

# 2025

## FINANCIAL REPORT

HOKKOKU FINANCIAL HOLDINGS  
FINANCIAL REPORT

# 2025



HOKKOKU FINANCIAL HOLDINGS

# Consolidated Balance Sheets

Hokkoku Financial Holdings, Inc. and Consolidated Subsidiaries

As of March 31,

## Assets:

	2025	2024	2025
	Millions of yen		Thousands of U.S. dollars (Note 2)
Cash and due from banks (Note 14)	¥ 1,653,620	¥ 1,576,763	\$ 11,059,526
Call loans and bills bought	152,000	166,000	1,016,586
Monetary claims bought	3,133	3,195	20,957
Money held in trusts (Note 11)	13,508	13,532	90,343
Securities (Notes 8, 9, 10 and 16)	1,872,071	1,488,459	12,520,539
Loans and bills discounted (Notes 8 and 9)	2,599,491	2,418,522	17,385,580
Foreign exchanges (Note 8)	5,485	6,344	36,684
Lease receivables and investment in leased assets (Note 21)	42,223	39,329	282,394
Other assets (Notes 8 and 16)	19,950	39,046	133,430
Tangible fixed assets (Notes 13 and 15)	45,089	37,903	301,564
Intangible fixed assets	13,250	10,269	88,622
Net defined benefit asset (Note 26)	2,060	—	13,778
Deferred tax assets (Note 25)	13,941	1,061	93,239
Customers' liabilities for acceptances and guarantees (Note 8)	18,878	18,166	126,259
Reserve for possible loan losses	(61,634)	(59,943)	(412,214)
<b>Total assets</b>	<b>¥ 6,393,070</b>	<b>¥ 5,758,652</b>	<b>\$ 42,757,293</b>

## Liabilities:

Deposits (Notes 9 and 16)	¥ 4,884,810	¥ 4,679,694	\$ 32,669,946
Call money and bills sold (Note 16)	559,680	423,297	3,743,183
Guarantee deposit received under securities lending transactions (Note 16)	599,306	318,639	4,008,204
Borrowed money (Notes 9, 16 and 17)	6,174	5,396	41,294
Foreign exchanges	0	1	0
Bonds payable (Note 18)	20,000	20,000	133,761
Borrowed money from trust account (Note 19)	136	167	914
Other liabilities	79,548	32,722	532,028
Reserve for bonuses	701	697	4,693
Net defined benefit liability (Note 26)	—	684	—
Reserve for management board benefit trust	350	410	2,342
Reserve for reimbursement of deposits	47	68	318
Reserve for loss on refund of interest	—	0	—
Deferred tax liabilities (Note 25)	1,335	4,506	8,933
Deferred tax liability arising from revaluation of land (Note 13)	1,208	1,244	8,085
Acceptances and guarantees	18,878	18,166	126,259
<b>Total liabilities</b>	<b>¥ 6,172,180</b>	<b>¥ 5,505,697</b>	<b>\$ 41,279,966</b>

## Net assets:

Common stock	¥ 10,000	¥ 10,000	\$ 66,880
Capital surplus	10,750	19,507	71,900
Retained earnings	200,709	195,209	1,342,361
Treasury stock	(3,484)	(9,814)	(23,307)
Total shareholders' equity (Note 20)	217,975	214,902	1,457,835
Valuation differences on available-for-sale securities	(10,813)	28,084	(72,324)
Net deferred gains (losses) on hedging instruments	1,539	(35)	10,299
Land revaluation surplus (Note 13)	1,914	1,986	12,804
Remeasurements of defined benefit plans (Note 26)	1,404	(718)	9,394
Total accumulated other comprehensive income	(5,954)	29,317	(39,826)
Non-controlling interests	8,869	8,735	59,318
<b>Total net assets</b>	<b>220,889</b>	<b>252,954</b>	<b>1,477,326</b>
<b>Total liabilities and net assets</b>	<b>¥ 6,393,070</b>	<b>¥ 5,758,652</b>	<b>\$ 42,757,293</b>

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Income

Hokkoku Financial Holdings, Inc. and Consolidated Subsidiaries

	Years ended March 31,					
	2025		2024		2025	
	Millions of yen			Thousands of U.S. dollars (Note 2)		
<b>Income</b>						
Interest income on:						
Interest on loans and discounts	¥	28,071	¥	24,841	\$	187,744
Interest and dividends on securities		16,964		15,596		113,458
Other interest income		2,251		604		15,056
Total interest income		47,287		41,042		316,259
Trust fees		0		0		6
Fees and commissions		11,107		9,983		74,288
Other operating income		16,345		14,845		109,323
Other income (Note 22)		14,834		24,967		99,214
<b>Total income</b>		89,576		90,839		599,090
<b>Expenses</b>						
Interest expenses on:						
Deposits		2,376		162		15,892
Borrowings and rediscounts		1,591		2,055		10,645
Interest on bonds		179		179		1,202
Cash collateral received for securities lent		5,398		5,236		36,102
Other		305		0		2,046
Total interest expenses		9,851		7,634		65,889
Fees and commissions		3,908		3,642		26,138
Other operating expenses		20,101		25,230		134,440
General and administrative expenses (Note 22)		34,274		33,764		229,230
Other expenses (Note 22)		9,141		6,106		61,137
<b>Total expenses</b>		77,277		76,378		516,836
<b>Special gains and losses (Note 23)</b>		(660)		(1,599)		(4,417)
<b>Profit before income taxes</b>		11,638		12,862		77,836
Income taxes (Note 25):						
Current		3,510		3,587		23,481
Deferred		(311)		(826)		(2,081)
		3,199		2,761		21,400
<b>Profit</b>		8,438		10,100		56,436
Profit attributable to non-controlling interests		317		1,045		2,126
Profit attributable to owners of parent	¥	8,120	¥	9,055	\$	54,310

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Comprehensive Income

Hokkoku Financial Holdings, Inc. and Consolidated Subsidiaries

	Years ended March 31,					
	2025		2024		2023	
	Millions of yen			Thousands of U.S. dollars (Note 2)		
<b>Profit</b>	¥	8,438	¥	10,100	\$	56,436
<b>Other comprehensive income (Note 24)</b>						
Valuation differences on available-for-sale securities		(39,062)		16,385		(261,249)
Net deferred gains (losses) on hedging instruments		1,575		(32)		10,535
Revaluation reserve for land		(34)		—		(232)
Remeasurements of defined benefit plans (Note 26)		2,123		614		14,201
<b>Total other comprehensive income</b>		(35,398)		16,967		(236,745)
<b>Comprehensive income</b>	¥	(26,959)	¥	27,067	\$	(180,309)
<b>Total comprehensive income attributable to:</b>						
Owners of parent	¥	(27,114)	¥	26,389	\$	(181,343)
Non-controlling interests		154		678		1,034

See accompanying notes to consolidated financial statements.

# Consolidated Statements of Changes in Net Assets

## Hokkoku Financial Holdings, Inc. and Consolidated Subsidiaries

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
<b>Balance as of March 31, 2023</b>	¥ 10,000	¥ 27,139	¥ 188,428	¥ (8,216)	¥ 217,351
Cash dividends	—	—	(2,583)	—	(2,583)
Profit attributable to owners of parent	—	—	9,055	—	9,055
Repurchase of treasury stock	—	—	—	(9,925)	(9,925)
Disposal of treasury stock	—	(56)	—	645	588
Cancellation of treasury stock	—	(7,682)	—	7,682	—
Reversal of land revaluation surplus	—	—	309	—	309
Change due to business combination	—	97	—	—	97
Change in ownership interest of parent due to transactions with non-controlling interests	—	9	—	—	9
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during the year	—	(7,631)	6,781	(1,597)	(2,448)
<b>Balance as of March 31, 2024</b>	¥ 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
<b>Balance as of March 31, 2025</b>	¥ 10,000	¥ 10,750	¥ 200,709	¥ (3,484)	¥ 217,975

	Millions of yen						
	Accumulated other comprehensive income						
	Valuation differences on available-for-sale securities	Net deferred gains (losses) on hedging instruments	Land revaluation surplus	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
<b>Balance as of March 31, 2023</b>	¥ 11,332	¥ (2)	¥ 2,296	¥ (1,333)	¥ 12,292	¥ 8,044	¥ 237,688
Cash dividends	—	—	—	—	—	—	(2,583)
Profit attributable to owners of parent	—	—	—	—	—	—	9,055
Repurchase of treasury stock	—	—	—	—	—	—	(9,925)
Disposal of treasury stock	—	—	—	—	—	—	588
Cancellation of treasury stock	—	—	—	—	—	—	—
Reversal of land revaluation surplus	—	—	—	—	—	—	309
Change due to business combination	—	—	—	—	—	—	97
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	—	9
Net changes in items other than shareholders' equity	16,752	(32)	(309)	614	17,024	690	17,714
Total changes during the year	16,752	(32)	(309)	614	17,024	690	15,266
<b>Balance as of March 31, 2024</b>	¥ 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)
<b>Balance as of March 31, 2025</b>	¥ (10,813)	¥ 1,539	¥ 1,914	¥ 1,404	¥ (5,954)	¥ 8,869	¥ 220,889

