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Establishment of Purpose and Formulation of the 6th Medium-Term Management Plan

Hokuhoku Financial Group, Inc. (President Hiroshi Nakazawa) has established the purpose of our group and formulated the 6th Medium-Term Management Plan with a three-year period from April 2025 to March 2028. The overview is as follows.

1. Establishment of the Purpose

(1) Purpose (Mission Statement)

Creating a Bright Future Beyond Regions.

"Your happiness and joy of the region mean the most to us.."

- Last April, we launched an inner branding initiative titled "Hokuhoku FG Movement 20," involving discussions with participation from all officers and employees, to establish the purpose of our group.
- The aim is to foster a sense of unity within the group by reexamining our existence as a group and by presenting a future guideline; and to create a foundation for each employee to exert their powers towards this guideline, to respond to changes, and to further enhance corporate value.
- Additionally, we have added a creed (motto) "Your joy and the joy of this town are our top priority," which we would like all officers and employees to share for realizing our purpose

(2) Philosophy Framework



2. Overview of the 6th Medium-Term Management Plan "NEXT STAGE"

(1) About the name "NEXT STAGE"

- The previous Medium-Term Management Plan (The 5th Medium-Term Management Plan) was positioned as a "period to challenge new business areas." The 6th Medium-Term Management Plan is a "period to realize both problem-solving for the region and our customers and the enhancement of our corporate value," and the stage shifts from challenge to realization.
- This name reflects our transition to the next stage and new phase in conjunction with the 20th anniversary of FG integration and the full acquisition of preferred stocks.

(2) Background and Overview of the 6th Medium-Term Management Plan

- The Hokuhoku Financial Group operates in the Hokuriku, Hokkaido, and three major metropolis areas. Each region has unique potential, which is expected to increase further in the future. However, there are also many challenges like population decline and improvements in industrial added value, making regional problem-solving increasingly important.
- Under such circumstances, we have backcasted from our long-term "desired state of the region" and "our envisioned state" and formulated strategies for the next three years, which has been incorporated into the 6th Medium-Term Management Plan.

The aim of realizing the vision of the region	<ul style="list-style-type: none"> • Prosperous and vibrant region • Rich region supported by robust local industries • SX/GX advanced region
Our company that we strive for	<ul style="list-style-type: none"> • Contribute to the prosperity of our local customers

	<ul style="list-style-type: none"> • Sustainable growth in corporate value (such as ROE)
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- We aim to achieve both "problem-solving for the region and our customers" and "enhancement of our corporate value" using concrete strategies listed later. We have set up "regional contribution indicators" targeting the potential and challenges of the region and collaborate with local administration and communities.
- By tackling these challenges as an integrated group, we believe we can realize the purpose "Creating a bright future that extends beyond the region."

(3) Three Engines driving strategy

Engines driving strategy	Specific initiatives
Deepen problem-solving capability through the integration of financial and non-financial elements	<ul style="list-style-type: none"> • Business market strategy, focusing on business loans • Sustainability strategy • Regional activation strategy
Solidify the management base that supports sustainable growth	<ul style="list-style-type: none"> • Retail Market strategy I (Improving customer convenience) • Retail Market strategy II (One-stop solution)
Institutionalize a vibrant corporate culture where diverse human resources play an important role	<ul style="list-style-type: none"> • Human capital management

(4) Plan period

From April 2025 to March 2028 (three years)

(5) Management indicators

	Fiscal year 2027 (Final year of the plan)	Long-term goal (10 years later)
ROE	8% range	10%
Net income attributable to owners of parent	55 billion yen	80 billion yen
Capital ratio	10% range	10~11% range
OHR	50% range	50% degree

(6) KPIs

	Achievement indicators	Fiscal year 2027 (Final year of the plan)

Deepen problem-solving capability through the integration of financial and non-financial elements	Fund supply function (business loan balance)"	5.0 trillion yen
	Number of solution support cases	2,200 cases (cumulative total from FY2025 to FY2027)
	SX and GX-related investment and loans (Total during period)	1.0 trillion yen (cumulative total from FY2025 to FY2027)
Solidify the management base that supports sustainable growth	Deposit balance	15.0 trillion yen
	Asset formation support (outstanding balance of assets under custody)	2.8 trillion yen
	Number of app users	1.4 million people
	Reduction of cross-shareholdings	Less than 20% of consolidated net assets
Institutionalize a vibrant corporate culture where diverse human resources play an important role	Solution-oriented talent	2,300 people
	Number of mid-career workers employed	250 people (cumulative total from FY2025 to FY2027)
	Ratio of female managers	30.0%
	Engagement scores	At least the same level as the previous year (FY2027)

Note:

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Sixth Medium-term Management Plan

(FY2025 to FY2027)

NEXT STAGE

Purpose and Philosophy Framework

Hokuhoku Financial Group, Inc., marking the 20th anniversary of its integration, took a fresh look at the Group's raison d'être and set forth its "Purpose" and "Vision" as a guide for the future. Additionally, the Group formulated a new medium-term management plan as an action plan to be executed over the next three years



Philosophy Framework

Purpose

Creating a Bright Future Beyond Regions.

Your happiness and joy of the region mean the most to us.

Management Policy

Prospering together with the Region

We execute our social mission to prosper together with customers and local community.

Fair & Steady Management

We aim at fair and steady management to respond to social trust.

Progressive & Innovative Services

We pursue creativity and innovation in vital workplace to provide attractive services.

Vision

We will continue to deliver comprehensive financial services with its extensive regional network to contribute to prosperity of customers and the region.

The 6th Medium-term Management Plan "NEXT STAGE"

Deepen problem-solving capability through the integration of financial and non-financial elements

Solidify the management base that supports sustainable growth

Institutionalize a vibrant corporate culture where diverse human resources play an important role

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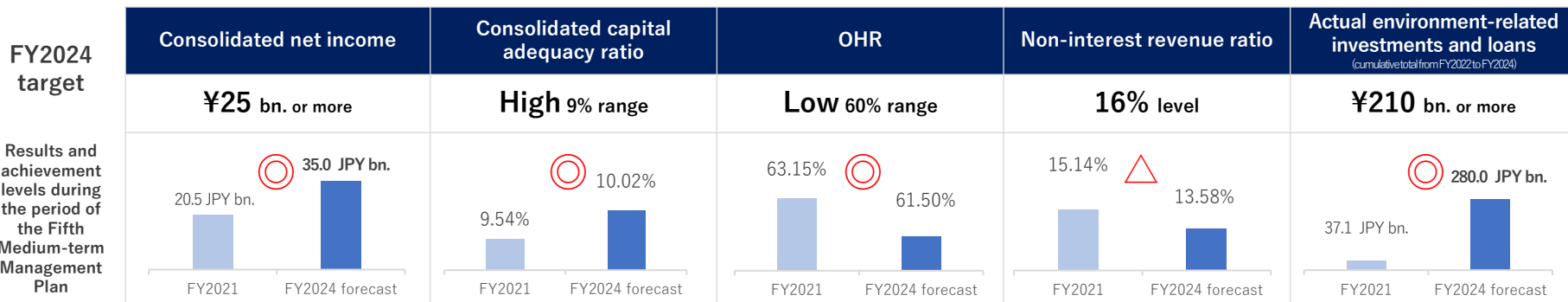
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Achievement status of key indicators



Comprehensive evaluation

With all key indicators except the non-interest revenue ratio expected to be achieved, we will engage in solving issues for further growth

Challenges related to key strategies and upcoming initiatives

Key strategies of the previous Medium-term Management Plan	Challenges	Themes and directions of initiatives	Engines Driving the Sixth Medium-term Management Plan Strategy
Improvement of comprehensive consulting ability	<ul style="list-style-type: none"> Respond to the diversification of the needs of small and medium-sized enterprises. Increase contact with customers. 	<ul style="list-style-type: none"> Expansion and reinforcement of product offerings tailored to customer segments Enhancement of touchpoints through optimal personnel assignment 	<p>Deepen problem-solving capability through the integration of financial and non-financial elements</p>
Initiatives in the environmental field	<ul style="list-style-type: none"> Growing social demand for decarbonization Sophistication and diversification of customer needs 	<ul style="list-style-type: none"> Proactive involvement in SX and GX in the region Stepping up the development of SX and GX talent 	
Strengthening group comprehensive capabilities	<ul style="list-style-type: none"> Low level of contribution to earnings by group companies Coordination within the Group for information sharing 	<ul style="list-style-type: none"> Strategic injection of management resources into group companies such as Hokuhoku Consulting Co., Ltd. Sharing of know-how within the Group and enhancement of expertise 	
DX promotion	<ul style="list-style-type: none"> Sophistication of the functions of service counters and ATMs Improvement of customer convenience 	<ul style="list-style-type: none"> Improvement of the convenience of branches and ATMs and increased efficiency of administrative work Enhancing the functions of non-face-to-face channels 	<p>Solidify the management base that supports sustainable growth</p>
Reinforcement of group governance	<ul style="list-style-type: none"> Respond to the sophistication of corporate governance 	<ul style="list-style-type: none"> Initiative for capital allocation Reduction of cross-shareholdings and enhancement of shareholder returns 	
Realization of well-being work styles	<ul style="list-style-type: none"> Lack of skills in strategic areas Enhancement of engagement that leads to the retention of human resources 	<ul style="list-style-type: none"> Formation of human resource portfolio Establishment of systems and environments that contribute to career development 	<p>Institutionalize a vibrant corporate culture where diverse human resources play an important role</p>

Hokuriku ~A leading industrial cluster on the Sea of Japan side~

Capital investment of **three trillion yen** (our estimate) in the three Hokuriku prefectures by FY2027 (projection)

Stable industrial and economic zone with an advanced concentration of distinctive manufacturing, etc.

