

**Translation**

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2023  
(Based on Japanese GAAP)**

May 8, 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  
 Managing Executive Officer,  
 Inquiries: General Manager of General Planning Tomohiko Kikuzawa TEL 076-263-1111  
 Department  
 Scheduled date of ordinary general meeting of shareholders: June 9, 2023  
 Scheduled date to file Securities Report: June 22, 2023  
 Scheduled date to commence dividend payments: June 12, 2023  
 Trading accounts: No  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

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	%
Year ended March 31, 2023	84,743	-	16,046	(16.2)	8,741	(6.8)
Year ended March 31, 2022	84,730	-	19,167	-	9,387	-

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Ordinary profit/ordinary income
	Yen	Yen	%	%	%
Year ended March 31, 2023	336.06	336.05	3.5	0.2	18.9
Year ended March 31, 2022	340.64	-	3.5	0.3	22.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	5,603,724	237,688	4.0	9,149.42
As of March 31, 2022	5,712,233	264,258	4.4	9,576.53

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	(128,949)	(117,364)	(10,420)	1,348,008
Year ended March 31, 2022	294,117	(149,137)	(5,700)	1,604,721

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	-	-	-	50.00	50.00	1,345	14.6	0.5
Year ended March 31, 2023	-	50.00	-	50.00	100.00	2,585	29.7	1.0
Year ending March 31, 2024 (Forecast)	-	55.00	-	55.00	110.00		25.0	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	9,000	(56.0)	6,000	(53.4)	239.05
Full year	16,500	2.8	11,000	25.8	438.25

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2023	26,908,582 shares	As of March 31, 2022	27,908,582 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2023	1,809,299 shares	As of March 31, 2022	1,118,382 shares
----------------------	------------------	----------------------	------------------

Average number of shares during the period

Year ended March 31, 2023	26,010,696 shares	Year ended March 31, 2022	27,559,229 shares
---------------------------	-------------------	---------------------------	-------------------

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Cash and due from banks	1,607,871	1,354,859
Call loans and bills bought	65,000	141,000
Monetary claims bought	3,052	3,266
Money held in trust	13,528	13,535
Securities	1,356,079	1,468,300
Loans and bills discounted	2,585,262	2,523,613
Foreign exchanges	11,138	11,684
Lease receivables and investment assets	35,195	36,445
Other assets	37,364	51,111
Tangible fixed assets	31,388	32,102
Buildings, net	10,345	10,202
Land	16,798	16,904
Construction in progress	1,265	2,332
Other tangible fixed assets	2,978	2,662
Intangible fixed assets	9,949	8,539
Software	9,619	8,207
Other intangible fixed assets	330	331
Deferred tax assets	265	4,617
Customers' liabilities for acceptances and guarantees	17,986	17,282
Allowance for loan losses	(61,849)	(62,631)
<b>Total assets</b>	<b>5,712,233</b>	<b>5,603,724</b>
<b>Liabilities</b>		
Deposits	4,257,200	4,360,798
Negotiable certificates of deposit	1,000	–
Call money and bills sold	618,824	532,156
Cash collateral received for securities lent	313,497	360,955
Borrowed money	155,985	26,553
Foreign exchanges	1	3
Bonds payable	20,000	20,000
Borrowed money from trust account	154	164
Other liabilities	53,752	42,925
Provision for bonuses	747	712
Retirement benefit liability	2,398	1,376
Provision for management board incentive plan trust	496	410
Provision for reimbursement of deposits	127	96
Provision for loss on interest repayment	19	2
Deferred tax liabilities	4,368	1,185
Deferred tax liabilities for land revaluation	1,412	1,411
Acceptances and guarantees	17,986	17,282
<b>Total liabilities</b>	<b>5,447,975</b>	<b>5,366,036</b>

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Net assets		
Share capital	10,000	10,000
Capital surplus	29,727	27,139
Retained earnings	182,357	188,428
Treasury shares	(3,124)	(8,216)
Total shareholders' equity	218,960	217,351
Valuation difference on available-for-sale securities	36,652	11,332
Deferred gains or losses on hedges	115	(2)
Revaluation reserve for land	2,296	2,296
Remeasurements of defined benefit plans	(1,467)	(1,333)
Total accumulated other comprehensive income	37,597	12,292
Non-controlling interests	7,701	8,044
Total net assets	264,258	237,688
Total liabilities and net assets	5,712,233	5,603,724