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
<b>Balance as of March 31, 2024</b>	\$ 66,880	\$ 130,469	\$ 1,305,574	\$ (65,641)	\$ 1,437,283
Cash dividends	—	—	(17,771)	—	(17,771)
Profit attributable to owners of parent	—	—	54,310	—	54,310
Repurchase of treasury stock	—	—	—	(20,098)	(20,098)
Disposal of treasury stock	—	207	—	3,973	4,181
Cancellation of treasury stock	—	(58,458)	—	58,458	—
Reversal of land revaluation surplus	—	—	247	—	247
Change in ownership interest of parent due to transactions with non-controlling interests	—	(317)	—	—	(317)
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during the year	—	(58,568)	36,786	42,333	20,551
<b>Balance as of March 31, 2025</b>	\$ 66,880	\$ 71,900	\$ 1,342,361	\$ (23,307)	\$ 1,457,835

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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
<b>Balance as of March 31, 2024</b>	\$ 187,834	\$ (236)	\$ 13,284	\$ (4,807)	\$ 196,075	\$ 58,420	\$ 1,691,780
Cash dividends	—	—	—	—	—	—	(17,771)
Profit attributable to owners of parent	—	—	—	—	—	—	54,310
Repurchase of treasury stock	—	—	—	—	—	—	(20,098)
Disposal of treasury stock	—	—	—	—	—	—	4,181
Cancellation of treasury stock	—	—	—	—	—	—	—
Reversal of land revaluation surplus	—	—	—	—	—	—	247
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	—	(317)
Net changes in items other than shareholders' equity	(260,158)	10,535	(480)	14,201	(235,901)	897	(235,004)
Total changes during the year	(260,158)	10,535	(480)	14,201	(235,901)	897	(214,453)
<b>Balance as of March 31, 2025</b>	\$ (72,324)	\$ 10,299	\$ 12,804	\$ 9,394	\$ (39,826)	\$ 59,318	\$ 1,477,326

See accompanying notes to consolidated financial statements.

# Consolidated Statements of Cash Flows

Hokkoku Financial Holdings, Inc. and Consolidated Subsidiaries

Years ended March 31,

	2025		2024		2023
	Millions of yen		Thousands of U.S. dollars		(Note 2)
	¥		¥		\$
<b>Cash flows from operating activities:</b>					
Profit before income taxes	¥	11,638	¥	12,862	\$ 77,836
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:					
Depreciation and amortization		4,468		4,021	29,888
Loss on impairment		354		1,009	2,369
Amortization of goodwill		53		53	357
Increase (decrease) in reserve for possible loan losses		1,690		(2,688)	11,309
Increase (decrease) in reserve for bonuses		3		(14)	25
Decrease (increase) in net defined benefit asset		(2,060)		—	(13,778)
Increase (decrease) in net defined benefit liability		(684)		(692)	(4,577)
Increase (decrease) in reserve for management board benefit trust		(60)		—	(401)
Increase (decrease) in reserve for reimbursement of deposits		(20)		(28)	(138)
Increase (decrease) in reserve for losses on refund of interest		(0)		(2)	(1)
Accrued interest and dividend income		(47,287)		(41,042)	(316,259)
Accrued interest expenses		9,851		7,634	65,889
Losses (gains) on securities, net		(5,804)		(12,474)	(38,821)
Losses (gains) on money trusts		24		3	162
Foreign exchange losses (gains), net		973		(23,712)	6,508
Losses (gains) on disposal of tangible fixed assets		306		284	2,048
Net decrease (increase) in loans and bills discounted		(180,968)		105,090	(1,210,333)
Net increase (decrease) in deposits		205,116		318,895	1,371,829
Net increase (decrease) in borrowed money (excluding subordinated borrowings)		778		(21,157)	5,205
Net decrease (increase) in due from banks (excluding of Due from the Bank of Japan)		(5,175)		791	(34,617)
Net decrease (increase) in call loans and others		14,062		(24,929)	94,050
Net increase (decrease) in call money and others		136,383		(108,858)	912,141
Net increase (decrease) in guarantee deposit received under securities lending transactions		280,666		(42,315)	1,877,118
Net decrease (increase) in foreign exchange assets		859		5,339	5,749
Net increase (decrease) in foreign exchange liabilities		(1)		(2)	(8)
Net decrease (increase) in lease receivables and investment in leased assets		(3,132)		(3,004)	(20,952)
Net decrease (increase) in cash collateral paid for financial instruments		303		(303)	2,026
Net increase (decrease) in cash collateral received for financial instruments		2,844		(599)	19,020
Net increase (decrease) in borrowed money from trust account		(31)		3	(207)
Interest and dividends received		30,341		24,807	202,926
Interest paid		(9,430)		(7,796)	(63,070)
Other, net		47,090		(9,239)	314,947
Subtotal		493,153		181,935	3,298,246
Income taxes refund		1,715		3,535	11,470
Income taxes paid, net of refund		(4,495)		(1,817)	(30,067)
Net cash provided by (used in) operating activities		490,373		183,653	3,279,648
<b>Cash flows from investing activities:</b>					
Purchase of securities		(597,873)		(300,791)	(3,998,619)
Proceeds from sale of securities		129,673		255,012	867,267
Proceeds from redemption of securities		51,917		91,619	347,225
Interests and dividends received on investments		18,565		18,522	124,164
Purchase of tangible fixed assets		(9,457)		(9,334)	(63,250)
Purchase of intangible fixed assets		(5,971)		(2,742)	(39,937)
Proceeds from sale of tangible fixed assets		183		99	1,229
Payments for asset retirement obligations		(6)		(31)	(45)
Purchase of shares of subsidiaries resulting in change in scope of consolidation (Note 14)		—		(947)	—
Net cash provided by (used in) investing activities		(412,969)		51,406	(2,761,966)
<b>Cash flows from financing activities:</b>					
Cash dividends paid		(2,647)		(2,579)	(17,707)
Cash dividends paid to non-controlling interests		(5)		(5)	(36)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation		(62)		(11)	(418)
Repurchase of treasury stock		(3,005)		(9,925)	(20,098)
Proceeds from sale of treasury stock		0		—	1
Net cash provided by (used in) financing activities		(5,720)		(12,522)	(38,259)
Effect of exchange rate changes on cash and cash equivalents		(2)		9	(17)
Net increase (decrease) in cash and cash equivalents		71,680		222,547	479,404
Cash and cash equivalents at beginning of year		1,570,556		1,348,008	10,503,988
<b>Cash and cash equivalents at end of year (Note 14)</b>	¥	1,642,236	¥	1,570,556	\$ 10,983,393

See accompanying notes to consolidated financial statements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Hokkoku Financial Holdings, Inc. and Consolidated Subsidiaries For the years ended March 31, 2025 and 2024

### 1. Basis of Presentation

Hokkoku Financial Holdings, Inc. (the "Company") is a holding company established on October 1, 2021, by transforming the Hokkoku Bank, Ltd. (the "Bank") and its consolidated subsidiaries into a holding company structure. 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 ¥149.52 = U.S. \$1.00, the rate of exchange in effect on March 31, 2025 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, 2025, the accompanying consolidated financial statements include the accounts of the Company and its 12 subsidiaries: the Bank, the Hokkoku General Leasing Co., Ltd., the Hokkoku Credit Service Co., Ltd., the Hokkoku Credit Guarantee Co., Ltd., the COREZO, Ltd., the Hokkoku Servicer, Ltd., Digital Value Co., Ltd., the FDAIco, Ltd., the CC Innovation, Ltd., the QR Investment, Ltd. The QR Partners, Ltd. and the Honey Bee Sports, Ltd.

The QR Partners, Ltd. and the Honey Bee Sports, Ltd. were newly established and included in the scope of consolidation from the year ended March 31, 2025. The BPO Management, Ltd., previously a consolidated subsidiary of the Company, was merged into the CC Innovation, Ltd. on March 1, 2025.

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

The fiscal year-end of the consolidated subsidiaries is March 31.

The Company does not treat the following three companies as subsidiaries while holding more than half of their voting rights: Kudo Kogyo Co., Ltd., HIDA Holdings Co., Ltd. and K 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 controlling the companies; thus, they are not treated as subsidiaries.