[Specialization coefficient for the three Hokuriku prefectures*]

Specialization coefficient	Hokuriku	Toyama	Ishikawa	Fukui
Manufacturing	1.24	1.50	1.05	1.13
(Textiles)	4.50	1.21	5.36	8.78
(Chemical)	1.30	1.79	0.72	1.19
(Nonferrous metals)	2.08	3.21	0.42	2.24
(Machines for production)	2.23	1.61	4.42	0.58
Construction	1.39	1.12	1.19	2.02

*Regional composition ratio divided by national composition ratio (Figures for manufacturing and construction are calculated based on prefectural total output, and those for individual industries are calculated based on the shipment value of products, etc.)

Deeper industrial structure that includes listed companies

[Listed company rankings by prefecture]

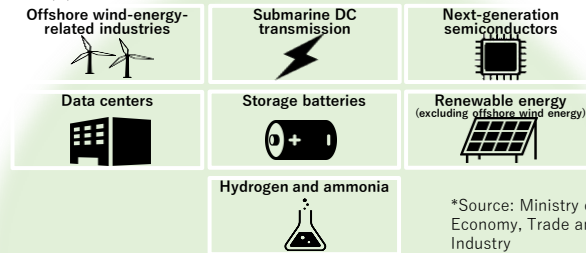
Rankings	Number of listed companies	Prefecture
1	2,153 companies	Tokyo
2	441 companies	Osaka Prefecture
3	220 companies	Aichi Prefecture
4	181 companies	Kanagawa Prefecture
5	114 companies	Hyogo Prefecture
6	96 companies	Fukuoka Prefecture

(7)	72 companies	Three Hokuriku prefectures
9	59 companies	Hokkaido
⋮		
16	26 companies	Toyama Prefecture
16	26 companies	Ishikawa Prefecture
23	20 companies	Fukui Prefecture

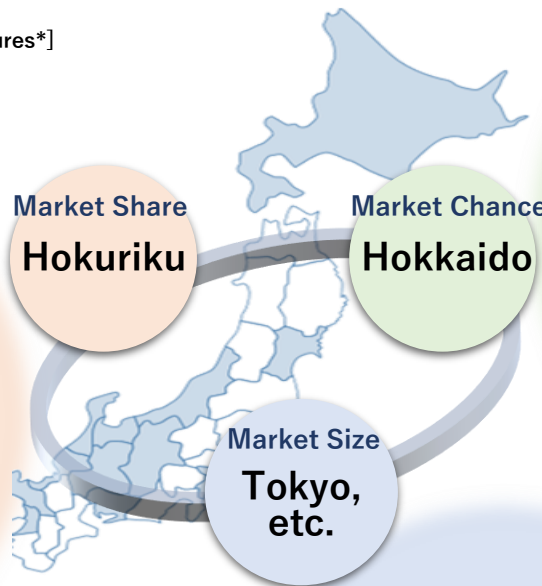
* as of March 2025

Hokkaido ~One of the markets with the highest potential in Japan~

Public and private GX-related investments and loans of over **150 trillion yen** nationwide over ten years (*)



*Source: Ministry of Economy, Trade and Industry

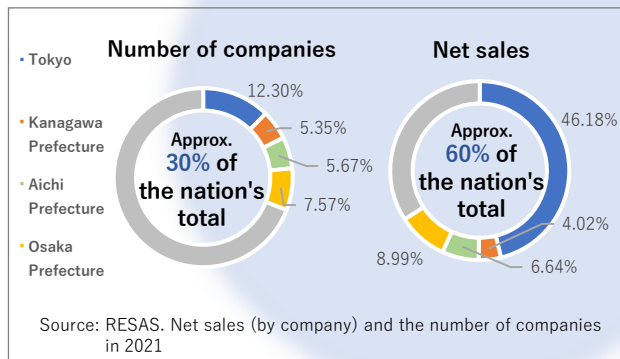


GX-related investments and loans totaling approximately **27 trillion yen** are projected to be made in Hokkaido (including the needs of surrounding areas). (See the next page)

On the assumption of making a minimum of **five trillion yen** in investments and loans during the period of the Medium-term Management Plan, we aim to make a total of **one trillion yen** in SX and GX-related investments and loans on a Group-wide basis

New possibilities in the SX and GX fields will be added to the traditional features of the primary industries and tourism

Tokyo, Osaka, Aichi ~Overwhelming potential x Our robust customer base~



Source: RESAS. Net sales (by company) and the number of companies in 2021

- Our business bases in the three large metropolitan areas: **15 sites** (8 in Tokyo and Kanagawa, 4 in Osaka and Kyoto, and 3 in Aichi)
- Solid customer base with a long history (Oldest: The Osaka Branch of Hokuriku Bank commenced business in 1882)

[Three large cities: Various indicators as of March 31, 2024]

Lending balance	¥1.2 trillion
Deposit balance	¥0.7 trillion
Number of loan recipients	Over 4,000 recipients
Number of officers and employees	Approx. 500 people

On the other hand, these regions face regional challenges, including a declining population and the need to enhance added value in local industries

1-2 Market Potential II

Hokkaido is assumed to have high investment potential that will enable it to be a leader of SX and GX in Japan.




Cumulative total investment in Hokkaido up to FY2034

Roughly ¥27 trillion
(Our estimate)

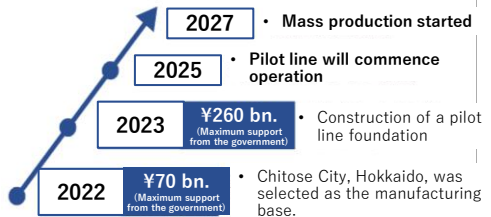
Materials publicized by Sapporo City (November 7, 2024): Excerpted and edited from Overview of "GX Finance and Asset Management Special Zone" in Hokkaido and Sapporo (overview version)

1) Next-generation semiconductors

¥7.7 trillion




<Semiconductor and digital industry strategy>
- **Global shipments**
Approx. ¥50 trillion in 2020
⇒ **Approx. ¥100 trillion in 2030**



- 2022** ¥70 bn. (Maximum support from the government)
 - Chitose City, Hokkaido, was selected as the manufacturing base.
 - Concluded a joint development partnership with IBM
- 2023** ¥260 bn. (Maximum support from the government)
 - Construction of a pilot line foundation
- 2025**
 - Pilot line will commence operation
- 2027**
 - Mass production started

3) Data centers

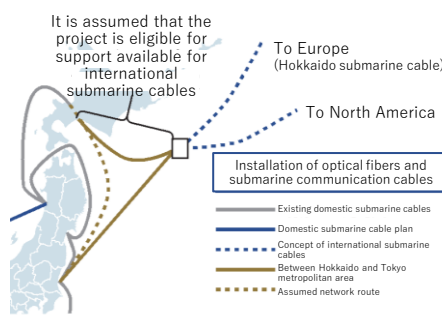
¥1.0 trillion



<White Paper on Information and Communications (Ministry of Internal Affairs and Communications)>
- **Size of the DC service market in Japan**
Approx. ¥2 trillion in 2022
⇒ **Approx. ¥3 trillion in 2026**

<"Interim Report 2.0" released as Outcome of Meetings of the Expert Group on the Development of Digital Infrastructures (Data centers), etc.>

- Prioritized development of core hubs of data centers in Hokkaido



It is assumed that the project is eligible for support available for international submarine cables


- To Europe (Hokkaido submarine cable)
- To North America

Installation of optical fibers and submarine communication cables

- Existing domestic submarine cables
- Domestic submarine cable plan
- Concept of international submarine cables
- Between Hokkaido and Tokyo metropolitan area
- Assumed network route

5) Renewable energy (excluding offshore wind energy)

¥2.3 trillion




2030 power generation targets for the following categories

- Solar power generation: 2,695,000 kW
- Onshore wind energy: 1,846,000 kW
- Small and medium-sized hydropower: 927,000 kW
- Biomass: 558,000 kW
- Geothermal: 110,000 kW

From "The Status of Hokkaido Renewable Main Energy Resources"
Source: Hokkaido Government

2) Offshore wind-energy-related industries

¥10.6 trillion




<Vision of offshore wind energy industry>

- Out of the national target of 45 million kW for offshore wind energy project formation, Hokkaido accounts for 15 million kW, representing one-third.**
- Five locations in Hokkaido were selected as "promising districts."
Two locations were also selected as "preparatory districts" for floating offshore wind projects.

