Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 28, 2022

Company name: Hokkoku Financial Holdings,Inc.
Stock exchange listing: Tokyo
Stock code: 7381 URL https://www.hfhd.co.jp/
Representative: President & Chief Executive Officer Executive Officer, Shuji Tsuemura
Inquiries: General Manager of General Planning Department Tomohiko Kikuzawa TEL 076-263-1111

Scheduled date to file Quarterly Securities Report: November 15, 2022
Scheduled date to commence dividend payments: December 5, 2022
Trading accounts: No
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	51,328	–	20,463	–	12,895	–
Six months ended September 30, 2021	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	481.82	–
Six months ended September 30, 2021	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	5,267,912	231,413	4.2
As of March 31, 2022	5,712,233	264,258	4.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	–	–	50.00	50.00
Year ending March 31, 2023	–	50.00			
Year ending March 31, 2023 (Forecast)			–	50.00	100.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Full year	16,500	(13.9)	10,000	6.5	378.76

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2022 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	Yes
Restatement of prior period financial statements:	No

(3) Number of issued shares (common shares)

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

As of September 30, 2022	26,908,582 shares	As of March 31, 2022	27,908,582 shares

Number of treasury shares at the end of the period

As of September 30, 2022	506,828 shares	As of March 31, 2022	1,118,382 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	26,764,385 shares	Six months ended September 30, 2021	– shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Cash and due from banks	1,607,871	1,186,533
Call loans and bills bought	65,000	–
Monetary claims bought	3,052	3,109
Money held in trust	13,528	13,579
Securities	1,356,079	1,415,517
Loans and bills discounted	2,585,262	2,547,936
Foreign exchanges	11,138	14,180
Lease receivables and investment assets	35,195	35,566
Other assets	37,364	41,354
Tangible fixed assets	31,388	31,430
Intangible fixed assets	9,949	8,819
Deferred tax assets	265	12,596
Customers' liabilities for acceptances and guarantees	17,986	17,833
Allowance for loan losses	(61,849)	(60,546)
Total assets	5,712,233	5,267,912
Liabilities		
Deposits	4,257,200	4,273,371
Negotiable certificates of deposit	1,000	–
Call money and bills sold	618,824	303,117
Cash collateral received for securities lent	313,497	343,252
Borrowed money	155,985	23,533
Foreign exchanges	1	–
Bonds payable	20,000	20,000
Borrowed money from trust account	154	156
Other liabilities	53,752	49,695
Provision for bonuses	747	715
Retirement benefit liability	2,398	1,848
Provision for management board incentive plan trust	496	410
Provision for reimbursement of deposits	127	123
Provision for loss on interest repayment	19	10
Deferred tax liabilities	4,368	1,014
Deferred tax liabilities for land revaluation	1,412	1,412
Acceptances and guarantees	17,986	17,833
Total liabilities	5,447,975	5,036,498
Net assets		
Share capital	10,000	10,000
Capital surplus	29,727	27,165
Retained earnings	182,357	193,906
Treasury shares	(3,124)	(2,304)
Total shareholders' equity	218,960	228,766
Valuation difference on available-for-sale securities	36,652	(6,192)
Deferred gains or losses on hedges	115	–
Revaluation reserve for land	2,296	2,298
Remeasurements of defined benefit plans	(1,467)	(1,260)
Total accumulated other comprehensive income	37,597	(5,154)
Non-controlling interests	7,701	7,801
Total net assets	264,258	231,413
Total liabilities and net assets	5,712,233	5,267,912

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022
Ordinary income	51,328
Interest income	19,329
Interest on loans and discounts	11,959
Interest and dividends on securities	7,065
Trust fees	0
Fees and commissions	4,773
Other ordinary income	8,798
Other income	18,427
Ordinary expenses	30,865
Interest expenses	1,171
Interest on deposits	47
Fees and commissions payments	1,775
Other ordinary expenses	11,948
General and administrative expenses	14,946
Other expenses	1,023
Ordinary profit	20,463
Extraordinary income	33
Gain on disposal of non-current assets	33
Extraordinary losses	1,419
Loss on disposal of non-current assets	1,330
Impairment losses	88
Profit before income taxes	19,077
Income taxes - current	3,066
Income taxes - deferred	2,959
Total income taxes	6,025
Profit	13,051
Profit attributable to non-controlling interests	156
Profit attributable to owners of parent	12,895

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022
Profit	13,051
Other comprehensive income	(42,803)
Valuation difference on available-for-sale securities	(42,894)
Deferred gains or losses on hedges	(115)
Remeasurements of defined benefit plans, net of tax	207
Comprehensive income	(29,751)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(29,857)
Comprehensive income attributable to non-controlling interests	106

Consolidated statements of changes in equity

Six months ended September 30, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	29,727	182,357	(3,124)	218,960
Changes during period					
Dividends of surplus			(1,345)		(1,345)
Profit attributable to owners of parent			12,895		12,895
Purchase of treasury shares				(1,803)	(1,803)
Disposal of treasury shares				60	60
Cancellation of treasury shares		(2,562)		2,562	–
Reversal of revaluation reserve for land			(1)		(1)
Net changes in items other than shareholders' equity					
Total changes during period	–	(2,562)	11,548	820	9,806
Balance at end of period	10,000	27,165	193,906	(2,304)	228,766

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	36,652	115	2,296	(1,467)	37,597	7,701	264,258
Changes during period							
Dividends of surplus							(1,345)
Profit attributable to owners of parent							12,895
Purchase of treasury shares							(1,803)
Disposal of treasury shares							60
Cancellation of treasury shares							–
Reversal of revaluation reserve for land							(1)
Net changes in items other than shareholders' equity	(42,845)	(115)	1	207	(42,751)	100	(42,651)
Total changes during period	(42,845)	(115)	1	207	(42,751)	100	(32,844)
Balance at end of period	(6,192)	–	2,298	(1,260)	(5,154)	7,801	231,413