The following 12 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, 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 and Noto Reconstruction 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 ¥21,146 million (\$141,426 thousand) and ¥23,205 million for the years ended March 31, 2025 and 2024.

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. Changes in Presentation

(Consolidated Statements of Cash Flows)

From the year ended March 31, 2025, "Net increase (decrease) in cash collateral received for financial instruments," previously included in "Other" under cash flows from operating activities for the year ended March 31, 2024, is shown as a separate line item, since it has become material. To reflect this change, the previous amounts have been reclassified to conform to the current presentation.

As a result, ¥(599) million of "Other" under cash flows from operating activities in the consolidated statements of cash flows for the year ended March 31, 2024, is reclassified to "Net increase (decrease) in cash collateral received for financial instruments."

## 6. 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, 2025 and 2024

	2025	2024	2025
	Millions of yen		Thousands of U.S. dollars
Reserve for possible loan losses	¥ 61,634	¥ 59,943	\$ 412,214

### 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.

## 7. 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 ¥440 million (\$2,945 thousand) and 92 thousand shares as

of March 31, 2025 and ¥500 million and 105 thousand shares as of March 31, 2024, respectively.

## 8. 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 Banking Act:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Claims against bankrupt or quasi-bankrupt debtors	¥ 29,519	¥ 30,639	\$ 197,425
Doubtful claims	41,875	33,723	280,065
Claims past due for three months or more	1,042	1,121	6,969
Restructured claims	4,324	3,977	28,922
Total	¥ 76,760	¥ 69,462	\$ 513,382

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 ¥7,003 million (\$46,837 thousand) and ¥8,880 million as of March 31, 2025 and 2024, 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, 2025 and 2024 totaled ¥416,887 million (\$2,788,170 thousand) and ¥362,375 million, respectively; ¥406,391 million (\$2,717,971 thousand) of which, as of March 31, 2025 (2024: ¥349,723 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 or of its consolidated subsidiaries. These agreements usually include clauses which stipulate that the Company and its 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.

## 9. 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 middle office of the Market Finance Division of the Bank being a consolidated subsidiary of the Company, 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 ¥60,191 million (\$402,562 thousand) and ¥72,131 million as of March 31, 2025 and 2024, 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, 2025 and 2024.

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, 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)
Borrowed money	6,174	6,043	(131)
Liabilities, total	4,890,984	4,889,915	(1,069)
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	—

	March 31, 2025		
	Thousands of U. S. dollars		
	Carrying value	Fair value	Difference
Securities:			
Held-to-maturity securities	\$ 669,057	\$ 659,240	\$ (9,817)
Available-for-sale securities	11,550,834	11,550,834	—
Loans	17,385,580		
Reserve for possible loan losses (*1)	(399,787)		
	16,985,792	16,911,226	(74,566)
Assets, total	29,205,684	29,121,301	(84,383)
Deposits	32,669,946	32,663,673	(6,273)
Borrowed money	41,294	40,416	(878)
Liabilities, total	32,711,241	32,704,089	(7,151)
Derivative transactions (*2)			
To which hedge accounting is not applied	1,222	1,222	—
To which hedge accounting is applied	14,290	14,290	—
Derivative transactions, total	15,513	15,513	—

	March 31, 2024		
	Millions of yen		
	Carrying value	Fair value	Difference
Securities:			
Available-for-sale securities	¥ 1,449,392	¥ 1,449,392	¥ —
Loans	2,418,522		
Reserve for possible loan losses (*1)	(58,337)		
	2,360,185	2,367,856	7,670
Assets, total	3,809,578	3,817,249	7,670
Deposits	4,679,694	4,679,532	(162)
Borrowed money	5,396	5,350	(45)
Liabilities, total	4,685,090	4,684,882	(207)
Derivative transactions (*2)			
To which hedge accounting is not applied	(226)	(226)	—
To which hedge accounting is applied	(39)	(39)	—
Derivative transactions, total	(266)	(266)	—

(\*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.

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
	Carrying value		
Unlisted equity securities (*1) (*2)	¥ 6,183	¥ 6,242	\$ 41,357
Investments in partnerships (*2) (*3)	38,768	32,823	259,289
Total	¥ 44,952	¥ 39,065	\$ 300,646

(\*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 ¥181 million (\$1,214 thousand) on unlisted equity securities and ¥1,695 million (\$11,338 thousand) on investments in partnerships for the year ended March 31, 2025. The Group recognized loss on impairment of ¥35 million on unlisted equity securities for the year ended March 31, 2024.

(\*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, 2025 and 2024

	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:						
Japanese government bonds	63,011	467,706	200,938	253,777	125,278	119,852
Municipal bonds	—	196,000	—	128,500	32,000	101,000
Corporate bonds	44,697	126,382	106,147	119,063	48,607	—
Other	10,978	111,093	62,014	1,516	2,000	3,900
Loans (*)	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

	March 31, 2025					
	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	\$ —	\$ 167,201	\$ 167,201	\$ 133,761	\$ 211,342	\$ —
Available-for-sale securities with contractual maturities:						
Japanese government bonds	421,426	3,128,053	1,343,891	1,697,284	837,873	801,578
Municipal bonds	—	1,310,861	—	859,416	214,018	675,494
Corporate bonds	298,942	845,252	709,922	796,304	325,091	—
Other	73,426	743,000	414,757	10,139	13,376	26,083
Loans (*)	49,057	228,938	219,210	31,423	285,387	100,000
Loans (*)	4,108,129	2,493,874	2,599,656	1,679,301	1,908,394	4,328,977
Total	\$ 4,529,556	\$ 5,789,129	\$ 4,110,749	\$ 3,510,347	\$ 2,957,611	\$ 5,130,556

	March 31, 2024					
	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:						
Available-for-sale securities with contractual maturities:						
Japanese government bonds	—	—	—	—	170,800	51,000
Municipal bonds	34,651	73,254	87,453	86,646	95,624	—
Corporate bonds	2,696	94,995	57,293	1,016	1,958	3,900
Other	6,857	28,181	12,603	35,077	52,108	20,038
Loans (*)	603,546	329,138	272,152	228,502	269,375	674,834
Total	¥ 647,751	¥ 525,569	¥ 429,502	¥ 351,242	¥ 589,866	¥ 749,773

(\*) Loans to "legally bankrupt," "substantially bankrupt" and "likely to become bankrupt" borrowers which are not expected to be repaid amounting to ¥29,106 million (\$194,668 thousand) and ¥29,287 million are not included in the above as of March 31, 2025 and 2024, respectively.

Loans with no contractual maturities amounting to ¥10,851 million (\$72,577

thousand) and ¥11,684 million are not included in the above as of March 31, 2025 and 2024, respectively.

(Note 3) Maturity of bonds and interest-bearing liabilities as of March 31, 2025 and 2024

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	¥ —	¥ —	¥ —
Borrowed money	230	406	5,537	—	—	—
Total	¥ 3,767,760	¥ 196,532	¥ 44,128	¥ —	¥ —	¥ —

March 31, 2025						
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 (*)	\$ 25,197,502	\$ 1,311,704	\$ 258,097	\$ —	\$ —	\$ —
Borrowed money	1,540	2,720	37,033	—	—	—
Total	\$ 25,199,042	\$ 1,314,424	\$ 295,131	\$ —	\$ —	\$ —

March 31, 2024						
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 (*)	¥ 3,562,563	¥ 166,109	¥ 44,387	¥ —	¥ —	¥ —
Borrowed money	68	27	5,300	—	—	—
Total	¥ 3,562,632	¥ 166,136	¥ 49,687	¥ —	¥ —	¥ —

(\*) 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, 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

March 31, 2025				
Thousands of U. S. dollars				
Fair value				
	Level 1	Level 2	Level 3	Total
Securities:				
Available-for-sale securities:				
Japanese government bonds	\$ 3,017,603	\$ —	\$ —	\$ 3,017,603
Municipal bonds	—	2,863,051	—	2,863,051
Government-guaranteed bonds	—	236,461	—	236,461
Public corporation bonds	—	38,583	—	38,583
Bank debenture bonds	—	291,554	—	291,554
Industrial bonds	—	670,584	23,174	693,758
Equity securities	811,556	—	—	811,556
Foreign bonds	488,467	377,123	—	865,590
Others	258,500	2,474,173	—	2,732,673
Included in Assets, total	4,576,127	6,951,533	23,174	11,550,834
Derivative transactions (*):				
Currency related	—	1,222	—	1,222
Interest rate related	—	14,290	—	14,290
Included in Derivative transactions, total	—	15,513	—	15,513