1	Off the coast of Ishikari City	
2	1 Off the coast of Ganwu, Minami-Shiribeshi District	Promising districts
3	2 Off the coast of Shimamaki	
4	Off the coast of Hiyama	Preparatory districts
5	Off the coast of Matsumae	

4) Submarine DC transmission grid

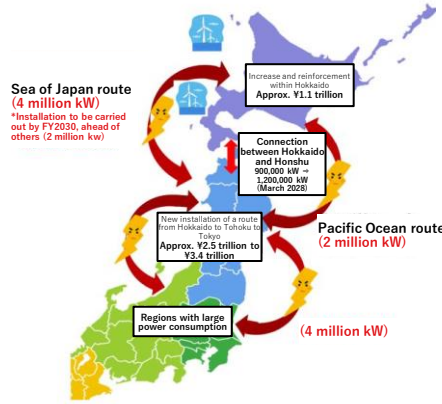
¥4.5 trillion



<Wider-area interconnected system master plan>

[Required investment (estimate)]


- Boost within Hokkaido**
⇒ **Approx. ¥1.1 trillion**
- Hokkaido - Tohoku - Tokyo (new installation)**
⇒ **Approx. ¥2.5 to ¥3.4 trillion**
- The 2 million kW (capacity) Sea of Japan route is scheduled to be completed by FY2030 (Basic Policy for the Realization of GX)



- Sea of Japan route (4 million kW)**
*Installation to be carried out by FY2030, ahead of others (2 million kW)
- Increase and reinforcement within Hokkaido**
Approx. ¥1.1 trillion
- Connection between Hokkaido and Honshu**
900,000 kW = 1,200,000 kW (March 2028)
- New installation of a route from Hokkaido to Tohoku and Tokyo**
Approx. ¥2.5 trillion to ¥3.4 trillion
- Pacific Ocean route (2 million kW)**
- Regions with large power consumption (4 million kW)**

6) Hydrogen Ammonia

¥0.7 trillion




<Basic hydrogen strategy>

- In addition to the target of 3 million tons by 2030,
Target for 2040: 12 million tons
Target for 2050: 20 million tons
- 15 trillion yen over 15 years in the public and private sectors combined (Nationwide) supply chain investment plan**

7) Storage batteries

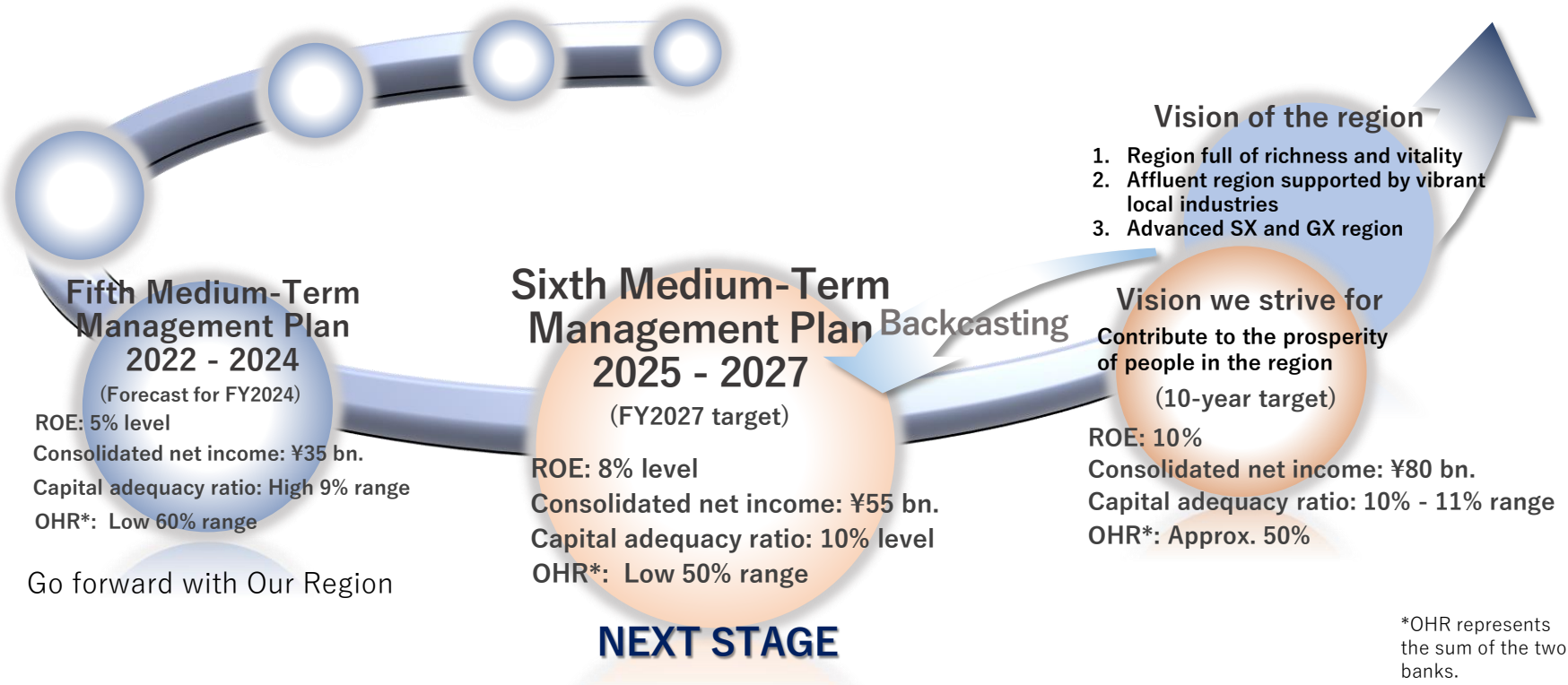
¥0.7 trillion



<Storage battery industry strategy>

- Trend in **global market**:
Approx. ¥5 trillion in 2019
⇒ **2030: Approx. ¥40 trillion**
- Locations of storage battery plants (grid-scale storage batteries and regional microgrid storage batteries)

The period when we realize both “Solutions for problems faced by the region and customers” and “Enhancement of our corporate value” through “Leveraging our asset size to accumulate assets” and “Enhancing non-interest revenue by utilizing the broad nature of our market and deepening our expertise” with the aim of realizing the vision of the region and our company that we strive for



[Engines driving strategy]



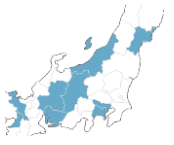
Deepen problem-solving capability through the integration of financial and non-financial elements

Solidify the management base that supports sustainable growth

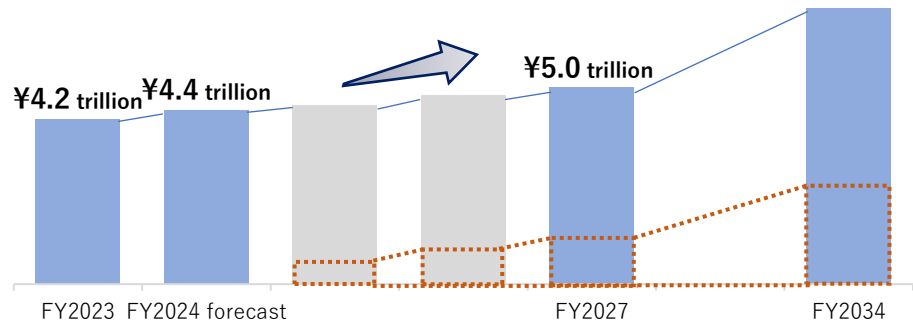
Institutionalize a vibrant corporate culture where diverse human resources play an important role

*OHR represents the sum of the two banks.

Connect the strategy to the creation of new demand for funds and start a virtuous circle characterized by the expansion of both market share and regional potential

	Main strategy	Specific strategies and resource allocation
Hokuriku 	Further increase market share through enhancing customer touchpoints and improving our capacity to solve regional issues , leading to a dominant presence and the securement of a stable profit base	<ul style="list-style-type: none"> • Enhance touchpoints both through the development of those who will be tasked with solving problems and via the head-office support center • Improve our proposal-making ability in consulting by fostering human resources in strategic fields • Expand, improve and upgrade consulting offerings ⇒ Expand regional potential for capital investment needs, etc.
Hokkaido 	Aim to secure medium- to long-term profit-earning opportunities through initiatives in next-generation industries, etc. in central Hokkaido , which is expected to offer market chance	<ul style="list-style-type: none"> • Develop SX and GX talent and concentrate the allocation of resources on central Hokkaido. • Expand the business domain of Hokuhoku Consulting Co., Ltd, to leverage synergies throughout Hokkaido ⇒ Realize growth potential, centered on next-generation industries
Tokyo, Osaka, Nagoya, etc. 	Aim to secure earnings by maximizing market size through strategically assigning personnel , while leveraging long-standing branches and our customer base that has been developed through many years of transactions	<ul style="list-style-type: none"> • Boost structured finance • Launch strategic products that capture the needs of wealthy customers and business owners • Assign staff dedicated to developing new transactions and explore the possibility of establishing satellite bases ⇒ Realize our potential in urban areas

Business loan plan



[Potential for GX-related investments and loans in Hokkaido]

- Approximately 5 trillion yen during the period of the Medium-term Management Plan (up to FY2027)
- Approx. 27 trillion yen over 10 years (up to FY2034)

Invest resources by emphasizing a medium- to long-term perspective.

The space within the dotted lines indicates **the outstanding balance of SX and GX-related investments and loans (conceptual image)**

Target amount to be deployed from FY2025 to FY2027: **1 trillion yen (KPI)**

Position SX and GX as a strategic core and lead the region and our business partners

Improvement of regional value

		Target level
Purpose	Engage in improving environmental value with major players in the region and firmly lead regional sustainability as a leading company in the region.	Cumulative total of SX and GX-related investments
Efforts	Build a mechanism for proactively collecting and organizing information related to SX and GX and next-generation industries and regional growth	Cumulative total forecast from FY2022 to FY2024: ¥550 bn. Cumulative total target from FY2025 to FY2027: ¥1 trillion

Improve business partners' value

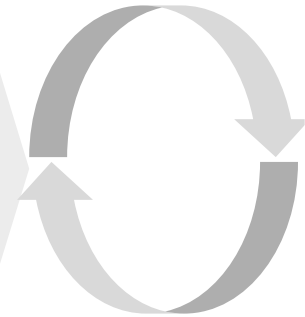
		Target level
Purpose	Support sustainability management through finance solutions.	Cumulative total revenue from SX and GX-related solutions
Efforts	Enhance and expand sustainable finance products and solutions and strengthen their promotion (response to climate change, and response to natural capital and human capital)	Cumulative total forecast from FY2022 to FY2024: ¥2.5 bn. Cumulative total target from FY2025 to FY2027: ¥4 bn.

