
Investor Meeting

*~Financial Results for FY 2012~
(ended March 31, 2013)*



ほくほくフィナンシャルグループ

Hokuhoku Financial Group

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Hokuhoku Financial Group, Inc.

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“Hokugin Corp.”, Hokuriku bank's fully-owned subsidiary for corporate revitalization, terminated its projected operations and was liquidated in September, 2009. Figures of Hokugin Corp. are partly included in the past financial results for comparison.

Summary of Financial Results I-①
<P/L : Consolidated and Total of two banks >

Hokuhoku Financial Group, Inc.

(JPY Bn)

【Consolidated】	FY2012	change	FY2011
Ordinary income	199.1	(8.8)	207.9
Ordinary profits	29.3	(9.5)	38.8
Net income [A]	18.1	3.9	14.1
【Total of two banks】	FY2012	change	FY2011
Core gross business profits	145.5	(10.8)	156.3
Net interest income	124.3	(6.8)	131.1
Net fees & commissions	18.3	(0.5)	18.9
Net trading income	0.1	(0.3)	0.5
Net other income (excluding gains (losses) related to bonds)	<u>(0.2)</u> 2.6	(3.1)	<u>(0.4)</u> 5.7
General & administrative expenses	(95.1)	(5.5)	(100.6)
Core net business profits	50.3	(5.3)	55.7
Net gains (losses) related to bonds	<u>+0.4</u> 9.0	5.4	<u>+0.9</u> 3.6
Net business profits before credit costs	59.4	0.0	59.3
Net non-recurring gains(losses)	(34.6)	(12.6)	(22.0)
Total credit costs	(17.0)	6.6	(10.4)
Net gains (losses) related to stocks	(8.5)	(3.5)	(5.0)
Ordinary profits	30.0	(10.5)	40.5
Net extraordinary gains (losses)	(0.6)	2.0	(2.6)
Income taxes	(9.8)	(11.4)	(21.2)
Net Income [B]	19.5	2.8	16.6

※Underlined figures: Include net gains (losses) on bond option transactions

【Consolidated】

Net income: ¥18.1Bn
+¥3.9Bn compared to FY11

【Total of two banks】

Core net business profits: ¥50.3Bn
-¥5.3Bn compared to FY11

...Decrease in Net interest income and Decrease in G&A expenses

Ordinary profits: ¥30.0Bn
-¥10.5Bn compared to FY11

...Increase in Net gains related to bonds and Increase in Total credit costs

Net income: ¥19.5Bn
+¥2.8Bn compared to FY11
 ... Decrease in Income taxes

(JPY Bn)

	FY2012	change	FY2011
Difference [A]-[B]	(1.4)	1.1	(2.5)
Other Subsidiaries	1.1	0.3	0.8
Amortization of goodwill	(2.1)	0.0	(2.1)
Elimination	(0.0)	0.2	(0.2)

Summary of Financial Results I-②
<P/L : Non-Consolidated, each bank>

Hokuhoku Financial Group, Inc.

	Hokuriku Bank (JPY Bn)			Hokkaido Bank (JPY Bn)		
	FY2012	change	FY2011	FY2012	change	FY2011
Core gross business profits	82.3	(6.1)	88.5	63.1	(4.6)	67.8
Net interest income	69.9	(3.5)	73.5	54.3	(3.2)	57.6
Net fees & commissions	10.6	(1.0)	11.6	7.7	0.4	7.2
Net trading income	0.1	(0.3)	0.5	—	—	—
Net other income (excluding gains (losses) related to bonds)	1.5	(1.1)	2.7	1.0	(1.9)	3.0
General & administrative expenses	(50.9)	(3.3)	(54.2)	(44.2)	(2.2)	(46.4)
Core net business profits	31.4	(2.8)	34.3	18.9	(2.4)	21.4
Net gains (losses) related to bonds	5.4	5.2	0.1	3.5	0.1	3.4
Net business profits before credit costs	36.8	2.4	34.4	22.5	(2.3)	24.8
Net non-recurring gains(losses)	(21.1)	(12.2)	(8.9)	(13.4)	(0.3)	(13.1)
Total credit costs	(9.3)	4.9	(4.4)	(7.6)	1.6	(5.9)
Net gains (losses) related to stocks	(6.7)	(5.4)	(1.3)	(1.8)	1.9	(3.7)
Ordinary profits	18.3	(9.1)	27.4	11.6	(1.4)	13.1
Net extraordinary gains (losses)	(0.4)	2.0	(2.4)	(0.1)	0.0	(0.1)
Income taxes	(5.6)	(7.9)	(13.6)	(4.2)	(3.4)	(7.6)
Net Income	12.3	0.9	11.4	7.2	1.9	5.2

Underlined figures: Include net gains (losses) on bond option transactions

Summary of Financial Results II-①
<B/S : Consolidated and Total of two banks>

Hokuhoku Financial Group, Inc.

(JPY Bn)

【Total of two banks】	Mar-13	change	Mar-12
Loans	7,402.0	115.0	7,287.0
Loans to SMEs & individuals	4,692.5	(72.4)	4,765.0
Housing & consumer loans	2,072.2	51.6	2,020.5
Securities	2,497.8	26.0	2,471.8
Deposits*	10,008.1	307.3	9,700.8
Individual deposits*	6,912.7	140.4	6,772.2
Total individual assets	7,526.3	137.3	7,388.9
Individual deposits (deposits in yen)*	6,883.3	140.4	6,742.8
Foreign currency deposits	29.3	0.0	29.3
Public bonds	250.5	(6.3)	256.8
Investment trusts	363.1	3.2	359.8
Balance of NPLs	236.7	(0.1)	236.8
NPL ratio	3.11%	(0.06%)	3.17%

【Consolidated】	Mar-13	change	Mar-12
Capital adequacy ratio	11.88%	0.16%	11.72%
Tier1 ratio	8.20%	0.38%	7.82%
Net deferred tax assets / Tier1 capital	6.20%	(4.73%)	10.93%
Valuation difference on available- for-sale securities	76.5	36.9	39.5

*Deposits include NCD

【Total of two banks】

- **Loans: +¥115.0Bn compared to Mar-12**
 ...Loans to local governments and housing loans increased
- **Securities: +¥26.0Bn compared to Mar-12**
 ...Increase in government bonds
- **Deposits: +¥307.3Bn compared to Mar-12**
 ...Increase in both individual deposits and corporate deposits
- **Total individual assets: +¥137.3Bn compared to Mar-12**
 ... Increase in individual deposits
- **Balance of NPLs: -¥0.1Bn compared to Mar-12**
- **NPL ratio: -0.06% compared to Mar-12**

【Consolidated】

- **Capital adequacy ratio: 11.88%**
- **Valuation difference on available-for-sale securities: +¥76.5Bn**

Summary of Financial Results II-②
<B/S : Non-Consolidated, each bank>

Hokuhoku Financial Group, Inc.

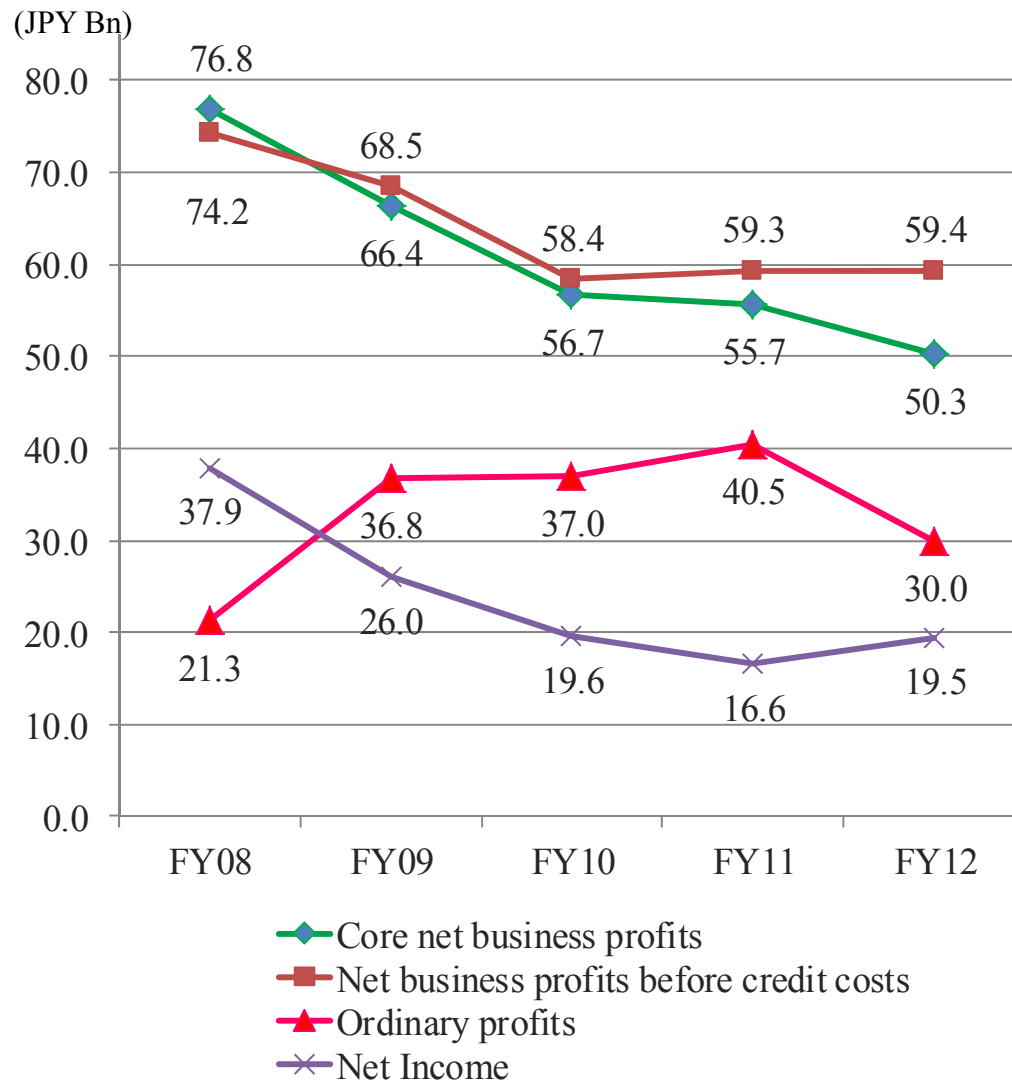
	Hokuriku Bank (JPY Bn)			Hokkaido Bank (JPY Bn)		
	Mar-13	change	Mar-12	Mar-13	change	Mar-12
Loans	4,332.7	98.8	4,233.9	3,069.3	16.2	3,053.0
Loans to SMEs & individuals	2,797.5	(28.9)	2,826.5	1,895.0	(43.4)	1,938.4
Housing & consumer loans	1,114.7	52.1	1,062.5	957.4	(0.4)	957.9
Securities	1,269.6	(45.8)	1,315.4	1,228.2	71.8	1,156.4
Deposits*	5,726.2	181.1	5,545.1	4,281.9	126.1	4,155.7
Individual deposits*	3,770.5	83.3	3,687.2	3,142.1	57.1	3,084.9
Total individual assets	4,147.5	65.5	4,081.9	3,378.8	71.7	3,307.0
Individual deposits (deposits in yen)*	3,750.0	84.7	3,665.3	3,133.2	55.7	3,077.5
Foreign currency deposits	20.5	(1.4)	21.9	8.8	1.4	7.4
Public bonds	156.4	(11.8)	168.2	94.1	5.4	88.6
Investment trusts	220.5	(5.9)	226.4	142.5	9.1	133.4
Balance of NPLs	148.4	(5.0)	153.5	88.2	4.8	83.3
NPL ratio	3.34%	(0.19%)	3.53%	2.79%	0.13%	2.66%
Capital adequacy ratio	11.78%	(0.07%)	11.85%	11.23%	0.43%	10.80%
Tier1 ratio	8.23%	0.46%	7.77%	7.62%	0.45%	7.17%
Net deferred tax assets / Tier1 capital	5.23%	(6.21%)	11.44%	8.84%	(3.24%)	12.08%
Valuation difference on available- for-sale securities	56.7	26.2	30.4	26.4	10.3	16.0

*Deposits include NCD

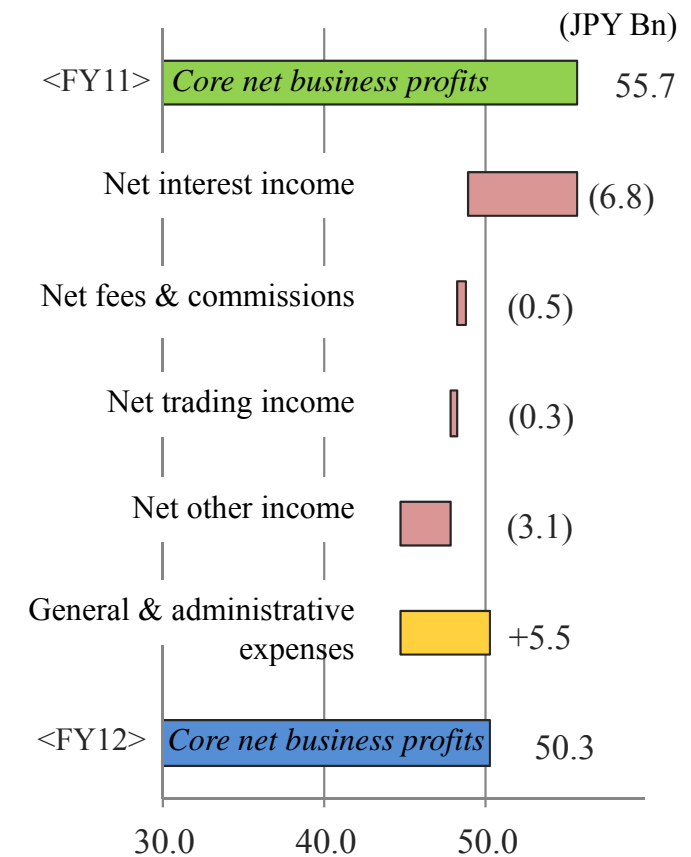
Core net business profits/ Net business profits before credit costs/ Ordinary profits/ Net income

Hokuhoku Financial Group, Inc.

【Core net business profits/Net business profits before credit costs /Ordinary profits/Net income】〈 Total of two banks 〉



【 Breakdown of Core net business profits】
〈 Total of two banks 〉



Breakdown of Business Profits①
<Net interest income>

Hokuhoku Financial Group, Inc.

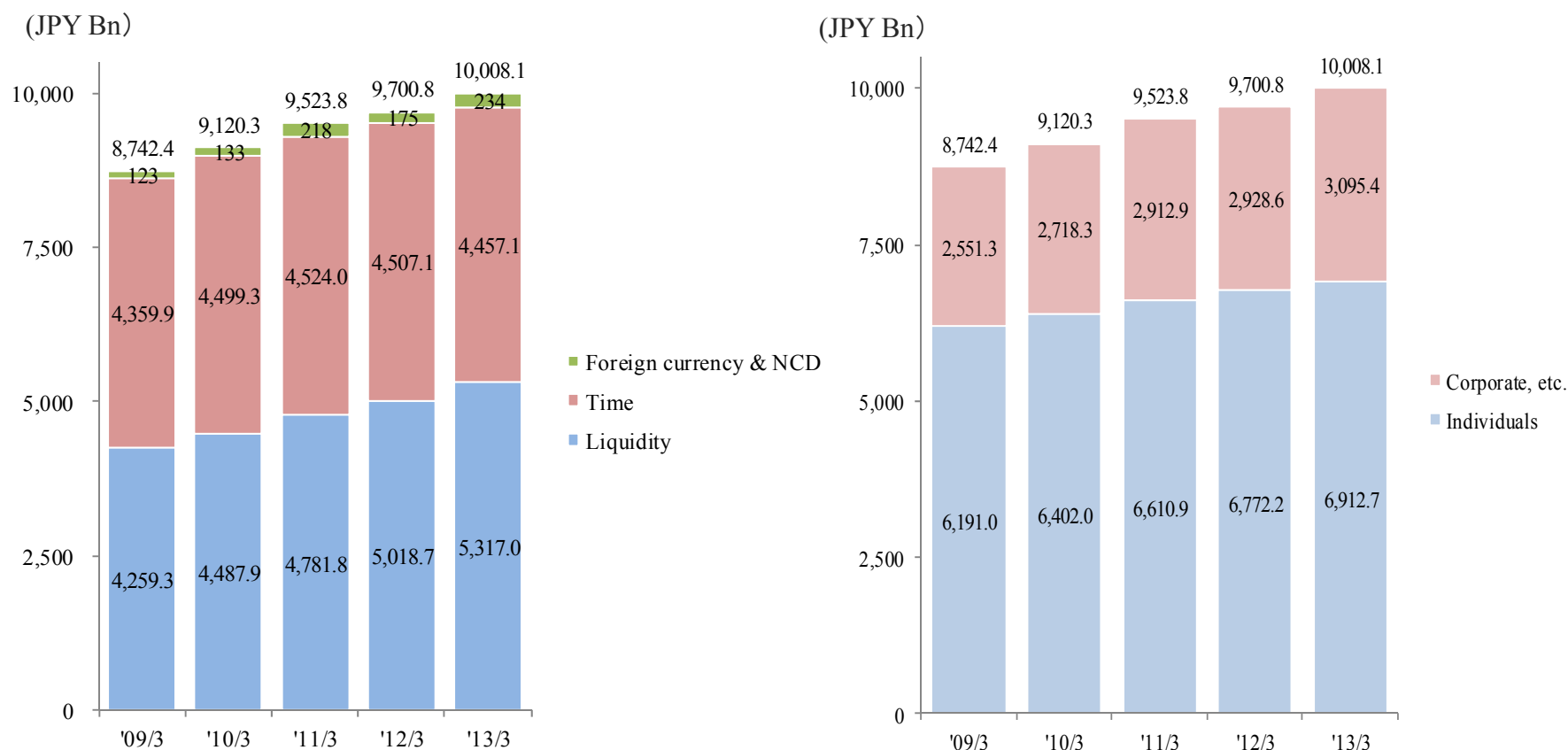
- Balance of loans grew , while tougher competitive environment had interest margin of loans narrow.
- Interest margin of securities decreased because of lower interest rate.

【Breakdown of net interest income (domestic)】

Total of two banks	FY2012			change from FY2011			(JPY Bn) breakdown		(JPY Bn) FY2013 Projection	
	Ave. balance	Rate	Interest	Ave. balance	Rate	Interest	Ave. balance	Rate	Ave. balance	Rate
Total of two banks			123.2			(7.2)			compared to FY2012	
Loans	7,263.4	1.54%	111.9	122.3	(0.10%)	(5.4)	1.9	(7.3)	11.2	(0.07%)
Securities	2,349.4	0.87%	20.5	(2.9)	(0.15%)	(3.5)	(0.0)	(3.5)	91.2	(0.05%)
Deposits & NCDs	9,727.0	0.07%	7.4	212.8	(0.03%)	(2.2)	0.1	(2.4)	86.7	(0.02%)
Hokuriku bank	FY2012			change from FY2011			breakdown		FY2013 Projection	
	Ave. balance	Rate	Interest	Ave. balance	Rate	Interest	Ave. balance	Rate	Ave. balance	Rate
Total of two banks			69.2			(4.0)			compared to FY2012	
Loans	4,209.6	1.46%	61.5	54.3	(0.11%)	(4.0)	0.8	(4.8)	(4.7)	(0.06%)
Securities	1,200.5	1.05%	12.6	(21.5)	(0.07%)	(1.0)	(0.2)	(0.8)	66.3	(0.12%)
Deposits & NCDs	5,520.1	0.07%	4.1	98.0	(0.03%)	(1.5)	0.0	(1.6)	75.4	(0.02%)
Hokkaido bank	FY2012			change from FY2011			breakdown		FY2013 Projection	
	Ave. balance	Rate	Interest	Ave. balance	Rate	Interest	Ave. balance	Rate	Ave. balance	Rate
Total of two banks			54.0			(3.1)			compared to FY2012	
Loans	3,053.7	1.65%	50.4	68.0	(0.08%)	(1.4)	1.1	(2.5)	15.9	(0.08%)
Securities	1,148.8	0.68%	7.8	18.6	(0.23%)	(2.4)	0.1	(2.6)	24.8	0.02%
Deposits & NCDs	4,206.9	0.07%	3.2	114.8	(0.02%)	(0.6)	0.0	(0.7)	11.3	(0.03%)

- Deposits(including NCD) **+¥307.3Bn(+3.16%) compared to Mar-12**
- Liquidity **+¥298.2Bn(+5.94%) compared to Mar-12**
- Individuals **+¥140.1Bn(+2.07%) compared to Mar-12**

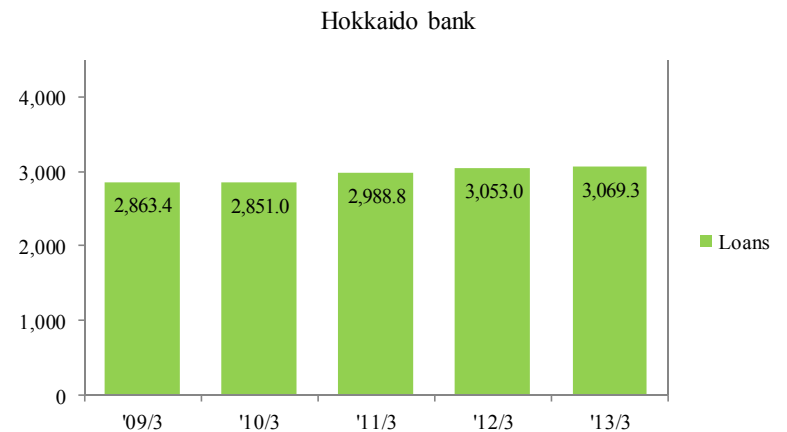
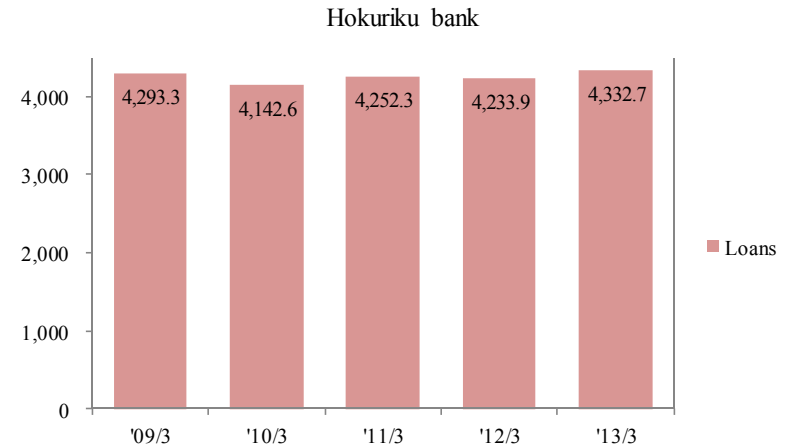
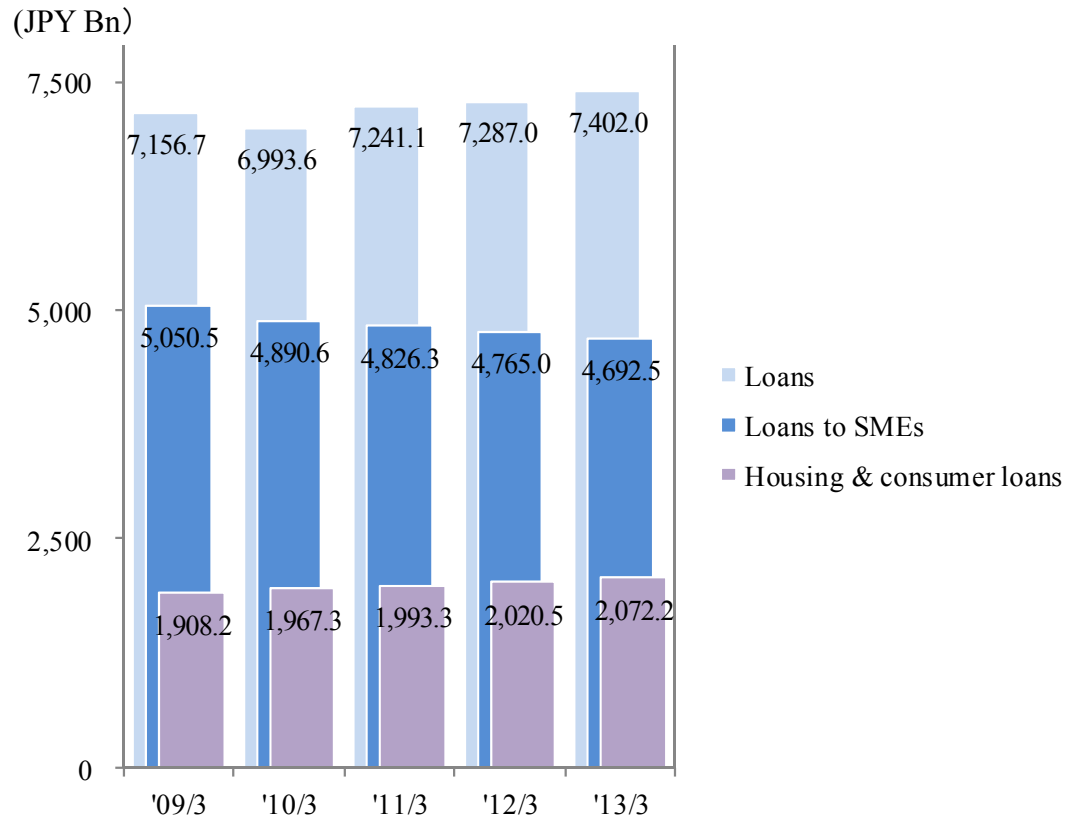
【Balance of deposits (including NCD)】 ‹Total of two banks›