March 31, 2024				
Millions of yen				
Fair value				
	Level 1	Level 2	Level 3	Total
Securities:				
Available-for-sale securities:				
Japanese government bonds	¥ 233,819	¥ —	¥ —	¥ 233,819
Municipal bonds	—	371,537	—	371,537
Government-guaranteed bonds	—	396	—	396
Public corporation bonds	—	5,899	—	5,899
Bank debentures	—	84,809	—	84,809
Industrial bonds	—	66,189	3,659	69,849
Equity securities	131,451	—	—	131,451
Foreign bonds	77,125	67,679	—	144,805
Others	42,999	363,824	—	406,824
Included in Assets, total	485,396	960,336	3,659	1,449,392
Derivative transactions (*):				
Currency related	—	(226)	—	(226)
Interest rate related	—	(39)	—	(39)
Included in Derivative transactions, total	—	(266)	—	(266)

(\*) 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, 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
Borrowed money	—	6,043	—	6,043
Included in Liabilities, total	—	4,889,915	—	4,889,915

March 31, 2025				
Thousands of U. S. dollars				
Fair value				
	Level 1	Level 2	Level 3	Total
Securities:				
Held-to-maturity securities	\$ 659,240	\$ —	\$ —	\$ 659,240
Loans	—	—	16,911,226	16,911,226
Included in Assets, total	659,240	—	16,911,226	17,570,466
Deposits	—	32,663,673	—	32,663,673
Borrowed money	—	40,416	—	40,416
Included in Liabilities, total	—	32,704,089	—	32,704,089

	March 31, 2024				
	Millions of yen				
	Fair value				
	Level 1	Level 2	Level 3	Total	
Loans	¥ —	¥ —	¥ 2,367,856	¥ 2,367,856	
Included in Assets, total	—	—	2,367,856	2,367,856	
Deposits	—	4,679,532	—	4,679,532	
Borrowed money	—	5,350	—	5,350	
Included in Liabilities, total	—	4,684,882	—	4,684,882	

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

#### Assets

##### 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.

#### Liabilities

##### 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.

##### Borrowed money:

The fair value of borrowed money is measured at the present value calculated by discounting the aggregate amount of principal and interest at the interest rate reflecting the remaining period of each borrowing and credit risk. Of which, the borrowed money with floating interest rates reflects the market interest rates in the short-term, and the credit status of the Group has not significantly been changed after the execution of borrowings; thus, the carrying value is presented as the fair value since it is deemed that the fair value approximates the carrying value. The said fair value is classified into Level 2.

#### Derivative transactions

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, 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%
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Fiscal year ended March 31, 2024				
Valuation techniques	Significant unobservable inputs	Range of inputs	Weighted-average of inputs	

##### Securities:

##### Available-for-sale securities

Industrial bonds	Present value	Probability of default	0.18 – 1.28%	0.77%
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#### (2) Reconciliation from beginning balance to ending balance and valuation gains or losses recognized for the years ended March 31, 2025 and 2024

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	Reclassification to Level 3	Reclassification 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

March 31, 2025							
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	Reclassification to Level 3	Reclassification from Level 3	Balance at end of year	Valuation gains (losses) ("2)	
	Profit	OCI ("1)					
Securities:							
Available-for-sale securities							
Industrial bonds	\$ 24,477	\$ —	\$ (580)	\$ (722)	\$ —	\$ —	\$ 23,174
Assets, total	\$ 24,477	\$ —	\$ (580)	\$ (722)	\$ —	\$ —	\$ 23,174

March 31, 2024							
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	Reclassification to Level 3	Reclassification from Level 3	Balance at end of year	Valuation gains (losses) ("2)	
	Profit	OCI ("1)					
Securities:							
Available-for-sale securities							
Industrial bonds	¥ 3,364	¥ —	¥ 53	¥ 242	¥ —	¥ —	¥ 3,659
Assets, total	¥ 3,364	¥ —	¥ 53	¥ 242	¥ —	¥ —	¥ 3,659

(\* 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 decrease (increase) in the fair value.

## 10. Securities

a. Trading account securities

There were no trading account securities to be reported as of March 31, 2025 and 2024.

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, 2025 are summarized as follows:

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)

March 31, 2025					
Thousands of U.S. dollars					
	Carrying value	Acquisition cost	Difference	Gains	Losses
Government bond	\$ 669,057	\$ 659,240	\$ (9,817)	\$ 190	\$ (10,007)
Total	\$ 669,057	\$ 659,240	\$ (9,817)	\$ 190	\$ (10,007)

There were no held-to-maturity securities to be reported as of March 31, 2024.

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, 2025 and 2024 are summarized as follows:

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

March 31, 2025					
Thousands of U.S. dollars					
	Carrying value	Acquisition cost	Difference	Gains	Losses
Stock	\$ 811,556	\$ 452,996	\$ 358,559	\$ 374,359	\$ 15,800
Debt securities	7,141,013	7,427,772	(286,758)	295	287,054
Others	3,598,264	3,789,398	(191,133)	34,751	225,884
Total	\$ 11,550,834	\$ 11,670,167	\$ (119,332)	\$ 409,406	\$ 528,739

March 31, 2024					
Millions of yen					
	Carrying value	Acquisition cost	Difference	Gains	Losses
Stock	¥ 131,451	¥ 54,372	¥ 77,078	¥ 77,723	¥ 645
Debt securities	766,311	783,911	(17,599)	373	17,973
Others	551,630	571,195	(19,565)	9,244	28,809
Total	¥ 1,449,392	¥ 1,409,479	¥ 39,912	¥ 87,341	¥ 47,428

Japanese government bonds, equities and others loaned under the securities lending agreement in the amount of ¥61,658 million (\$412,374 thousand) and ¥51,809 million is included in the above as of March 31, 2025 and 2024, 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, 2025 and 2024. 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, 2025 and 2024 are as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Unrealized gains (losses) on available-for-sale securities	¥ (15,038)	¥ 41,323	\$ (100,578)
Deferred tax assets (liabilities)	5,090	(12,209)	34,044
	¥ (9,948)	¥ 29,113	\$ (66,534)
Attributable to non-controlling interest	(865)	(1,028)	(5,790)
Net unrealized gains (losses) on available-for-sale securities	(10,813)	28,084	(72,324)

Available-for-sale securities sold during the years ended March 31, 2025 and 2024 are summarized as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Proceeds from sale	¥ 129,602	¥ 246,123	\$ 866,792
Gain on sale	14,861	24,526	99,394
Loss on sale	6,593	11,620	44,100

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:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
	¥ 3,566	¥ 3,674	\$ 23,849

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

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Investment in capital	¥ 38,393	¥ 32,468	\$ 256,780
Equity securities	339	206	2,271

## 11. Money Held in Trusts

Money held in trusts for investment purposes

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Amount recorded in the consolidated balance sheets	¥ 13,508	¥ 13,532	\$ 90,343
Valuation differences included in profit and loss for the consolidated fiscal year	—	32	—



## 12. 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, 2025 and 2024 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, 2025 and 2024.

#### (2) Currency related derivatives

		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		

		March 31, 2025					
		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	210,859	—	1,211	1,211		
	Bought	12,850	—	7	7		
Currency options	Sold	37,348	33,848	(2,668)	308		
	Bought	37,348	33,848	2,668	(270)		
Total		\$ —	\$ —	\$ 1,218	\$ 1,256		

		March 31, 2024					
		Millions of yen					
		Contract amount			Valuation gains (losses)		
		Total	Over one year	Fair value			
OTC transactions:							
Currency swaps		¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Forward contracts on foreign exchange	Sold	33,726	—	(232)	(232)		
	Bought	603	—	4	4		
Currency options	Sold	3,803	3,662	(402)	200		
	Bought	3,803	3,662	404	(193)		
Total		¥ —	¥ —	¥ (226)	¥ (222)		

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, 2025 and 2024 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, 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

		March 31, 2025			
		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	\$ 561,151	\$ 561,151	\$ 14,290
Total			—	—	\$ 14,290

		March 31, 2024			
		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	¥ 34,838	¥ 34,838	¥ (39)
Total			—	—	¥ (39)

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, 2025 and 2024.

## 13. 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 ¥5,004 million (\$33,469 thousand) and ¥5,590 million as of March 31, 2025 and 2024, respectively.