Improve the Group's value

				Target level	
Purpose	FY2030 Scopes 1 and 2 Transition to net zero emissions	FY2050 Scope 3 Transition to net zero emissions	More detailed, expanded and improved disclosure information - Higher quality	Scopes 1 and 2 CO ² emissions	FY2024* 12,800t-CO ² FY2027 6,400t-CO ²
Efforts	Take the lead in implementing CO ² reduction in the region	Understand actual emissions data of investment and loan recipients.	Conduct third-party verification and raise CDP scores	CDP scores	FY2024 B FY2027 A-

* Target values are used for FY2024 since the figures are still under calculation.

Solve regional, social and environmental issues.



Sustainable growth of the Group

Respond to SX and GX by focusing on the potential of the region.

Strategy

[Infrastructure building] Upgrade the skills of talent who implement SX and GX within the region and the Group.

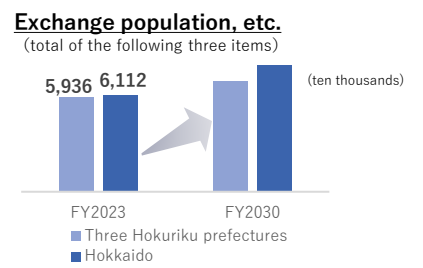
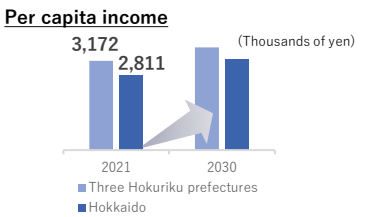
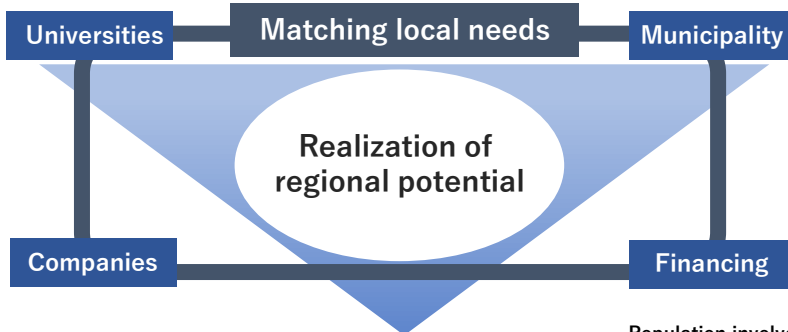
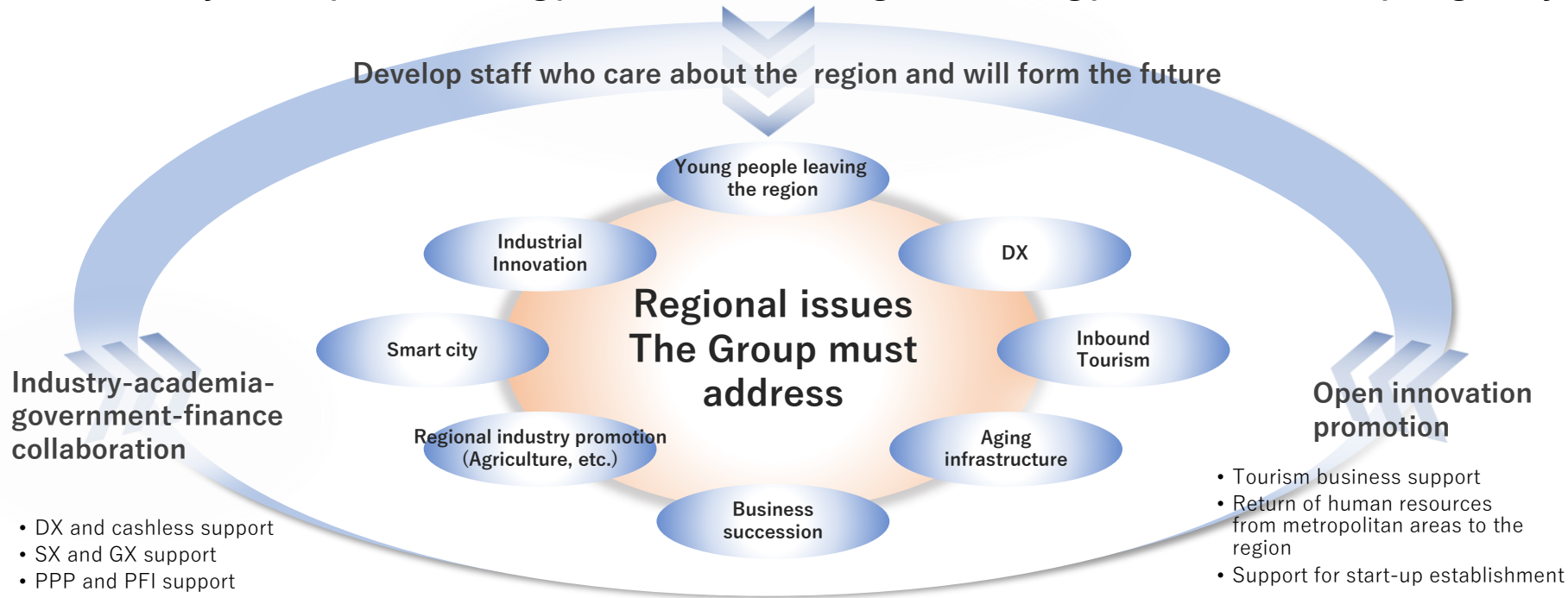
Enhance and expand training and establish an evaluation system.

Target level	
SX and GX talent (Core and mid-level)	Forecast for FY2024: 190 people Target for FY2027: 350 people

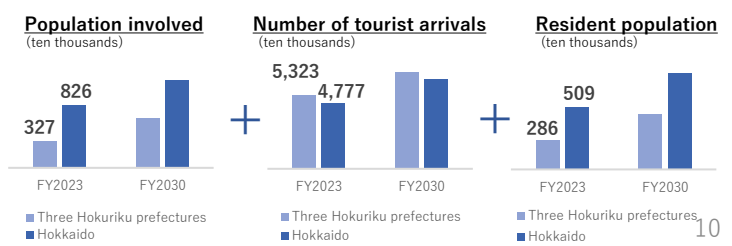
	FY2025	FY2026	FY2027
Core personnel	Assign them to departments specializing in SX and GX for a certain period to accumulate know-how.		
Mid-level personnel	Encourage them to acquire a qualification equivalent to advanced level Decarbonization Advisor certified by the Ministry of the Environment		
	Design a new system to maintain and upgrade skills	Assign personnel who have been certified through a new system to main branches	Assign personnel who have been certified through a new system to all branches
Base personnel	Establish a new FG evaluation system aimed at engagement by all employees		

Create an ecosystem capable of solving problems and foster regional "earning power" that can compete globally

Develop staff who care about the region and will form the future



Expand nonresident populations, etc., and continuously increase regional GDP and income



* Per capita income: from "Prefectural Accounts" by Cabinet Office, Government of Japan
 * Connected minds: from "Awareness survey in 2023 of connected minds" by Brand Research Institute, Inc.
 * Number of tourist arrivals: from "Number of tourist arrivals" of each prefecture
 * Resident population: Statistics Bureau, Ministry of Internal Affairs and Communications
 "Population Estimates (2023) Results"

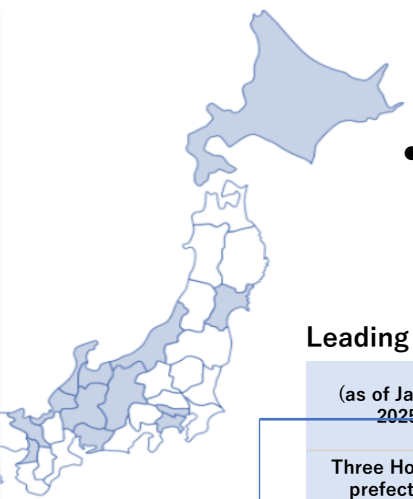
Further pursue customer convenience for both brick-and-mortar and web-based channels

<Present> One of the leading regional banks in terms of a wider-area branch network and the number of ATMs



<Going forward> Increase the convenience of non-face-to-face transactions (Expansion and reinforcement of the functions of apps and the corporate portal)

- **New strategy for brick-and-mortar branches**
 - Increased efficiency of services at customer counters (DX in branches)
 - Branch strategy tailored to the markets (in-store, compact branches, etc.)
- **ATM strategy**
 - Expansion and reinforcement of ATM functions (increase multi-function ATMs)
 - Strategic allocation of the Group's ATMs (ATMs for people in Hokkaido) to convenience stores