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Ordinary income	84,730	84,743
Interest income	36,087	38,319
Interest on loans and discounts	23,989	24,061
Interest and dividends on securities	11,378	13,701
Interest on call loans and bills bought	130	44
Interest on deposits with banks	573	491
Other interest income	14	20
Trust fees	0	0
Fees and commissions	9,487	9,628
Other ordinary income	17,559	15,897
Other income	21,595	20,897
Recoveries of written off receivables	360	263
Other	21,235	20,634
Ordinary expenses	65,563	68,696
Interest expenses	494	4,149
Interest on deposits	109	103
Interest on negotiable certificates of deposit	1	0
Interest on call money and bills sold	34	1,684
Interest expenses on cash collateral received for securities lent	149	2,169
Interest on borrowings and rediscounts	1	4
Interest expenses on bonds	180	179
Other interest expenses	17	7
Fees and commissions payments	3,578	3,517
Other ordinary expenses	13,799	21,847
General and administrative expenses	31,038	30,992
Other expenses	16,651	8,187
Provision of allowance for loan losses	11,357	3,269
Other	5,294	4,917
Ordinary profit	19,167	16,046
Extraordinary income	731	70
Gain on disposal of non-current assets	5	70
Gain on revision of retirement benefit plan	726	–
Extraordinary losses	3,952	1,554
Loss on disposal of non-current assets	2,492	1,460
Impairment losses	601	93
Restructuring expenses	858	–
Profit before income taxes	15,946	14,562
Income taxes - current	5,723	2,305
Income taxes - deferred	596	3,216
Total income taxes	6,319	5,522
Profit	9,626	9,040
Profit attributable to non-controlling interests	238	299
Profit attributable to owners of parent	9,387	8,741

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	9,626	9,040
Other comprehensive income	(25,934)	(25,254)
Valuation difference on available-for-sale securities	(27,030)	(25,269)
Deferred gains or losses on hedges	119	(118)
Remeasurements of defined benefit plans, net of tax	976	133
Comprehensive income	(16,308)	(16,213)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(16,424)	(16,562)
Comprehensive income attributable to non-controlling interests	116	348

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,673	13,053	176,013	(663)	215,077
Changes during period					
Changes by share transfer	(16,673)	16,673			–
Dividends of surplus			(2,521)		(2,521)
Profit attributable to owners of parent			9,387		9,387
Transfer from retained earnings to capital surplus		497	(497)		–
Purchase of treasury shares				(3,041)	(3,041)
Disposal of treasury shares				82	82
Cancellation of treasury shares		(497)		497	–
Reversal of revaluation reserve for land			(23)		(23)
Net changes in items other than shareholders' equity					
Total changes during period	(16,673)	16,673	6,344	(2,461)	3,882
Balance at end of period	10,000	29,727	182,357	(3,124)	218,960

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	63,560	(3)	2,272	(2,443)	63,385	7,806	286,269
Changes during period							
Changes by share transfer							–
Dividends of surplus							(2,521)
Profit attributable to owners of parent							9,387
Transfer from retained earnings to capital surplus							–
Purchase of treasury shares							(3,041)
Disposal of treasury shares							82
Cancellation of treasury shares							–
Reversal of revaluation reserve for land							(23)
Net changes in items other than shareholders' equity	(26,908)	119	23	976	(25,788)	(105)	(25,894)
Total changes during period	(26,908)	119	23	976	(25,788)	(105)	(22,011)
Balance at end of period	36,652	115	2,296	(1,467)	37,597	7,701	264,258