## 14. Cash Flows

A reconciliation between cash and due from banks in the consolidated balance sheets as of March 31, 2025 and 2024 and cash and cash equivalents in the consolidated statements of cash flows for the year then ended is as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Cash and due from banks	¥ 1,653,620	¥ 1,576,763	\$ 11,059,526
Due from banks other than the Bank of Japan	(11,383)	(6,207)	(76,133)
Cash and cash equivalents	1,642,236	1,570,556	10,983,393

For the year ended March 31, 2024, the FD Advisory, Ltd., a consolidated subsidiary, merged with ALCOLAB, Ltd. through share acquisition in exchange for cash, with the FD Advisory, Ltd., as a surviving company and ALCOLAB, Ltd. as an absorbed company. Major assets acquired and liabilities assumed as a result of the merger, and acquisition cost of shares and net payments for acquisition are as follows:

	2024
	Millions of yen
Current assets	¥ 186
Non-current assets	7
Current liabilities	(31)
Non-controlling interests	(32)
Goodwill	1,070
Acquisition cost of shares	1,200
Value of subsidiary's share issued through share exchange	(104)
Cash and cash equivalents	(148)
Net: payments for acquisition	947

### 15. Accumulated Depreciation and Deferred Gains on Tangible Fixed Assets

Accumulated depreciation totaled ¥32,787 million (\$219,284 thousand) and ¥33,345 million as of March 31, 2025 and 2024, respectively. Deferred gains on tangible fixed assets deducted for tax purposes as of March 31, 2025 and 2024 were ¥2,352 million (\$15,732 thousand) and ¥2,612 million, respectively.

### 16. Assets Pledged

Assets pledged as collateral as of March 31, 2025 and 2024 were as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Pledged assets:			
Securities	¥ 912,724	¥ 698,603	\$ 6,104,364
Other assets	743	1,046	4,970
Total	913,467	699,649	6,109,335
Liabilities secured by the above assets:			
Deposits	64,740	45,811	432,990
Call money and bills sold	21,000	22,000	140,449
Guarantee deposit received under securities lending transactions	599,306	318,639	4,008,204
Borrowed money	5,300	5,300	35,446
Total	¥ 690,347	¥ 391,750	\$ 4,617,091

Other than the above, securities of ¥24,837 million (\$166,114 thousand) and ¥— million were pledged as collateral for exchange settlement transactions as of March 31, 2025 and 2024, respectively.

Margin deposits with the clearing house of ¥— million (\$— thousand) and ¥20,000 million as of March 31, 2025 and 2024, respectively, and guarantee deposits of ¥69 million (\$463 thousand) and ¥73 million were included in other assets as of March 31, 2025 and 2024, respectively.

### 17. Borrowed Money

The details of borrowed money as of March 31, 2025 and 2024 are as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Borrowed money			
Due from December 2025 through May 2029	¥ 6,174	¥ 5,396	\$ 41,294
Average interest rate: 0.37% p.a.			

Scheduled repayments of borrowed money by each year:

Year ending March 31,	Millions of yen	Thousands of U. S. dollars
2026	¥ 230	\$ 1,540
2027	203	1,360
2028	203	1,360
2029	5,503	36,807
2030 and thereafter	33	226
Total	¥ 6,174	\$ 41,294

### 18. 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. The details of bonds payable as of March 31, 2025 and 2024 are as follows:

				2025	2024	2025
	Issued date	Redemption date	Interest rate	Millions of yen		Thousands of U. S. dollars
The Hokkoku Bank Ltd.:						
1st Unsecured Callable Bonds	July 22, 2020	July 22, 2030	0.94%	¥ 10,000	¥ 10,000	\$ 66,880
2nd Unsecured Callable Bonds	March 10, 2021	March 10, 2031	0.86%	10,000	10,000	66,880
Total				¥ 20,000	¥ 20,000	\$ 133,761

Scheduled redemptions of bonds payable by each year:

Year ending March 31,	Millions of yen	Thousands of U. S. dollars
2026	¥ —	\$ —
2027	—	—
2028	—	—
2029	—	—
2030 and thereafter	20,000	133,761
Total	¥ 20,000	\$ 133,761

### 19. Borrowed Money from Trust Account

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

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Money trust	¥ 136	¥ 167	\$ 914

### 20. 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 are approved by the shareholders at the meeting held subsequent to the fiscal year to which the dividends are applicable. Interim dividends may also 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, 2025 and 2024 are as follows:

a. Number of outstanding shares and treasury stock  
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).

For the year ended March 31, 2024

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	26,908	—	1,700	25,208
Treasury stock:				
Common stock	1,809	2,047	1,833	2,023

Notes:

1. The decrease in issued stock of 1,700 thousand shares is due to the cancellation of treasury stock.
2. The increase in treasury stock of 2,047 thousand shares consists of the repurchase of treasury stock of 2,046 thousand shares and requests for the buyback of shares less than one unit of 0 thousand shares.
3. The decrease in treasury stock of 1,833 thousand shares consists of the cancellation of treasury stock of 1,700 thousand shares and grant of restricted shares of 133 thousand shares.
4. The number of treasury stock (common stock) as of March 31, 2024 includes 105 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, 2025 and 2024.

c. Dividends paid to the shareholders during the year  
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 (\$8,567 thousand) (Note 1)	¥55.0 (\$0.36.)	March 31, 2024	May 27, 2024
October 30, 2024	Board of Directors	Common Stock	¥1,376 million (\$9,204 thousand) (Note 2)	¥60.0 (\$0.40.)	September 30, 2024	December 5, 2024

Notes:

1. The total amount of dividends paid includes ¥5 million (\$38 thousand) of dividends for shares held by the Bank's management board benefit trust.
2. The total amount of dividends paid includes ¥5 million (\$37 thousand) of dividends for shares held by the Bank's management board benefit trust.

For the year ended March 31, 2024

Date of resolution	Resolution by	Type of shares	Total dividends	Dividends per share	Date of record	Effective date
June 9, 2023	Ordinary general meeting of shareholders	Common Stock	¥1,260 million (Note 1)	¥50.0	March 31, 2023	June 12, 2023
October 27, 2023	Board of Directors	Common Stock	¥1,323 million (Note 2)	¥55.0	September 30, 2023	December 5, 2023

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, 2025 and 2024, 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, 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 (\$9,147 thousand) (Note)	¥60.0 (\$0.40.)	March 31, 2025	May 26, 2025

(Above cash dividends are distributed from retained earnings.)

Note:

The total amount of dividends paid includes ¥5 million (\$37 thousand) of dividends for shares held by the Bank's management board benefit trust.

For the year ended March 31, 2024

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)	¥55.0	March 31, 2024	May 27, 2024

(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.

## 21. 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, 2025 and 2024:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Due within one year	¥ 145	¥ 149	\$ 971
Due after one year	167	216	1,117
Total	¥ 312	¥ 366	\$ 2,088

### As lessor:

#### a. Finance leases

Investment in leased assets consists of the following:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Lease receivables	¥ 40,040	¥ 37,391	\$ 267,793
Residual value	780	701	5,221
Unearned interest income	(2,522)	(2,400)	(16,873)
Total	¥ 38,298	¥ 35,691	\$ 256,140

Maturities of lease receivables and investment in leased assets as of March 31, 2025 and 2024 are as follows:

As of March 31, 2025	Millions of yen		Thousands of U. S. dollars	
Year ending March 31,	Lease receivables	Investment in leased assets	Lease receivables	Investment in leased assets
2026	¥ 1,036	¥ 10,283	\$ 6,929	\$ 68,777
2027	947	8,948	6,335	59,849
2028	620	7,769	4,149	51,961
2029	432	5,738	2,894	38,380
2030	238	3,806	1,593	25,459
2031 and thereafter	650	3,493	4,350	23,365
Total	¥ 3,925	¥ 40,040	\$ 26,253	\$ 267,793

As of March 31, 2024

	Millions of yen			
Year ending March 31,	Lease receivables	Investment in leased assets		
2025	¥ 925	¥ 9,979		
2026	827	8,144		
2027	735	6,684		
2028	402	5,494		
2029	222	3,644		
2030 and thereafter	524	3,443		
Total	¥ 3,637	¥ 37,391		

#### b. Operating leases

The following table presents the schedule of future minimum lease payments under non-cancellable operating leases as of March 31, 2025 and 2024:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Due within one year	¥ 175	¥ 159	\$ 1,172
Due after one year	420	216	2,809
Total	¥ 595	¥ 376	\$ 3,981

## 22. Other Income, Other Expenses and General and Administrative Expenses

Major income included in other income for the years ended March 31, 2025 and 2024 are as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Recoveries of written off receivables	¥ 419	¥ 370	\$ 2,807
Gain on sale of equity securities	13,700	23,825	91,627

Major expenses included in other expenses for the years ended March 31, 2025 and 2024 are as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Provision of reserve for possible loan losses	¥ 6,007	¥ 3,271	\$ 40,181
Write-off of loans	59	1,237	399
Loss on sale of equity securities	1,115	797	7,463
Loss on devaluation of equity securities	1,462	431	9,784
Loss on sale of receivables	8	110	55

Major expenses included in general and administrative expenses for the years ended March 31, 2025 and 2024 are as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Salaries and allowances	¥ 12,574	¥ 12,975	\$ 84,099
Depreciation	4,468	4,021	29,888

## 23. Special gains and losses

Special gains and losses for the years ended March 31, 2025 and 2024 consist of the following:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Special gains (losses):			
Gain on disposal of tangible fixed assets	¥ 17	¥ 121	\$ 116
Loss on disposal of tangible fixed assets	(323)	(405)	(2,164)
Loss on impairment	(354)	(985)	(2,369)
Loss on disaster	—	(329)	—
Total	¥ (660)	¥ (1,599)	\$ (4,417)

In connection with the 2024 Noto Peninsula Earthquake, loss on disaster is recorded under special gains and losses for the year ended March 31, 2024. The amount of loss on disaster consists of ¥24 million of loss on impairment of branches with difficulty to continue operation and ¥304 million of disaster recovery expenses for damaged facilities.