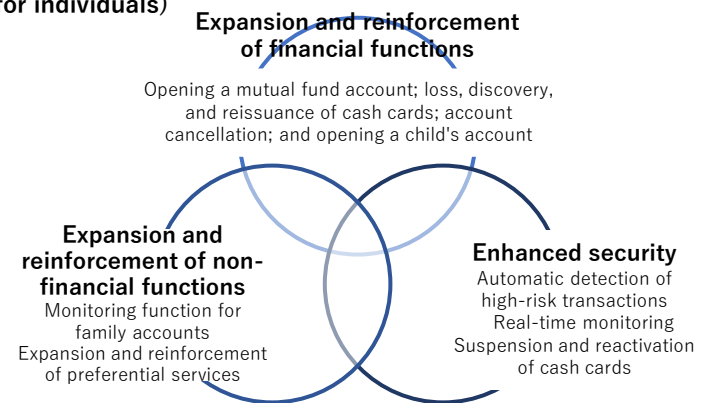


Leading number of ATMs for regional banks

(as of January 2025)	Within branches	Outside branches (the figure in parentheses indicates ATMs for people in Hokkaido)
Three Hokuriku prefectures	114	133
Hokkaido	138	874 (593)
Others	19	1
Total	271	1,008

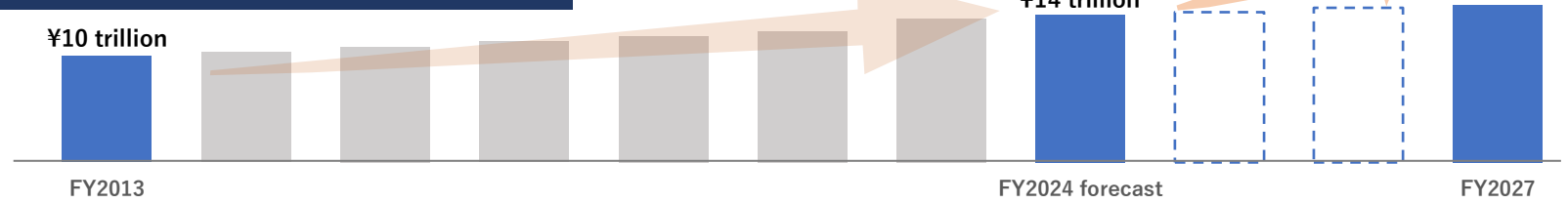
Group ATMs installed in convenience stores (Seicomart)

- **Expansion and reinforcement of the functions of apps (for individuals)**



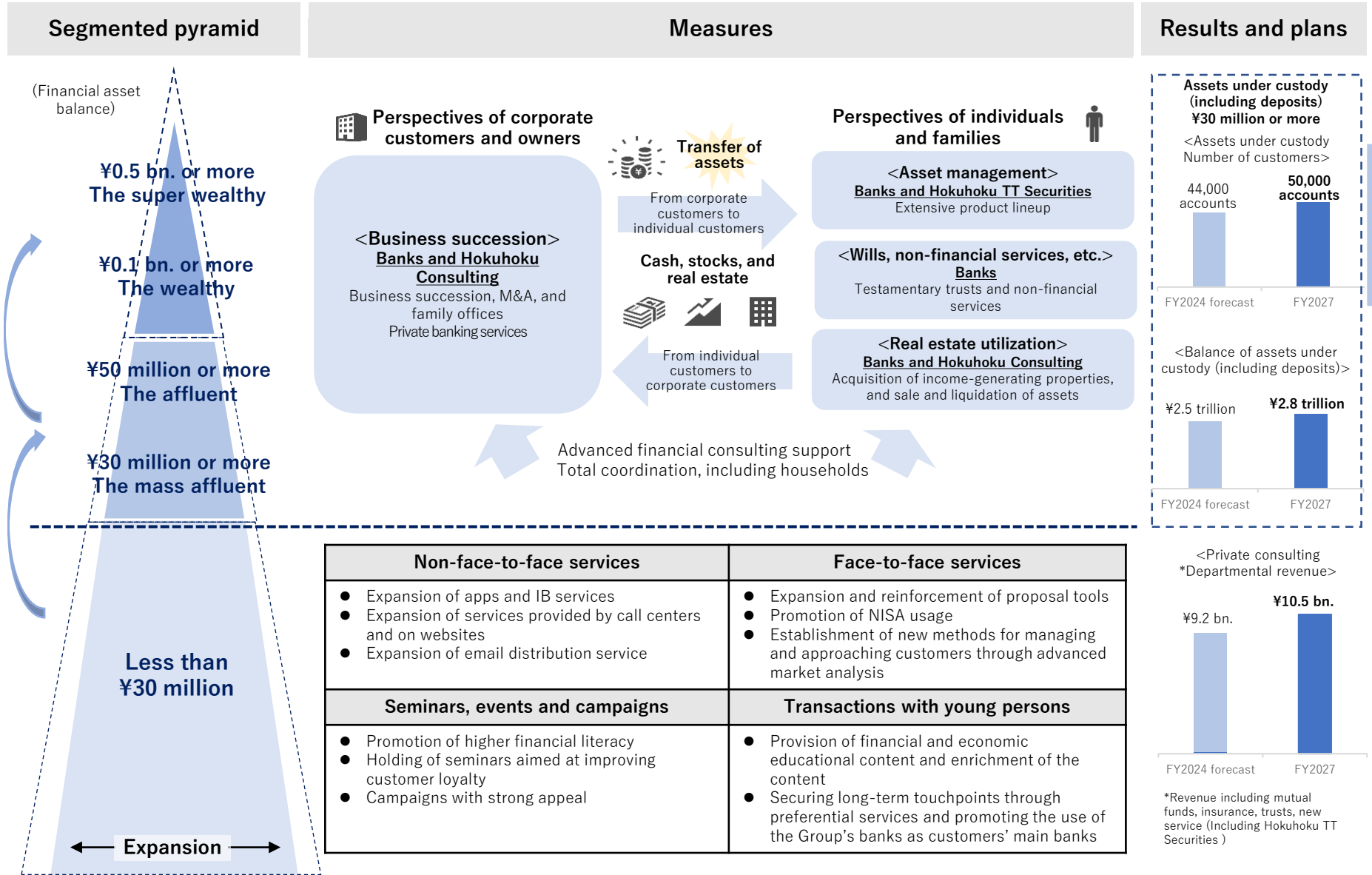
- **Expansion and reinforcement of the functions of the corporate portal (corporate customers)**
 - **Increase the convenience of payment functions**
 - Connection with other SaaS services
 - **Digitalize various services**
 - Transition a series of procedures, ranging from fund management to procurement and payment settlement, to non-face-to-face processing

Trend in total deposit balance



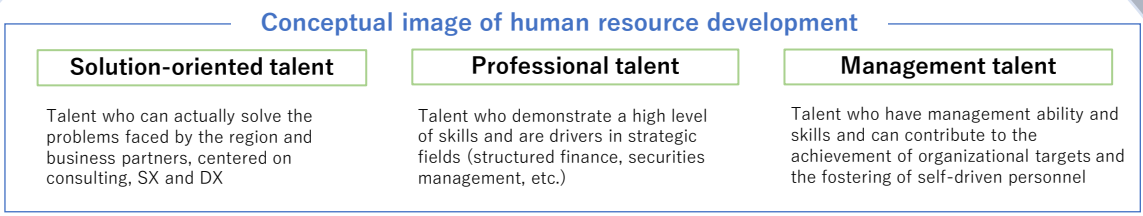
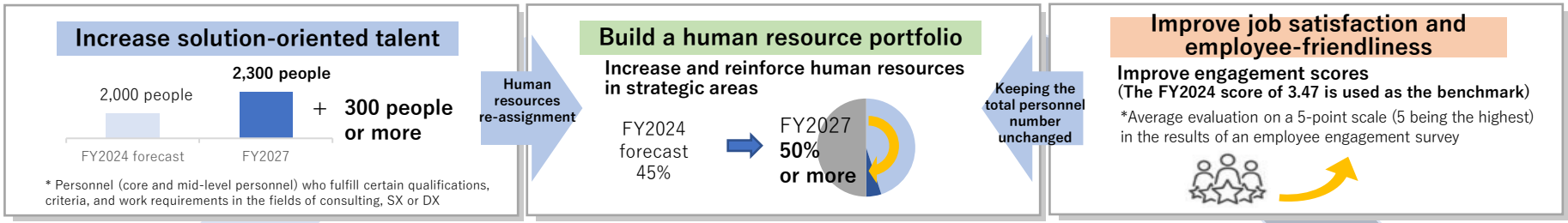
Expand customer bases and deposit balances by carrying out strategies tailored to specific channels and attributes, leading to an improvement of the top line

Clarify segments and expand group-wide one-stop solutions



Strategy

Increase the volume and quality of the talent pool and build a human resource portfolio that is linked with management strategy.