- Loans
- Loans to SMEs and individuals
- Housing and consumer loans

+¥115.0Bn(+1.57%) compared to Mar-12
-¥72.4Bn(-1.52%) compared to Mar-12
+¥51.6Bn(+2.55%) compared to Mar-12

【Balance of loans】〈Total of two banks〉



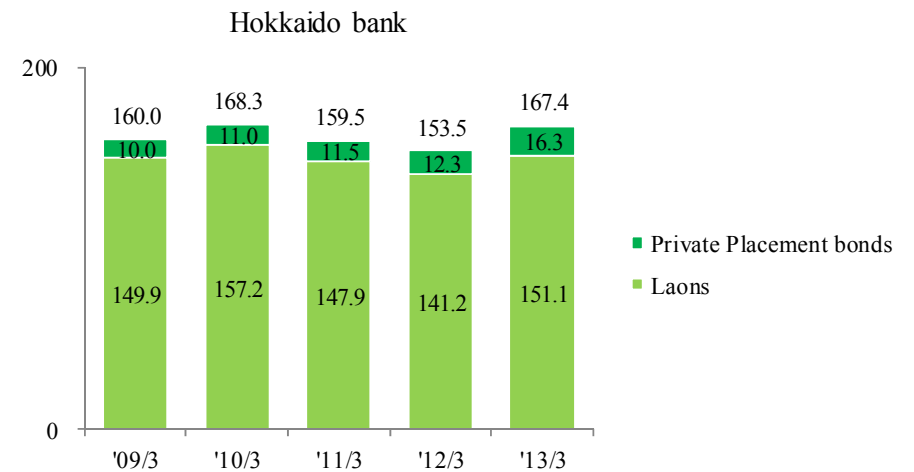
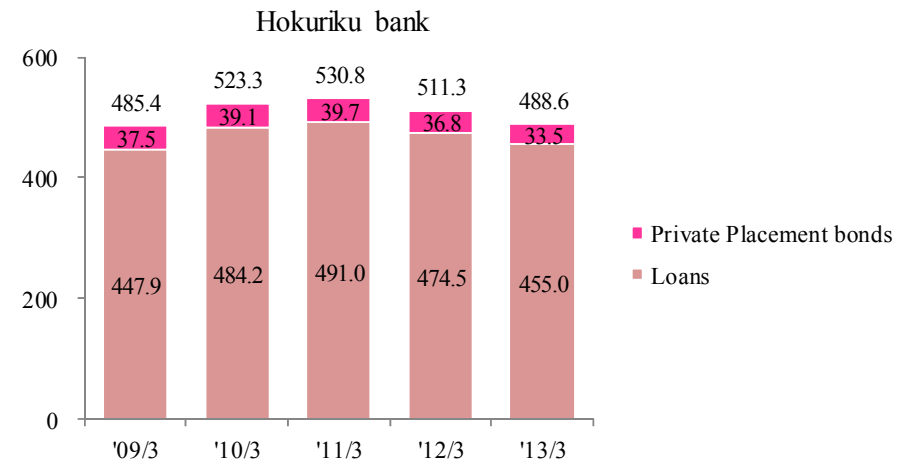
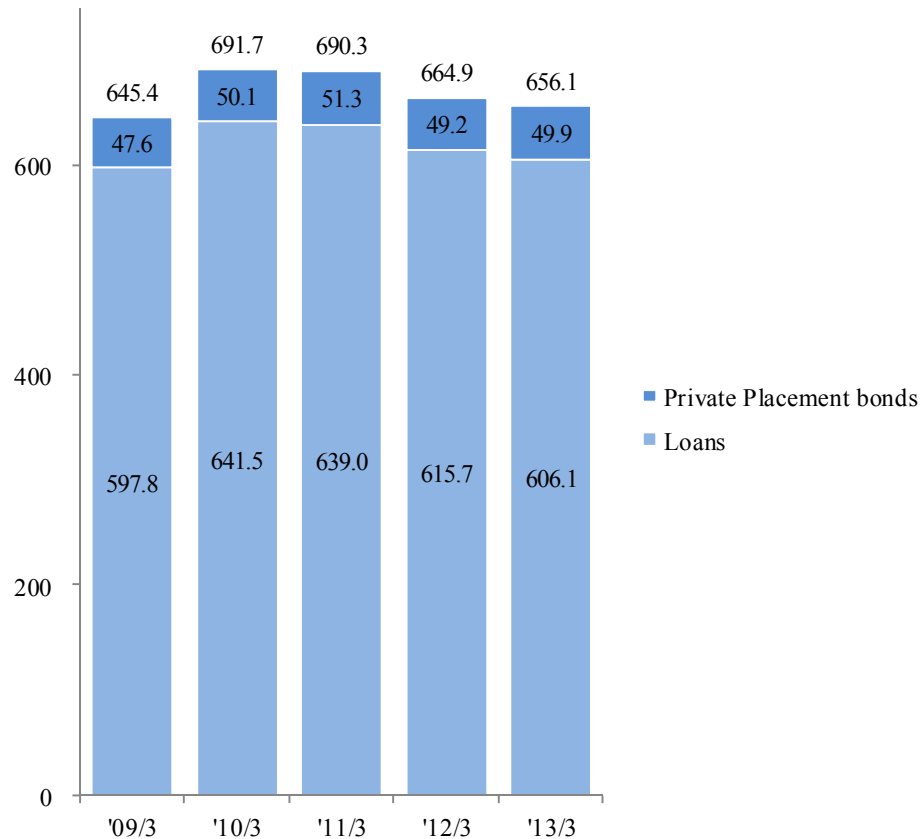
Loans guaranteed by Credit Guarantee Corporations (CGCs) (Maruho Loan)

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➤ Balance of loans guaranteed by CGCs -¥8.8Bn(-1.32%) compared to Mar-12

【Balance of loans guaranteed by CGCs】
〈Total of two banks〉

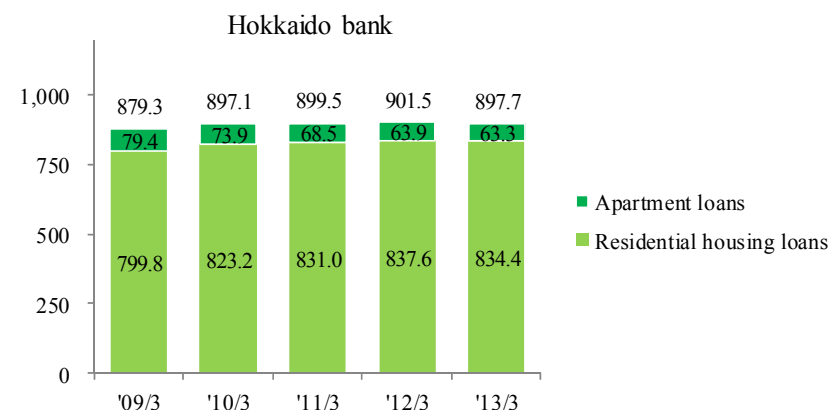
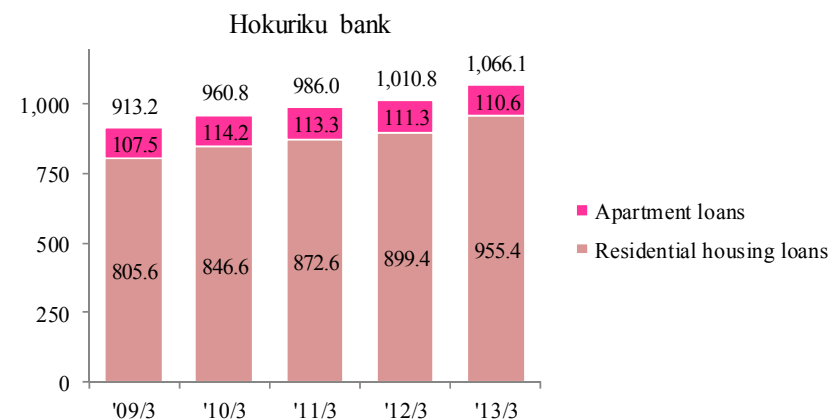
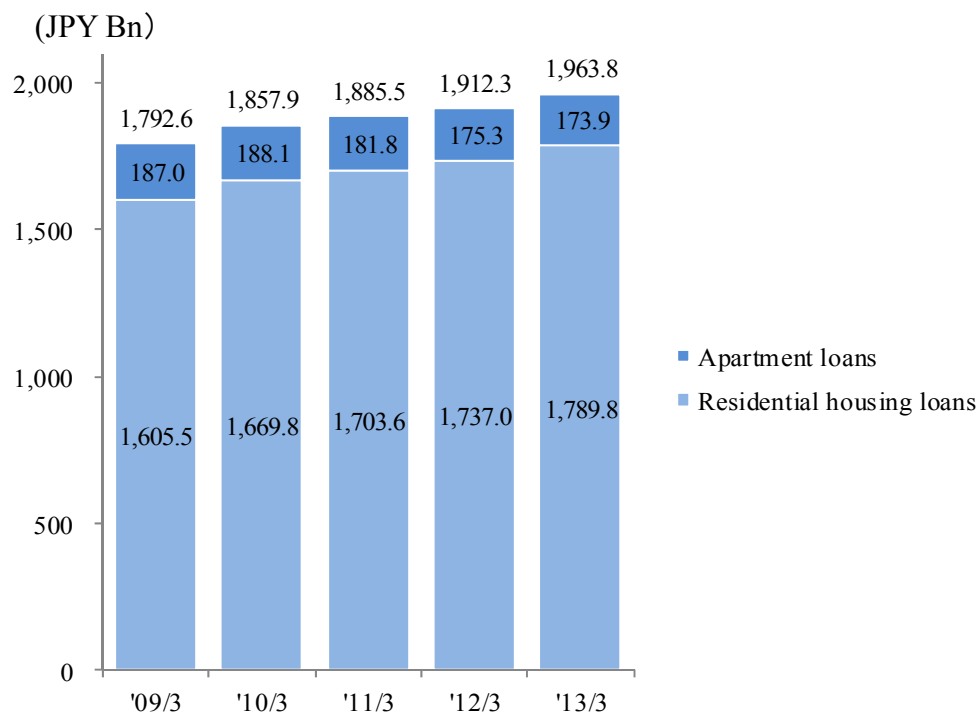
(JPY Bn)



➤ Balance of housing loans +¥51.4Bn(+2.69%) compared to Mar-12

【Balance of housing loans】

<Total of two banks>



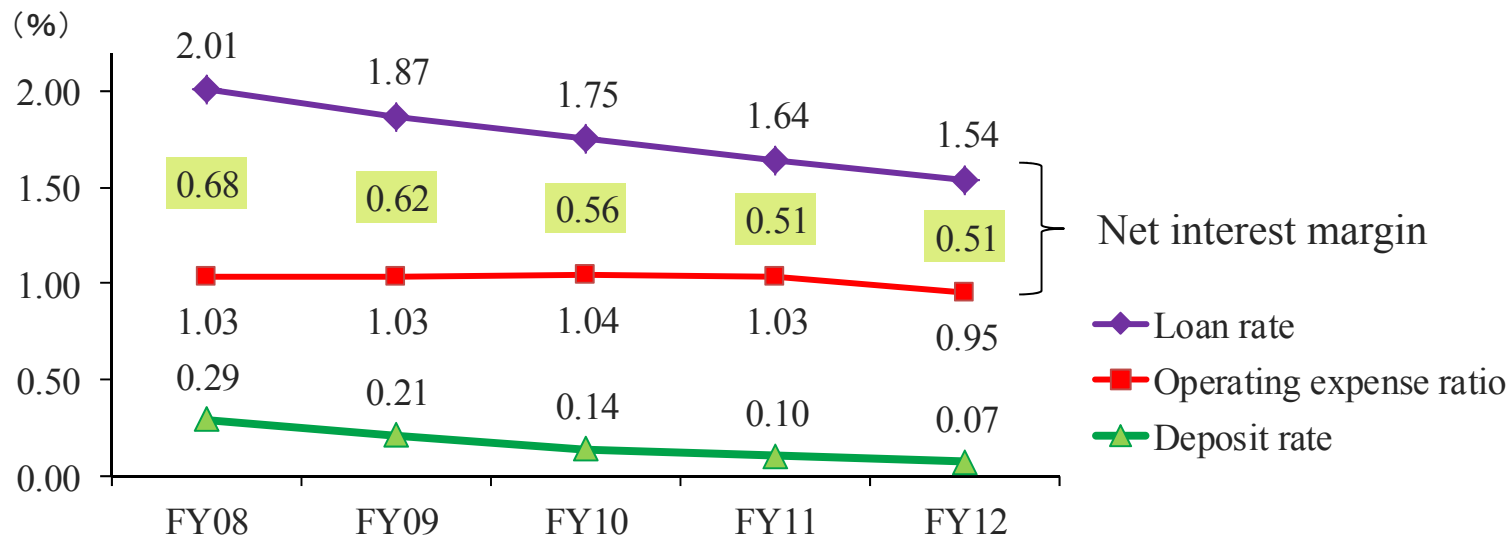
【Sales amount of residential housing loans】

Sales amount of residential housing loans	Total of two banks					Hokuriku bank					Hokkaido bank				
	FY08	FY09	FY10	FY11	FY12	FY08	FY09	FY10	FY11	FY12	FY08	FY09	FY10	FY11	FY12
New loans	176.5	141.3	125.7	132.6	150.2	90.8	71.9	59.5	65.9	82.9	85.6	69.4	66.1	66.7	67.2
Refinanced loans	42.1	68.2	63.7	55.3	44.6	20.0	32.7	36.6	33.9	31.3	22.0	35.4	27.0	21.4	13.3
	218.6	209.5	189.4	188.0	194.9	110.8	104.7	96.1	99.8	114.2	107.7	104.8	93.2	88.1	80.6

Interest Margins①

- Loan rate **-0.10% compared to FY2011**
- Deposit rate **-0.03% compared to FY2011**
- Net interest margin **Almost flat compared to FY2011**

【Interest margin between loans and deposits (Domestic operations)】
 〈Total of two banks〉

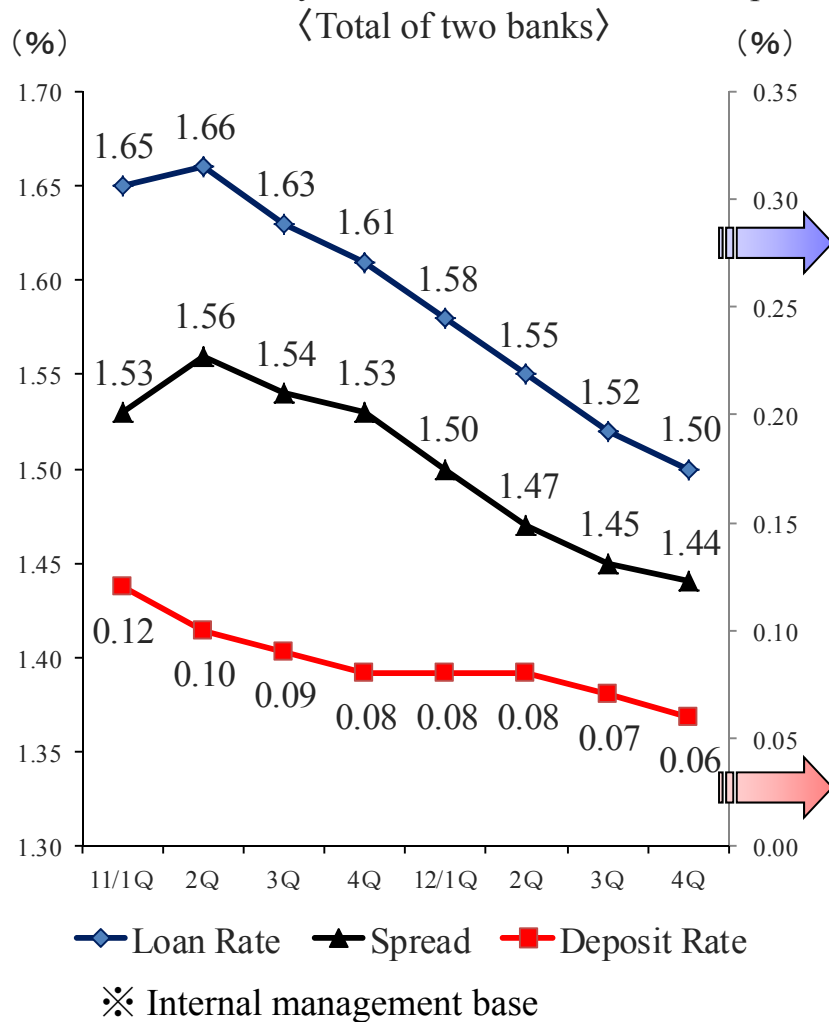


【Domestic operations】	Hokuriku bank					Hokkaido bank (%)				
	FY08	FY09	FY10	FY11	FY12	FY08	FY09	FY10	FY11	FY12
Loan rate	1.93	1.80	1.68	1.57	1.46	2.14	1.98	1.84	1.73	1.65
Net interest margin	0.62	0.59	0.54	0.50	0.48	0.78	0.68	0.60	0.52	0.54
Operating expense ratio	1.00	0.98	0.99	0.97	0.89	1.08	1.10	1.11	1.11	1.03
Deposit rate	0.30	0.22	0.15	0.10	0.07	0.27	0.19	0.12	0.09	0.07

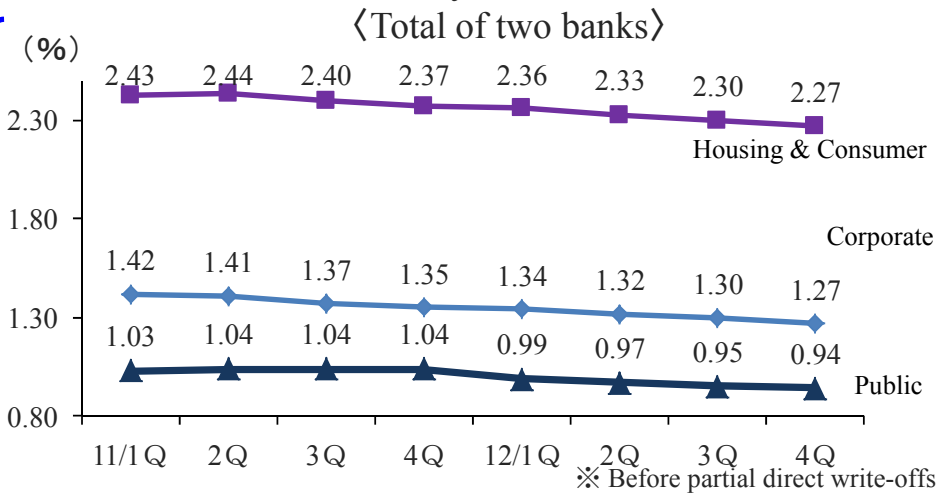
Interest Margins②

- FY12/4Q Loan rate 1.50% (-0.11% compared to FY11/4Q)
- FY12/4Q Deposit rate 0.06% (-0.02% compared to FY11/4Q)

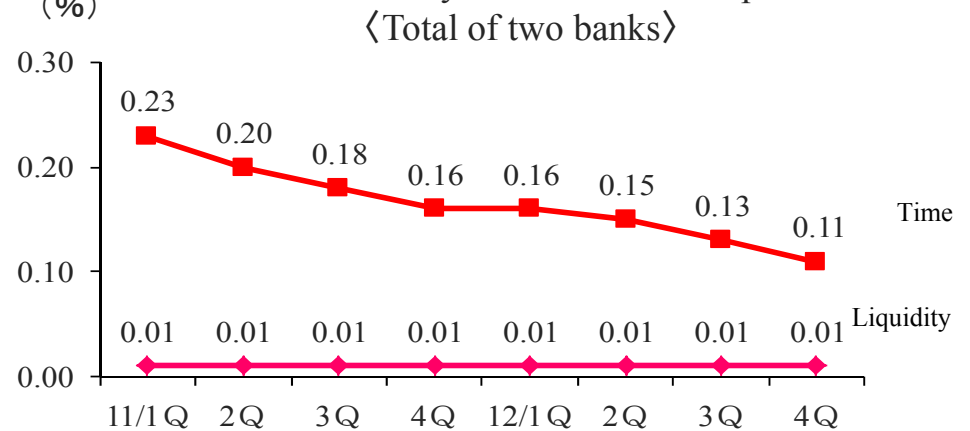
【Interest rate of yen denominated loans and deposits】



【Interest rate of yen denominated loans】



【Interest rate of yen denominated deposits】



Breakdown of Business Profits ②

<Fee revenue>

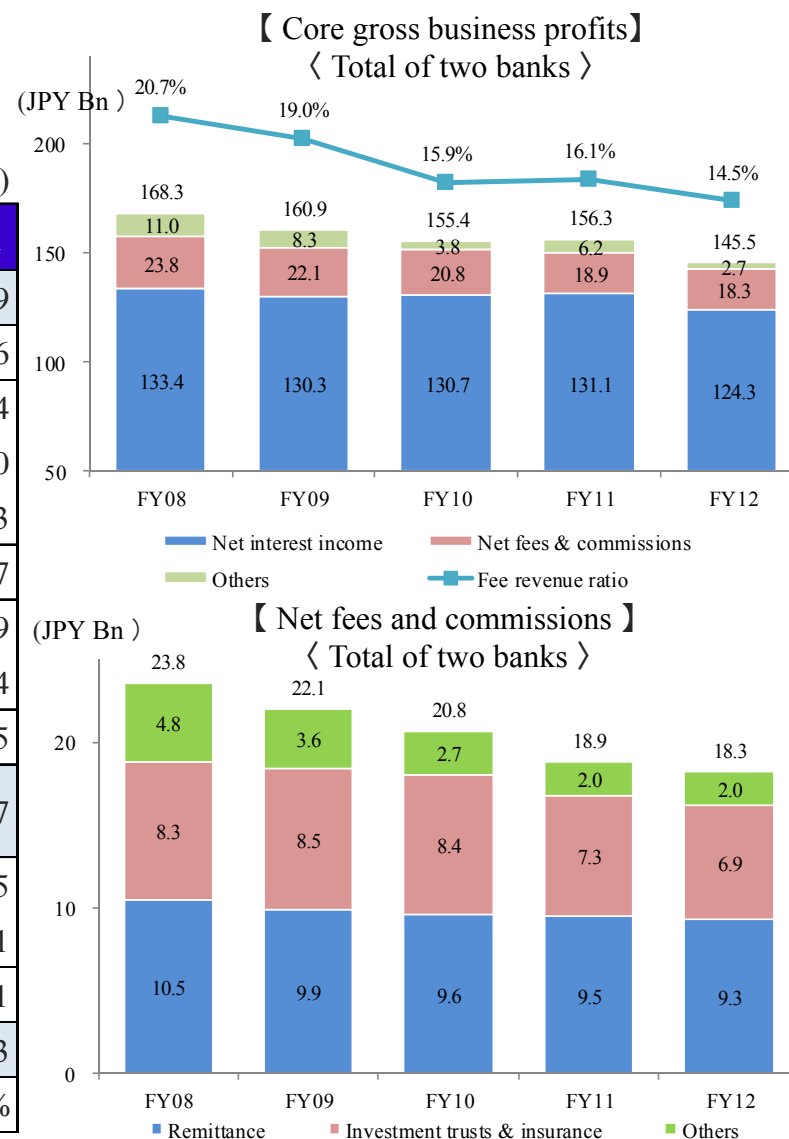
Hokuhoku Financial Group, Inc.

