

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 27, 2023

Company name: Hokkoku Financial Holdings, Inc.
 Stock exchange listing: Tokyo
 Stock code: 7381 URL <https://www.hfhd.co.jp/>
 Representative: President & Chief Executive Officer Shuji Tsuemura
 Representative director
 Executive Officer,
 Inquiries: General Manager of General Planning Department Tomohiko Kikuzawa TEL 076-263-1111
 Scheduled date to file Quarterly Securities Report: February 10, 2023
 Scheduled date to commence dividend payments: –
 Trading accounts: No
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	67,986	7.9	17,399	16.6	9,960	18.0
Nine months ended December 31, 2021	62,972	–	14,919	–	8,438	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	378.60		–	
Nine months ended December 31, 2021	303.98		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	5,236,255	216,207	3.9
As of March 31, 2022	5,712,233	264,258	4.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	–	–	50.00	50.00
Year ending March 31, 2023	–	50.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	50.00	100.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Full year	16,500	(13.9)	10,000	6.5	397.16

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: Yes
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2022	26,908,582 shares	As of March 31, 2022	27,908,582 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	1,730,376 shares	As of March 31, 2022	1,118,382 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	26,307,713 shares	Nine months ended December 31, 2021	27,757,686 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Cash and due from banks	1,607,871	1,181,735
Call loans and bills bought	65,000	–
Monetary claims bought	3,052	3,520
Money held in trust	13,528	13,603
Securities	1,356,079	1,403,803
Loans and bills discounted	2,585,262	2,534,181
Foreign exchanges	11,138	10,652
Lease receivables and investment assets	35,195	36,039
Other assets	37,364	44,225
Tangible fixed assets	31,388	31,831
Intangible fixed assets	9,949	8,676
Deferred tax assets	265	15,141
Customers' liabilities for acceptances and guarantees	17,986	17,724
Allowance for loan losses	(61,849)	(64,879)
Total assets	5,712,233	5,236,255
Liabilities		
Deposits	4,257,200	4,306,157
Negotiable certificates of deposit	1,000	–
Call money and bills sold	618,824	289,783
Cash collateral received for securities lent	313,497	331,699
Borrowed money	155,985	25,778
Foreign exchanges	1	6
Bonds payable	20,000	20,000
Borrowed money from trust account	154	164
Other liabilities	53,752	24,159
Provision for bonuses	747	–
Retirement benefit liability	2,398	1,574
Provision for management board incentive plan trust	496	410
Provision for reimbursement of deposits	127	123
Provision for loss on interest repayment	19	10
Deferred tax liabilities	4,368	1,044
Deferred tax liabilities for land revaluation	1,412	1,411
Acceptances and guarantees	17,986	17,724
Total liabilities	5,447,975	5,020,047
Net assets		
Share capital	10,000	10,000
Capital surplus	29,727	27,165
Retained earnings	182,357	189,647
Treasury shares	(3,124)	(8,130)
Total shareholders' equity	218,960	218,681
Valuation difference on available-for-sale securities	36,652	(11,449)
Deferred gains or losses on hedges	115	–
Revaluation reserve for land	2,296	2,296
Remeasurements of defined benefit plans	(1,467)	(1,205)
Total accumulated other comprehensive income	37,597	(10,358)
Non-controlling interests	7,701	7,884
Total net assets	264,258	216,207
Total liabilities and net assets	5,712,233	5,236,255

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Ordinary income	62,972	67,986
Interest income	27,140	28,470
Interest on loans and discounts	18,149	18,043
Interest and dividends on securities	8,449	10,010
Trust fees	0	0
Fees and commissions	7,339	7,302
Other ordinary income	13,857	12,319
Other income	14,633	19,893
Ordinary expenses	48,052	50,586
Interest expenses	335	2,318
Interest on deposits	85	75
Fees and commissions payments	2,726	2,656
Other ordinary expenses	9,080	17,019
General and administrative expenses	23,399	22,812
Other expenses	12,510	5,779
Ordinary profit	14,919	17,399
Extraordinary income	5	52
Gain on disposal of non-current assets	5	52
Extraordinary losses	456	1,444
Loss on disposal of non-current assets	5	1,350
Impairment losses	450	93
Profit before income taxes	14,469	16,006
Income taxes - current	5,681	3,020
Income taxes - deferred	169	2,791
Total income taxes	5,851	5,811
Profit	8,618	10,195
Profit attributable to non-controlling interests	179	235
Profit attributable to owners of parent	8,438	9,960

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	8,618	10,195
Other comprehensive income	(356)	(48,001)
Valuation difference on available-for-sale securities	(779)	(48,148)
Deferred gains or losses on hedges	3	(115)
Remeasurements of defined benefit plans, net of tax	419	262
Comprehensive income	8,261	(37,806)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,147	(37,994)
Comprehensive income attributable to non-controlling interests	114	188