Key strategy (1)
 Active participation by diverse human resources

■ **Strengthening of recruitment**
 ~Expansion of recruitment activities that are not bound by conventional frameworks~

Main initiatives

- Strengthening the capability to convey messages in conjunction with branding
- Securing appealing talent through various recruitment methodologies

■ **Promotion of active participation by all employees**
 ~Support for employees in demonstrating their abilities under a well-developed support system~

Main initiatives

- Program for development of next-generation female leaders
- Support for upskilling and reskilling for employees across all levels

Key strategy (2)
 Continued development of self-driven human resources

■ **Human resource development**
 ~Establishment of a training system and enhancement of talent management~

Main initiatives

Solution-oriented talent

- Support for acquisition of qualifications (FP Level 1, CFP, Small and Medium Enterprise Management Consultant, and qualifications related to information processing)
- Expansion and reinforcement of trainees in solution-related departments

Professional talent

- Dispatching employees to entities outside the Group (increasing the dispatch fields and the number of dispatched employees)
- Expansion and improvement of training for specialized fields

Management talent

- Training for acquisition of management skills and mindset development
- Dispatching employees for acquiring MBAs (both in-person and online)

Key strategy (3)
 Establishment of an environment that maximizes capabilities

■ **Corporate culture that encourages employees to challenge themselves**
 ~Institutionalization of and support for a corporate culture in which employees voluntarily become involved~

Main initiatives

- Enhancement of training, dispatching employees to entities outside the Group, etc. through internal job posting
- Support from career advisors to help employees find external job opportunities

■ **Creation of an employee-friendly environment**
 ~Strategic investments that contribute to better wellbeing~

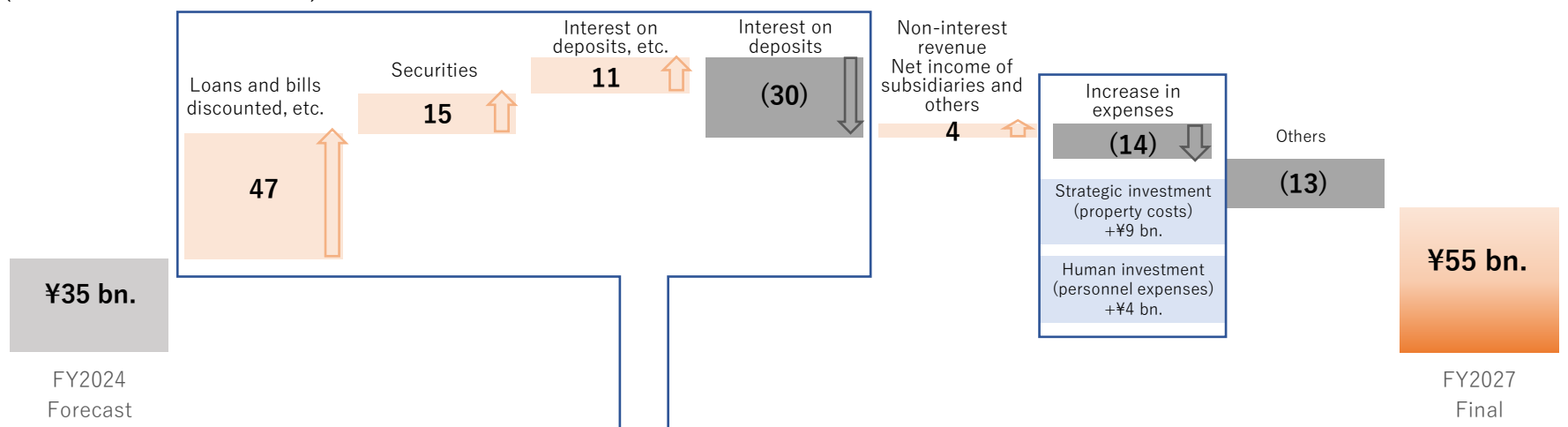
Main initiatives

- Application of data-based health management (utilization of health management apps for employees, and others)
- Support for improving financial wellness

Strategy

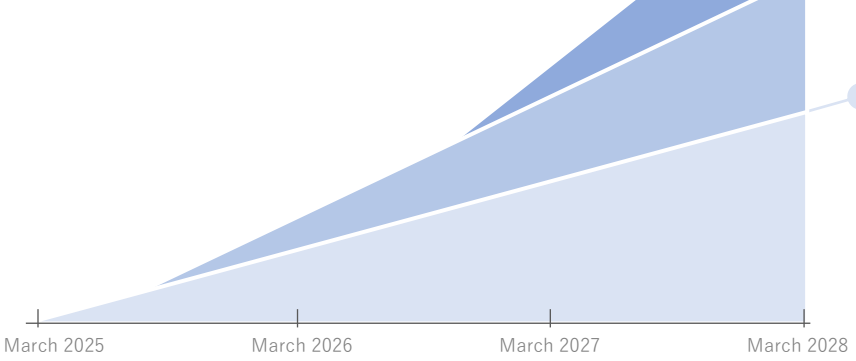
Aim at consolidated net income of 55 billion yen by utilizing our asset scale and stepping up initiatives for non-interest revenue

[Conceptual image of profit growth under the main scenario]
(Consolidated net income)



[Interest rate assumptions and financial impact]
(Increase in net interest income)

The impact on net interest income for each scenario for the last year was calculated by using the policy interest rate as of March 2025 (0.50%) as the benchmark



- Scenario of an additional interest rate hike: The policy interest rate will be 1.0% after an additional interest rate hike during FY2026 (+50bp)
 ↑ Net interest income: +¥8 bn.
- Main scenario: A ¥43 billion increase: The policy interest rate will be 0.75% (+25bp) during FY2025
 ↑ Net interest income +¥15 bn.
- If the policy interest rate remains unchanged: A ¥28 billion increase. Policy interest rate of 0.50% (±0bp)

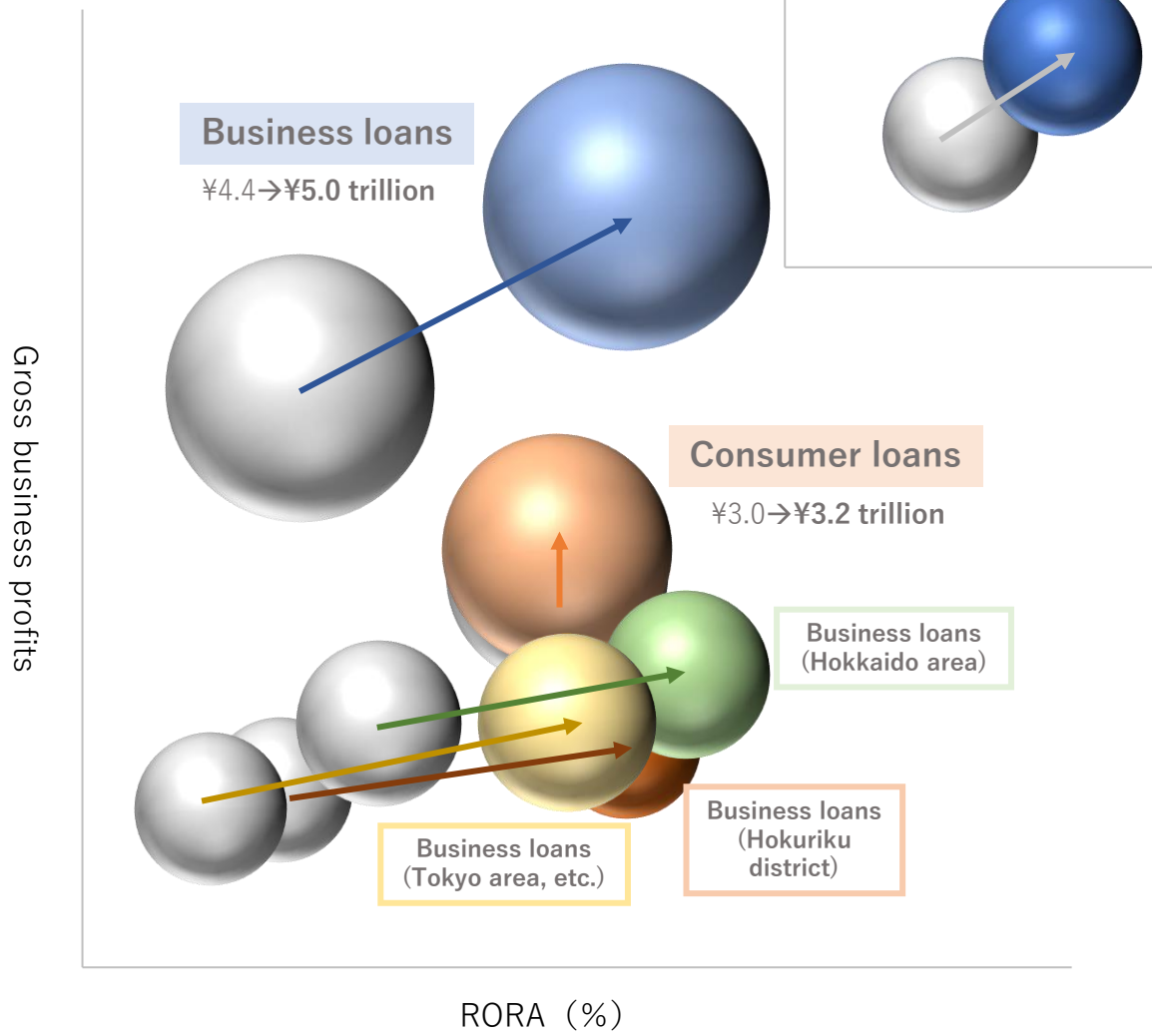
While taking advantage of the tailwind generated by changes in the interest rate environment, strive to improve the quality of assets and ramp up the earning power of the entire Group.

