2,687 million ($16,809 thousand) (Note)	¥12.0 ($0.07)	March 31, 2026	June 1, 2026

(Above cash dividends are distributed from retained earnings.)
Note:
The total amount of dividends paid includes ¥8 million ($54 thousand) of dividends for shares held by the Bank's management board benefit trust.

For the year ended March 31, 2025

Date of resolution	Resolution by	Type of shares	Total dividends	Dividends per share	Date of record	Effective date
May 14, 2025	Board of Directors	Common stock	¥1,367 million (Note)	¥60.0	March 31, 2025	May 26, 2025

(Above cash dividends are distributed from retained earnings.)
Note:
The total amount of dividends paid includes ¥5 million of dividends for shares held by the Bank's management board benefit trust.

20. Leases
As lessee:

a. Operating leases
The following table presents the schedule of future minimum lease payments under non-cancellable operating leases as of March 31, 2026 and 2025:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Due within one year	¥ 126	¥ 145	$ 788
Due after one year	154	167	967
Total	¥ 280	¥ 312	$ 1,756

As lessor:

a. Finance leases
Investment in leased assets consists of the following:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Lease receivables	¥ 41,308	¥ 40,040	$ 258,369
Residual value	866	780	5,418
Unearned interest income	(2,861)	(2,522)	(17,898)
Total	¥ 39,312	¥ 38,298	$ 245,889

Maturities of lease receivables and investment in leased assets as of March 31, 2026 and 2025 are as follows:

As of March 31, 2026	Millions of yen		Thousands of U. S. dollars	
Year ending March 31,	Lease receivables	Investment in leased assets	Lease receivables	Investment in leased assets
2027	¥ 1,147	¥ 10,949	$ 7,174	$ 68,486
2028	840	9,831	5,254	61,489
2029	654	7,878	4,092	49,275
2030	455	5,842	2,851	36,539
2031	297	3,747	1,862	23,438
2032 and thereafter	614	3,059	3,845	19,138
Total	¥ 4,009	¥ 41,308	$ 25,081	$ 258,369

As of March 31, 2025	Millions of yen	
Year ending March 31,	Lease receivables	Investment in leased assets
2026	¥ 1,036	¥ 10,283
2027	947	8,948
2028	620	7,769
2029	432	5,738
2030	238	3,806
2031 and thereafter	650	3,493
Total	¥ 3,925	¥ 40,040

b. Operating leases
The following table presents the schedule of future minimum lease payments under non-cancellable operating leases as of March 31, 2026 and 2025:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Due within one year	¥ 156	¥ 175	$ 976
Due after one year	377	420	2,361
Total	¥ 533	¥ 595	$ 3,338

21. Other Income, Other Expenses and General and Administrative Expenses

Major income included in other income for the years ended March 31, 2026 and 2025 are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Recoveries of written off receivables	¥ 2,262	¥ 419	$ 14,149
Gain on sale of equity securities	64,291	13,700	402,121

Major expenses included in other expenses for the years ended March 31, 2026 and 2025 are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Provision of reserve for possible loan losses	¥ 6,459	¥ 6,007	$ 40,403
Write-off of loans	74	59	468
Loss on sale of equity securities	1,890	1,115	11,822
Loss on devaluation of equity securities	785	1,462	4,914
Loss on sale of receivables	50	8	316

Major expenses included in general and administrative expenses for the years ended March 31, 2026 and 2025 are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Salaries and allowances	¥ 13,139	¥ 12,574	$ 82,182
Depreciation	5,169	4,468	32,332
Taxes and dues	5,473	2,693	34,237

22. Special gains and losses

Special gains and losses for the years ended March 31, 2026 and 2025 consist of the following:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Special gains (losses):			
Gain on disposal of tangible fixed assets	¥ 7	¥ 17	$ 48
Loss on disposal of tangible fixed assets	(283)	(323)	(1,774)
Loss on impairment	(724)	(354)	(4,531)
Amortization of goodwill (Note)	(909)	—	(5,690)
Total	¥ (1,910)	¥ (660)	$ (11,947)

Note:
Pursuant to Paragraph 32 of the "Practical Guidelines on the Procedures to Consolidate Equity Accounts in Consolidated Financial Statements" (ASBJ Transferred Guidance No.4, July 1, 2024), goodwill was additionally amortized in connection with the impairment loss recognized on subsidiaries' shares.