- Income from investment trust decreased and loan related expenses increased.
- Income from net income on derivatives decreased.

【Breakdown of fee revenue】 (JPY Bn)

【Total of two banks】	FY2012	change	FY2011
(1) Net fees & commissions	18.3	(0.5)	18.9
Fees and commissions	33.4	(0.1)	33.6
Remittance	11.2	(0.2)	11.4
Investment trusts	3.6	(0.4)	4.0
Insurance	3.2	(0.0)	3.3
Fees and commissions payments	15.1	0.4	14.7
Remittance	1.8	(0.0)	1.9
Loan related expenses	9.7	0.3	9.4
(2) Net trading income	0.1	(0.3)	0.5
(3) Net other income (excluding gains(losses) related to bonds)	2.6	(3.1)	5.7
Gains on foreign exchange transaction	1.3	(0.1)	1.5
Net income (expenses) on derivatives	<u>(0.2)</u> 1.0	(3.0)	<u>(0.4)</u> 4.1
(4) Fee revenue (1)+(2)+(3)	21.1	(4.0)	25.1
(5) Core gross business profits	145.5	(10.8)	156.3
(6) Fee revenue ratio (4)/(5)	14.51%	(1.59%)	16.10%

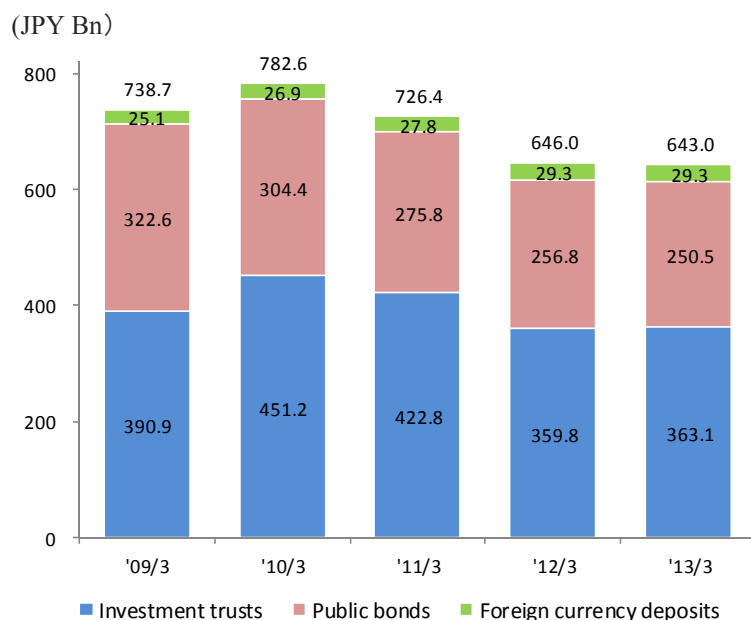
Underlined figures: Include net gains(losses) on bond option transactions



➤ Sales of both investment trusts and insurance decreased

	Total of two banks					Hokuriku bank					Hokkaido bank (JPY Bn)				
	FY08	FY09	FY10	FY11	FY12	FY08	FY09	FY10	FY11	FY12	FY08	FY09	FY10	FY11	FY12
Sales amount of investment trusts	84.2	138.3	121.3	98.7	87.4	44.0	104.6	89.4	68.9	46.1	40.1	33.7	31.8	29.7	41.2
Sales amount of insurance	82.9	94.4	116.8	108.3	100.8	55.5	51.4	74.7	66.2	53.5	27.3	42.9	42.0	42.0	47.3
Fees from investment trusts	4.3	5.3	4.7	4.0	3.6	2.7	3.7	3.2	2.6	2.0	1.6	1.5	1.5	1.3	1.5
Fees from insurance	3.9	3.2	3.6	3.3	3.2	2.9	2.1	2.5	2.2	2.0	1.0	1.1	1.0	1.0	1.2

【Balance of investment products for individual customers】 〈Total of two banks〉 -----



Hokuriku bank (JPY Bn)

	'09/3	'10/3	'11/3	'12/3	'13/3
Investment trusts	248.8	282.8	265.0	226.4	220.5
Public bonds	205.2	197.7	184.7	168.2	156.4
Foreign currency deposits	18.4	19.3	20.2	21.9	20.5
Total of investment products	472.5	499.8	470.0	416.5	397.4

Hokkaido bank (JPY Bn)

	'09/3	'10/3	'11/3	'12/3	'13/3
Investment trusts	142.0	168.4	157.7	133.4	142.5
Public bonds	117.3	106.6	91.1	88.6	94.1
Foreign currency deposits	6.7	7.6	7.5	7.4	8.8
Total of investment products	266.1	282.7	256.4	229.5	245.5

Breakdown of Business Profits ③
<General and administrative expenses>

Hokuhoku Financial Group, Inc.

➤ **Decrease in expenses of IT system and deposit insurance premiums**

【Breakdown of G&A expenses】		(JPY Bn)	
【Total of two banks】	FY2012	change	FY2011
General and administrative expenses	95.1	(5.5)	100.6
Personnel	44.6	(0.5)	45.2
Non-Personnel	45.9	(4.0)	49.9
Taxes	4.4	(0.9)	5.4
OHR	65.37%	1.00%	64.37%
Number of employees (excluding temporary staffs)(A)	5,184	44	5,140
Temporary staffs(B)	3,127	(100)	3,227
Percentage of temporary staffs(B)/{(A)+(B)}	37.62%	(0.94%)	38.56%

※OHR=G&A expenses / core gross business profits

【G&A expenses・OHR】〈Total of two banks〉



Personnel expenses: -¥0.5Bn

...Decrease in overtime pay

Non-personnel expenses: -¥4.0Bn

...Decrease in expenses of IT system and deposit insurance premiums

➤ **Net gains(losses) related to bonds: +¥9.0Bn**

➤ **Net gains(losses) related to stocks: -¥8.5Bn**

【Net gains (losses) related to securities】

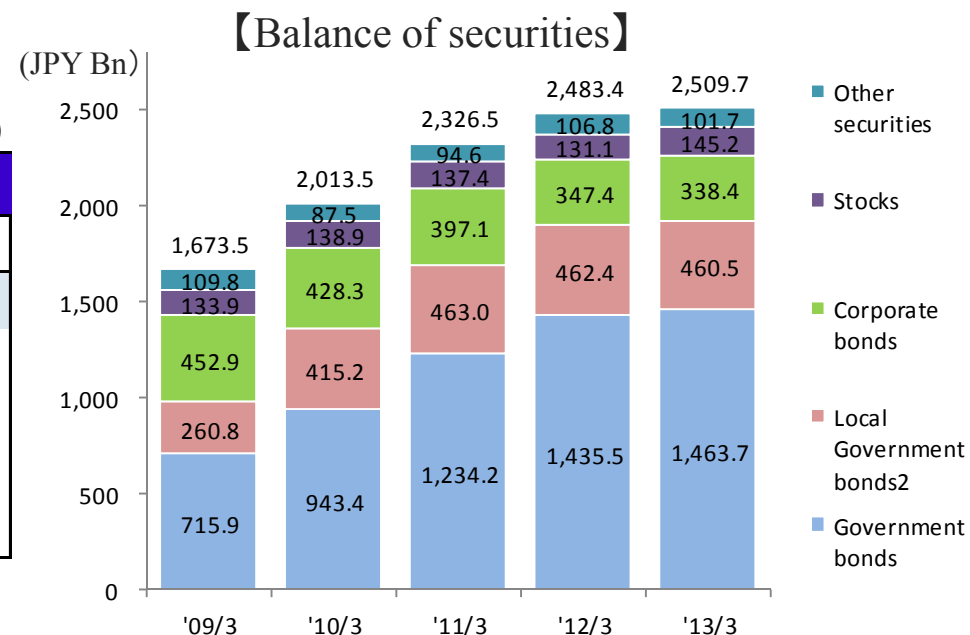
	Total of two banks			Hokuriku bank			Hokkaido bank (JPY Bn)		
	FY2012	change	FY2011	FY2012	change	FY2011	FY2012	change	FY2011
Net gains(losses) on bonds	9.0	5.4	3.6	5.4	5.2	0.1	3.5	0.1	3.4
Gains on sales	9.8	4.5	5.3	5.8	5.6	0.1	4.0	(1.1)	5.1
Gains on redemption	0.1	0.1	-	-	-	-	0.1	0.1	-
Losses on sales	0.5	(0.4)	1.0	-	-	-	0.5	(0.4)	1.0
Losses on redemption	-	(0.6)	0.6	-	-	-	-	(0.6)	0.6
Losses on devaluation	0.4	0.3	0.0	0.4	0.4	-	0.0	(0.0)	0.0
Net gains(losses) on stocks	(8.5)	(3.5)	(5.0)	(6.7)	(5.4)	(1.3)	(1.8)	1.9	(3.7)
Gains on sales	0.3	0.1	0.2	0.1	0.0	0.0	0.2	0.1	0.1
Losses on sales	0.2	(0.2)	0.4	0.0	(0.2)	0.2	0.1	0.0	0.1
Losses on devaluation	8.7	3.9	4.7	6.8	5.7	1.0	1.8	(1.8)	3.6

Impairment loss	Assets requiring caution	“Market value has fallen below its acquisition cost”
	Normal Assets	“Market value has fallen 50% or more from its acquisition cost, or market value has fallen more than 30% to less than 50% and market price has been below the certain level”

- Total balance of securities grew owing to increases in JGBs.
- Valuation difference of bonds increased compared to Mar-12.

【Balance of securities】 (JPY Bn)

【Consolidated】	Mar-13	change	Mar-12
Securities	2,509.7	26.3	2,483.4
Government bonds	1,463.7	28.2	1,435.5
Local government bonds	460.5	(1.9)	462.4
Corporate bonds	338.4	(8.9)	347.4
Stocks	145.2	14.0	131.1
Other securities	101.7	(5.1)	106.8



【Valuation difference】 (JPY Bn)

【Consolidated】	Acquisition cost			Balance sheet amount			Valuation difference		
	Mar-13	change	Mar-12	Mar-13	change	Mar-12	Mar-13	change	Mar-12
Available-for-sale securities	2,350.6	(80.5)	2,431.1	2,427.1	(43.5)	2,470.7	76.5	36.9	39.5
Bonds	2,085.3	(53.6)	2,138.9	2,132.0	(45.0)	2,177.0	46.7	8.6	38.1
Stocks	91.5	(6.6)	98.2	115.0	14.1	100.9	23.4	20.7	2.7
Others	173.7	(20.2)	193.9	180.0	(12.6)	192.7	6.3	7.5	(1.2)

【Bond portfolio; Balance, Yield, and Value at risk】

※Internal management base

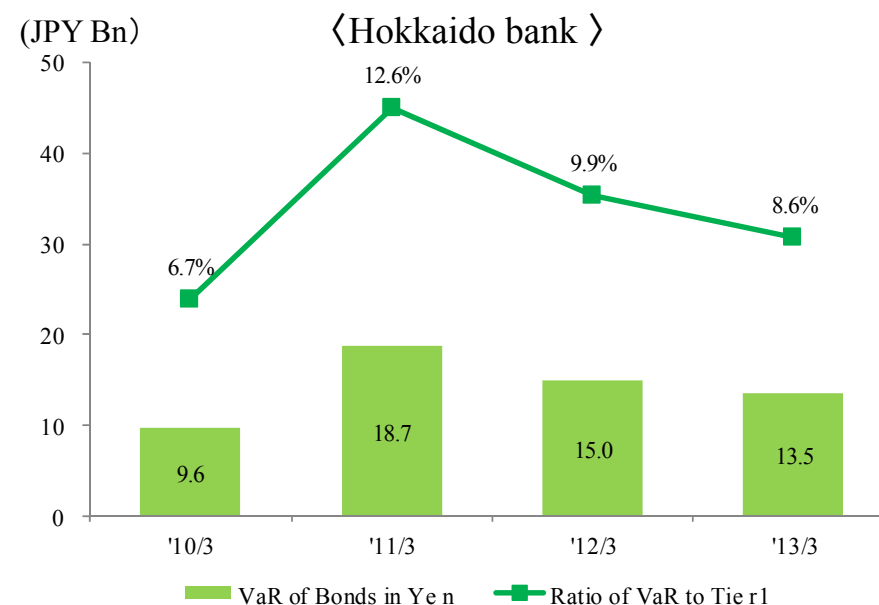
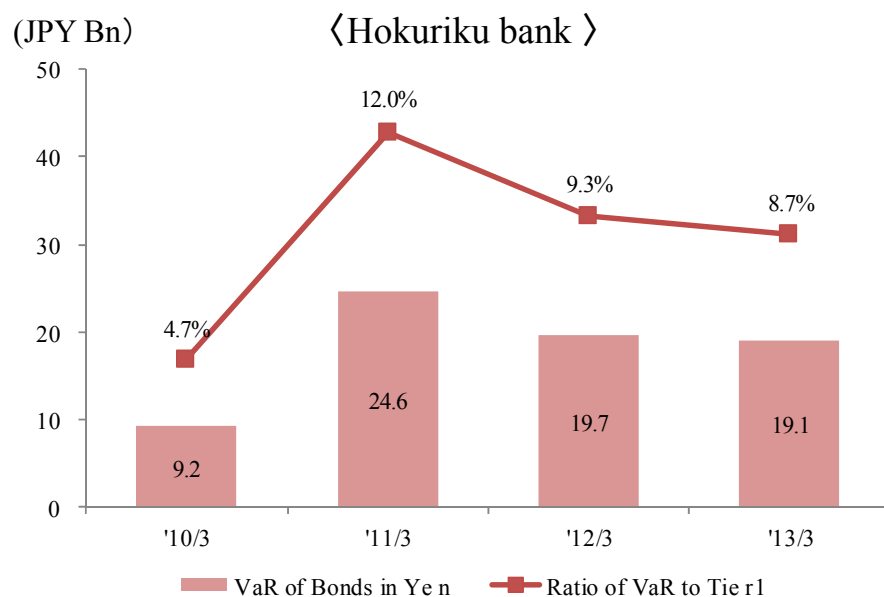
Hokuriku Bank

	Mar-12	Mar-13
Term-end Balance (JPY Bn)	1,177.3	
Floating rate government bonds	226.1	276.1
Average Yield (%)	1.04%	0.94%
Duration (year)	4.44	4.08
Value at Risk (JPY Bn)*	19.7	19.1

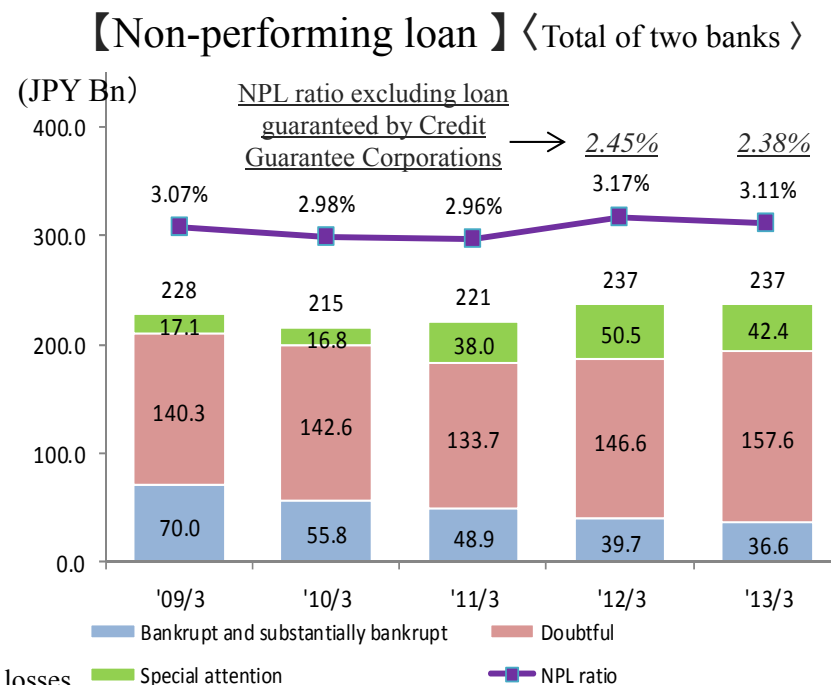
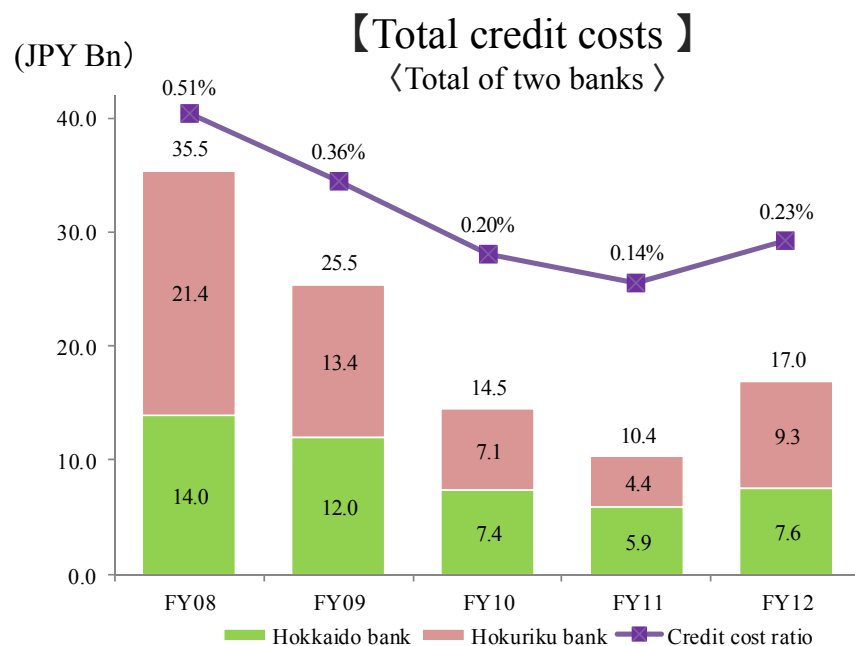
Hokkaido Bank

	Mar-12	Mar-13
Term-end Balance (JPY Bn)	1,060.5	1,131.8
Floating rate government bonds	133.6	125.8
Average Yield (%)	0.76%	0.62%
Duration (year)	3.90	3.69
Value at Risk (JPY Bn)*	15.0	13.5

* VaR: Variance-covariance method(～'11/3) , historical method('12/3～)



- Credit cost ratio was **0.23%** (+0.09% compared to FY2011)
- NPL ratio was **3.11%** (-0.06% compared to Mar-12)



• Total credit costs = Credit related costs + Provision of general allowance for loan losses
 • Credit cost ratio = Total credit costs ÷ Average balance of Loan

【Non-performing loan】

Hokuriku bank

(JPY Bn)

	'09/3	'10/3	'11/3	'12/3	'13/3
Special attention	12.7	15.2	18.4	26.7	18.8
Doubtful	81.4	92.5	89.6	96.4	103.4
Bankrupt and substantially bankrupt	48.5	39.6	36.2	30.4	26.2
NPL ratio	3.19%	3.42%	3.28%	3.53%	3.34%
NPL ratio*			2.38%	2.53%	2.34%

Hokkaido bank

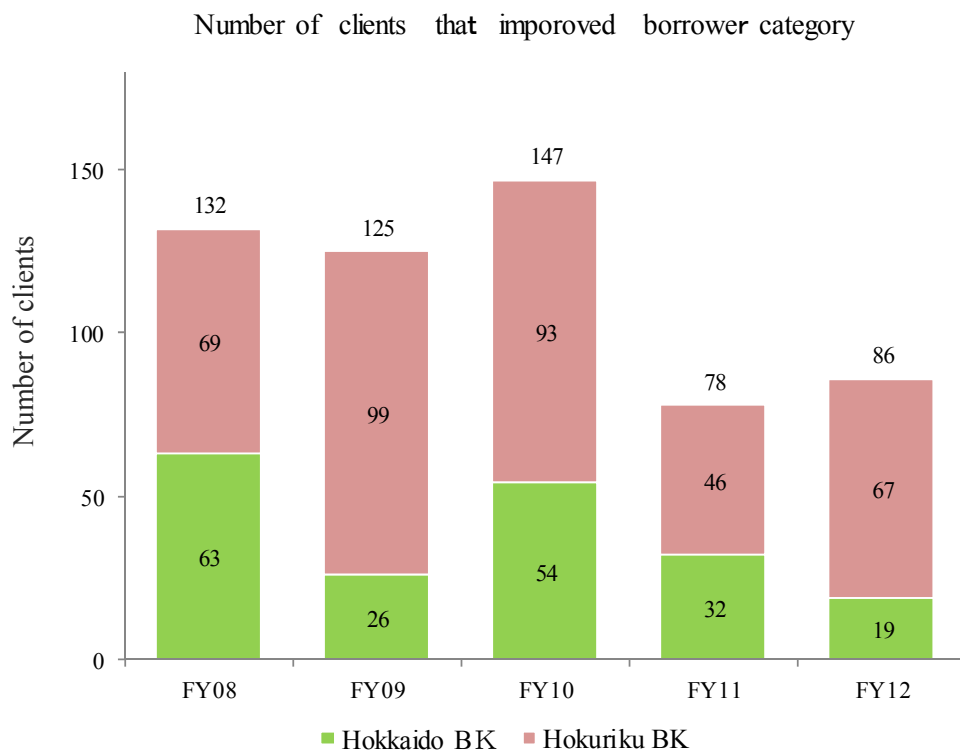
(JPY Bn)

	'09/3	'10/3	'11/3	'12/3	'13/3
Special attention	4.4	1.6	19.5	23.8	23.6
Doubtful	58.9	50.1	44.0	50.2	54.2
Bankrupt and substantially bankrupt	21.5	16.2	12.7	9.3	10.4
NPL ratio	2.89%	2.32%	2.49%	2.66%	2.79%
NPL ratio*			2.15%	2.33%	2.42%

*NPL ratio excluding loan guaranteed by Credit Guarantee Corporations

➤ **Support clients' management improvement with emphasis on customer relationship.**

【Result of management support for corporate clients】



【Support result (Total of 2 banks)】
(Cumulative result from Dec.2009 to Mar.2013)

(1) SMEs

	Number of applied loans	Amount (JPY Bn)
Total	58,633	1,938.6
Extended	54,011	1,836.1
Declined	1,617	41.5
Withdrawn	1,213	33.0
Under review	1,792	27.9

(2) Housing Loans

	Number of applied loans	Amount (JPY Bn)
Total	4,139	54.9
Extended	3,057	40.1
Declined	288	4.2
Withdrawn	101	1.4
Under review	693	9.2

***"Declined" includes cases pending for more than 3 months since applied

Deferred Tax Assets

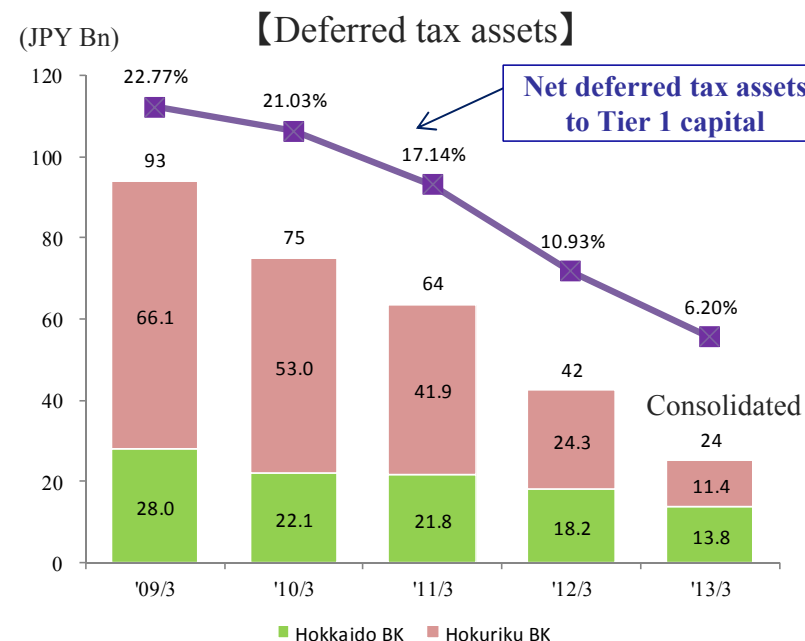
Hokuhoku Financial Group, Inc.