### 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, 2025				
Location	Main use	Asset type	Millions of yen	Thousands of U. S. dollars
Ishikawa Pref.	3 operating branches	Land	¥ 298	\$ 1,996
	3 operating branches	Buildings	52	350
	8 idle assets	Land	2	15
	2 idle assets	Buildings	0	4
Outside Ishikawa Pref.	1 idle asset	Land	0	2
Total			¥ 354	\$ 2,369

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.

Location	Year ended March 31, 2024		
	Main use	Asset type	Millions of yen
Ishikawa Pref.	9 operating branches	Land	¥ 400
	9 operating branches	Buildings	83
	3 common use assets	Land	148
	2 common use assets	Buildings	229
	7 idle assets	Land	3
Outside Ishikawa Pref.	1 operating branch	Land	119
<b>Total</b>			<b>¥ 985</b>

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.

## 24. Other Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2025 and 2024 are as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Reclassification adjustments			
Valuation differences on available-for-sale securities:			
Gains (losses) incurred during the year	¥ (48,837)	¥ 36,474	\$ (326,627)
Reclassification adjustment	(7,524)	(12,807)	(50,324)
Amount before tax effect	(56,361)	23,666	(376,951)
Deferred gains (losses) on hedging instruments:			
Gains (losses) incurred during the year	3,214	(123)	21,501
Reclassification adjustment	(921)	76	(6,159)
Amount before tax effect	2,293	(47)	15,341
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	2,469	455	16,517
Reclassification adjustment	425	427	2,849
Amount before tax effect	2,895	883	19,366
Total amount before income taxes and tax effect	(51,172)	24,502	(342,243)
Income taxes and tax effect	15,774	(7,534)	105,498
Total other comprehensive income	(35,398)	16,967	(236,745)

	2025	2024	2025
	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	¥ (56,361)	¥ 23,666	\$ (376,951)
Income taxes and tax effect	17,299	(7,280)	115,701
Amount after income taxes and tax effect	(39,062)	16,385	(261,249)
Deferred gains (losses) on hedging instruments:			
Amount before income taxes and tax effect	2,293	(47)	15,341
Income taxes and tax effect	(718)	14	(4,806)
Amount after income taxes and tax effect	1,575	(32)	10,535
Land revaluation surplus:			
Amount before income taxes and tax effect	—	—	—
Income taxes and tax effect	(34)	—	(232)
Amount after income taxes and tax effect	(34)	—	(232)
Remeasurements of defined benefit plans			
Amount before income taxes and tax effect	2,895	883	19,366
Income taxes and tax effect	(772)	(268)	(5,164)
Amount after income taxes and tax effect	2,123	614	14,201

## 25. Income Taxes

The major components of deferred tax assets and liabilities as of March 31, 2025 and 2024 are summarized as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Deferred tax assets:			
Tax loss carried forward (Note)	¥ 881	¥ 521	\$ 5,893
Reserve for possible loan losses	16,695	16,620	111,660
Net defined benefit liability	—	128	—
Depreciation	1,855	1,842	12,407
Devaluation of equity securities	778	656	5,203
Enterprise tax payable	180	231	1,207
Reserve for bonuses	215	213	1,443
Deferred consumption tax	307	201	2,055
Loss on impairment of land	736	819	4,928
Valuation differences on available-for-sale securities	5,090	—	34,044
Other	1,172	1,162	7,844
Subtotal	27,913	22,397	186,688
Valuation allowance	(13,732)	(13,408)	(91,844)
Total deferred tax assets	14,181	8,988	94,843
Deferred tax liabilities:			
Valuation differences on available-for-sale securities	—	(12,209)	—
Net defined benefit asset	(633)	—	(4,236)
Net deferred gains (losses) on hedging instruments	(703)	—	(4,703)
Other	(238)	(223)	(1,597)
Total deferred tax liabilities	(1,575)	(12,433)	(10,537)
Net deferred tax assets (liabilities)	12,605	(3,444)	84,306

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

	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	
<b>Total</b>	<b>¥ 881</b>	<b>¥ (754)</b>	<b>¥ 126</b>	

	Thousands of U. S. dollars			
Year ending March 31, 2025	Tax loss carried forward (*)	Valuation allowance	Deferred tax assets	
2026	\$ —	\$ —	\$ —	—
2027	—	—	—	—
2028	—	—	—	—
2029	—	—	—	—
2030	—	—	—	—
2031 and thereafter	5,893	(5,048)	845	
<b>Total</b>	<b>\$ 5,893</b>	<b>\$ (5,048)</b>	<b>\$ 845</b>	

	Millions of yen			
Year ending March 31, 2024	Tax loss carried forward (*)	Valuation allowance	Deferred tax assets	
2025	¥ —	¥ —	¥ —	—
2026	—	—	—	—
2027	—	—	—	—
2028	—	—	—	—
2029	—	—	—	—
2030 and thereafter	521	(521)	—	
<b>Total</b>	<b>¥ 521</b>	<b>¥ (521)</b>	<b>¥ —</b>	

(\*) 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, 2025 and 2024 are presented as follows:

	2025	2024
Statutory tax rate	30.4%	30.4%
Reconciliation:		
Non deductible permanent differences, such as entertainment expenses	0.2	0.2
Nontaxable permanent differences, such as dividend income	(16.3)	(1.4)
Per capita residents' taxes	0.3	0.2
Valuation allowance	(1.0)	(10.5)
Offsetting dividends from subsidiaries	14.6	0.0
Difference in effective tax rate with consolidated subsidiaries	0.4	1.3
Difference due to change in statutory tax rate	(0.9)	—
Other	(0.4)	0.9
Effective tax rate	27.4%	21.4%

*Adjustments of deferred tax assets and liabilities due to changes in corporate tax rates, etc.*

Based on the "Act on Partially Amending the Income Tax Act (Act No.13 of 2025)" enacted on March 31, 2025, the "Special Defense Tax" will be imposed effective from the fiscal year beginning on and after April 1, 2026. Accordingly, the statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities will be changed from 30.45% to 31.35% for temporary differences expected to be settled in the fiscal years beginning on or after April 1, 2026. The impact of this change in the tax rate on the consolidated financial statements is immaterial.

## 26. 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, 2025 and 2024 are as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Balance at beginning of year	¥ 17,449	¥ 18,309	\$ 116,701
Service cost	—	—	—
Interest cost	29	32	196
Actuarial gains or losses	(2,643)	—	(17,680)
Benefits paid	(957)	(914)	(6,401)
Other	—	22	—
Balance at end of year	¥ 13,877	¥ 17,449	\$ 92,815

b. The reconciliation of in plan assets for the years ended March 31, 2025 and 2024 are as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Balance at beginning of year	¥ 16,764	¥ 16,932	\$ 112,124
Expected return on plan assets	251	253	1,681
Actuarial gains or losses	(173)	455	(1,163)
Contributions from the employer	52	37	353
Benefits paid	(957)	(914)	(6,401)
Balance at end of year	¥ 15,937	¥ 16,764	\$ 106,594

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

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Funded defined benefit obligation	¥ 13,877	¥ 17,449	\$ 92,815
Plan assets	(15,937)	(16,764)	(106,594)
	(2,060)	684	(13,778)
Unfunded defined benefit obligation	—	—	—
Net liability (asset) recorded in the consolidated balance sheets	(2,060)	684	(13,778)

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Net defined benefit liability	¥ —	¥ 684	\$ —
Net defined benefit asset	(2,060)	—	(13,778)
Net liability (asset) recorded in the consolidated balance sheets	(2,060)	684	(13,778)

d. The components of retirement benefit expenses for the years ended March 31, 2025 and 2024 are as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Service cost	¥ —	¥ —	\$ —
Interest cost	29	32	196
Expected return on plan assets	(251)	(253)	(1,681)
Amortization of actuarial gains or losses	425	427	2,849
Amortization of prior service cost	—	—	—
Retirement benefit expenses	203	205	1,363

e. The components of remeasurements of defined benefit plans (before deducting income taxes and tax effect) on other comprehensive income as of March 31, 2025 and 2024 are as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Prior service cost	¥ —	¥ —	\$ —
Net actuarial gains or losses	2,895	883	19,366
Total	¥ 2,895	¥ 883	\$ 19,366

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, 2025 and 2024 are as follows:

	2025	2024	2025
	Millions of yen		Thousands of U. S. dollars
Unrecognized prior service cost	¥ —	¥ —	\$ —
Unrecognized net actuarial gains or losses	2,048	(846)	13,701
Total	¥ 2,048	¥ (846)	\$ 13,701

### g. Plan assets

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

	2025	2024
General account	82%	83%
Equity securities	11	11
Debt securities	6	5
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, 2025 and 2024, 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, 2025 and 2024, are set forth as follows:

	2025	2024
Discount rate	0.29% to 3.24%	0.0% to 0.6%
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 ¥25 million (\$170 thousand) and ¥23 million for the years ended March 31, 2025 and 2024.