Loss on Impairment

For identifying a loss on impairment, the Bank's operating branches are grouped by the areas under control of the area management (or by branches if not under control of the area management) and the Bank's idle assets are grouped individually. Headquarters, office centers, dormitories, welfare facilities, etc. are treated as common use assets because they do not generate independent cash flows. In principle, each of the consolidated subsidiaries is treated as a group of units.

For the following operating branches and idle assets among above tangible fixed assets, loss on impairment is recognized in the consolidated statements of income, by reducing the carrying value to the respective recoverable amount.

	Year ended March 31, 2026			
Location	Main use	Asset type	Millions of yen	Thousands of U.S. dollars
Ishikawa Pref.	1 operating branch	Land	¥ 138	$ 864
	3 operating branches	Buildings	24	150
	13 idle assets	Land	508	3,181
	5 idle assets	Buildings	31	195
Outside Ishikawa Pref.	1 idle asset	Land	22	139
Total			¥ 724	$ 4,531

In the assessment of loss on impairment, the recoverable amount is computed using the net realizable value, which is determined mainly based on the real estate appraisal value.

	Year ended March 31, 2025		
Location	Main use	Asset type	Millions of yen
Ishikawa Pref.	3 operating branches	Land	¥ 298
	3 operating branches	Buildings	52
	8 idle assets	Land	2
	2 idle assets	Buildings	0
Outside Ishikawa Pref.	1 idle asset	Land	0
Total			¥ 354

In the assessment of loss on impairment, the recoverable amount is computed using the net realizable value, which is determined mainly based on the real estate appraisal value.

23. Other Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2026 and 2025 are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Reclassification adjustments			
Valuation differences on available-for-sale securities:			
Gains (losses) incurred during the year	¥ 26,208	¥ (48,837)	$ 163,923
Reclassification adjustment	(2,365)	(7,524)	(14,793)
Amount before tax effect	23,842	(56,361)	149,130
Deferred gains (losses) on hedging instruments:			
Gains (losses) incurred during the year	15,218	3,214	95,186
Reclassification adjustment	(1,332)	(921)	(8,336)
Amount before tax effect	13,885	2,293	86,849
Land revaluation surplus:			
Gains (losses) incurred during the year	—	—	—
Reclassification adjustment	—	—	—
Amount before tax effect	—	—	—
Remeasurements of defined benefit plans			
Gains (losses) incurred during the year	1,433	2,469	8,968
Reclassification adjustment	199	425	1,247
Amount before tax effect	1,633	2,895	10,216
Total amount before income taxes and tax effect	39,361	(51,172)	246,197
Income taxes and tax effect	(12,489)	15,774	(78,120)
Total other comprehensive income	¥ 26,872	¥ (35,398)	$ 168,076

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Income taxes and tax effect on other comprehensive income:			
Valuation differences on available-for-sale securities:			
Amount before income taxes and tax effect	¥ 23,842	¥ (56,361)	$ 149,130
Income taxes and tax effect	(7,631)	17,299	(47,730)
Amount after income taxes and tax effect	16,211	(39,062)	101,400
Deferred gains (losses) on hedging instruments:			
Amount before income taxes and tax effect	13,885	2,293	86,849
Income taxes and tax effect	(4,348)	(718)	(27,198)
Amount after income taxes and tax effect	9,537	1,575	59,651
Land revaluation surplus:			
Amount before income taxes and tax effect	—	—	—
Income taxes and tax effect	—	(34)	—
Amount after income taxes and tax effect	—	(34)	—
Remeasurements of defined benefit plans			
Amount before income taxes and tax effect	1,633	2,895	10,216
Income taxes and tax effect	(510)	(772)	(3,191)
Amount after income taxes and tax effect	1,123	2,123	7,024