➤ Net deferred tax assets : ¥24.1Bn (-¥17.5Bn compared to Mar-12)

➤ Net deferred tax assets to Tier 1 capital : 6.20% (-4.73% compared to Mar-12)

【Breakdown of deferred tax assets】

〈 Consolidated 〉 (JPY Bn)	Mar-13	change	Mar-12
(1) Deferred tax assets	97.6	(7.9)	105.5
Allowance for loan losses	50.8	(6.5)	57.4
Depreciation	1.3	(0.0)	1.4
Provision for retirement benefits	14.4	(1.5)	15.9
Loss on valuation of securities	14.9	1.2	13.6
Other	5.5	0.1	5.3
Operating loss carryforwards	10.5	(1.1)	11.7
(2) Valuation allowance	36.5	(3.2)	39.7
(3) Total deferred tax assets (1)-(2)	61.1	(4.7)	65.8
(4) Deferred tax liabilities	36.9	12.7	24.1
(5) Net deferred tax assets (3)-(4)	24.1	(17.5)	41.6



(1) Deferred tax assets
(2) Valuation allowance
(3) Total deferred tax assets (1)-(2)
(4) Deferred tax liabilities
(5) Net deferred tax assets (3)-(4)

Hokuriku bank

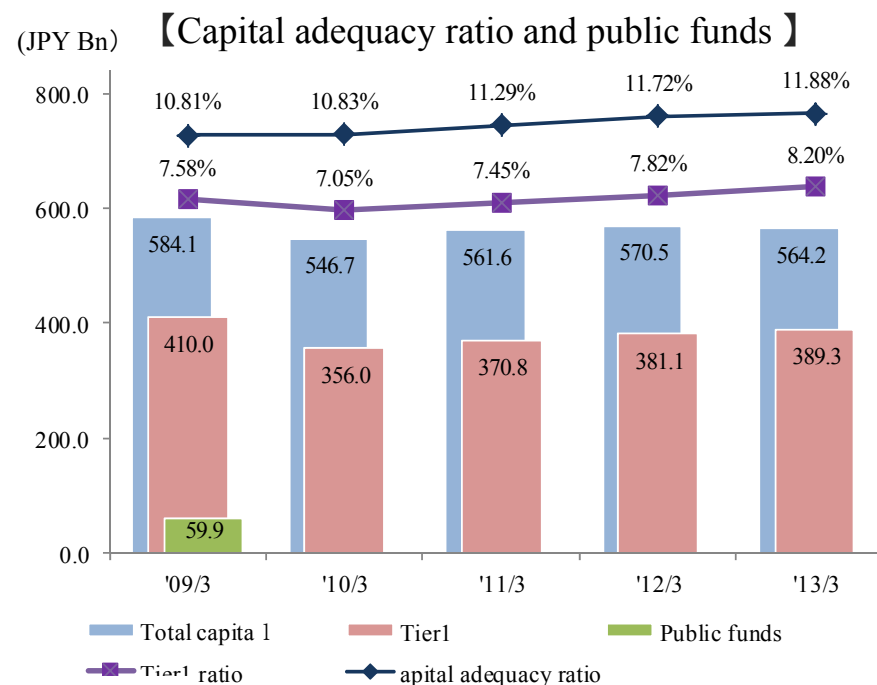
	Mar-13	change	Mar-12
(1) Deferred tax assets	66.1	(6.4)	72.6
(2) Valuation allowance	30.8	(2.8)	33.6
(3) Total deferred tax assets (1)-(2)	35.3	(3.6)	38.9
(4) Deferred tax liabilities	23.9	9.2	14.6
(5) Net deferred tax assets (3)-(4)	11.4	(12.8)	24.3

Hokkaido bank (JPY Bn)

	Mar-13	change	Mar-12
(1) Deferred tax assets	27.2	(1.4)	28.7
(2) Valuation allowance	2.9	(0.4)	3.3
(3) Total deferred tax assets (1)-(2)	24.3	(1.0)	25.3
(4) Deferred tax liabilities	10.4	3.3	7.0
(5) Net deferred tax assets (3)-(4)	13.8	(4.4)	18.2

➤ Capital adequacy ratio was 11.88% (+0.16% from Mar-12).

【Capital adequacy ratio】		(JPY Bn)		
【Consolidated】		Mar- 13	change	Mar- 12
Capital adequacy ratio		11.88%	0.16%	11.72%
Tier1 ratio		8.20%	0.38%	7.82%
Tier1 capital		389.3	8.1	381.1
Preferred shares (Private sector)		53.7	0.0	53.7
Tier2 capital		175.7	(14.7)	190.5
Total capital		564.2	(6.2)	570.5
Risk-weighted assets		4,746.8	(121.2)	4,868.1
Credit risk portion		4,456.0	(111.1)	4,567.1
Operational risk portion		290.7	(10.2)	300.9



	Hokuriku bank			Hokkaido bank (JPY Bn)		
	Mar- 13	change	Mar- 12	Mar- 13	change	Mar- 12
Capital adequacy ratio	11.78%	(0.07%)	11.85%	11.23%	0.43%	10.80%
Tier1 ratio	8.23%	0.46%	7.77%	7.62%	0.45%	7.17%
Tier1 capital	219.3	6.7	212.6	156.5	5.6	150.8
Tier2 capital	94.7	(16.8)	111.5	74.0	(2.3)	76.4
Total capital	314.0	(10.1)	324.1	230.5	3.3	227.2
Risk-weighted assets	2,664.9	(70.0)	2,735.0	2,052.3	(51.2)	2,103.6

【Interest rate risk in banking book】 (JPY Bn)

	Hokuriku Bank	Hokkaido Bank
Total interest rate risk	41.0	29.1
Outlier ratio	13.06%	12.65%

※99 Percentile

【Earnings Forecasts for FY 2013】 (JPY Bn)

【Consolidated】	Interim Forecasts	Full year Forecasts	Change from FY2012
Ordinary income	91.0	181.0	(18.1)
Ordinary profits	13.0	25.0	(4.3)
Net income	7.0	14.5	(3.6)

【Dividend Forecasts for FY 2013】

【Non-consolidated】	Interim	Year-end	Annual
Dividend per common share	—	¥3.75	¥3.75
Dividend per preferred share (Type5)	¥7.50	¥7.50	¥15.00

【Earnings Forecasts for FY 2013】

	Total of two banks			Hokuriku bank			Hokkaido bank (JPY Bn)		
	Interim Forecasts	Full year Forecasts	Change from FY2012	Interim Forecasts	Full year Forecasts	Change from FY2012	Interim Forecasts	Full year Forecasts	Change from FY2012
Ordinary income	84.0	167.0	(17.6)	46.0	92.0	(11.0)	38.0	75.0	(6.6)
Core gross business profits	69.0	137.5	(8.0)	38.0	76.0	(6.3)	31.0	61.5	(1.6)
G&A expenses	48.0	95.0	(0.1)	25.5	51.0	0.1	22.5	44.0	(0.2)
Core net business profits	21.0	42.5	(7.8)	12.5	25.0	(6.4)	8.5	17.5	(1.4)
Total credit costs	6.0	13.5	(3.5)	4.0	8.0	(1.3)	2.0	5.5	(2.1)
Ordinary profits	13.5	26.0	(4.0)	7.5	15.5	(2.8)	6.0	10.5	(1.1)
Net income	8.0	16.0	(3.5)	4.5	9.5	(2.8)	3.5	6.5	(0.7)

Medium-term Management Plan
“ GO for IT ! ”



株式会社 ほくほくフィナンシャルグループ
Hokuhoku Financial Group, Inc.

May 2013

Medium-term Management Plan “Road to 10”

(3Years : from April 2010 to March 2013)

“Establishing a platform to achieve JPY 10 trillion in deposit”

**Target
Corporate Profile**

**Closest and Most Reliable Financial Group for
Local Customers**

- We will remain committed to our key policies and implement proper measures after full repayment of public funds to achieve JPY 10 trillion in deposit.

	Achievements	Issues to be addressed
Strengthening Marketing Capabilities	<ul style="list-style-type: none"> ✓ Increased number of customer accounts ✓ Solution offering services (Business matching, Seminars, Customer support in management improvement, etc.) ✓ Increased deposits close to JPY 10Tn 	<ul style="list-style-type: none"> ✓ Profitability of each customer account ✓ Effective sales system that ensures profits through our solution offering services ✓ Training of young employees
Improving Management Efficiency	<ul style="list-style-type: none"> ✓ Smooth migration of Joint Banking System ✓ Reduced expenses within projected range ✓ Increase sales force 	<ul style="list-style-type: none"> ✓ Further control of OHR ✓ Extensive consolidated use of back office and pursuit of cost minimization ✓ Reallocation of human resources and attain effective operation
Stabilizing Management Foundation	<ul style="list-style-type: none"> ✓ Raised capital adequacy ratio ✓ Enhanced stock value by purchasing treasury stocks ✓ Increase in dividends 	<ul style="list-style-type: none"> ✓ Quality of capital corresponding to new regulations ✓ Prevention of deterioration of loans by corporate revitalization support ✓ Upgrading risk management (ALM, etc.)

Review of previous Medium-term Management Plan “Road to 10”

Hokuhoku Financial Group, Inc.

Financial results of Medium-term Management Plan “Road to 10” (3 Years : from April 2010 to March 2013)

(Total of 2 banks)	FY 2009 (Result)	FY2012 (Plan)	FY2012 (Result)	Assessment
Deposits *1	8,934.8bn	9,550.0bn	9,790.3bn	○
Loans *1 *2	796.7bn	7,200.0bn	7,387.8bn	○
Core net business profits	66.4bn	70.0bn	50.3bn	×
Net Income (Consolidated)	19.2bn	25.5bn	18.1bn	×
Capital adequacy ratio (Consolidated)	10.83%	11.5% or above	11.88%	○
Tier 1 ratio (Consolidated)	7.05%	7.5% or above	8.20%	○
OHR *3	58.68%	58%	65.37%	×
ROA *4	0.68%	0.68%	0.47%	×
ROE *5	5.12%	6% or above	4.01%	×
NPL Ratio	2.98%	Around 3%	3.11%	○

*1 Average amount *2 Before partial write-off *3 Core gross business profits basis *4 Core net business profits basis *5 Consolidated net income basis

*“Optimizing our business strategies for sustainable growth”
(3Years : from April 2013 to March 2016)*

Name

“GO for IT!”

- “GO” refers to every employees making an extra effort to expand our business while promoting greater prosperity among customers and throughout the region.
- “IT” stands for “Intimate” and “Trustworthy,” which reflects our future vision as a regional financial group.

Target Corporate Profile

*Intimate and Trustworthy Financial Group
for Local Customers*

◆ **External business environment**

➤ **Macro and regional economy**
Japan’s new economic policies (Drastic monetary easing policy)
Participation in TPP, Overseas business expansion by corporate clients (China+1)
Decreasing population and household in the region
Energy (electricity) problem, Introduction of bullet train

➤ **Business Environment**
Weak demand of corporate loans, Severe competition by low interest loans
Low profitability in security market
Japan Post Bank and Internet Banks (starting loan business)
Aggressive branch development by competitors

➤ **Regulations**
Basel III, Termination of Financial Facilitation Act, IFRS
Raising consumption tax rate, ISA

◆ **Issues to be addressed**

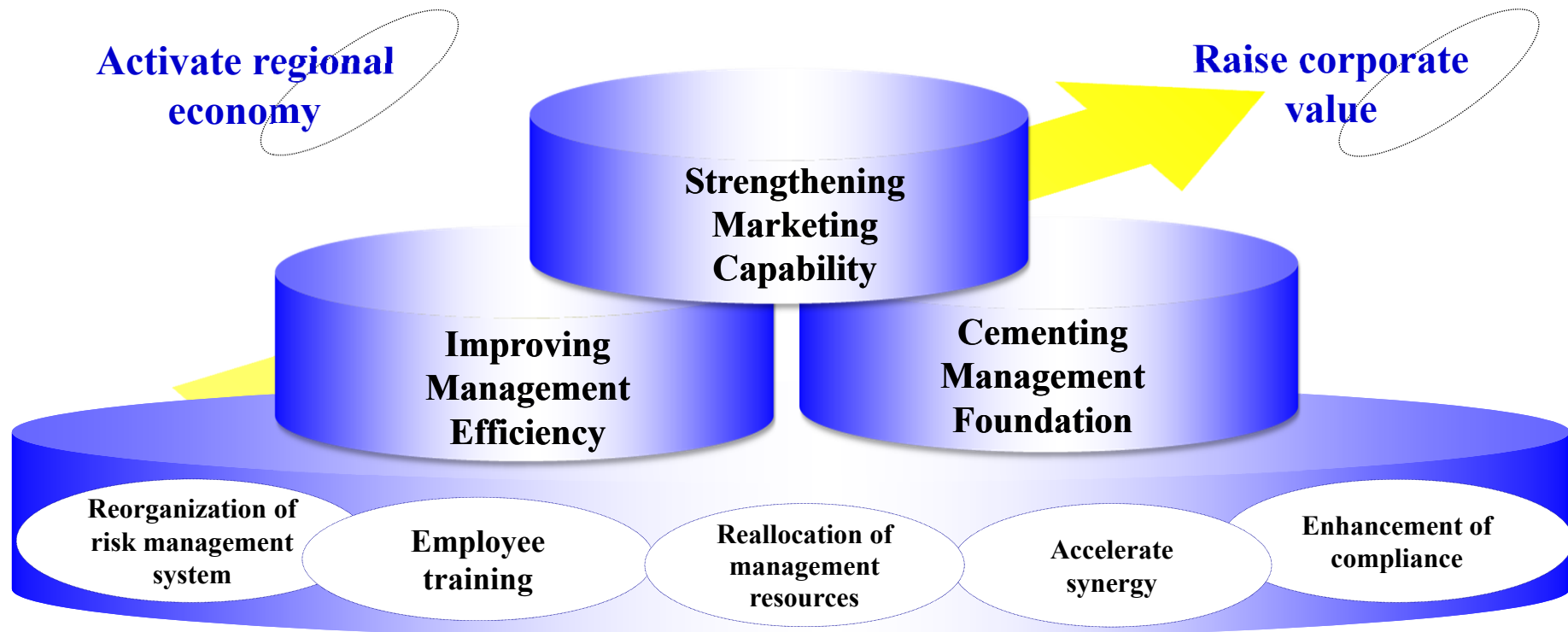
- **Low growth in interest and non-interest revenues**
- **Expenses related to IT systems are expected to remain high. OHR is rising.**
- **Unbalanced age pyramid of employees and increase of young employees**
- **Compliance and anti-money laundering**

Basic Policies of new Medium-term Management Plan "GO for IT!"

Hokuhoku Financial Group, Inc.

Basic Policies

- Overcome business environment changes and achieve sustainable growth by strengthening relationship with local customers and improving internal control
- Attain solid management foundation while advancing one more step toward "Strong marketing capabilities" and "Efficient management"
- Raise corporate value by obtaining trust from local community and contributing to regional activation

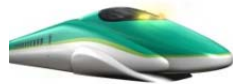


Outline	Strategies
<p>Expand customer base</p>	<ul style="list-style-type: none"> ➤ Further increase customer accounts ➤ Become the main bank and promote cross sale of various financial products
<p>Strengthen consultation service</p>	<ul style="list-style-type: none"> ➤ Accumulate knowledge and promote sales in priority industries Agriculture, Healthcare, Welfare, Environment, Renewable energy ➤ Private Banking , M&A, Business Succession
<p>Take advantage of our extensive network</p>	<ul style="list-style-type: none"> ➤ Enhance business-matching information services and support of customers' overseas business development
<p>Improve marketing strategy for personal customer</p>	<ul style="list-style-type: none"> ➤ Effective sales promotion based on account-holder category ➤ Activate service channels other than face-to-face transactions ➤ Review organizational structure and strengthen our sales system for investment trust and insurance products
<p>Increase investment in securities</p>	<ul style="list-style-type: none"> ➤ Supplement decreased interest revenue from corporate loans

Take advantage of our extensive network

Enhance quality of business matching service
Offer effective business matching to our local customers utilizing our group companies and our allied regional banks

Hokkaido bullet train



Scheduled to start operation between Hakodate and Shin-Aomori by March 2016 and between Sapporo and Hakodate by March 2036

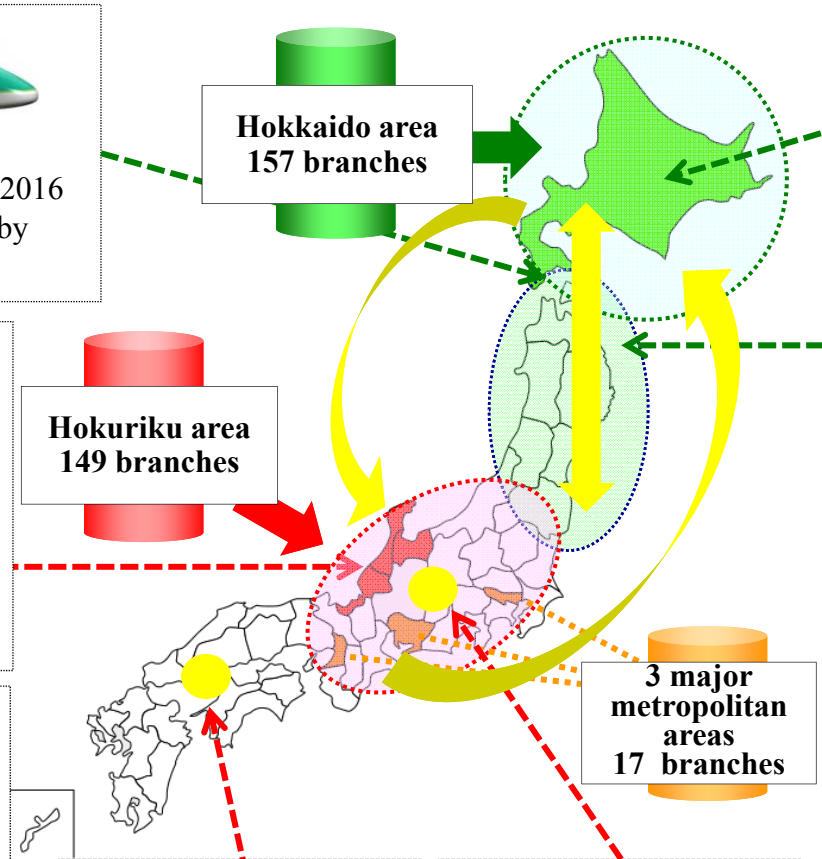
Hokuriku bullet train



Scheduled to start business between Toyama and Tokyo by March 2016 and connect the two cities in 2hours 7minutes
Expansion in employment and tourism sales is expected.

International regular flight begin service

- Apr 2012** China Airlines
Toyama ⇄ Taipei
- Oct 2012** Hawaiian Airlines
Sapporo ⇄ Honolulu
- Oct 2012** Thai Airways International
Sapporo ⇄ Bangkok



Hokkaido Special Food Zone (Starts in Apr 2012)
Aiming to form strong supply base of food-related companies and develop competitiveness in export to Southeast Asia.

- Hokkaido Bank allied with 10 regional banks in Tohoku Area (March 2013)*
- ◆ Aomori Bank
 - ◆ MICHINIKU Bank
 - ◆ Bank of Iwate
 - ◆ TOHOKU Bank
 - ◆ 77 Bank
 - ◆ AKITA Bank
 - ◆ Hokuto Bank
 - ◆ SHONAI Bank
 - ◆ Yamagata Bank
 - ◆ Toho Bank

Hokuriku Bank agreed about shared use of overseas office for customer convenience with Yamaguchi Bank

Hokuriku Bank cooperatively sponsors business matching meetings for Tokai and Hokuriku area with Ogaki Kyoritsu Bank

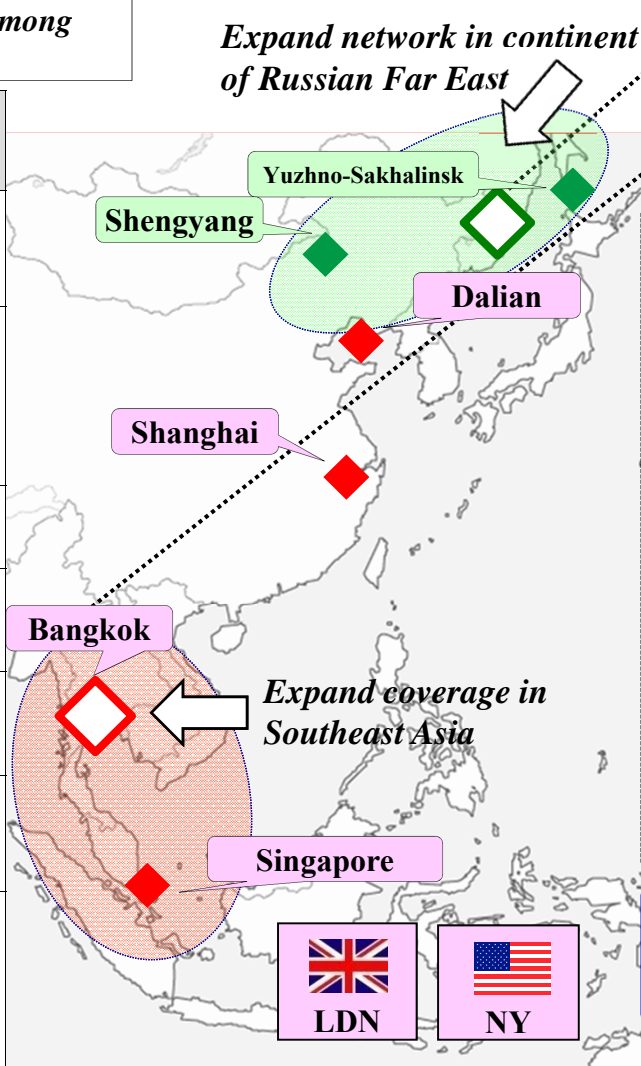
Facilitate exchange between Hokkaido and Tohoku in advance of installation of Hokkaido bullet train.

