

Financial Highlights
For the Second Quarter of FY 2021

(April 1, 2021 through September 30, 2021)



THE HOKKOKU BANK, LTD.

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(Note)

All numbers and ratios less down unit have been rounded down.

The amounts, ratios or any other information presented herein have not been audited.

The Hokkoku Bank, Ltd. and Consolidated Subsidiaries
Consolidated Balance Sheets

(Millions of yen)

| | March 31, 2021 | September 30, 2021 |
|---|------------------|--------------------|
| Assets: | | |
| Cash and due from banks | 1,483,423 | 1,456,208 |
| Call loans and bills bought | 118,000 | 156,000 |
| Monetary claims bought | 3,096 | 2,913 |
| Trading account securities | 105 | — |
| Money held in trusts | 13,513 | 13,563 |
| Securities | 1,198,610 | 1,231,088 |
| Loans and bills discounted | 2,614,865 | 2,597,872 |
| Foreign exchanges | 10,778 | 10,211 |
| Lease receivables and investment in leased assets | 35,846 | 35,278 |
| Other assets | 39,342 | 31,869 |
| Tangible fixed assets | 31,428 | 31,338 |
| Intangible fixed assets | 12,108 | 12,225 |
| Deferred tax assets | 197 | 210 |
| Customers' liabilities for acceptances and guarantees | 17,345 | 17,764 |
| Reserve for possible loan losses | △54,148 | △57,180 |
| Total assets | 5,524,513 | 5,539,364 |

(Millions of yen)

| | March 31, 2021 | September 30, 2021 |
|--|------------------|--------------------|
| Liabilities: | | |
| Deposits | 3,969,004 | 4,095,658 |
| Negotiable certificates of deposit | 69,707 | 7,500 |
| Call money and bills sold | 718,694 | 658,720 |
| Guarantee deposit received under securities lending transactions | 230,366 | 220,902 |
| Borrowed money | 136,346 | 151,897 |
| Foreign exchanges | 2 | 0 |
| Bonds payable | 20,000 | 20,000 |
| Borrowed money from trust account | 145 | 145 |
| Other liabilities | 45,638 | 45,499 |
| Reserve for bonuses | 773 | 798 |
| Net defined benefit liability | 13,040 | 12,482 |
| Reserve for directors' retirement benefits | 31 | 26 |
| Reserve for management board incentive plan trust | 460 | 450 |
| Reserve for reimbursement of deposits | 172 | 174 |
| Reserve for loss on interest repayment | 33 | 28 |
| Reserve for customer service points | 324 | — |
| Deferred tax liabilities | 14,681 | 13,927 |
| Deferred tax liability arising from revaluation of land | 1,473 | 1,466 |
| Acceptances and guarantees | 17,345 | 17,764 |
| Total liabilities | 5,238,244 | 5,247,442 |
| Net Assets: | | |
| Common stock | 26,673 | 26,673 |
| Capital surplus | 13,053 | 13,053 |
| Retained earnings | 176,013 | 183,905 |
| Treasury stock | △663 | △586 |
| Total shareholders' equity | 215,077 | 223,046 |
| Net unrealized gains on available-for-sale securities | 63,560 | 60,813 |
| Net deferred gains or losses on hedging instruments | △3 | — |
| Land revaluation surplus | 2,272 | 2,352 |
| Remeasurements of defined benefit plans | △2,443 | △2,164 |
| Total accumulated other comprehensive income | 63,385 | 61,001 |
| Non-controlling interests | 7,806 | 7,874 |
| Total net assets | 286,269 | 291,922 |
| Total liabilities and net assets | 5,524,513 | 5,539,364 |