Performance

Promote the accumulation of assets with RORA in mind

Conceptual image by business field (FY2024→FY2027)

*The size of the circle indicates the size of the outstanding balance



[Business loans]

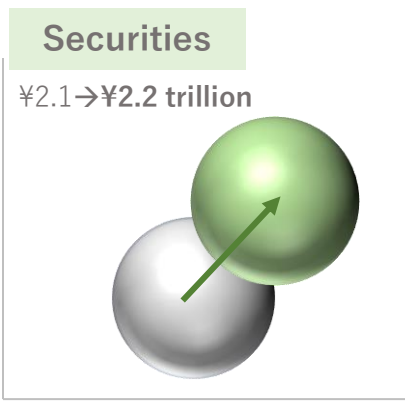
- Accumulate business loans in a way that leverages the potential of the district
- Improve transaction profitability through appropriate responses in a situation where interest rates are rising
- Expand the range of investment targets, such as structured finance, to improve earnings and RORA
- Proactively tap into demand for funds in the SX and GX fields
- Upgrade the risk management system

[Consumer loans]

- Position this as a pillar for acquiring lifetime transactions with individual customers
- In addition, promote multifaceted transactions from the viewpoint that loans will lead to securing highly sticky deposits

[Securities]

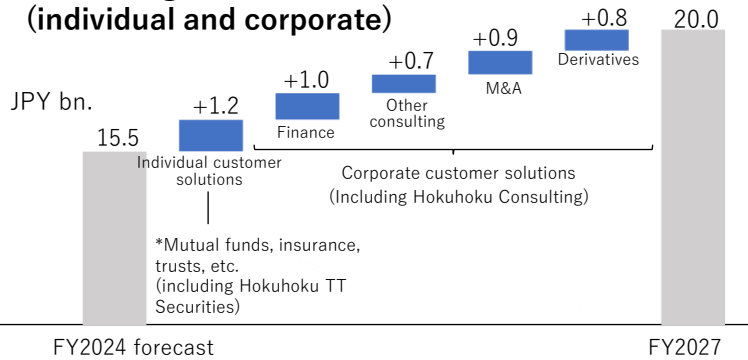
- Aim to optimize the portfolio from a medium- to long-term perspective through group-wide investment and risk management
- Strike a balance between risk and returns through duration control and portfolio rebuilding with the trend of rising interest rates in mind



Performance

Improve the top line

Consulting income (individual and corporate)

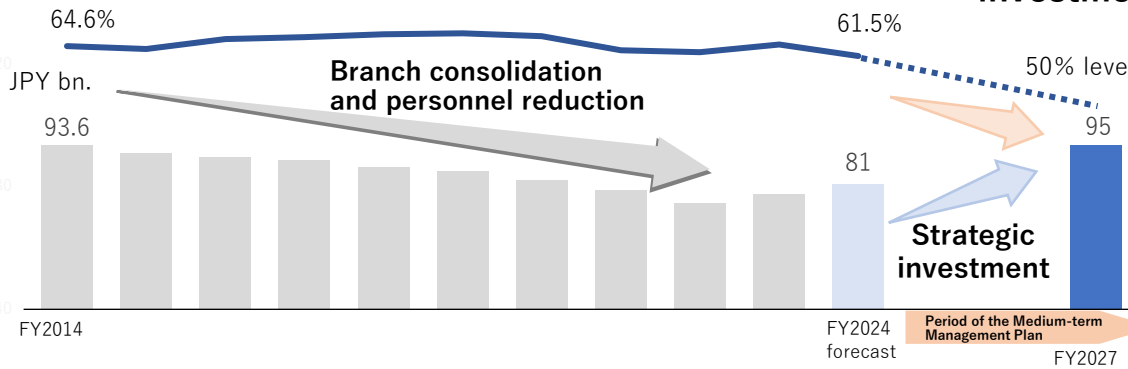


Leverage synergies to boost earning power

<p>Individual customer solutions</p> <ul style="list-style-type: none"> Providing one-stop solutions for banking, securities, and trusts Customer-segment-specific approach 	<p>Finance</p> <ul style="list-style-type: none"> Step up the formation of LBO loans and project finance Introduce strategic products tailored to customer needs
<p>M&A and consulting</p> <ul style="list-style-type: none"> Expand the solution domain of Hokuhoku Consulting Co., Ltd., share know-how within the Group and boost problem-solving capability by enhancing expertise 	<p>Derivatives</p> <ul style="list-style-type: none"> Propose foreign exchange-related and interest rate-related derivative products that capture customer needs

Cost control

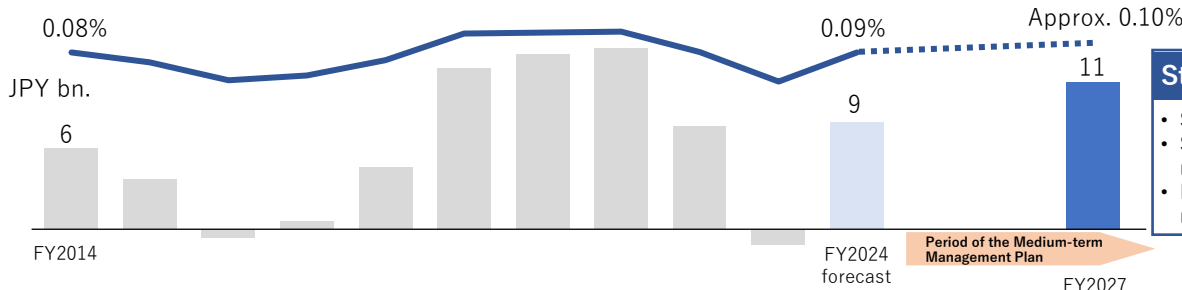
Strategic Investment and expenses (OHR)



Strengthen the top line through strategic investment to reduce OHR

<p>Strategic investment (property costs) +¥9 bn.</p> <ul style="list-style-type: none"> Establishment of next-generation branches Enhancement of the functions of apps and ATMs Investment in generative AI and other IT systems that contribute to higher productivity 	<p>Human investment (personnel expenses) +¥4 bn.</p> <ul style="list-style-type: none"> Strengthen mid-career employment Improve staff treatment Engage in human investment for the fostering of professional talent
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Net credit expenses (credit expense ratio)



Appropriate control through supporting management improvement

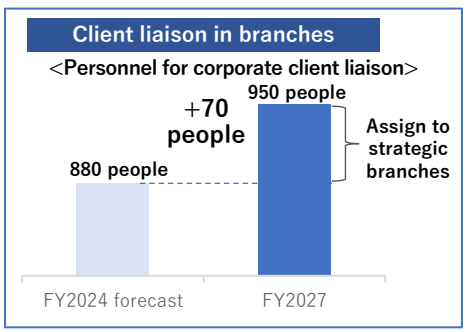
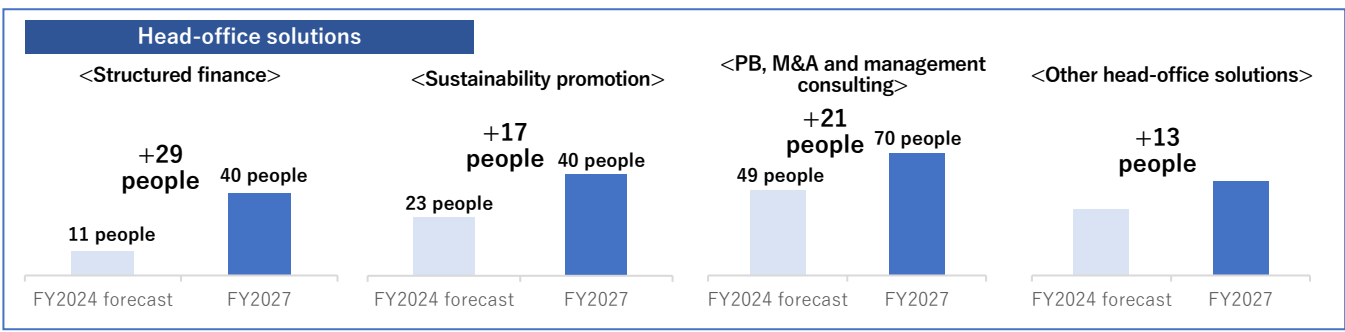
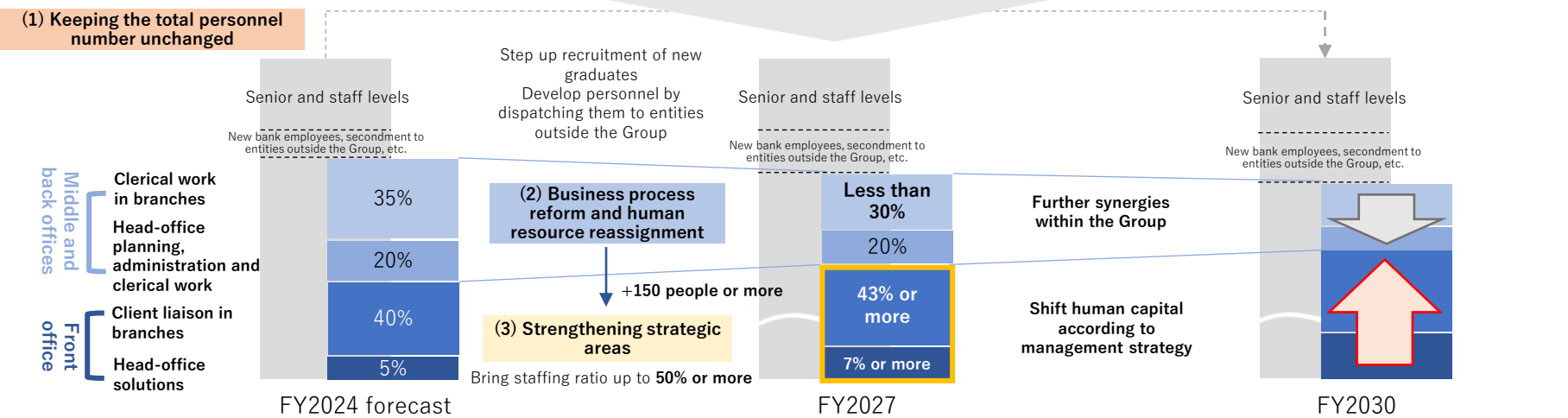
Strengthening of support offerings and systems