Take advantage of our extensive network

Enhance quality of international business support
Offer variety of services utilizing our overseas representative office

Top-level overseas network among regional banks

Business partnerships with foreign financial institutions	
Entire Asia region	Standard Chartered Bank
China	Bank of China Bank of Communications Bank of Shanghai
Thailand	KASIKORN-BANK
India	State bank of India
Vietnam	Vietcombank
Indonesia	PT. Bank Negara Indonesia (Persero) Tbk
Russia	VTB Bank Gazprombank Savings Bank of the Russian Federation



Plan to open FY 2013
Vladivostok Rep. Office (Hokkaido BK)

Opened In Mar 2012
Bangkok Rep. Office (Hokuriku BK)

- ◆ **Dispatch employees to our overseas office or other overseas organizations**
 - 21 employees belonging to representative offices in 8 cities and 6 employees dispatched to external institutions
- ◆ **Services by overseas offices**
 - Alliance with external experts (Consultation on taxation, finance and laws)
 - Arrange business matching forums and seminars
 - Offer loans extended directly to overseas subsidiaries of regional clients
 - Sale of trade insurance and lease as an agent
- ◆ **Employee training**
 - Foreign language training

Hokuriku Bank
 Agreed about shared use of overseas office with Yamaguchi Bank and extend overseas network to **Qingdao, Hong Kong and Pusan**

Intensive marketing for personal customers

Marketing according to account holder category

Improve service channels other than face-to-face transactions

Review organizational structure and strengthen sales system for investment trust and insurance products

Projected sales of investment trust and insurance (¥ Bn)

	FY 2013	FY2014	FY2015
Investment trust	96.2	141.5	167.0
Insurance	66.2	81.5	97.0

Strategies

- **Start marketing approach using MCIF* system**
*Marketing Customer Information File (=Information data base by event based marketing)
- **Increase product/service menu in line with customer needs of various life stage**

- **Functional expansion in internet banking service for personal customers**
- **Renew website**

- **Promotion of individual saving account**
- **Sales of investment trust via internet**
- **Functional expansion of consultation plazas**

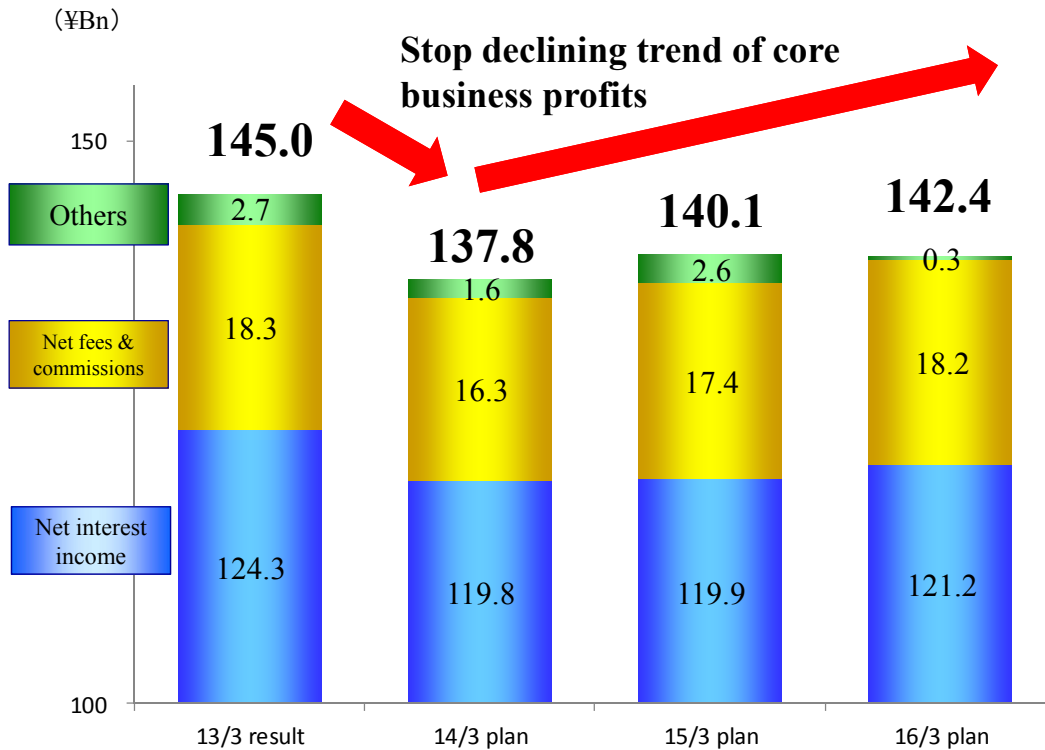
Dogin Insurance Plaza Odori opened in April 2013

Skilled insurance advisors suggest best solutions in line with various customer needs and life stage



Strengthening Marketing Capabilities

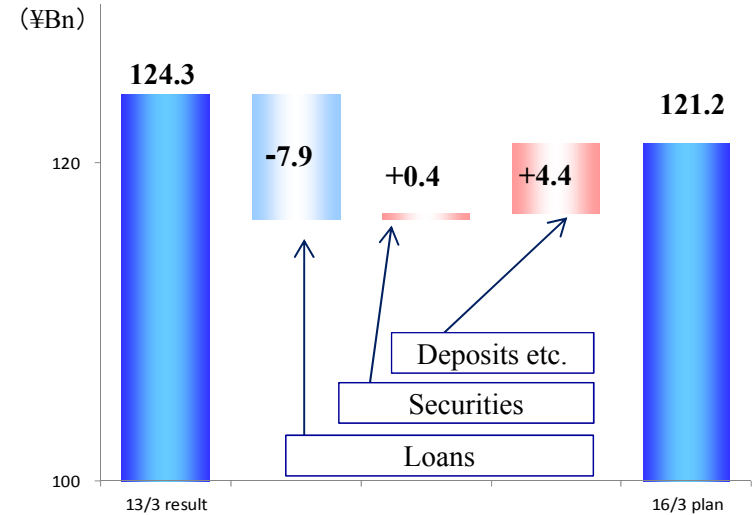
Core gross business profits (Total of 2 banks)



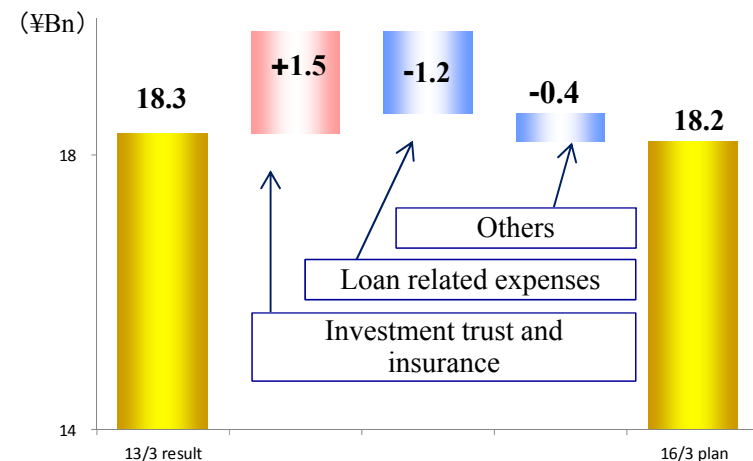
Core net business profits (Total of 2 banks ¥Bn)

13/3 result	14/3 plan	15/3 plan	16/3 plan
50.3	42.7	44.7	47.0

Net interest income (Total of 2 banks)



Net fees and commissions (Total of 2 banks)

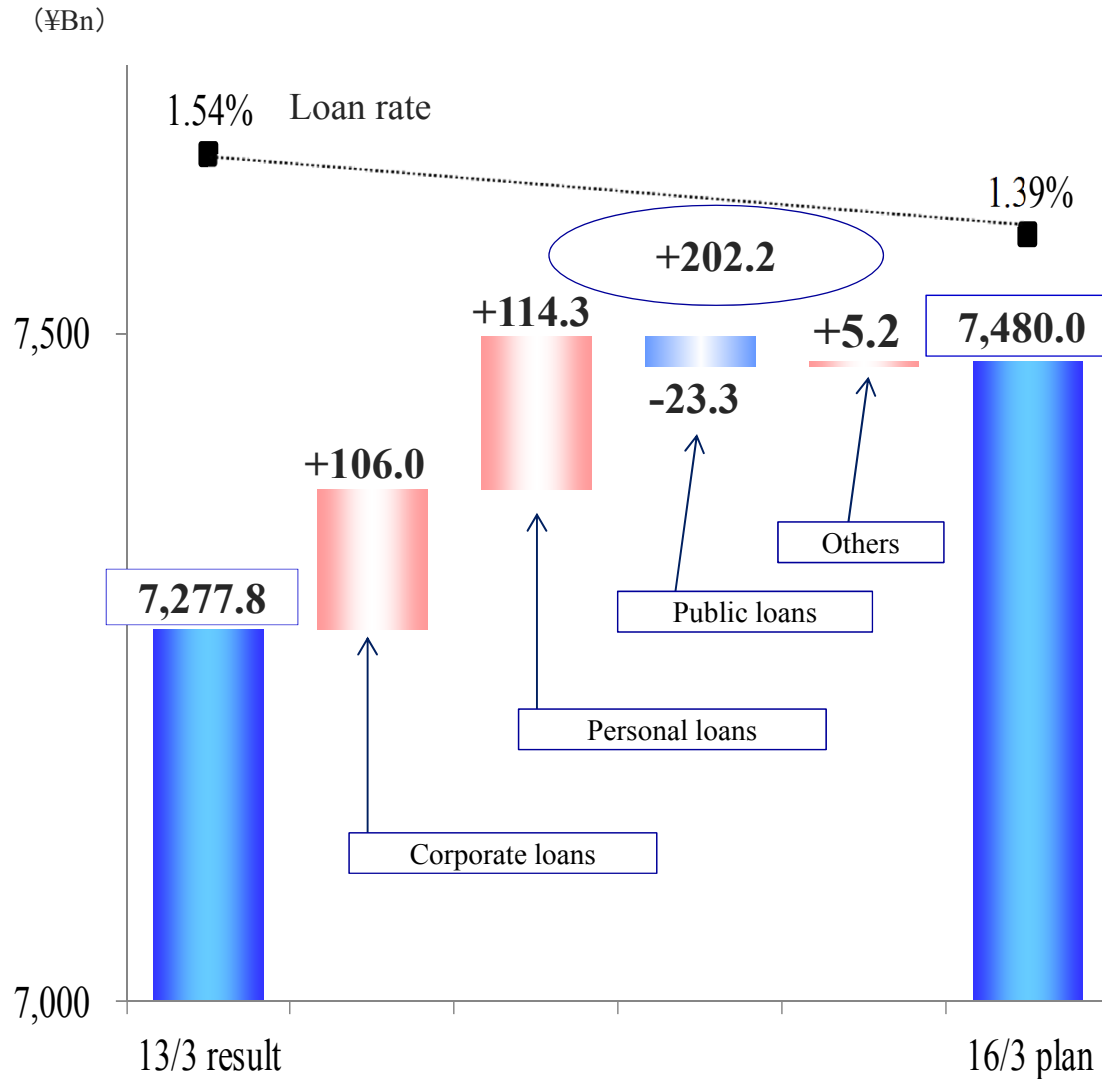


Strengthening Marketing Capabilities

Hokuhoku Financial Group, Inc.

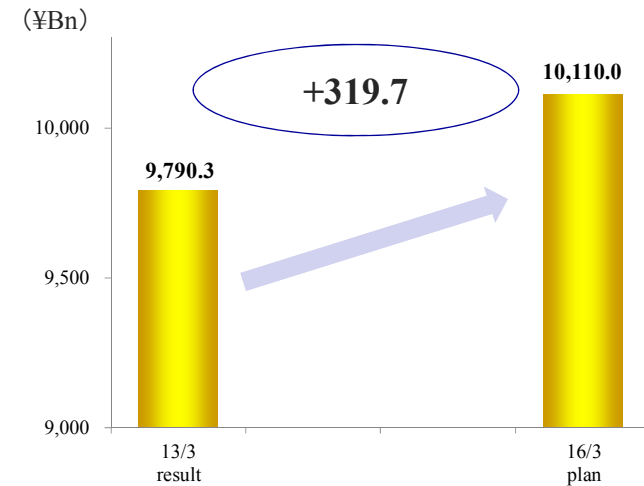
Loans* (Total of 2 banks)

*average balance, after partial write-off



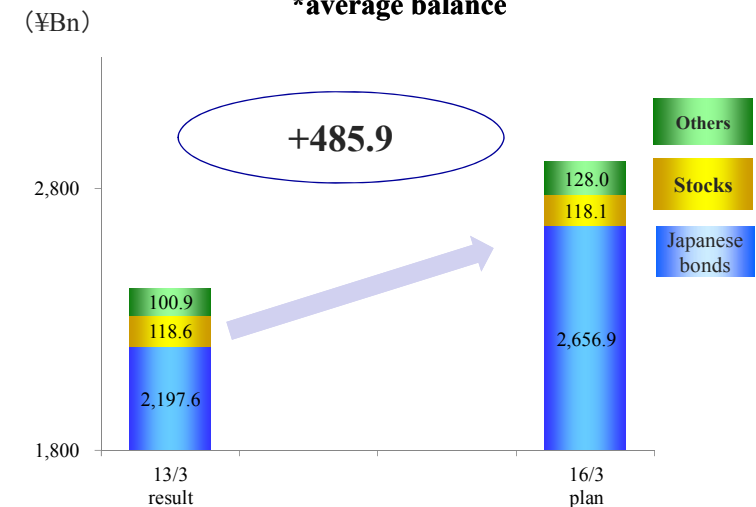
Deposits* (Total of 2 banks)

*average balance, including NCD



Securities* (Total of 2 banks)

*average balance



Outline

- Consolidation and pooling of operation
- Take advantage of shared use of banking system
- Enhance operational effectiveness
Reconsider resource allocation of headquarters and branch

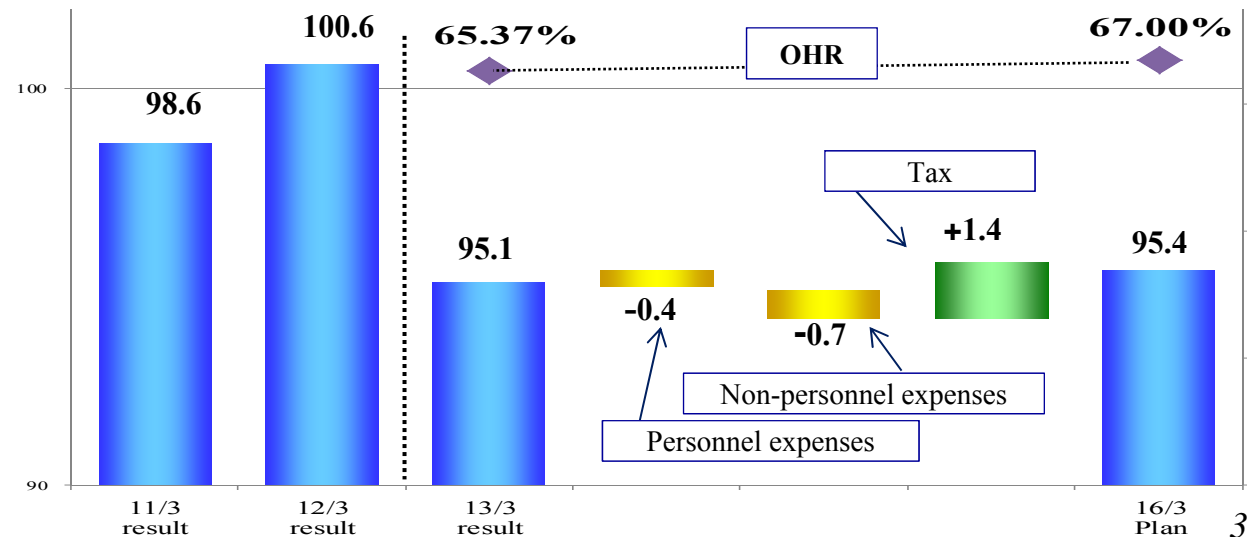
Strategies

- Establish more efficient cost structure as a top-level financial group among regional banks
Consolidation of operation in headquarters, Shared back office, Collaboration in product development and advertising
- Improve operational efficiency through integrated management
- Increase number of banks sharing use of banking system (3 banks ⇒ 4 banks) and pursue additional cost reduction
- Joint development of subsystems and continuous integration of business process
- Optimize business process in branches and headquarters
- Redeploy Strategically key personnel to priority areas

Expenses/OHR

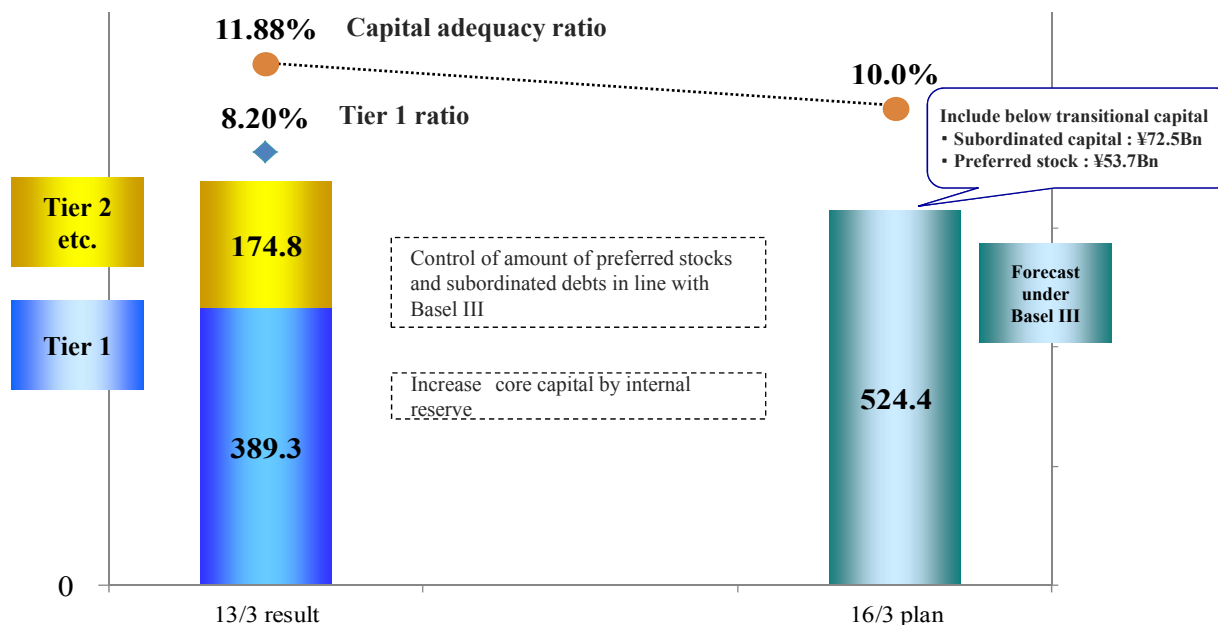
- Expenses related to systems peaked in FY 2011.
- Personnel and non-personnel expenses are expected to decrease, but entire expense will be flat due to revision of consumption tax rate.
- Profits will decrease and OHR is planned to be around current level.

Expenses/OHR (Total of 2 banks)



Outline	Strategies
Capital management	<ul style="list-style-type: none"> ➤ Improve quality of capital in line with Basel III ➤ Develop capital operations for higher equity value.
Enhance asset quality	<ul style="list-style-type: none"> ➤ Raise proportion of asset with a low risk-weighting
Strengthen corporate revitalization	<ul style="list-style-type: none"> ➤ Alliance with external organizations ➤ Active use of regional revitalization fund

Capital adequacy ratio



Dividend policy

- Steady increase in dividends for common equities**
- Maintain a 30% or above dividend payout ratio and aim for step-by-step increase in dividend by increasing earnings.
 - Maintain a 9% or above capital adequacy ratio by building up internal reserves based on the reduced inclusion of preferred stocks, subordinate capitals and other items through gradual application of Basel III regulations

HR management

◆ Develop reliable employees able to gain trust of customers

- Raise consultation skills
- Improve credit screening capability

◆ Upgrade employees training at each rank to supplement human resource weakness

- Foster the capabilities of young employees
- Strategic utilization of female and senior workers

◆ Optimize human resource allocation in headquarters and branches

- Strategic allocation of sales force to priority areas

Strengthen compliance

◆ Cultivate a corporate culture of fair and stable banking

- Steady fulfillment of *business improvement plan* by Hokuriku Bank and share adopted measures in entire group.
- Execute internal audit from viewpoint of risk management

◆ Strengthen integrated risk management on group-wide basis

- Enhance integrated management for borrowers trading with both of 2 subsidiary banks
- Establish measures of risk capital allocation in line with Basel III

◆ Customer protection

- Activate function of monitoring by on-site or off-site investigation

Maintain full communication with stockholders

- Investors meeting
- Shareholders Meeting
- Information disclosure

Achieve customer satisfaction and protection

- Customer satisfaction activity and award program
- Improve customer consultation counters
- Protect customer interests

Creating an environment for employee satisfaction

- Effective use of and develop career opportunities for young, senior and female employees
- Support work-life balance (childcare and nursing care)
- Career support programs

Contribution as a corporate citizen

- Financial education
- Support of Art and sports in local community
- Environmental protection activity

IR meeting for individual investors



Financial education



Support of art and culture



Projected of Medium-term Management Plan (3 Years : Apr 2013 to Mar 2016)

(consolidated / total of 2 banks)

	13/3 result	16/3 plan	change
Deposits *1	9,790.3 Bn	10,110.0 Bn	+319.7 Bn
Loans *1 *2	7,277.8 Bn	7,480.0 Bn	+200.2 Bn
Core net business profits	50.3 Bn	47.0 Bn	-3.3 Bn
Net Income (Consolidated)	18.1 Bn	18.5 Bn	+0.4 Bn
Capital adequacy ratio (Consolidated)	11.88%	Consolidated capital adequacy ratio 10% or above	Basel III to be adapted from Mar 2014
Tier 1 ratio (Consolidated)	8.20%		
OHR *3	65.37%	67%	+1.63%
NPL Ratio	3.11%	Below 3%	

*1 Average amount *2 After partial write-off *3 Core gross business profit basis

Medium-term Management Plan

“Next CHALLENGE 2013”



May 2013

Basic Policies of new Medium-term Management Plan “Next CHALLENGE 2013”

The Hokuriku Bank Ltd.