## 27. Per Share Information

Net assets per share as of March 31, 2025 and 2024 and profit per share for the year then ended are as follows:

	2025	2024	2025
	Yen		U. S. dollars
Net assets per share	¥ 9,338.59	¥ 10,533.34	\$ 62.45
Profit per share	355.05	378.34	2.37
Profit per share-diluted	354.84	378.23	2.37

Notes:

1. 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 and profit per share, 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, 2025, the number of shares of treasury stock deducted in calculating outstanding number of shares at end of year is 92 thousand shares and average outstanding number of shares during the year is 97 thousand shares. For the year ended March 31, 2024, the number of shares of treasury stock deducted in calculating outstanding number of shares at end of year is 105 thousand shares and average outstanding number of shares during the year is 105 thousand shares.

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

	2025	2024	2025
	Millions of Yen		Thousands of U. S. dollars
Net assets per share:			
Net assets per balance sheets	¥ 220,889	¥ 252,954	\$ 1,477,326
Amounts to be attributed to non-controlling interests	8,869	8,735	59,318
Net assets attributed to common stock shareholders	¥ 212,020	¥ 244,219	\$ 1,418,008
Number of shares outstanding at end of year (unit: thousand shares)	22,703	23,185	
Profit per share:			
Profit attributable to owners of parent	¥ 8,120	¥ 9,055	\$ 54,310
Profit attributable to common stock shareholders	¥ 8,120	¥ 9,055	\$ 54,310
Average number of shares outstanding during the year (unit: thousand shares)	22,871	23,933	
Profit per share-diluted:			
Adjustment to profit attributable to owners of parent	¥ —	¥ —	\$ —
Increase in common stock (unit: thousand shares)	13	6	
[Of which, restricted shares under the share-based payment plan](unit: thousand shares)	13	6	
Outline of dilutive shares not included in the calculation of profit per share-diluted due to the absence of dilutive effect	—	—	—

## 28. 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 12 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, e-commerce website operation business, 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 gross revenue and net operating income

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 revenue from ordinary operations and intersegment income is based on the market transaction price in the same manner as income from external customers.

From the year ended March 31, 2025, segment liabilities are disclosed to enhance disclosure information.

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

	Year ended March 31, 2025				
	Millions of yen				
	Reportable segments			Adjustments	Consolidated
	Banking	Leasing	Total		
Total revenue:					
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

	Year ended March 31, 2025				
	Thousands of U. S. dollars				
	Reportable segments			Adjustments	Consolidated
	Banking	Leasing	Banking		
Total revenue:					
External customers	\$ 506,195	\$ 92,895	\$ 599,090	\$ —	\$ 599,090
Intersegments	2,352	7	2,360	(2,360)	—
Total	508,548	92,903	601,451	(2,360)	599,090
Segment profit	79,451	2,976	82,427	(173)	82,254
Segment assets	42,711,273	307,947	43,019,221	(261,927)	42,757,293
Segment liabilities	41,251,209	280,916	41,532,125	(252,158)	41,279,966
Other information					
Depreciation	29,850	37	29,888	—	29,888
Interest income	317,888	—	317,888	(1,629)	316,259
Interest expenses	65,757	1,715	67,472	(1,582)	65,889
Increase in tangible and intangible fixed assets	102,611	24	102,635	—	102,635

Year ended March 31, 2024					
Millions of yen					
	Reportable segments			Adjustments	Consolidated
	Banking	Leasing	Total		
Total revenue:					
External customers	¥ 77,684	¥ 13,155	¥ 90,839	—	¥ 90,839
Intersegments	254	3	258	(258)	—
Total	77,938	13,159	91,098	(258)	90,839
Segment profit	13,885	568	14,453	7	14,461
Segment assets	5,749,708	43,086	5,792,795	(34,142)	5,758,652
Segment liabilities	5,500,588	37,800	5,538,388	(32,691)	5,505,697
Other information					
Depreciation	4,001	20	4,021	—	4,021
Interest income	41,183	—	41,183	(141)	41,042
Interest expenses	7,634	134	7,769	(134)	7,634
Increase in tangible and intangible fixed assets	12,604	—	12,604	—	12,604

Note:

1. "Total revenue" 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, 2025					
Millions of yen					
	Reportable segments				
	Loan	Securities investment	Lease	Other	Total
Income from external customers	¥ 26,676	¥ 31,825	¥ 13,889	¥ 17,184	¥ 89,576

Year ended March 31, 2025					
Thousands of U. S. dollars					
	Reportable segments				
	Loan	Securities investment	Lease	Other	Total
Income from external customers	\$ 178,412	\$ 212,853	\$ 92,895	\$ 114,929	\$ 599,090

Year ended March 31, 2024					
Millions of yen					
	Reportable segments				
	Loan	Securities investment	Lease	Other	Total
Income from external customers	¥ 24,705	¥ 40,122	¥ 13,155	¥ 12,856	¥ 90,839

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

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

Year ended March 31, 2025					
Thousands of U. S. dollars					
	Reportable segments			Total	
	Banking	Leasing	Total		
Loss on impairment	\$ 2,369	\$ —	\$ 2,369		

Year ended March 31, 2024					
Millions of yen					
	Reportable segments			Total	
	Banking	Leasing	Total		
Loss on impairment	¥ 1,009	¥ —	¥ 1,009		

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

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

Year ended March 31, 2025					
Thousands of U. S. dollars					
	Reportable segments			Total	
	Banking	Leasing	Total		
Amortization	\$ 357	\$ —	\$ 357		
Ending balance of goodwill	6,442	—	6,442		

Year ended March 31, 2024					
Millions of yen					
	Reportable segments			Total	
	Banking	Leasing	Total		
Amortization	¥ 53	¥ —	¥ 53		
Ending balance of goodwill	1,016	—	1,016		

## 29. Revenue Recognition

The following table summarizes the information on disaggregation of revenue from contracts with customers for the years ended March 31, 2025 and 2024:

	2025			2025		
	Millions of yen			Thousands of U. S. dollars		
	Banking	Leasing	Total	Banking	Leasing	Total
Fees and commissions:						
Deposits and loans business	¥ 1,715	¥ —	¥ 1,715	\$ 11,473	\$ —	\$ 11,473
Foreign exchange business	2,214	—	2,214	14,807	—	14,807
Trust-related business	49	—	49	331	—	331
Securities-related business	747	—	747	4,998	—	4,998
Agency business	233	—	233	1,558	—	1,558
Cashless business (Note)	2,472	—	2,472	16,533	—	16,533
Consulting business	2,201	—	2,201	14,723	—	14,723
Other business	1,150	39	1,190	7,697	264	7,961
Fees and commissions, total	10,784	39	10,823	72,124	264	72,388
Other operating income	1,167	802	1,969	7,806	5,365	13,172
Income other than operating income	123	4	127	825	29	855
Income from contracts with customers	12,074	846	12,920	80,756	5,659	86,416
Income other than above	63,611	13,043	76,655	425,438	87,235	512,674
Total income from external customers	¥ 75,686	¥ 13,889	¥ 89,576	\$ 506,195	\$ 92,895	\$ 599,090

Note:

Cashless business includes card business and local-currency related business.