24. Income Taxes

The major components of deferred tax assets and liabilities as of March 31, 2026 and 2025 are summarized as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Deferred tax assets:			
Tax loss carried forward (Note)	¥ 895	¥ 881	$ 5,603
Reserve for possible loan losses	16,202	16,695	101,339
Depreciation	2,256	1,855	14,116
Devaluation of equity securities	484	778	3,031
Enterprise tax payable	299	180	1,873
Reserve for bonuses	215	215	1,345
Deferred consumption tax	820	307	5,129
Loss on impairment of land	793	736	4,960
Valuation differences on available-for-sale securities	—	5,090	—
Other	1,772	1,172	11,089
Subtotal	23,740	27,913	148,489
Valuation allowance	(12,664)	(13,732)	(79,209)
Total deferred tax assets	11,076	14,181	69,280
Deferred tax liabilities:			
Valuation differences on available-for-sale securities	(2,540)	—	(15,892)
Net defined benefit asset	(1,099)	(633)	(6,877)
Net deferred gains (losses) on hedging instruments	(4,529)	(703)	(28,333)
Other	(271)	(238)	(1,698)
Total deferred tax liabilities	(8,441)	(1,575)	(52,801)
Net deferred tax assets (liabilities)	2,634	12,605	16,478

(Note) Amounts of tax loss carried forward and deferred tax assets by each year

	Millions of yen		
Year ending March 31, 2026	Tax loss carried forward (*)	Valuation allowance	Deferred tax assets
2027	¥ —	¥ —	¥ —
2028	—	—	—
2029	—	—	—
2030	—	—	—
2031	—	—	—
2032 and thereafter	895	(736)	159
Total	¥ 895	¥ (736)	¥ 159

	Thousands of U. S. dollars		
Year ending March 31, 2026	Tax loss carried forward (*)	Valuation allowance	Deferred tax assets
2027	$ —	$ —	$ —
2028	—	—	—
2029	—	—	—
2030	—	—	—
2031	—	—	—
2032 and thereafter	5,603	(4,608)	995
Total	$ 5,603	$ (4,608)	$ 995

	Millions of yen		
Year ending March 31, 2025	Tax loss carried forward (*)	Valuation allowance	Deferred tax assets
2026	¥ —	¥ —	¥ —
2027	—	—	—
2028	—	—	—
2029	—	—	—
2030	—	—	—
2031 and thereafter	881	(754)	126
Total	¥ 881	¥ (754)	¥ 126

(*)Tax loss carried forward is calculated by multiplying the statutory tax rate.

A reconciliation of the statutory tax rate applicable to the Company and its consolidated subsidiaries to the effective tax rate for the years ended March 31, 2026 and 2025 are presented as follows:

	2026	2025
Statutory tax rate	30.4%	30.4%
Reconciliation:		
Nondeductible permanent differences, such as entertainment expenses	0.2	0.2
Nontaxable permanent differences, such as dividend income	(10.7)	(16.3)
Per capita residents' taxes	0.2	0.3
Valuation allowance	(3.5)	(1.0)
Offsetting dividends from subsidiaries	9.5	14.6
Difference in effective tax rate with consolidated subsidiaries	0.3	0.4
Difference due to change in statutory tax rate	—	(0.9)
Other	1.0	(0.4)
Effective tax rate	27.5%	27.4%

25. Retirement Benefit Plans

The Group has the defined contribution pension plans (corporate type) ("defined contribution plan"), and certain consolidated subsidiaries of the Company have defined benefit corporate pension plans ("defined benefit plans").

Defined benefit Plans

a. The reconciliation of in defined benefit obligation for the years ended March 31, 2026 and 2025 are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Balance at beginning of year	¥ 13,877	¥ 17,449	$ 86,800
Service cost	—	—	—
Interest cost	203	29	1,271
Actuarial gains or losses	(1,024)	(2,643)	(6,407)
Benefits paid	(1,004)	(957)	(6,285)
Other	—	—	—
Balance at end of year	¥ 12,051	¥ 13,877	$ 75,380

b. The reconciliation of in plan assets for the years ended March 31, 2026 and 2025 are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Balance at beginning of year	¥ 15,937	¥ 16,764	$ 99,686
Expected return on plan assets	239	251	1,495
Actuarial gains or losses	409	(173)	2,561
Contributions from the employer	24	52	150
Benefits paid	(1,004)	(957)	(6,285)
Balance at end of year	¥ 15,605	¥ 15,937	$ 97,608

c. The reconciliation between the net defined benefit liability recorded in the consolidated balance sheets and the balances at end of year of defined benefit obligation and plan assets

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Funded defined benefit obligation	¥ 12,051	¥ 13,877	$ 75,380
Plan assets	(15,605)	(15,937)	(97,608)
	(3,553)	(2,060)	(22,228)
Unfunded defined benefit obligation	—	—	—
Net liability (asset) recorded in the consolidated balance sheets	(3,553)	(2,060)	(22,228)