Theme **Aim to become closer and more reliable bank to region**

~3-YEAR CHALLENGE to establish solid management foundation (customer base, organization structure and human resources) and ensure sustainable growth under competitive business circumstances ~

“Intimate Bank”

~Pursue effective activities by customer liaison sales force ~

“Trustworthy Bank”

~Promote relationship banking~

Basic strategies

Develop fair and stable business in line with customer interest

Strengthening Marketing Capabilities

2 top priorities in management

Cementing Management Foundation

Management capability

Proper allocation of resources

Improving Management Efficiency

Proper allocation of resources

Contribution to local economy

Obtain reliance from our region and “further” activate local economy

Expand customer base

Achieve high profitability

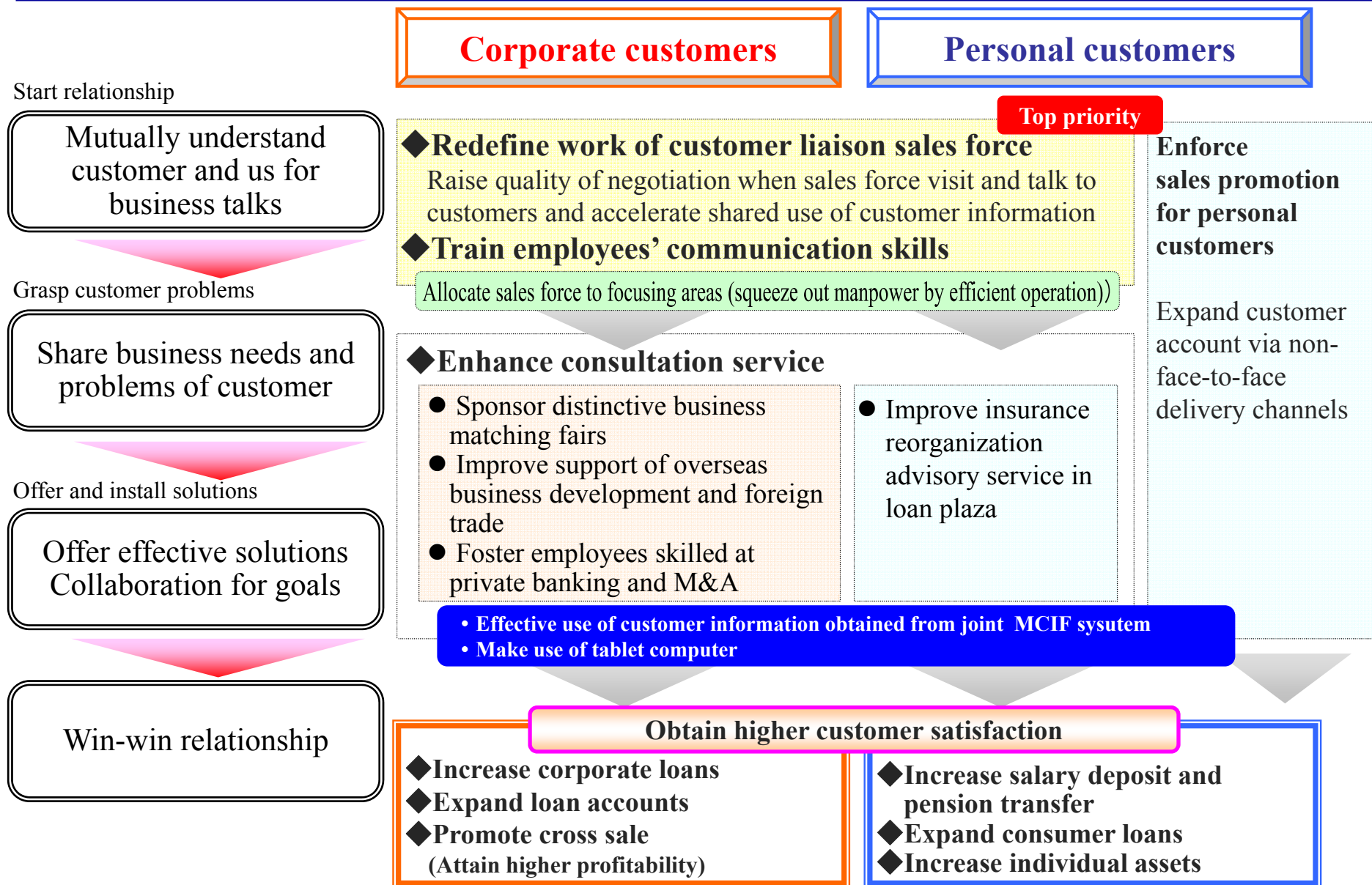
Improve capital adequacy ratio

Ensure fair and stable business

Enhance durability from risk

Raise our brand value

Outline	Strategies
<p>Redefine work of customer liaison sales force</p>	<ul style="list-style-type: none"> ➤ Fully instruct meaning and purpose of customer liaison sales force ➤ Raise quality of negotiation when sales force visit and talk to customers
<p>Become a main bank to corporate and household</p> <p>Expand loan customer base</p>	<ul style="list-style-type: none"> ➤ Increase number of loan customer and traded loan amount of each account with support of skilled sales force in headquarter ➤ Intensively allocate sales force to priority areas ➤ Improve advisory service of subsidies ➤ Functional expansion of non-face-to-face delivery channel to personal customers ➤ Advisory service for reorganization of insurance in loan plaza
<p>Enforce consultation and sales</p>	<ul style="list-style-type: none"> ➤ Specialized business-matching fairs ahead of opening of the Hokuriku bullet train line ➤ Foster employees skilled at private banking and M&A ➤ Form alumni association of clients' future management learned in our business school
<p>Support of overseas business development and foreign trade</p>	<ul style="list-style-type: none"> ➤ Enforce information offering service related to foreign business (Improvement in quality, amount of information and expand covered areas) ➤ Renew overseas TV conference system ➤ Sponsor business matching fairs and seminars with governmental agencies and economical associations ➤ Improve management for anti-money-laundry
<p>Expand security investment</p>	<ul style="list-style-type: none"> ➤ Expand investment in securities for additional profit



Promote consultation service

◆ Offer sound consultation service fit for life cycle of corporate clients

- Hone the ability to identify future business opportunities
- Sales promotion with support of skilled employees in headquarters
- Establish close relationship with local governments and administrative agency

Alliance with local governments and academic institutions for new business
Support of corporate revitalization

PB, M&A Consulting

Expansion

Business conversion

Growth

Support of overseas business expansion and trade
Business matching (Expansion of sales channel)

Start-up
New business

Advisory of subsidies
Consultation on financial issues

◆ Support of clients' overseas business and trade ◆

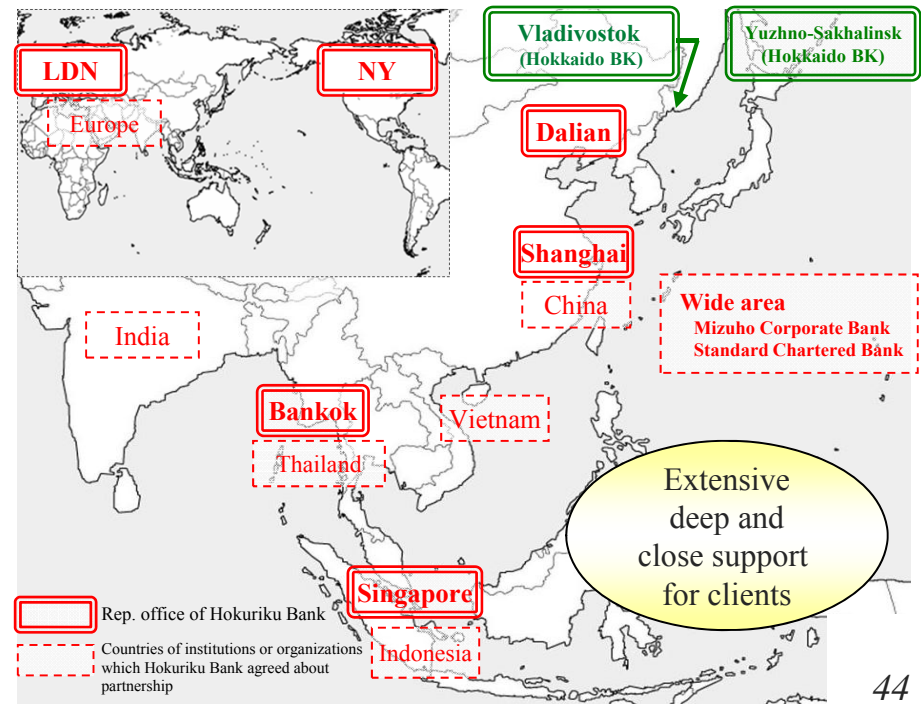
We extend community-based financing to support our clients' overseas expansion and trade. We do our utmost to assist customers who wish to expand overseas.

【Support of overseas business development】

- ✓ Provide higher quality information service
- ✓ Expand and enhance service menu using allied partners
- ✓ TV conference system using tablet computers

【Support of trade】

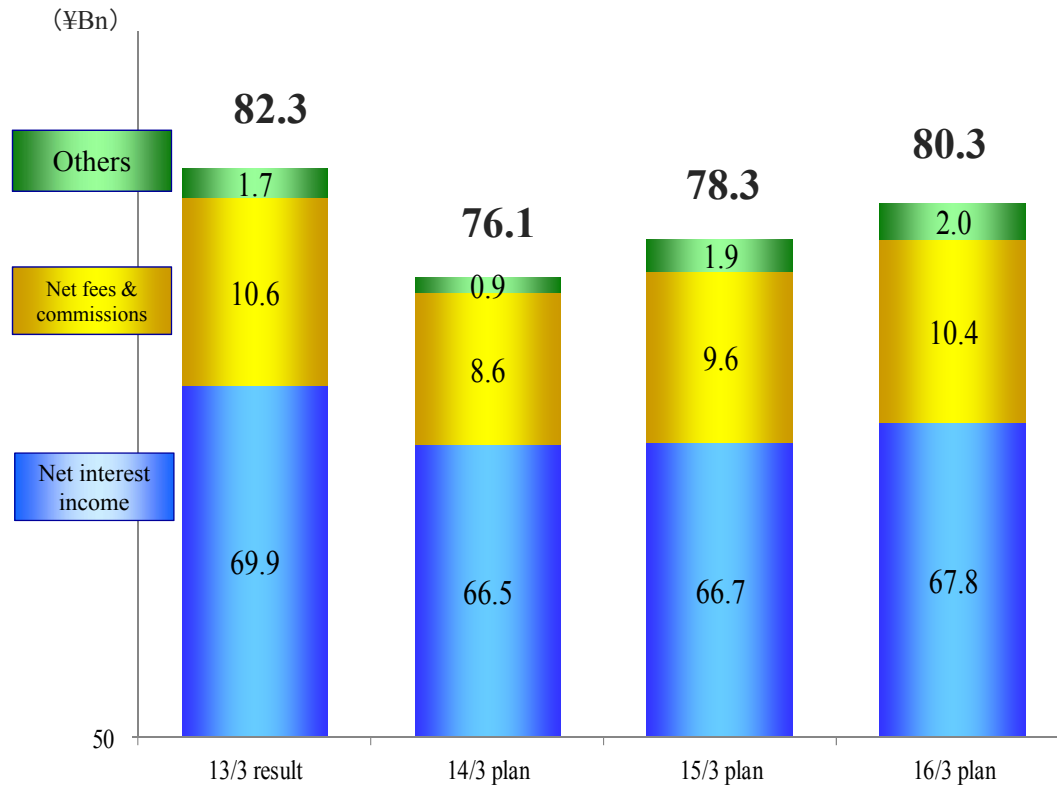
- ✓ Sponsor trade seminars and invite foreign buyers to business matching fair by collaboration with administrative agencies, regional chamber of commerce and industry, etc.
- ✓ Foster employees skilled at foreign exchange



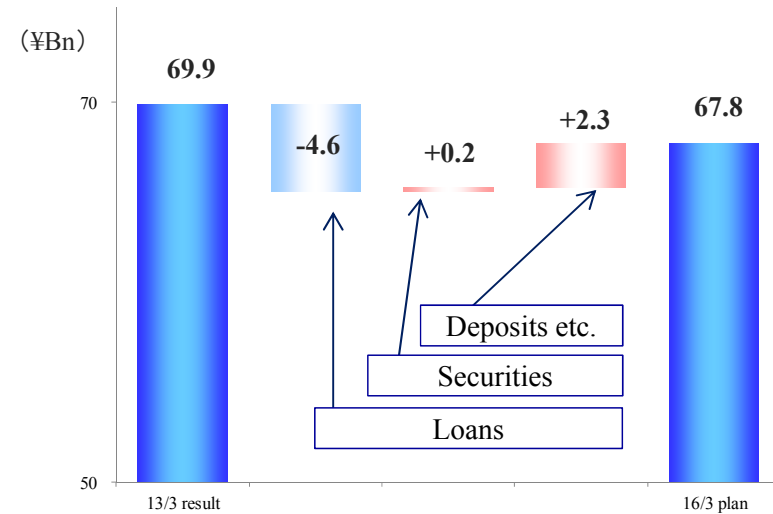
Strengthening Marketing Capabilities

The Hokuriku Bank Ltd.

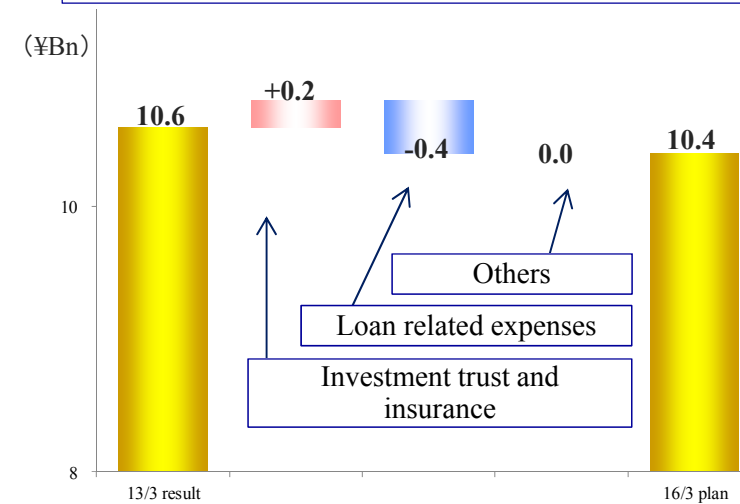
Core gross business profits



Net interest income



Net fees and commissions



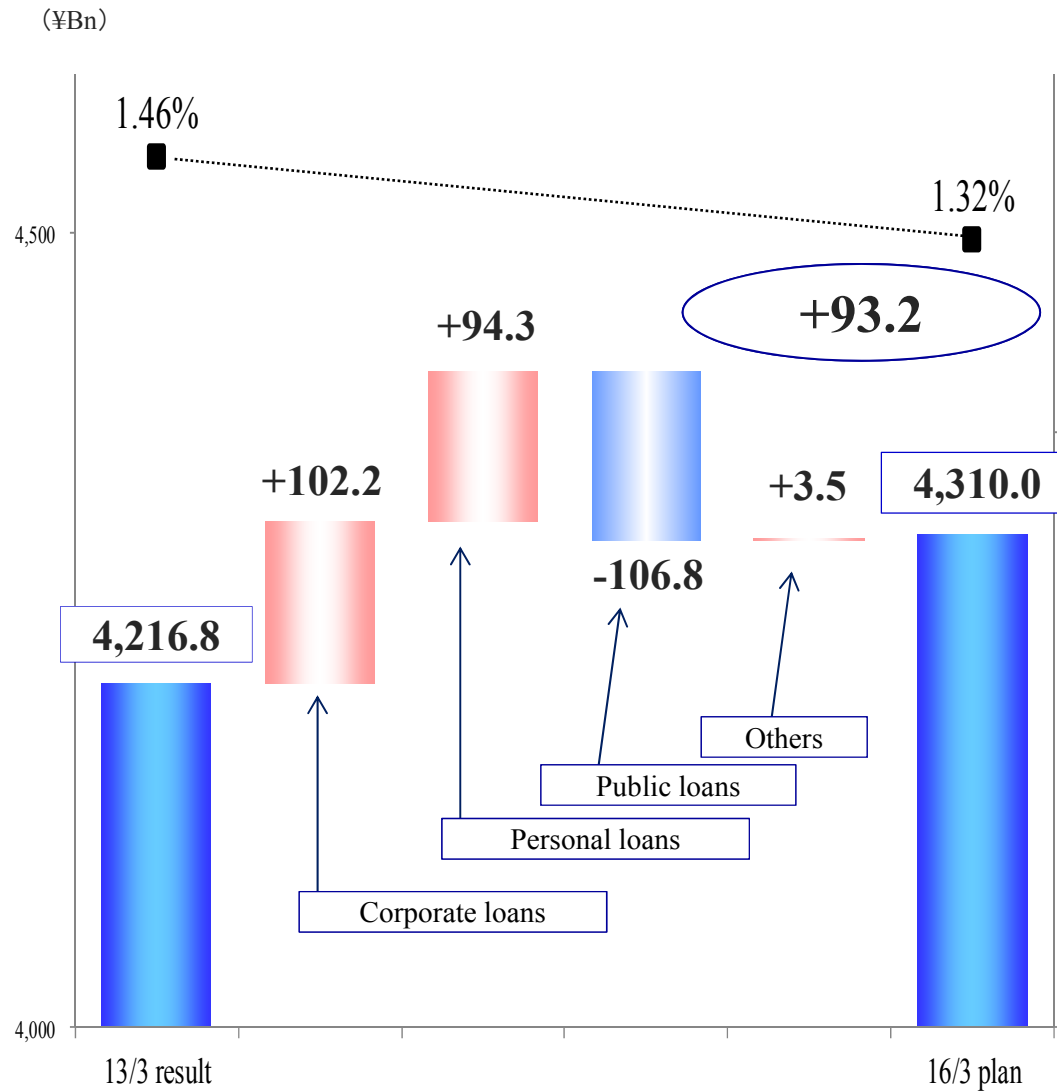
Core net business profits (¥Bn)

13/3 result	14/3 plan	15/3 plan	16/3 plan
31.4	25.1	27.0	28.3

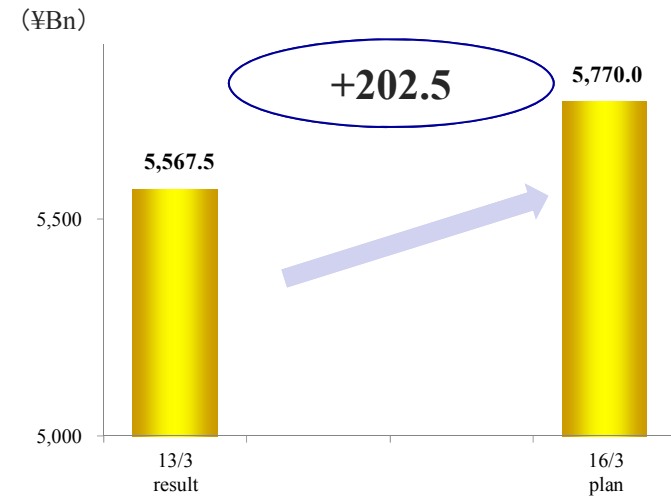
Loans, Deposits and Securities

The Hokuriku Bank Ltd.

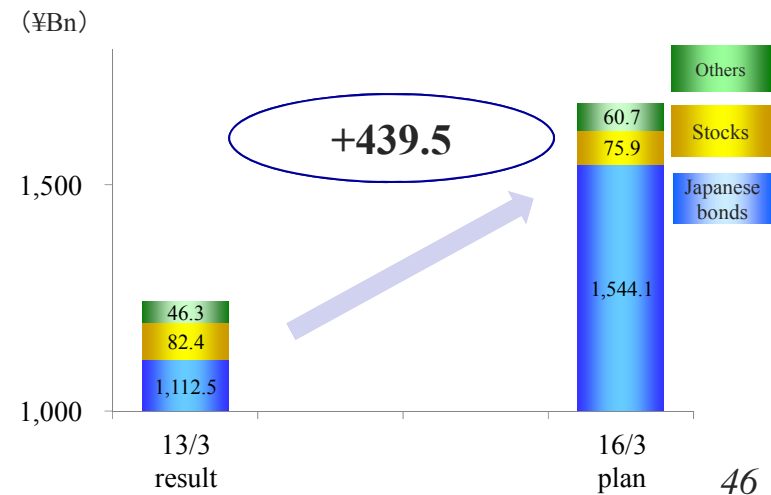
Loans (average balance, after partial write-off)



Deposits (average balance, including NCD)



Securities (average balance)



Outline

Optimize HR allocation

Organize branch network fit for demographic movement and competition

Streamline branch back office operations and customer relations

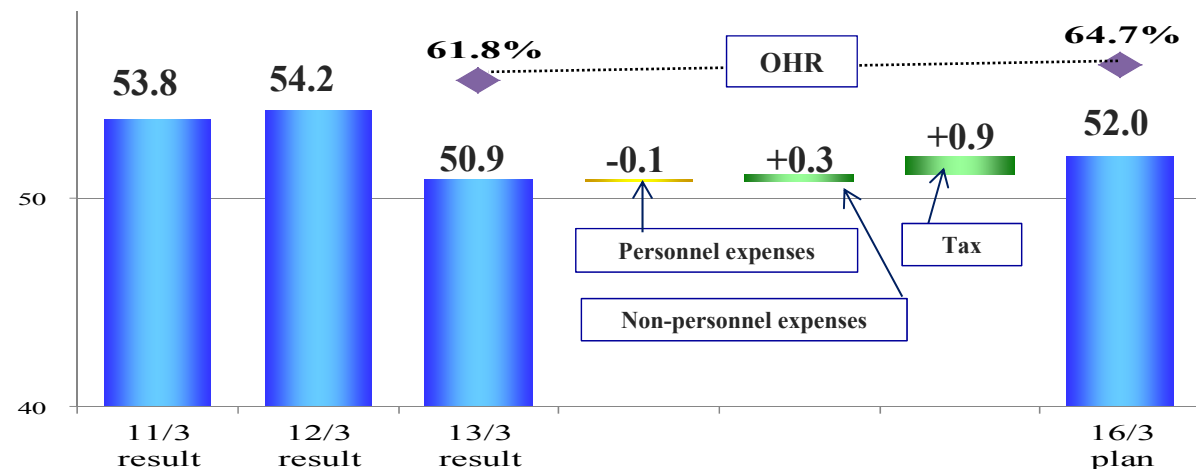
Strategies

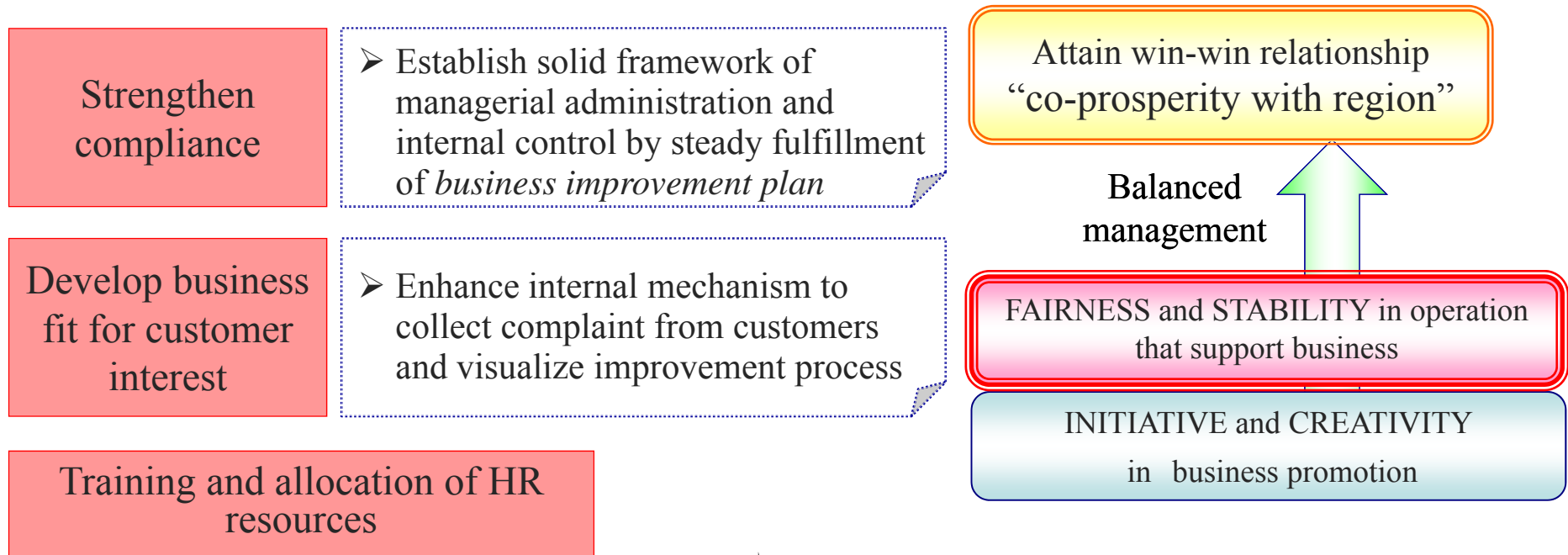
- Properly allocate human resources to branches and headquarters to ensure high profitability and solid internal control at the same time
- Establish best branch network fit for future demographic movement and business competition
- Reduce cost related to internal business process and promote over-the-counter sales
- Develop a customer relations system able to enhance both customer convenience and operational efficiency, including encouraging customers who live far away to conduct transactions at the nearest branch.

Expenses / OHR

- **Maintain low cost operation**
- **Non-personnel expenses are expected to increase, due to joint MCIF system, tablet computer and restructure of branch network.**
- **Other expenses are projected to decrease by ¥0.2Bn**

(¥Bn)





=Goals =

- Facilitate communication with clients
- Offer solutions with more added value to customers

=Problems =

- Shortage of future middle management
- Severe competition is expected when Hokuriku bullet train starts business in March 2015 and more people exchange across our region.