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	29,727	182,357	(3,124)	218,960
Changes during period					
Dividends of surplus			(2,670)		(2,670)
Profit attributable to owners of parent			8,741		8,741
Purchase of treasury shares				(8,081)	(8,081)
Disposal of treasury shares		(25)		427	401
Cancellation of treasury shares		(2,562)		2,562	–
Reversal of revaluation reserve for land			0		0
Net changes in items other than shareholders' equity					
Total changes during period	–	(2,588)	6,070	(5,091)	(1,609)
Balance at end of period	10,000	27,139	188,428	(8,216)	217,351

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	36,652	115	2,296	(1,467)	37,597	7,701	264,258
Changes during period							
Dividends of surplus							(2,670)
Profit attributable to owners of parent							8,741
Purchase of treasury shares							(8,081)
Disposal of treasury shares							401
Cancellation of treasury shares							–
Reversal of revaluation reserve for land							0
Net changes in items other than shareholders' equity	(25,319)	(118)	(0)	133	(25,304)	343	(24,960)
Total changes during period	(25,319)	(118)	(0)	133	(25,304)	343	(26,569)
Balance at end of period	11,332	(2)	2,296	(1,333)	12,292	8,044	237,688



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	15,946	14,562
Depreciation	4,331	4,190
Impairment losses	601	93
Increase (decrease) in allowance for loan losses	7,700	782
Increase (decrease) in provision for bonuses	(26)	(35)
Increase (decrease) in retirement benefit liability	(10,642)	(1,021)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(31)	–
Increase (decrease) in provision for share awards for directors (and other officers)	35	(86)
Increase (decrease) in provision for reimbursement of deposits	(45)	(30)
Increase (decrease) in provision for loss on interest repayment	(13)	(17)
Increase (decrease) in provision for point card certificates	(324)	–
Interest income	(36,087)	(38,319)
Interest expenses	494	4,149
Loss (gain) related to securities	(16,619)	(11,325)
Loss (gain) on money held in trust	(15)	(6)
Foreign exchange losses (gains)	(17,807)	(19,204)
Loss (gain) on disposal of non-current assets	2,048	640
Loss (gain) on revision of retirement benefit plan	(726)	–
Net decrease (increase) in loans and bills discounted	29,603	61,648
Net increase (decrease) in deposits	219,488	102,598
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	19,639	(129,432)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	14,854	(3,700)
Net decrease (increase) in call loans	53,044	(76,214)
Net increase (decrease) in call money	(99,869)	(86,668)
Net increase (decrease) in cash collateral received for securities lent	83,130	47,458
Net decrease (increase) in trading securities	105	–
Net decrease (increase) in foreign exchanges - assets	(359)	(545)
Net increase (decrease) in foreign exchanges - liabilities	(0)	1
Net decrease (increase) in lease receivables and investments in leases	384	(1,672)
Net decrease (increase) in cash collateral paid for financial instruments assets	(1,487)	3,387
Net increase (decrease) in borrowed money from trust account	9	9
Interest received	24,747	24,471
Interest paid	(427)	(3,955)
Other, net	10,692	(12,827)
Subtotal	302,374	(121,068)
Income taxes refund	–	1,315
Income taxes paid	(8,257)	(9,196)
Net cash provided by (used in) operating activities	294,117	(128,949)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Purchase of securities	(800,593)	(489,726)
Proceeds from sale of securities	555,992	298,613
Proceeds from redemption of securities	86,488	60,669
Proceeds from fund management as investing activities	13,694	17,125
Purchase of tangible fixed assets	(2,243)	(2,477)
Purchase of intangible assets	(2,971)	(2,569)
Proceeds from sale of property, plant and equipment	496	1,000
Net cash provided by (used in) investing activities	(149,137)	(117,364)
Cash flows from financing activities		
Dividends paid	(2,519)	(2,673)
Dividends paid to non-controlling interests	(221)	(5)
Purchase of treasury shares	(3,041)	(8,081)
Proceeds from sale of treasury shares	82	340
Net cash provided by (used in) financing activities	(5,700)	(10,420)
Effect of exchange rate change on cash and cash equivalents	22	21
Net increase (decrease) in cash and cash equivalents	139,302	(256,712)
Cash and cash equivalents at beginning of period	1,465,419	1,604,721
Cash and cash equivalents at end of period	1,604,721	1,348,008