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Net defined benefit liability	¥ —	¥ —	$ —
Net defined benefit asset	(3,553)	(2,060)	(22,228)
Net liability (asset) recorded in the consolidated balance sheets	(3,553)	(2,060)	(22,228)

d. The components of retirement benefit expenses for the years ended March 31, 2026 and 2025 are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Service cost	¥ —	¥ —	$ —
Interest cost	203	29	1,271
Expected return on plan assets	(239)	(251)	(1,495)
Amortization of actuarial gains or losses	199	425	1,247
Amortization of prior service cost	—	—	—
Retirement benefit expenses	163	203	1,024

e. The components of remeasurements of defined benefit plans (before deducting income taxes and tax effect) on other comprehensive income as of March 31, 2026 and 2025 are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Prior service cost	¥ —	¥ —	$ —
Net actuarial gains or losses	1,633	2,895	10,216
Total	¥ 1,633	¥ 2,895	$ 10,216

f. The components of remeasurements of defined benefit plans (before deducting income taxes and tax effect) on accumulated other comprehensive income as of March 31, 2026 and 2025 are as follows:

	2026	2025	2026
	Millions of yen		Thousands of U. S. dollars
Unrecognized prior service cost	¥ —	¥ —	$ —
Unrecognized net actuarial gains or losses	3,682	2,048	23,030
Total	¥ 3,682	¥ 2,048	$ 23,030

g. Plan assets

(1) The components of plan assets are as follows:

	2026	2025
General account	79%	82%
Equity securities	14	11
Debt securities	6	6
Other	1	1
Total	100%	100%

Note:
Total plan assets include 0% and 0% of retirement benefit trust established on corporate pension plans as of March 31, 2026 and 2025, respectively.

(2) Method of determining the long-term expected rate of return on plan assets
The long-term expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

h. Assumptions used for the years ended March 31, 2026 and 2025, are set forth as follows:

	2026	2025
Discount rate	0.77% to 4.86%	0.29% to 3.24%
Long-term expected rate of return on plan assets	1.5%	1.5%

Defined Contribution Plan

The amount of the required contribution to the defined contribution plan of the Company was ¥22 million ($142 thousand) and ¥25 million for the years ended March 31, 2026 and 2025.

26. Per Share Information

Net assets per share as of March 31, 2026 and 2025 and profit per share for the year then ended are as follows:

	2026	2025	2026
	Yen		U. S. dollars
Net assets per share	¥ 1,095.51	¥ 933.85	$ 6.85
Profit per share	55.98	35.50	0.35
Profit per share-diluted	55.96	35.48	0.35

Notes:
1. The Company conducted a 10-for-1 common stock split on October 1, 2025. Net assets per share, profit per share and profit per share-diluted were calculated under the assumption that stock split had taken place at the beginning of the year ended March 31, 2025.
2. Custody Bank of Japan, Ltd. (Trust account) holds the shares of the Company as trust assets relevant to the management board benefit trust of the Bank, a consolidated subsidiary of the Company. In the calculation of net assets per share, profit per share and profit per share-diluted, the shares are included in treasury stock, which are deducted in calculating outstanding number of shares at end of year and average outstanding number of shares during the year. For the year ended March 31, 2026, the number of shares of treasury stock deducted in calculating outstanding number of shares at end of year is 730 thousand shares and average outstanding number of shares during the year is 816 thousand shares. For the year ended March 31, 2025, the number of shares of treasury stock deducted in calculating outstanding number of shares at end of year is 924 thousand shares and average outstanding number of shares during the year is 975 thousand shares.

Basic information in computing above per share data are as follows:

	2026	2025	2026
	Millions of Yen		Thousands of U. S. dollars
Net assets per share:			
Net assets per balance sheets	¥ 253,773	¥ 220,889	$ 1,587,272
Amounts to be attributed to non-controlling interests	9,226	8,869	57,708
Net assets attributed to common stock shareholders	¥ 244,546	¥ 212,020	$ 1,529,563
Number of shares outstanding at end of year (unit: thousand shares)	223,224	227,036	
Profit per share:			
Profit attributable to owners of parent	¥ 12,632	¥ 8,120	$ 79,014
Profit attributable to common stock shareholders	¥ 12,632	¥ 8,120	$ 79,014
Average number of shares outstanding during the year (unit: thousand shares)	225,629	228,711	
Profit per share-diluted:			
Adjustment to profit attributable to owners of parent	¥ —	¥ —	$ —
Increase in common stock (unit: thousand shares)	87	134	
[Of which, restricted shares under the share-based payment plan](unit: thousand shares)	87	134	
Outline of dilutive shares not included in the calculation of profit per share-diluted due to the absence of dilutive effect	—	—	—