Consolidated Statements of Income

(Millions of yen)

| | Six Months ended September 30, 2020 | Six Months ended September 30, 2021 |
|---|--|--|
| Ordinary income | 42,451 | 44,736 |
| Interest income | 17,464 | 18,017 |
| Interest on loans and discounts | 12,658 | 12,118 |
| Interest and dividends on securities | 4,578 | 5,545 |
| Trust fees | 0 | 0 |
| Fees and commissions | 5,026 | 5,061 |
| Other operating income | 8,371 | 9,884 |
| Other income | 11,589 | 11,772 |
| Ordinary expenses | 33,401 | 28,918 |
| Interest expense | 252 | 222 |
| Interest on deposits | 130 | 59 |
| Fees and commissions | 1,760 | 1,850 |
| Other operating expenses | 6,584 | 5,928 |
| General and administrative expenses | 15,553 | 15,647 |
| Other expenses | 9,250 | 5,269 |
| Ordinary profit | 9,049 | 15,817 |
| Extraordinary income | 1 | 5 |
| Extraordinary losses | 638 | 246 |
| Profit before income taxes | 8,412 | 15,576 |
| Income taxes | 3,228 | 5,593 |
| Current | 3,964 | 5,365 |
| Deferred | △735 | 227 |
| Profit | 5,183 | 9,983 |
| Profit attributable to non-controlling interests | 128 | 107 |
| Profit attributable to owners of parent | 5,054 | 9,875 |

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | Six Months Ended September 30, 2020 | Six Months Ended September 30, 2021 |
|---|--|--|
| Profit | 5,183 | 9,983 |
| Other comprehensive income | 23,792 | △2,498 |
| Net unrealized gains on available-for-sale securities | 23,466 | △2,782 |
| Net deferred gains or losses on hedging instruments | 0 | 3 |
| Remeasurements of defined benefit plans | 326 | 279 |
| Comprehensive income | 28,975 | 7,484 |
| Owners of the parent | 28,604 | 7,411 |
| Non-controlling interests | 371 | 72 |

Financial Highlights (consolidated)

Consolidated Operating Results

(Millions of yen)

| | Six Months ended September 30, 2020 (B) | Six Months ended September 30, 2021 (A) | (A)–(B) |
|--|---|---|---------|
| Ordinary income | 42,451 | 44,736 | 2,284 |
| Ordinary profit | 9,049 | 15,817 | 6,768 |
| Profits attributable to owners of parent | 5,054 | 9,875 | 4,820 |
| Earnings per share-basic(yen) | 180.88 | 354.57 | 173.69 |
| Earnings per share-diluted(yen) | — | — | — |

Note: Earnings per share-diluted(yen) is not indicated as there is no amount of share-diluted.

(%)

| | March 31, 2021 (B) | September 30, 2021 (A) | (A)–(B) |
|--|-----------------------|---------------------------|---------|
| Net assets(except for non-controlling interests) ratio | 5.0 | 5.1 | 0.1 |

Note: Net assets ratio=(Total Net Assets – Non-controlling Interests)/Total Assets

Soundness of Assets (non-consolidated)

Disclosed Assets Based on the Financial Reconstruction Law (Before partial direct write-off)

(Billions of yen)

| | September 30, 2020 (B) | September 30, 2021(A) | (A)–(B) |
|-------------------------------|---------------------------|--------------------------|---------|
| Bankrupt or De facto Bankrupt | 12 | 15 | 2 |
| Doubtful | 45 | 47 | 2 |
| Special Attention | 2 | 2 | 0 |
| Subtotal (C) | 59 | 65 | 5 |
| Normal assets | 2,640 | 2,857 | 217 |
| Total (D) | 2,700 | 2,923 | 223 |

| | | | |
|---------------|------|------|------|
| (C) / (D) (%) | 2.22 | 2.24 | 0.02 |
|---------------|------|------|------|

Disclosed Assets Based on the Financial Reconstruction Law (After partial direct write-off)

(Billions of yen)

| | September 30, 2020 (B) | September 30, 2021(A) | (A)–(B) |
|-------------------------------|---------------------------|--------------------------|---------|
| Bankrupt or De facto Bankrupt | 11 | 13 | 2 |
| Doubtful | 45 | 47 | 2 |
| Special Attention | 2 | 2 | 0 |
| Subtotal (C) | 58 | 64 | 5 |
| Normal assets | 2,640 | 2,857 | 217 |
| Total (D) | 2,698 | 2,922 | 223 |

| | | | |
|---------------|------|------|------|
| (C) / (D) (%) | 2.17 | 2.21 | 0.04 |
|---------------|------|------|------|