- Support for recovery from earthquakes and natural disasters
- Strengthening collaboration with public support organizations, rehabilitation funds, etc.
- Development and expansion of human resources to support management improvement and turnaround

Performance

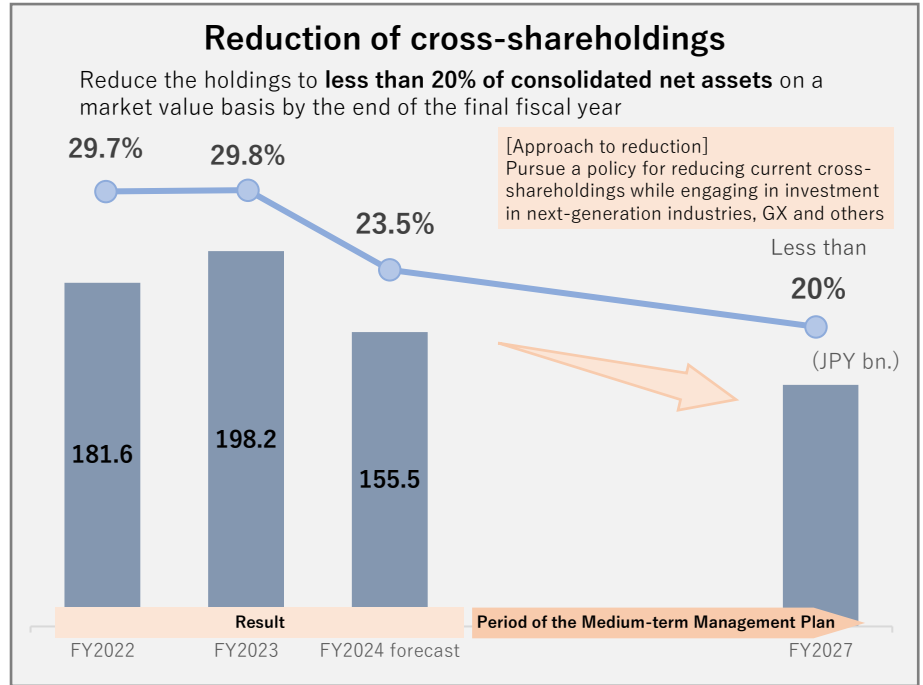
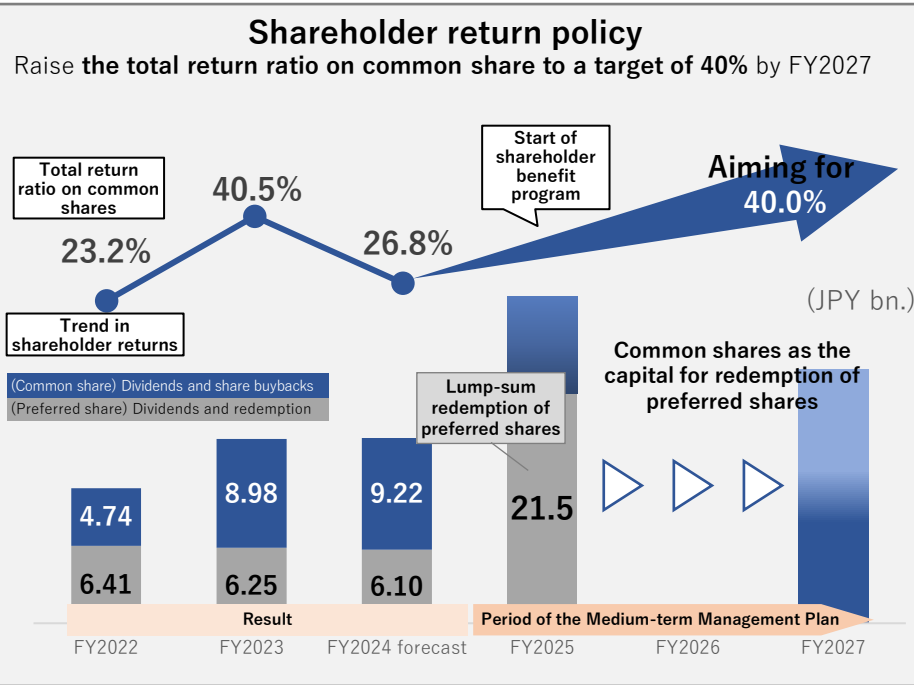
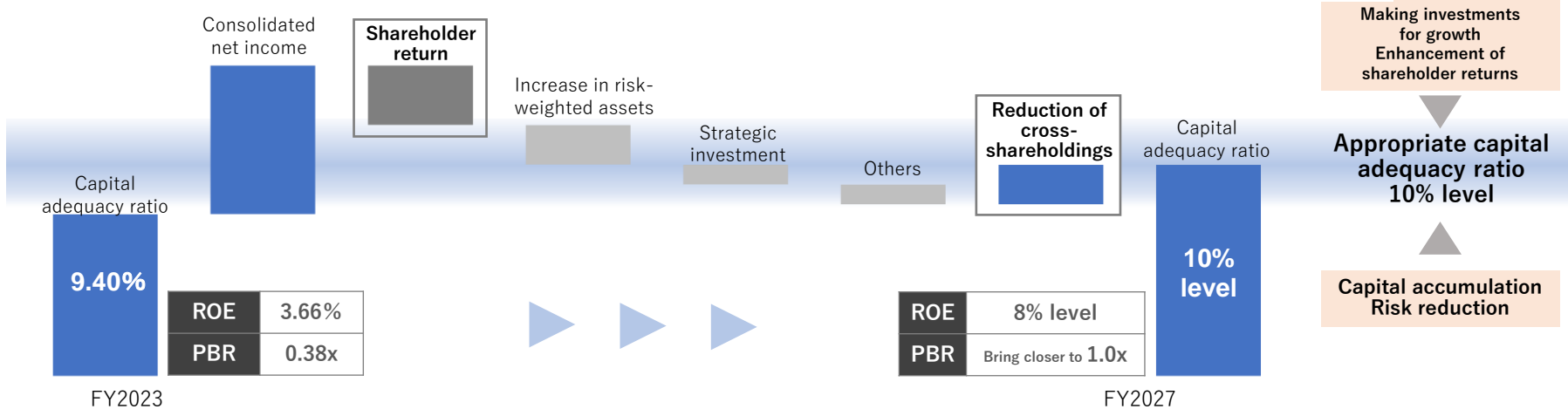
Increase personnel in strategic areas to 50% or more to deepen problem-solving capabilities and create value

- | | | |
|---|--|--|
| <p>(1) Keeping the total personnel number unchanged</p> <ul style="list-style-type: none"> Step up new graduate and mid-career employment Enhance employee engagement through better employee wellbeing and support for self-driven career development | <p>(2) Business process reform and human resource reassignment</p> <ul style="list-style-type: none"> Productivity improvement through business process reforms (utilization of generative AI and digital tools and centralization within the head office) Streamlining head-office business processes through integrated FG operation Career development and personnel reassignment through support for upskilling and reskilling | <p>(3) Strengthening strategic areas</p> <ul style="list-style-type: none"> Development of solution-oriented talent (Consulting, SX and DX) Development of professional talent (structured finance, securities management, etc.) Reinforce personnel in strategic areas and strategic branches |
|---|--|--|



Performance

Aim at a capital adequacy ratio in the 10% range and an ROE in the 8% range, thereby balancing capital accumulation and shareholder returns.



Regional potential and challenges

- Enhancement of added value in regional industries
- Population decline
- Revitalization of SX and GX investment

Indicators of contribution to the region:
The vision we strive for

- Continuous growth in regional GDP and per capita income
- Creation and expansion of nonresident populations, etc.
- Utilization of renewable energy and development of new industries

Sixth Medium-Term Management Plan
2025 - 2027
(FY2027 target)

ROE: 8% level
Consolidated net income: ¥55 bn.
Capital adequacy ratio: 10% level
OHR: 50% level

Maximization of regional potential and response to key challenges

Deepen problem-solving capability

Solidify the management base

Institutionalize a vibrant corporate culture

"Fund supply function (business loan balance)"
¥4.4 trillion (FY2024) → ¥5.0 trillion (FY2027)

[Number of solution support cases*]
600 cases (FY2024)
→ 2,200 cases (cumulative total from FY2025 to FY2027)

*Number of cases in which M&A advisory services, management consulting services, or DX support was provided

[SX and GX-related investment and loans]
¥550 bn. (cumulative total from FY2022 to FY2024)
→ ¥1 trillion (cumulative total from FY2025 to FY2027)

[Deposit balance]
¥14 trillion (FY2024) → ¥15 trillion (FY2027)

[Asset formation support (outstanding balance of assets under custody)]
¥2.5 trillion (FY2024) → ¥2.8 trillion (FY2027)

[Number of app users]
1 million people (FY2024)
→ 1.4 million people (FY2027)

[Reduction of cross-shareholdings]
Less than 20% of consolidated net assets (FY2027)

[Solution-oriented talent]
2,000 people (FY2024) → 2,300 people (FY2027)

[Number of mid-career workers employed]
116 people (cumulative total from FY2022 to FY2024)
→ 250 people (cumulative total from FY2025 to FY2027)

[Ratio of female managers]
25% (FY2024) → 30.0% (FY2027)

[Engagement scores*]
3.47 (FY2024)
→ At least the same level as the previous year (FY2027)

*Average evaluation on a 5-point scale (5 being the highest) in the results of an employee engagement survey

*Figures for FY2024 are projections.

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