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To Whom It May Concern

Company name : Hokkoku Financial Holdings, Inc.
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Notice of the Medium-Term Business Strategy Update and Revision of Shareholder Return Policy

Hokkoku Financial Holdings, Inc (President: Shuji Tsuemura) has formulated a medium-to long-term Business strategy that looks five to ten years into the future, and plans to update it every year, to implement the strategy more flexibly and speedily in response to rapid changes in social and business conditions. We have recently announced the medium-term Business strategy 2025, which provides an update on our medium-term target level and strategies.

Regarding our shareholder return policy, we have revised the dividend payout ratio from the total return ratio based on dividends and repurchase of own shares.

Notation

1. Medium-term target level

We will continue to formulate medium- to long-term business strategy that looks five to ten years into the future, as we have done in the past, but from now on we will disclose the medium-term business strategy for the first three years from a strategic perspective.

The plan reflects improved earnings from banking business due to rising interest rates and a revised forecast of new business earnings due to changes in the market. The timing of achieving ROE8% environmental is projected for the fiscal year ending March 31, 2030.

	FYE March 2025 (Actual)		FYE March 2026 (1 year from now)	FYE March 2027 (2 years from now)	FYE March 2028 (after 3 years)
Key business Business revenue	38.9 billion yen	Banking business revenue	48.3 billion yen	54.6 billion yen	58.3 billion yen
		Revenue from new businesses	21.2 billion yen	21.7 billion yen	22.5 billion yen
Ordinary Profit (consolidated)	12.2 billion yen	Operating Profit (consolidated)	18 billion yen	19.8 billion yen	22.5 billion yen
Profit (consolidated)	8.1 billion yen	Profit (consolidated)	11 billion yen	12.4 billion yen	14.7 billion yen
ROE (consolidated)	3.7%	ROE (consolidated)	5.1%	5.0% or more	6.0% or more

※ROE is calculated based on the amount of Profit attributable to owners of the parent to Basel III core capital

based on domestic banks

2.Strategic Approach to increasing corporate value

We will work to improve our corporate value by implementing various measures such as improving ROE with an emphasis on shareholder equity and the quality of profits, enhancing governance and strengthening investment in human capital, and reducing capital costs by disclosing information.

(1) Initiatives to Improve ROE

- Shareholder returns are based on dividends, and we have decided to pay dividends based on sustainable profits. Revise the policy from “a total return ratio of 50% or more” to “a dividend payout ratio of about 40% and flexible repurchase of own shares”
- Establish an earnings model in the world with interest rates and expand earnings in the regional finance business
- Improve operational efficiency in traditional banking business and realizes a cost structure that can make stable profits
- In new business areas, aim to expand profits mainly through consulting, cashless, funds, etc
- In new business areas, strengthen investment in human resources and system development

(2) Initiatives for Governance and Human Resources

- Enhance the governance structure to establish the double brand and improve the effectiveness of Board of Directors
- Strengthen recruitment and training of skilled personnel who can handle new business areas, and reviewing the human resource portfolio

2.Revision of shareholder return policy

(1) Reason for change

To pay dividends based on sustainable profit growth and achieve more stable shareholder returns, we will change the return index from a total return ratio to a dividend payout ratio.

(2) Details of the change

Before change	After change
The company aims to achieve a total return ratio of 50% or more, including dividends and repurchase of own shares	Pay dividends based on sustainable profit growth with a target dividend payout ratio of around 40%. Repurchase of own shares is conducted flexibly.

<Reference: Status of Shareholder Returns>

	Annual dividends	Total dividend amount	Dividend payout ratio	Purchase of treasury stock	Total return ratio
FYE March 2024 (Actual)	110 yen	2.604 billion yen	29.0%	9.925 billion yen	138.3%
FYE March 2025 (Actual)	120 yen	2.744 billion yen	33.7%	2.999 billion yen	70.7%
FYE March 2026(Forecast)	200 yen	4.608 billion yen	41.2%	1 billion yen	50.3%

※ We plan to conduct a 10-for-1 stock split effective October 1, 2025. However, the annual dividend per share for the fiscal year ending March 2026 (forecast) does not take into account the stock split. If the stock split had been conducted at the beginning of the fiscal year, the annual dividend per share would have been 20

yen.

The details of the Medium-Term Business strategy 2025 are disclosed in the separate IR materials.

■" Summary of Financial Results for FY2025 and Updates to Medium-Term Business strategy "

<https://www.hfhd.co.jp/english/ir/material/>