=Measures =

- ❑ Young workers (Quickly develop a skilled sales force)
- ❑ Female workers (Expand opportunities)
- ❑ Senior workers (Strategic allocation)
- Clarify career development target fit for capability and aptitude of employee (raise morale and motivation)
- Develop skills for specific careers
- Intensive training mainly for young employees

Curve NPL by corporate revitalization support

- Improve corporate management support in quality and quantity by active alliance with external skilled institutions (Regional Economy Vitalization Corporation of Japan, SME Business Rehabilitation Support Co-operatives (SRSC) etc.)
- Maintain positive attitude to clients' corporate management support after expiration of Financial Facilitation Act.

Risk control fit for environmental change

- Take proper action for risk control considering market change
- Enhance measures to operational risk
- Exercise internal audit from viewpoint of risk management

Contribution to local community

Environmental protection activity



Cleanup activity in Toyama Area
(Sep 2012)

Support of art and culture



Sponsor Gallery Millet
(Presentation ceremony celebrating 10,000 visitors)

Financial education



Business inspection tour for students of regional universities

Projected of Medium-term Management Plan
(3 Years : Apr 2013 to Mar 2016)

(Hokuriku Bank)	13/3 result	16/3 plan	change
Deposits *1	5,567.5 Bn	5,770.0 Bn	+202.5 Bn
Loans *1 *2	4,216.8 Bn	4,310.0 Bn	+93.2 Bn
Core net business profits	31.4 Bn	28.3 Bn	-3.1 Bn
Net Income (Consolidated)	12.3 Bn	12.0 Bn	-0.3 Bn
Capital adequacy ratio (Non-Consolidated)	11.78%	9.70% or above	(Basel III to be adapted from Mar 2014)
OHR *3	61.84%	Below 65%	
NPL Ratio	3.34%	Below 3%	

*1 Average amount *2 After partial write-offs *3 Core gross business profits basis

Medium-term Management Plan

“ALL 1 UP”



May 2013

Basic Policies of new Medium-term Management Plan “All 1 UP”

The Hokkaido Bank Ltd.

ALL 1 UP

HR
Business
Capability

Organization
structure

Product
Service

Profitability
Efficiency

Taking each business **1** step further

Basic strategies

Expand
customer
base

Proper risk
control

Reallocation
of
management
resources

Strategically
foster
employees

Effective use
of alliance
with external
institutions

Consistent
commitment
to
Compliance

Various
CS・CSR
activities

Attain high profitability by intensive sales promotion and efficient operation and establish status as reliable bank for a long time.

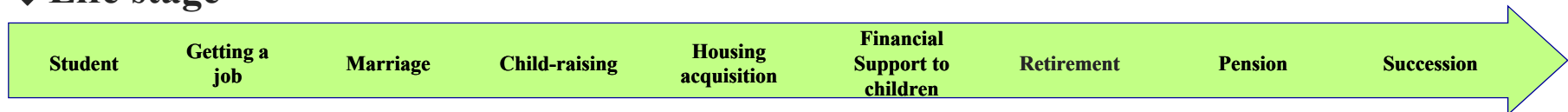
Outline	Establish organizational structure and sales strategies based on market-in approach
Personal clients	<ul style="list-style-type: none">➤ Marketing segmentation based on customer needs in line with life stage (Young customers and customers with needs of asset building , asset management and inheritance)➤ Extend product and service lineup and consultation on investment portfolio fit for every life cycle
Corporate clients	<ul style="list-style-type: none">➤ Share clients' management problems, growth strategy and long-term vision offer solution by intensive consultation➤ Expand support of overseas business development (Far east Russia, ASEAN)➤ Supporting local growing industries (Agriculture, Food, Medicine and nursing care, etc.)
Expand investment in securities	<ul style="list-style-type: none">➤ Build up stable security portfolio minimizing various risks➤ Investment with emphasis on profitability and efficiency
Enhance sales channels	<ul style="list-style-type: none">➤ Expand sales function of internet banking➤ Improve branch network➤ New opening of Insurance Plaza and improve function of Housing Loan Plaza
Expand and effective use of alliance	<ul style="list-style-type: none">➤ Offer comprehensive financial service by close cooperation with other group companies➤ Strengthen business matching service with allied regional banks in Tohoku area

Personal customers Expand product and service lineup for each market segmentation categorized by life stage

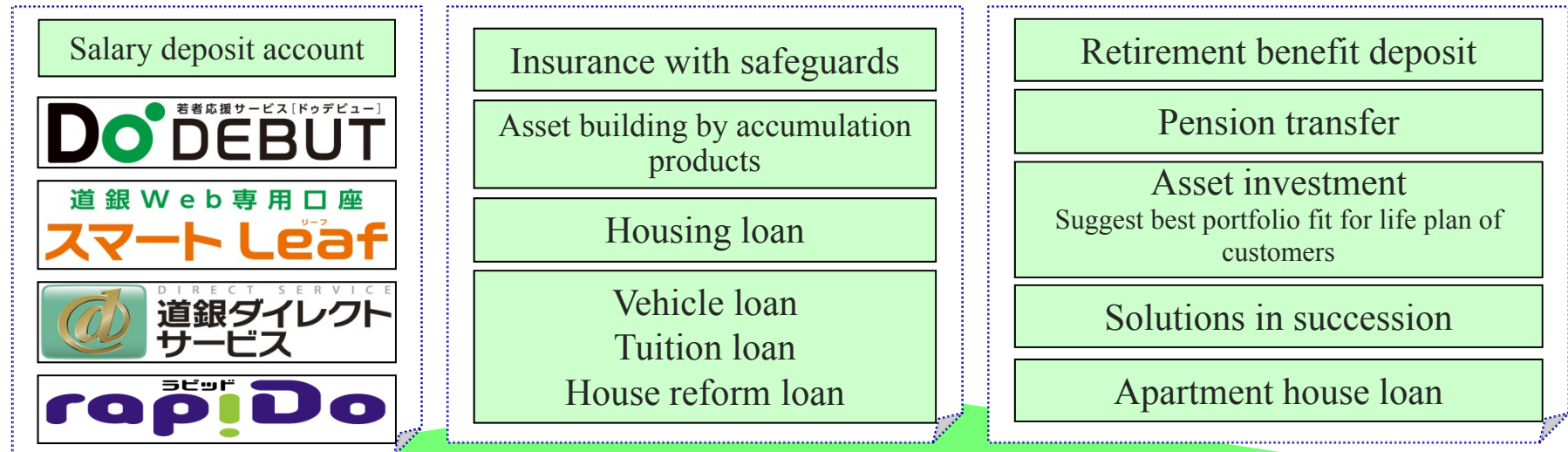
◆ Segmentation categorized by life stage



◆ Life stage



◆ Products and service lineup



Execute strategy based on event-based marketing using MCIF systems

Corporate clients

Grasp business problems and offer solutions

【Raise consultation capability】

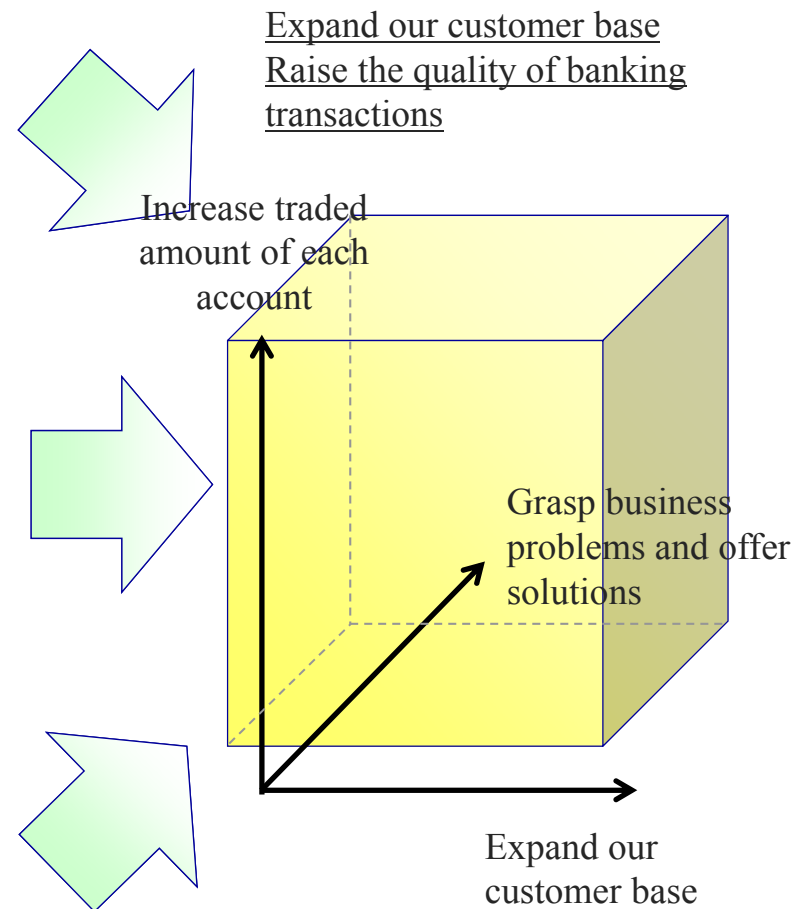
- Share clients' management problems, growth strategy and long-term vision and offer solution by intensive consultation
- Active use of consultation

【Expand support of overseas business development】

- Support business extension to Asian countries (ASEAN, China, etc.)
- Support business extension to Far East Russia (Vladivostok Rep. Office)

【Supporting local growing industries】

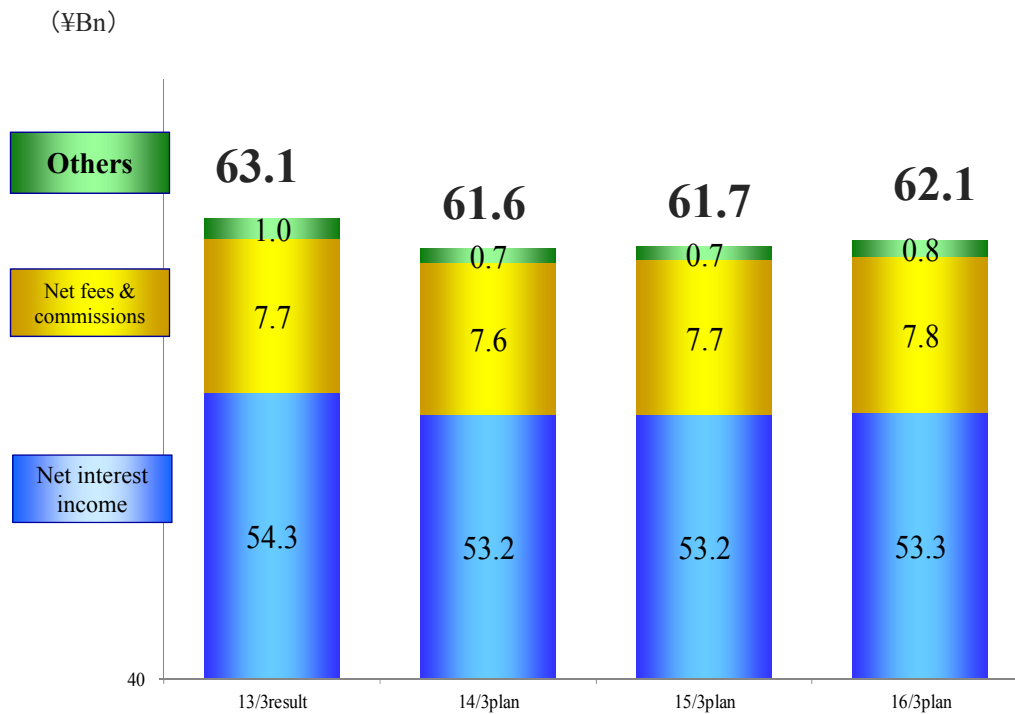
- Organize and support food-related industries from production to processing
- Support medical and nursing care by using seminars and consultation service of external organizations



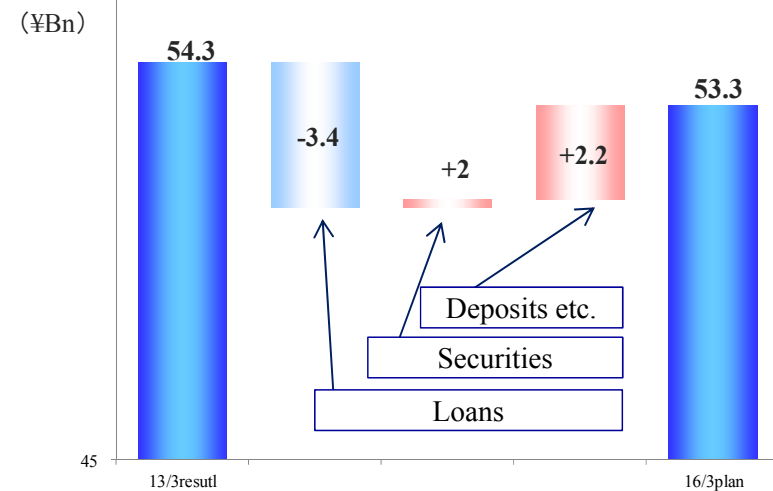
Strengthening Marketing Capabilities

The Hokkaido Bank Ltd.

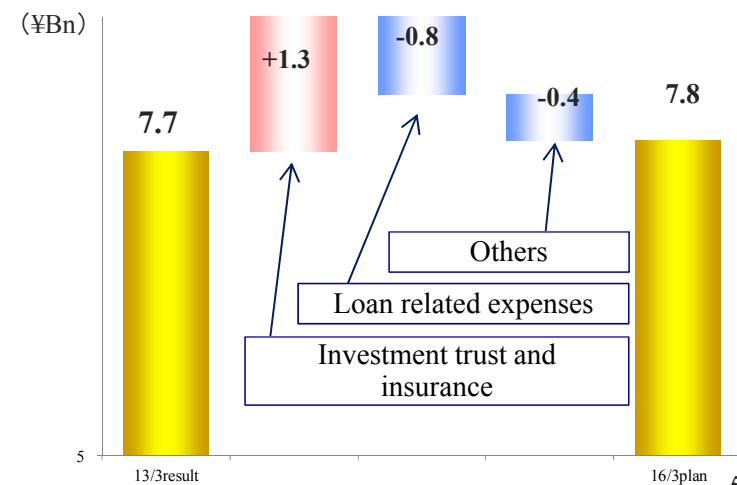
Core gross business profits



Net interest income



Net fees and commissions



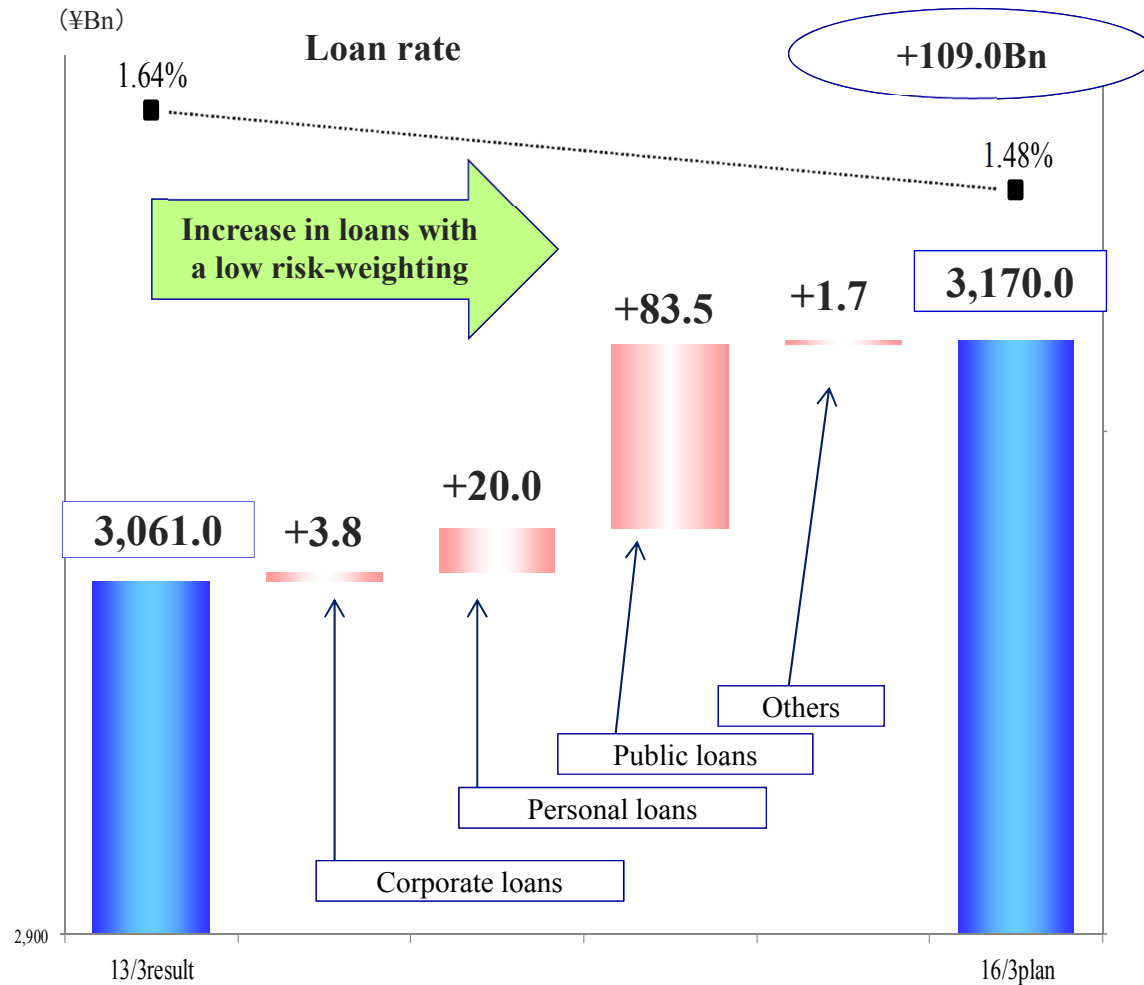
Core net business profits (¥Bn)

13/3 result	14/3 plan	15/3 plan	16/3 plan
18.9Bn	17.5Bn	17.7Bn	18.6Bn

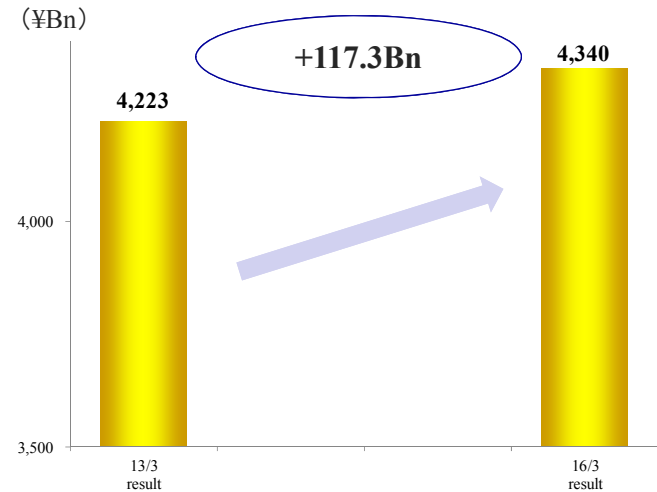
Loans, Deposits and Securities

The Hokkaido Bank Ltd.

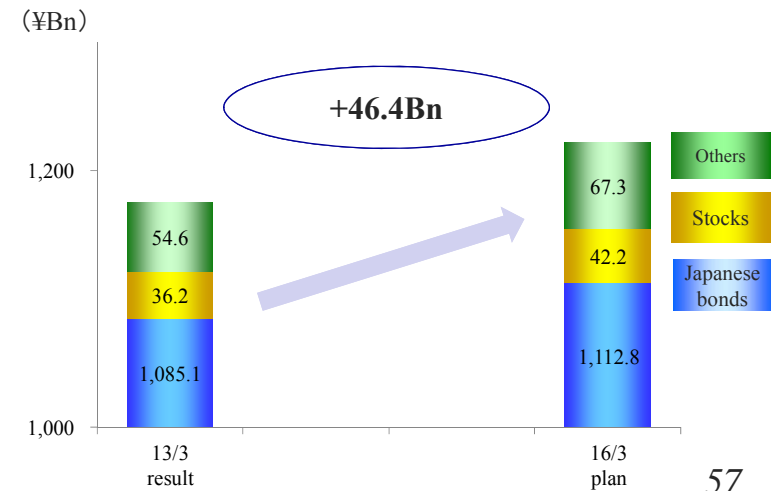
Loans (average balance, after partial write-off)



Deposits (average balance, including NCD)



Securities (average balance)



Outline

Strategies

Reconsider branch operation
(Reallocation of resources)

- Strategic allocation of sales force to retail market and priority areas
- Pursue efficient operation in branch

Thorough control of expenses

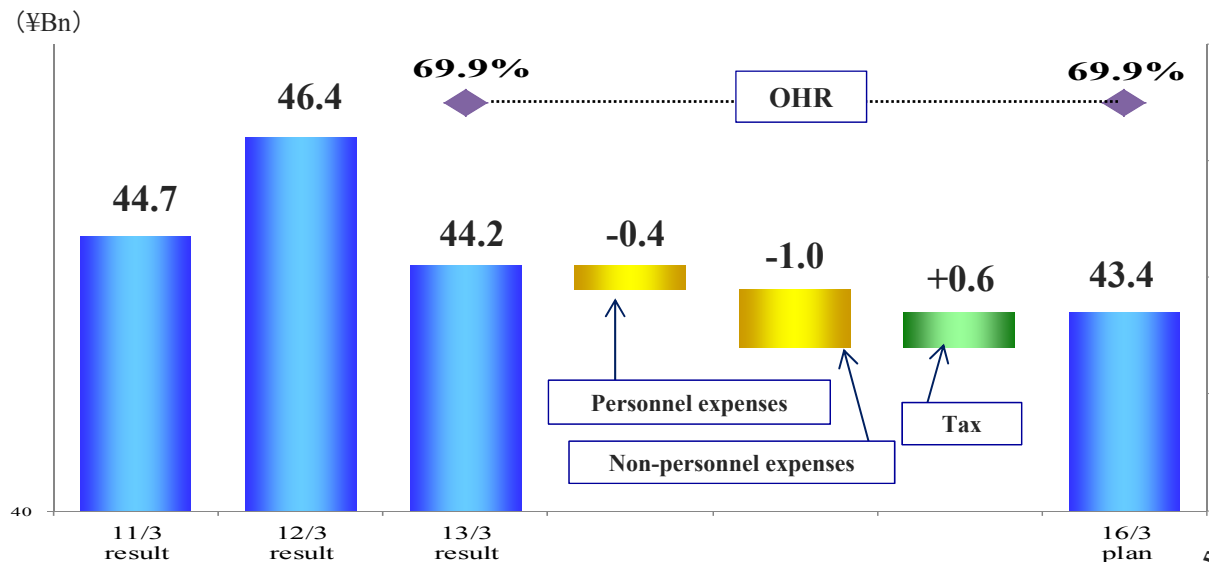
- Cost control by optimizing business process and saving cost
- Shared back office among group companies

Efficient operation

- Extensive work integration of back office

Expenses / OHR

- Expenses decreased by ¥0.8Bn, due to reduced non-personnel expenses.
- OHR was curved by the efficient operation, in spite of decreased gross business profits.