27. Segment Information

a. Reportable segments
The reportable segments of the Group are the components of the Group for which separate financial information is "available" and are subject to periodic review by the Board of Directors which is the chief operating decision maker to determine the allocation of management resources and assess performance.
The Group consists of the Company and its 13 consolidated subsidiaries. The Group designs comprehensive strategies to provide financial services including banking and leasing businesses and is engaged in operating activities. Accordingly, the Group is composed of operating segments by financial services based on the group companies and "Banking" and "Leasing" segments are identified as the reportable segments.
The "Banking" segment provides customers with banking services, credit guarantee services related to consumer finance services, credit card services, servicer business, system development/ management/ administration services, investment advisory business, consulting/ back-office services and fund administration services.
The "Leasing" segment provides customers with leasing services.

b. Calculation method of income, profit or loss, assets, liabilities and other items
Accounting policies adopted by the reportable segments are the same as those described in "3. Summary of Significant Accounting Policies," except for the scope of consolidation. Segment profit of the reportable segments is measured based on income from ordinary operations and intersegment income is based on the market transaction price in the same manner as income from external customers.

c. Reportable segment information concerning income, profit or loss, assets, liabilities and other items

	Year ended March 31, 2026				
	Millions of yen				
	Reportable segments			Adjustments	Consolidated
	Banking	Leasing	Total		
Total income:					
External customers	¥ 151,752	¥ 15,349	¥ 167,102	¥ —	¥ 167,102
Intersegments	543	1	545	(545)	—
Total	152,296	15,351	167,647	(545)	167,102
Segment profit	19,183	564	19,748	8	19,756
Segment assets	6,531,145	46,715	6,577,860	(41,073)	6,536,786
Segment liabilities	6,278,156	44,481	6,322,637	(39,623)	6,283,013
Other information					
Depreciation	5,167	1	5,169	—	5,169
Interest income	69,249	—	69,249	(453)	68,796
Interest expenses	18,063	469	18,532	(446)	18,086
Increase in tangible and intangible fixed assets	21,445	4	21,450	—	21,450

	Year ended March 31, 2026				
	Thousands of U. S. dollars				
	Reportable segments			Adjustments	Consolidated
	Banking	Leasing	Total		
Total income:					
External customers	$ 949,164	$ 96,008	$ 1,045,173	$ —	$ 1,045,173
Intersegments	3,401	8	3,410	(3,410)	—
Total	952,566	96,017	1,048,584	(3,410)	1,045,173
Segment profit	119,984	3,533	123,518	55	123,573
Segment assets	40,850,295	292,189	41,142,484	(256,901)	40,885,582
Segment liabilities	39,267,927	278,217	39,546,145	(247,834)	39,298,310
Other information					
Depreciation	32,321	10	32,332	—	32,332
Interest income	433,136	—	433,136	(2,834)	430,302
Interest expenses	112,981	2,934	115,915	(2,790)	113,125
Increase in tangible and intangible fixed assets	134,136	28	134,165	—	134,165

	Year ended March 31, 2025				
	Millions of yen				
	Reportable segments			Adjustments	Consolidated
	Banking	Leasing	Total		
Total income:					
External customers	¥ 75,686	¥ 13,889	¥ 89,576	¥ —	¥ 89,576
Intersegments	351	1	352	(352)	—
Total	76,038	13,890	89,928	(352)	89,576
Segment profit	11,879	445	12,324	(25)	12,298
Segment assets	6,386,189	46,044	6,432,233	(39,163)	6,393,070
Segment liabilities	6,167,880	42,002	6,209,883	(37,702)	6,172,180
Other information					
Depreciation	4,463	5	4,468	—	4,468
Interest income	47,530	—	47,530	(243)	47,287
Interest expenses	9,832	256	10,088	(236)	9,851
Increase in tangible and intangible fixed assets	15,342	3	15,346	—	15,346

Notes:
1. "Total income" corresponds to "Net Sales" of non-banking industries.
2. Adjustments refer to the elimination of intersegment transactions.