	2024		
	Millions of yen		
	Banking	Leasing	Total
Fees and commissions:			
Deposits and loans business	¥ 1,692	¥ —	¥ 1,692
Foreign exchange business	2,124	—	2,124
Trust-related business	50	—	50
Securities-related business	728	—	728
Agency business	230	—	230
Card business	2,364	—	2,364
Consulting business	1,400	—	1,400
Other business	1,094	36	1,130
Fees and commissions, total	9,686	36	9,722
Other operating income	669	767	1,436
Income other than operating income	70	3	74
Income from contracts with customers	10,425	808	11,234
Income other than above	67,258	12,347	79,605
Total income from external customers	¥ 77,684	¥ 13,155	¥ 90,839

The information that provides a base for understanding revenue from contracts with customers is stated in “3. Summary of Significant Accounting Policies, m Revenue recognition.”

The information that contributes to an understanding of the amounts of revenue for the year ended March 31, 2025, the year ending March 31, 2026 and thereafter is omitted due to insignificance.

### 30. Related Party Transactions

There was no applicable transaction to be reported for the years ended March 31, 2025 and 2024, respectively.

### 31. Subsequent Events

#### Cancellation of treasury stock

At the Board of Directors’ meeting held on April 30, 2025, the Company resolved to cancel its treasury stock on May 9, 2025, in accordance with the provision of Article 178 of the Companies Act.

(1) Reason for cancellation	To enhance shareholder returns, improve capital efficiency, and take flexible capital measures.
(2) Type of shares to be cancelled	Common stock
(3) Number of shares to be cancelled	500,000 shares
(4) Cancellation date	May 9, 2025

#### Repurchase of own shares

At the Board of Directors’ meeting held on April 30, 2025, the Company resolved to repurchase its own shares in accordance with the provision of Article 156 of the Companies Act as applied pursuant to the provision of Article 165, Paragraph 3 of the same act in order to take flexible capital policies responding to changes in the business environment and to enhance shareholder returns.

(1) Type of shares to be repurchased	Common stock
(2) Number of shares to be repurchased	250,000 shares (upper limit) (Note)
(3) Total cost of shares to be repurchased	¥1,000 million (\$6,688 thousand) (upper limit)
(4) Repurchase period	From May 12, 2025 to March 31, 2026

#### Note:

The Company plans to implement a stock split (1:10 split ratio) with an effective date of October 1, 2025, and the number of shares to be repurchased on and after the effective date will be adjusted according to the stock split ratio.

#### Stock Split and Partial Amendment to the Articles of Incorporation

At the Board of Directors’ meeting held on April 30, 2025, the Company resolved to implement a stock split and partially amend its Articles of Incorporation due to the stock split.

##### a. Purpose of stock split

The purpose of the stock split is to reduce the trading unit of the Company’s shares and create an environment where investors can more easily invest in the Company’s shares, thereby expanding the investor base.

##### b. Outline of stock split

###### (1) Method of stock split

The record date for the stock split will be September 30, 2025. The Company will split its common stock owned by the shareholders listed or recorded in the closing shareholder registry as of the record date by the ratio of 10 shares for each share.

###### (2) Number of shares to be increased as a result of stock split

Total number of issued shares before stock split:	23,408,582 shares
Number of shares to be increased as a result of stock split:	210,677,238 shares
Total number of issued shares after stock split:	234,085,820 shares
Total number of shares authorized to be issued after stock split:	582,500,000 shares

#### Note:

The total number of issued shares and the number of shares to be increased are based on the total number of issued shares as of March 31, 2025.

###### (3) Schedule of stock split

Scheduled date of public notice of the record date:	September 12, 2025 (Planned)
Record date:	September 30, 2025
Effective date:	October 1, 2025

###### (4) Effect on per share information

Per share information based on the assumption that the stock split was implemented at the beginning of the previous fiscal year is as follows:

Net assets per share	¥933.85 (\$6.24)
Basic earnings per share	¥ 35.50 (\$0.23)
Diluted earnings per share	¥ 35.48 (\$0.23)

##### c. Partial amendment to the Articles of Incorporation

###### (1) Reason for Amendment

In connection with the stock split, the total number of shares authorized to be issued as stipulated in Article 6 of the Company’s Articles of Incorporation will be amended with an effective date of October 1, 2025, pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act.

###### (2) Details of the amendment (underlined line indicates the changed portion.)

Current Articles of Incorporation	After Amendment
Article 6 (Total Number of Shares Authorized to be Issued) The total number of shares authorized to be issued by the Company shall be <u>58,250,000.</u>	Article 6 (Total Number of Shares Authorized to be Issued) The total number of shares authorized to be issued by the Company shall be <u>582,500,000.</u>

###### (3) Schedule of amendment

Date of resolution of the Board of Directors:	April 30, 2025
Effective date:	October 1, 2025

## Balance Sheets

The Hokkoku Bank, Ltd.

As of March 31,

	2025	2024	2025
	Millions of yen		Thousands of U.S. dollars (Note 2)
<b>Assets:</b>			
Cash and due from banks	¥ 1,653,429	¥ 1,576,676	\$ 11,058,252
Call loans	152,000	166,000	1,016,586
Monetary claims bought	1,263	1,309	8,451
Money held in trusts	13,508	13,532	90,343
Securities	1,869,489	1,485,191	12,503,275
Loans and bills discounted	2,629,769	2,443,603	17,588,075
Foreign exchanges	5,485	6,344	36,684
Investment in leased assets	3,298	4,796	22,057
Other assets	14,169	33,311	94,767
Tangible fixed assets	43,441	36,501	290,542
Intangible fixed assets	13,151	9,957	87,955
Deferred tax assets	13,034	—	87,176
Customers' liabilities for acceptances and guarantees	18,878	18,166	126,259
Reserve for possible loan losses	(60,187)	(58,709)	(402,536)
<b>Total assets</b>	¥ 6,370,731	¥ 5,736,680	\$ 42,607,890
<b>Liabilities:</b>			
Deposits	4,915,822	4,711,664	32,877,355
Call money	559,680	423,297	3,743,183
Guarantee deposit received under securities lending transactions	599,306	318,639	4,008,204
Borrowed money	5,326	5,381	35,626
Foreign exchanges	0	1	0
Bonds payable	20,000	20,000	133,761
Borrowed money from trust account	136	167	914
Other liabilities	72,323	22,048	483,701
Reserve for bonuses	512	527	3,430
Reserve for management board benefit trust	350	410	2,342
Reserve for reimbursement of deposits	47	68	318
Deferred tax liabilities	—	3,582	—
Deferred tax liability arising from revaluation of land	1,208	1,244	8,085
Acceptances and guarantees	18,878	18,166	126,259
<b>Total liabilities</b>	¥ 6,193,594	¥ 5,525,200	\$ 41,423,185
<b>Net assets:</b>			
Common stock	26,673	26,673	178,397
Capital surplus	11,289	11,289	75,504
Retained earnings	146,756	143,977	981,518
Total shareholders' equity	184,720	181,940	1,235,420
Valuation differences on available-for-sale securities	(11,037)	27,588	(73,818)
Net deferred gains (losses) on hedging instruments	1,539	(35)	10,299
Land revaluation surplus	1,914	1,986	12,804
Total valuation and translation adjustments	(7,582)	29,539	(50,714)
<b>Total net assets</b>	177,137	211,480	1,184,705
<b>Total liabilities and net assets</b>	¥ 6,370,731	¥ 5,736,680	\$ 42,607,890

## Statements of Income

The Hokkoku Bank, Ltd.

### Years ended March 31,

#### Income

Interest income on:  
Interest on loans and discounts  
Interest and dividends on securities  
Other interest income  
Total interest income  
Trust fees  
Fees and commissions  
Other operating income  
Other income

#### Total income

#### Expenses

Interest expenses on:  
Deposits  
Borrowings and rediscounts  
Interest on bonds  
Cash collateral received for securities lent  
Other  
Total interest expenses  
Fees and commissions  
Other operating expenses  
General and administrative expenses  
Other expenses

#### Total expenses

#### Special gains and losses

#### Profit before income taxes

Income taxes:  
Current  
Deferred

#### Profit

	2025	2024	2025
	Millions of yen		Thousands of U.S. dollars (Note 2)
¥		¥	\$
	28,140	24,875	188,205
	16,862	15,493	112,776
	2,248	604	15,036
	47,251	40,972	316,018
	0	0	6
	8,387	7,895	56,097
	3,130	3,411	20,936
	14,091	21,168	94,248
	72,862	73,449	487,306
	2,381	162	15,927
	1,572	2,055	10,513
	179	179	1,202
	5,398	5,236	36,102
	305	0	2,045
	9,837	7,634	65,791
	3,908	3,692	26,138
	9,020	15,471	60,330
	30,005	29,442	200,678
	8,579	6,022	57,379
	61,350	62,263	410,319
	(660)	(1,599)	(4,417)
	10,850	9,586	72,570
	2,832	1,885	18,942
	(305)	(531)	(2,041)
	2,526	1,353	16,900
¥	8,323	¥ 8,233	\$ 55,670

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