Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 28, 2023

Company name: Hokkoku Financial Holdings,Inc.
Stock exchange listing: Tokyo
Stock code: 7381 URL https://www.hfhd.co.jp/
Representative: President & Chief Executive Officer Representative Director Shuji Tsuemura
Inquiries: Managing Executive Officer, General Manager of General Planning Department Tomohiko Kikuzawa TEL 076-263-1111
Scheduled date to file Quarterly Securities Report: August 9, 2023
Scheduled date to commence dividend payments: –
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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	25,086	(27.7)	8,952	(52.8)	6,589	(51.5)
Three months ended June 30, 2022	34,723	–	18,968	–	13,611	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	265.49	265.43
Three months ended June 30, 2022	508.95	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	5,436,649	252,860	4.4
As of March 31, 2023	5,603,724	237,688	4.0

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, 2023	–	50.00	–	50.00	100.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		55.00	–	55.00	110.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	9,000	(56.0)	6,000	(53.4)	243.06
Full year	16,500	2.8	11,000	25.8	445.61

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2023 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) 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:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

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

As of June 30, 2023	25,208,582 shares	As of March 31, 2023	26,908,582 shares

Number of treasury shares at the end of the period

As of June 30, 2023	523,592 shares	As of March 31, 2023	1,809,299 shares

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

Three months ended June 30, 2023	24,818,384 shares	Three months ended June 30, 2022	26,743,511 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Cash and due from banks	1,354,859	1,167,085
Call loans and bills bought	141,000	166,000
Monetary claims bought	3,266	3,274
Money held in trust	13,535	13,562
Securities	1,468,300	1,488,255
Loans and bills discounted	2,523,613	2,499,246
Foreign exchanges	11,684	10,383
Lease receivables and investment assets	36,445	37,195
Other assets	51,111	47,516
Tangible fixed assets	32,102	38,255
Intangible fixed assets	8,539	9,574
Deferred tax assets	4,617	304
Customers' liabilities for acceptances and guarantees	17,282	17,088
Allowance for loan losses	(62,631)	(61,093)
Total assets	5,603,724	5,436,649
Liabilities		
Deposits	4,360,798	4,396,265
Call money and bills sold	532,156	344,987
Cash collateral received for securities lent	360,955	350,039
Borrowed money	26,553	143
Foreign exchanges	3	2
Bonds payable	20,000	20,000
Borrowed money from trust account	164	168
Other liabilities	42,925	49,744
Provision for bonuses	712	–
Retirement benefit liability	1,376	1,317
Provision for management board incentive plan trust	410	410
Provision for reimbursement of deposits	96	96
Provision for loss on interest repayment	2	2
Deferred tax liabilities	1,185	2,115
Deferred tax liabilities for land revaluation	1,411	1,407
Acceptances and guarantees	17,282	17,088
Total liabilities	5,366,036	5,183,788
Net assets		
Share capital	10,000	10,000
Capital surplus	27,139	19,554
Retained earnings	188,428	193,766
Treasury shares	(8,216)	(2,456)
Total shareholders' equity	217,351	220,863
Valuation difference on available-for-sale securities	11,332	22,362
Deferred gains or losses on hedges	(2)	225
Revaluation reserve for land	2,296	2,286
Remeasurements of defined benefit plans	(1,333)	(1,128)
Total accumulated other comprehensive income	12,292	23,746
Non-controlling interests	8,044	8,250
Total net assets	237,688	252,860
Total liabilities and net assets	5,603,724	5,436,649

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Ordinary income	34,723	25,086
Interest income	10,873	10,196
Interest on loans and discounts	5,901	6,126
Interest and dividends on securities	4,074	3,886
Trust fees	0	0
Fees and commissions	2,369	2,428
Other ordinary income	4,209	3,706
Other income	17,270	8,753
Ordinary expenses	15,755	16,133
Interest expenses	397	2,109
Interest on deposits	23	36
Fees and commissions payments	915	919
Other ordinary expenses	6,308	3,882
General and administrative expenses	7,435	7,893
Other expenses	698	1,327
Ordinary profit	18,968	8,952
Extraordinary income	33	4
Gain on disposal of non-current assets	33	–
Gain on reversal of asset retirement obligations	–	4
Extraordinary losses	68	177
Loss on disposal of non-current assets	7	154
Impairment losses	61	22
Profit before income taxes	18,932	8,779
Income taxes - current	2,349	1,863
Income taxes - deferred	2,888	273
Total income taxes	5,238	2,136
Profit	13,694	6,642
Profit attributable to non-controlling interests	83	53
Profit attributable to owners of parent	13,611	6,589

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	13,694	6,642
Other comprehensive income	(27,052)	11,581
Valuation difference on available-for-sale securities	(27,088)	11,149
Deferred gains or losses on hedges	(115)	227
Remeasurements of defined benefit plans, net of tax	151	204
Comprehensive income	(13,358)	18,224
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(13,419)	18,051
Comprehensive income attributable to non-controlling interests	61	172