Other information:
Information by service line:

	Year ended March 31, 2026				
	Millions of yen				
	Loan	Securities investment	Lease	Other	Total
Income from external customers	¥ 35,716	¥ 92,877	¥ 15,349	¥ 23,158	¥ 167,102

	Year ended March 31, 2026				
	Thousands of U. S. dollars				
	Loan	Securities investment	Lease	Other	Total
Income from external customers	$ 223,398	$ 580,919	$ 96,008	$ 144,847	$ 1,045,173

	Year ended March 31, 2025				
	Millions of yen				
	Loan	Securities investment	Lease	Other	Total
Income from external customers	¥ 26,676	¥ 31,825	¥ 13,889	¥ 17,184	¥ 89,576

Information about loss on impairment of fixed assets by reportable segment:

	Year ended March 31, 2026		
	Millions of yen		
	Reportable segments		
	Banking	Leasing	Total
Loss on impairment	¥ 724	¥ —	¥ 724

	Year ended March 31, 2026		
	Thousands of U. S. dollars		
	Reportable segments		
	Banking	Leasing	Total
Loss on impairment	$ 4,531	$ —	$ 4,531

	Year ended March 31, 2025		
	Millions of yen		
	Reportable segments		
	Banking	Leasing	Total
Loss on impairment	¥ 354	¥ —	¥ 354

Information about amortization of goodwill and unamortized balance of goodwill by reportable segment:

	Year ended March 31, 2026		
	Millions of yen		
	Reportable segments		
	Banking	Leasing	Total
Amortization	¥ 1,285	¥ —	¥ 1,285
Ending balance of goodwill	—	—	—

	Year ended March 31, 2026		
	Thousands of U. S. dollars		
	Reportable segments		
	Banking	Leasing	Total
Amortization	$ 8,040	$ —	$ 8,040
Ending balance of goodwill	—	—	—

	Year ended March 31, 2025		
	Millions of yen		
	Reportable segments		
	Banking	Leasing	Total
Amortization	¥ 53	¥ —	¥ 53
Ending balance of goodwill	963	—	963

Information about gain on bargain purchase (amortization of negative goodwill):
The disclosure is omitted due to immateriality.

28. Revenue Recognition

The following table summarizes the information on disaggregation of revenue from contracts with customers for the years ended March 31, 2026 and 2025:

	2026			2026		
	Millions of yen			*Thousands of U. S. dollars*		
	Banking	Leasing	Total	Banking	Leasing	Total
Fees and commissions:						
Deposits and loans business	¥ 2,306	¥ —	¥ 2,306	$ 14,424	$ —	$ 14,424
Foreign exchange business	2,421	—	2,421	15,147	—	15,147
Trust-related business	55	—	55	346	—	346
Securities-related business	793	—	793	4,960	—	4,960
Agency business	224	—	224	1,404	—	1,404
Cashless business	2,540	—	2,540	15,888	—	15,888
Consulting business	2,473	—	2,473	15,468	—	15,468
Other business	1,730	39	1,769	10,822	246	11,069
Fees and commissions, total	12,544	39	12,584	78,463	246	78,710
Other operating income	1,092	1,423	2,515	6,831	8,903	15,735
Income other than operating income	68	7	76	428	49	478
Income from contracts with customers	13,705	1,470	15,176	85,723	9,199	94,923
Income other than above	138,046	13,879	151,926	863,441	86,809	950,250
Total income from external customers	¥ 151,752	¥ 15,349	¥ 167,102	$ 949,164	$ 96,008	$ 1,045,173

	2025		
	Millions of yen		
	Banking	Leasing	Total
Fees and commissions:			
Deposits and loans business	¥ 1,715	¥ —	¥ 1,715
Foreign exchange business	2,214	—	2,214
Trust-related business	49	—	49
Securities-related business	747	—	747
Agency business	233	—	233
Cashless business	2,472	—	2,472
Consulting business	2,201	—	2,201
Other business	1,150	39	1,190
Fees and commissions, total	10,784	39	10,823
Other operating income	1,167	802	1,969
Income other than operating income	123	4	127
Income from contracts with customers	12,074	846	12,920
Income other than above	63,611	13,043	76,655
Total income from external customers	¥ 75,686	¥ 13,889	¥ 89,576

29. Related Party Transactions

There was no applicable transaction to be reported for the years ended March 31, 2026 and 2025, respectively.

30. Subsequent Events

Not applicable.

Balance Sheets

The Hokkoku Bank, Ltd.

	As of March 31,		
	2026	2025	**2026**
	Millions of yen		Thousands of U.S. dollars (Note 2)
Assets:			
Cash and due from banks	¥ 1,378,504	¥ 1,653,429	$ 8,622,117
Call loans	116,000	152,000	725,544
Monetary claims bought	580	1,263	3,632
Money held in trusts	13,508	13,508	84,489
Securities	1,881,763	1,869,489	11,769,851
Loans and bills discounted	3,048,666	2,629,769	19,068,465
Foreign exchanges	5,219	5,485	32,649
Investment in leased assets	2,188	3,298	13,685
Other assets	32,796	14,169	205,131
Tangible fixed assets	48,278	43,441	301,964
Intangible fixed assets	21,640	13,151	135,354
Deferred tax assets	3,399	13,034	21,264
Customers' liabilities for acceptances and guarantees	19,931	18,878	124,662
Reserve for possible loan losses	(58,742)	(60,187)	(367,418)
Total assets	¥ 6,513,734	¥ 6,370,731	$ 40,741,393
Liabilities:			
Deposits	4,761,691	4,915,822	29,782,909
Negotiable certificates of deposit	59,400	—	371,528
Call money	545,556	559,680	3,412,285
Guarantee deposit received under securities lending transactions	839,297	599,306	5,249,546
Borrowed money	5,300	5,326	33,149
Foreign exchanges	3	0	23
Bonds payable	—	20,000	—
Borrowed money from trust account	37	136	235
Other liabilities	69,334	72,323	433,665
Reserve for bonuses	478	512	2,990
Reserve for retirement benefits	128	—	801
Reserve for management board benefit trust	257	350	1,612
Reserve for reimbursement of deposits	31	47	197
Deferred tax liability arising from revaluation of land	1,070	1,208	6,698
Acceptances and guarantees	19,931	18,878	124,662
Total liabilities	¥ 6,302,518	¥ 6,193,594	$ 39,420,307
Net assets:			
Common stock	27,284	26,673	170,653
Capital surplus	11,899	11,289	74,428
Retained earnings	154,242	146,756	964,736
Total shareholders' equity	193,425	184,720	1,209,819
Valuation differences on available-for-sale securities	5,095	(11,037)	31,872
Net deferred gains (losses) on hedging instruments	11,076	1,539	69,282
Land revaluation surplus	1,616	1,914	10,111
Total valuation and translation adjustments	17,789	(7,582)	111,266
Total net assets	211,215	177,137	1,321,085
Total liabilities and net assets	¥ 6,513,734	¥ 6,370,731	$ 40,741,393

Statements of Income

The Hokkoku Bank, Ltd.

	Years ended March 31,		
	2026	2025	**2026**
	Millions of yen		Thousands of U.S. dollars (Note 2)
Income			
Interest income on:			
Interest on loans and discounts	¥ 38,025	¥ 28,140	$ 237,836
Interest and dividends on securities	27,029	16,862	169,058
Other interest income	3,962	2,248	24,786
Total interest income	69,017	47,251	431,682
Trust fees	0	0	4
Fees and commissions	9,808	8,387	61,350
Other operating income	3,026	3,130	18,929
Other income	65,171	14,091	407,627
Total income	147,024	72,862	919,594
Expenses			
Interest expenses on:			
Deposits	7,975	2,381	49,884
Borrowings and rediscounts	2,553	1,572	15,968
Interest on bonds	110	179	691
Cash collateral received for securities lent	6,428	5,398	40,208
Other	1,023	305	6,398
Total interest expenses	18,090	9,837	113,151
Fees and commissions	4,184	3,908	26,169
Other operating expenses	61,943	9,020	387,435
General and administrative expenses	35,626	30,005	222,835
Other expenses	9,509	8,579	59,475
Total expenses	129,353	61,350	809,068
Special gains and losses	(1,000)	(660)	(6,257)
Profit before income taxes	16,670	10,850	104,269
Income taxes:			
Current	5,827	2,832	36,451
Deferred	(1,926)	(305)	(12,050)
	3,901	2,526	24,401
Profit	¥ 12,769	¥ 8,323	$ 79,867

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