Provide full instruction of compliance

Employee training

- Expand training menu in compliance education
- Compliance seminars in branches

Protect customer interest

- On-site / off-site internal audit

Strategically foster human resources

Opening of Office of HR career development

- Structure committee composed of members elected across divisions of headquarters
- Construct balanced organization and intensively foster skilled employees adaptable to various works

Foster employees holding required skills and capabilities

- Foster employees with required skills under long-term program
- Employees highly capable of consultation and credit screening
- Employees skilled at retail sales and specialized business

Corporate revitalization support / Organization change

Corporate revitalization support

- Continue effective revitalization support after financial facilitation act is expired
- Alliance with external institutions and active use of business matching and M&A

Reallocation of executive officers

- Hokkaido is divided into 8 regions and executive officers are assigned to each area.
- Executive officers are delegated with authority in the area to develop stronger banking relationship
- Establish a mechanism where employees can provide quality service in a rapid and timely way

Contribution to local community

Environmental protection activity



**4th afforestation activity
(Dogin Forest, Sep 2012)**

Support of local sport



**Hokkaido Bank Fortius
(Top-level curling team in Japan)**

Financial education



**Kids' town in Asahikawa
(Nov 2012)**

Projected of Medium-term Management Plan
(3 Years : Apr 2013 to Mar 2016)

(Hokkaido Bank)	13/3 result	16/3 plan	change
Deposits *1	4,222.7 Bn	4,340.0 Bn	+117.3 Bn
Loans *1 *2	3,061.0 Bn	3,170.0 Bn	+109.0 Bn
Core net business profits	18.9 Bn	18.6 Bn	-0.3 Bn
Net Income (Consolidated)	7.2 Bn	8.0 Bn	+0.8 Bn
Capital adequacy ratio (Non-Consolidated)	11.23%	9.50% or above	(Basel III to be adapted from Mar 2014)
OHR *3	69.98%	70% or below	
NPL Ratio	2.79%	Below 3%	

*1 Average amount *2 Before partial write-offs *3 Core gross business profit basis

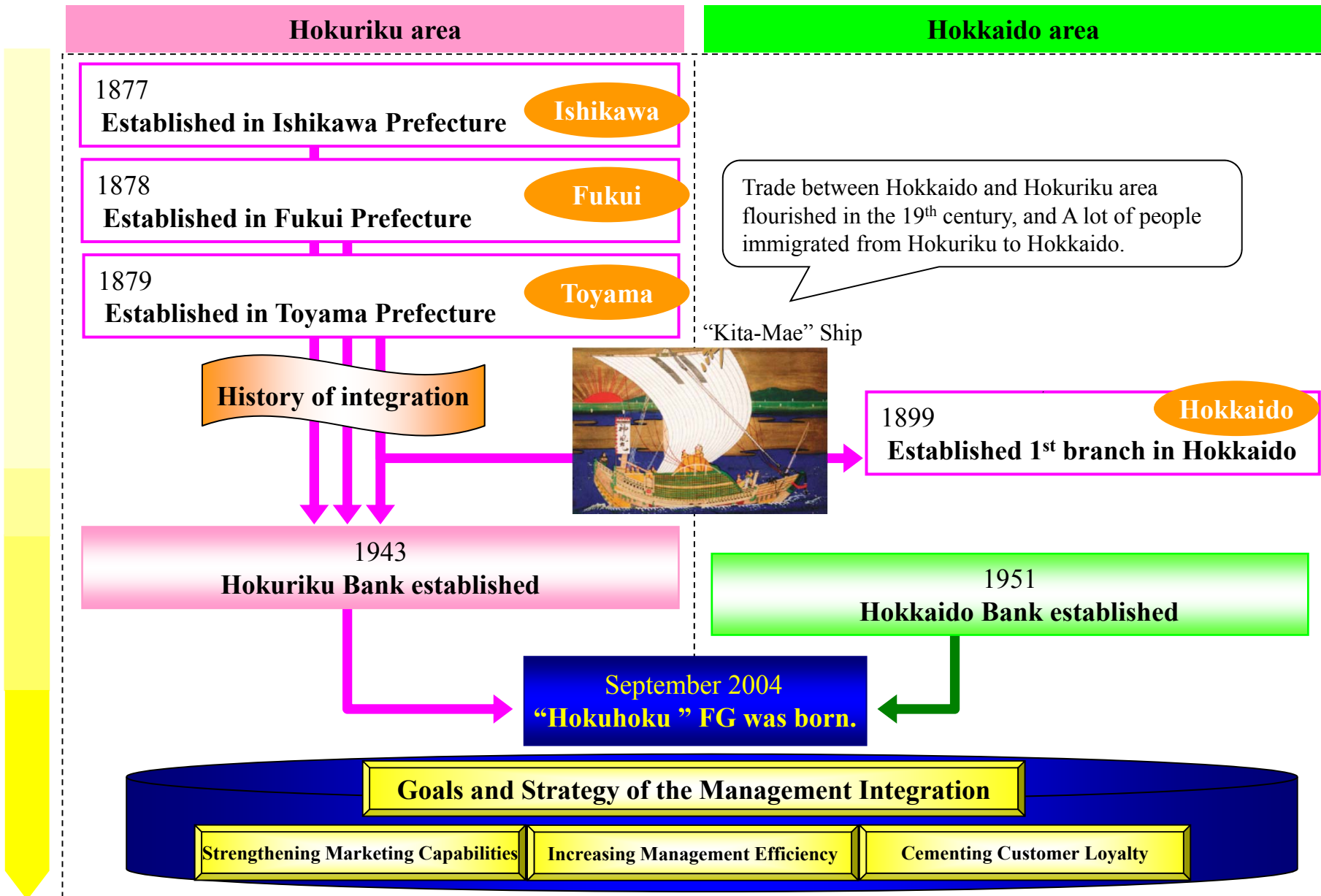
Appendix

Outline of Hokuhoku FG and Two Banks

(As of March 31, 2013)

	Hokuhoku FG	Hokuriku Bank	Hokkaido Bank
Date of establishment	September 26, 2003	July 31, 1943 (Started business in 1877)	March 5, 1951
Location of head office	1-2-26 Tsutsumicho-dori, Toyama City	1-2-26 Tsutsumicho-dori, Toyama City	4-1 Odori Nishi, Chuo-ku, Sapporo City
Capital	¥ 70,895 million	¥ 140,409.52 million	¥ 93,524.01 million
Shares issued and outstanding	Common stock 1,351,630,146 Preferred stock (Type5) 107,432,000	Common stock 1,047,542,335	Common stock 486,634,512 Preferred stock (Type2) 107,432,000
Total assets	(consolidated) ¥ 10,979.2 billion	¥ 6,276.0 billion	¥ 4,647.4 billion
Deposits & NCD	(consolidated) ¥ 9,982.8 billion	¥ 5,726.2 billion	¥ 4,281.9 billion
Loans	(consolidated) ¥ 7,387.9 billion	¥ 4,332.7 billion	¥ 3,069.3 billion
Capital adequacy ratio	(consolidated) 11.88%	(non-consolidated) 11.78%	(non-consolidated) 11.23%
Employees	59 (13 fulltime workers)	2,772	2,412
Ratings	A (R&I)、A (JCR)	A (R&I)、A (JCR)	A (R&I)、A (JCR)
Branches (Domestic) (Overseas)		143 branches, 45 sub-branches 6 representative offices	133 branches, 7 sub-branches 2 representative offices

History of Hokuhoku FG



About Hokuhoku FG ④

Historical Data (Hokuhoku FG)

Hokuhoku Financial Group, Inc.

(JPY Bn)

<Consolidated>	FY2007	FY2008	FY2008	FY2009	FY2009	FY2010	FY2010	FY2011	FY2011	FY2012	FY2012
	Full year	Interim	Full year	Interim	Full year	Interim	Full year	Interim	Full year	Interim	Full year
Ordinary income	261.2	123.8	239.6	114.3	226.7	109.2	214.6	105.7	207.9	105.7	199.1
Ordinary profits	66.3	19.6	21.3	13.3	35.4	18.0	37.2	18.9	38.8	8.9	29.3
Net income	38.6	37.5	37.0	5.7	19.2	10.0	18.4	8.9	14.1	6.1	18.1
Capital adequacy ratio	10.39%	10.39%	10.81%	10.91%	10.83%	11.39%	11.29%	11.57%	11.72%	11.90%	11.88%

<Total of two banks> * Total of two banks + Hokugin Corp.

Core gross business profits	178.5	87.3	168.3	79.6	160.9	76.0	155.4	77.3	156.3	73.5	145.5
General & administrative expenses	89.9	45.6	91.5	47.1	94.4	48.4	98.6	51.4	100.6	48.5	95.1
Core net business profits	88.6	41.7	76.8	32.4	66.4	27.6	56.7	25.9	55.7	25.0	50.3
Net gains(losses) related to securities	(0.6)	(5.2)	(17.6)	0.8	0.2	0.8	(1.0)	1.2	(1.4)	(3.5)	0.4
Credit costs	25.5	16.1	35.5	16.8	25.5	8.3	14.5	6.4	10.4	10.4	17.0
Ordinary profits	65.0	19.4	21.3	14.2	36.8	18.8	37.0	19.3	40.5	9.4	30.0
Net income	39.0	37.8	37.9	11.4	26.0	11.1	19.6	9.8	16.6	7.0	19.5
ROA	0.95%	0.88%	0.80%	0.66%	0.68%	0.54%	0.56%	0.49%	0.53%	0.47%	0.47%
OHR	50.36%	52.19%	54.37%	59.20%	58.68%	63.67%	63.47%	66.46%	64.37%	65.98%	65.37%
Loans *	6,897.6	7,006.3	7,156.7	7,001.5	6,993.6	6,966.7	7,241.1	7,236.1	7,287.0	7,313.8	7,402.0
Deposits (including NCD)	8,502.2	8,650.3	8,742.4	8,930.2	9,120.3	9,223.9	9,523.8	9,534.7	9,700.8	9,787.6	10,008.1
Securities	1,714.8	1,745.8	1,725.0	1,787.6	2,015.0	2,204.1	2,315.1	2,465.8	2,471.8	2,392.6	2,497.8
Non performing loan *	260.7	253.1	227.5	214.6	215.2	214.4	220.5	229.8	236.8	252.1	236.7
NPL ratio *	3.64%	3.48%	3.07%	2.96%	2.98%	2.98%	2.96%	3.08%	3.17%	3.36%	3.11%

About Hokuhoku FG ⑤
Historical Data (Hokuriku Bank)

Hokuhoku Financial Group, Inc.

(JPY Bn)

	FY2007	FY2008	FY2008	FY2009	FY2009	FY2010	FY2010	FY2011	FY2011	FY2012	FY2012
	Full year	Interim	Full year	Interim	Full year	Interim	Full year	Interim	Full year	Interim	Full year
Ordinary income	141.2	65.3	124.2	57.5	113.7	55.0	108.8	54.0	105.4	56.2	103.0
Core gross business profits	105.2	49.8	94.7	45.3	90.1	44.1	88.5	45.2	88.5	42.4	82.3
General & administrative expenses	51.1	25.7	51.3	25.8	51.8	26.5	53.8	27.7	54.2	25.9	50.9
Core net business profits	54.1	24.1	43.4	19.5	38.3	17.5	34.6	17.4	34.3	16.4	31.4
Net gains(losses) related to securities	(0.7)	(3.8)	(12.6)	(1.2)	(2.4)	(2.0)	(2.8)	(1.0)	(1.1)	(3.6)	(1.2)
Credit costs	20.4	10.5	21.4	7.0	13.4	2.9	7.1	1.9	4.4	9.5	9.3
Ordinary profits	35.6	9.6	8.8	9.8	19.9	12.1	22.9	13.8	27.4	2.3	18.3
Net income	21.2	30.1	26.4	7.5	15.6	7.2	11.9	6.9	11.4	1.9	12.3
Capital adequacy ratio	10.10%	10.26%	10.23%	10.56%	10.80%	11.27%	11.32%	11.62%	11.85%	11.89%	11.78%
ROA	0.99%	0.86%	0.77%	0.69%	0.68%	0.60%	0.59%	0.58%	0.57%	0.55%	0.52%
OHR	48.53%	51.58%	54.18%	56.95%	57.48%	60.16%	60.85%	61.32%	61.25%	61.17%	61.84%
Loans *	4,210.7	4,245.9	4,293.3	4,172.6	4,142.6	4,109.2	4,252.3	4,205.7	4,233.9	4,245.5	4,332.7
Deposits (including NCD)	4,955.7	5,016.1	5,092.5	5,155.8	5,306.7	5,292.6	5,439.9	5,416.5	5,545.1	5,541.2	5,726.2
Securities	820.9	833.7	858.8	858.4	1,015.9	1,088.4	1,217.5	1,285.7	1,315.4	1,178.2	1,269.6
Non performing loan *	163.5	159.7	142.6	140.1	147.3	146.1	144.3	153.1	153.5	168.1	148.4
NPL ratio *	3.72%	3.60%	3.19%	3.23%	3.42%	3.43%	3.28%	3.52%	3.53%	3.86%	3.34%

* Hokuriku Bank + Hokugin Corp.

About Hokuhoku FG ⑥
Historical Data (Hokkaido Bank)

Hokuhoku Financial Group, Inc.

(JPY Bn)

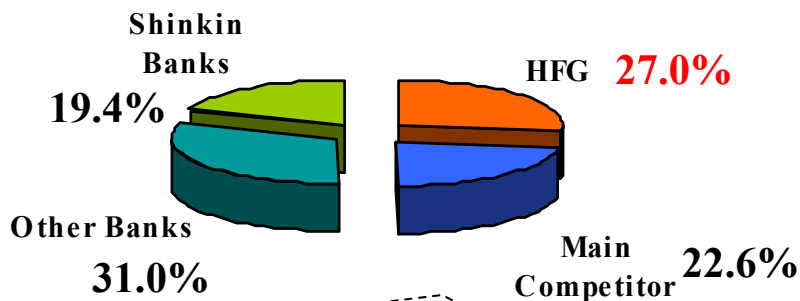
	FY2007 Full year	FY2008 Interim	FY2008 Full year	FY2009 Interim	FY2009 Full year	FY2010 Interim	FY2010 Full year	FY2011 Interim	FY2011 Full year	FY2012 Interim	FY2012 Full year
Ordinary income	96.0	47.7	94.3	46.9	93.7	44.8	87.0	43.2	87.5	42.3	81.6
Core gross business profits	73.2	37.5	73.5	34.2	70.8	31.9	66.8	32.1	67.8	31.0	63.1
General & administrative expenses	38.8	19.8	40.2	21.3	42.6	21.8	44.7	23.7	46.4	22.5	44.2
Core net business profits	34.4	17.6	33.3	12.9	28.1	10.0	22.1	8.4	21.4	8.5	18.9
Net gains(losses) related to securities	0.1	(1.3)	(4.9)	2.1	2.7	2.9	1.7	2.2	(0.2)	0.1	1.7
Credit costs	5.1	5.6	14.0	9.7	12.0	5.3	7.4	4.4	5.9	0.8	7.6
Ordinary profits	29.4	9.8	12.5	4.3	16.9	6.6	14.1	5.4	13.1	7.1	11.6
Net income	17.8	7.7	11.4	3.8	10.3	3.9	7.7	2.9	5.2	5.0	7.2
Capital adequacy ratio	10.13%	9.68%	10.45%	10.30%	10.19%	10.68%	10.59%	10.57%	10.80%	11.05%	11.23%
ROA	0.90%	0.90%	0.85%	0.63%	0.68%	0.47%	0.51%	0.37%	0.47%	0.37%	0.41%
OHR	52.98%	53.00%	54.62%	62.17%	60.21%	68.53%	66.93%	73.69%	68.44%	72.57%	69.98%
Loans	2,686.8	2,760.3	2,863.4	2,828.9	2,851.0	2,857.4	2,988.8	3,030.4	3,053.0	3,068.3	3,069.3
Deposits (including NCD)	3,546.5	3,634.1	3,649.9	3,774.4	3,813.6	3,931.3	4,083.9	4,118.2	4,155.7	4,246.4	4,281.9
Securities	893.8	912.0	866.2	929.1	999.1	1,115.7	1,097.6	1,180.1	1,156.4	1,214.4	1,228.2
Non performing loan	97.2	93.5	84.8	74.5	67.9	68.3	76.3	76.7	83.3	84.0	88.2
NPL ratio	3.52%	3.29%	2.89%	2.57%	2.32%	2.33%	2.49%	2.47%	2.66%	2.66%	2.79%

About Hokuhoku FG ⑦

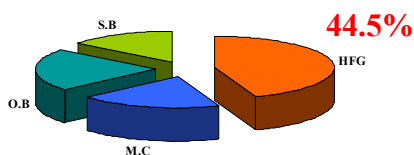
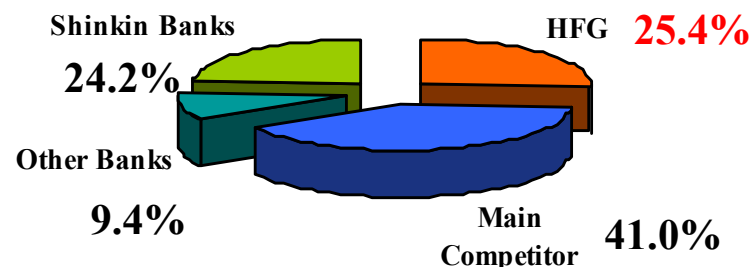
Market Share in Our Home Market (Loans, Sep-12)

Hokuhoku Financial Group, Inc.

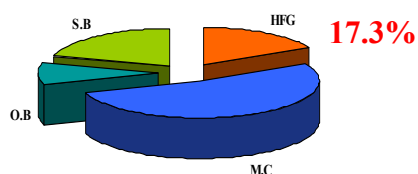
Hokuriku Area



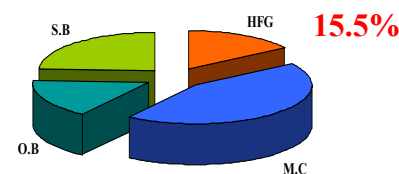
Hokkaido Area



Toyama



Ishikawa



Fukui

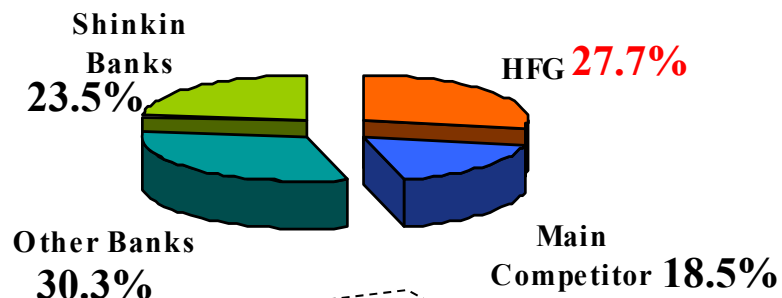
*Figures of the Main Competitor and Other banks are estimated figures

(JPY Bn)

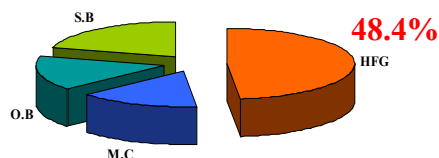
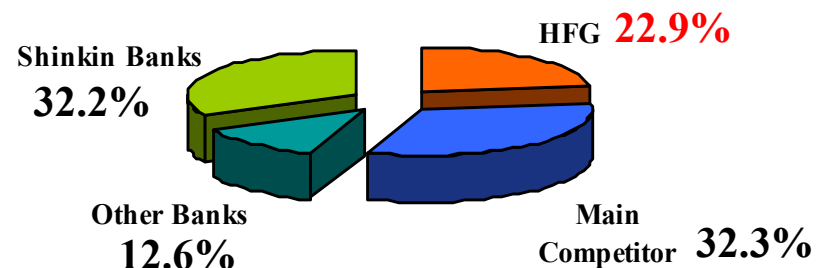
	Hokuriku Area				Hokkaido Area
	Toyama Pref.	Ishikawa Pref.	Fukui Pref.		
Banks	7,048.2(80.6%)	2,789.0(85.5%)	2,587.3(79.1%)	1,671.9(75.7%)	9,347.4(75.8%)
Hokuhoku FG(HFG)	2,359.7(27.0%)	1,449.9(44.5%)	566.9(17.3%)	342.8(15.5%)	3,130.0(25.4%)
Hokuriku Bank (Loans + Securitized loans)	2,359.7(27.0%) (2,397.7)	1,449.9(44.5%) (1,472.8)	566.9(17.3%) (577.9)	342.8(15.5%) (347.0)	509.3(4.1%) (511.1)
Hokkaido Bank	0(0.0%)	0(0.0%)	0(0.0%)	0(0.0%)	2,620.7(21.3%)
Main Competitor	1,977.1(22.6%)	624.5(19.2%)	1,728.3(52.8%)	974.2(44.1%)	5,059.9(41.0%)
Shinkin Banks	1,692.7(19.4%)	471.9(14.5%)	684.3(20.9%)	536.3(24.3%)	2,984.7(24.2%)
Total	8,740.9(100 %)	3,260.9(100 %)	3,271.6(100%)	2,208.2(100%)	12,332.1(100%)

Market Share in Our Home Market (Deposits, Sep-12)

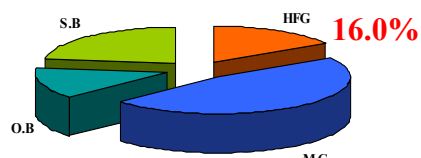
Hokuriku Area



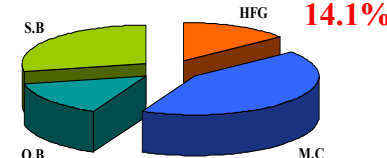
Hokkaido Area



Toyama



Ishikawa



Fukui

*Figures of the Main Competitor and Other banks are estimated figures

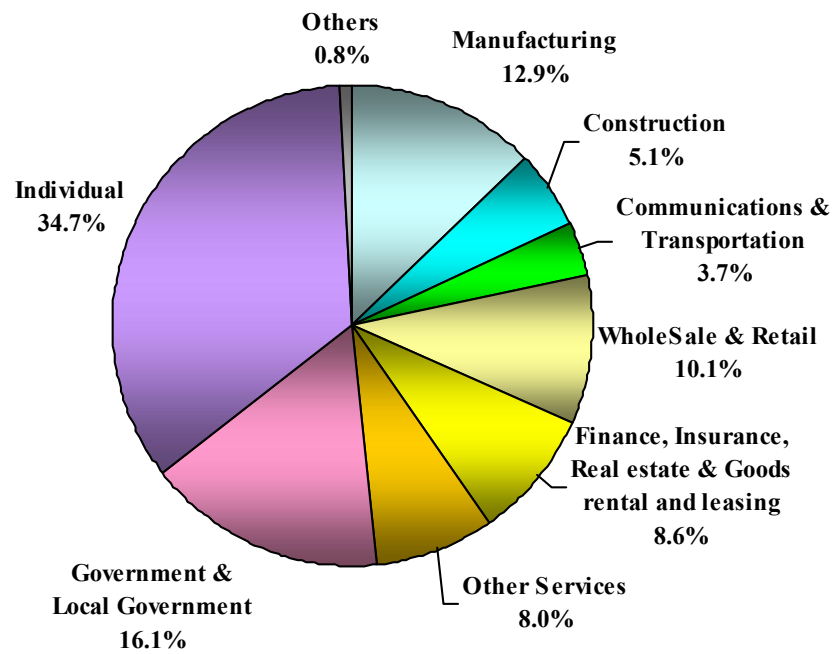
(JPY Bn)

	Hokuriku Area				Hokkaido Area
		Toyama Pref.	Ishikawa Pref.	Fukui Pref.	
Banks	11,823.5(76.5%)	4,609.4(79.4%)	4,334.2(76.9%)	2,879.9(71.7%)	14,019.9(67.8%)
Hokuhoku FG(HFG)	4,280.1(27.7%)	2,810.9(48.4%)	904.0(16.0%)	565.1(14.1%)	4,736.9(22.9%)
Hokuriku Bank	4,280.1(27.7%)	2,810.9(48.4%)	904.0(16.0%)	565.1(14.1%)	566.2 (2.7%)
Hokkaido Bank	0(0.0%)	0(0.0%)	0(0.0%)	0(0.0%)	4,170.7(20.2%)
Main Competitor	2,854.9(18.5%)	884.7(15.2%)	2,673.6(47.4%)	1,725.4(42.9%)	6,687.8(32.3%)
Shinkin Banks	3,636.9(23.5%)	1,195.4(20.6%)	1,303.0(23.1%)	1,138.4(28.3%)	6,668.4(32.2%)
Total	15,460.4(100%)	5,804.8(100%)	5,637.2(100%)	4,018.3(100%)	20,688.3(100%)

About Hokuhoku FG ⑨
Lending in the Region by Industry (Mar-13)

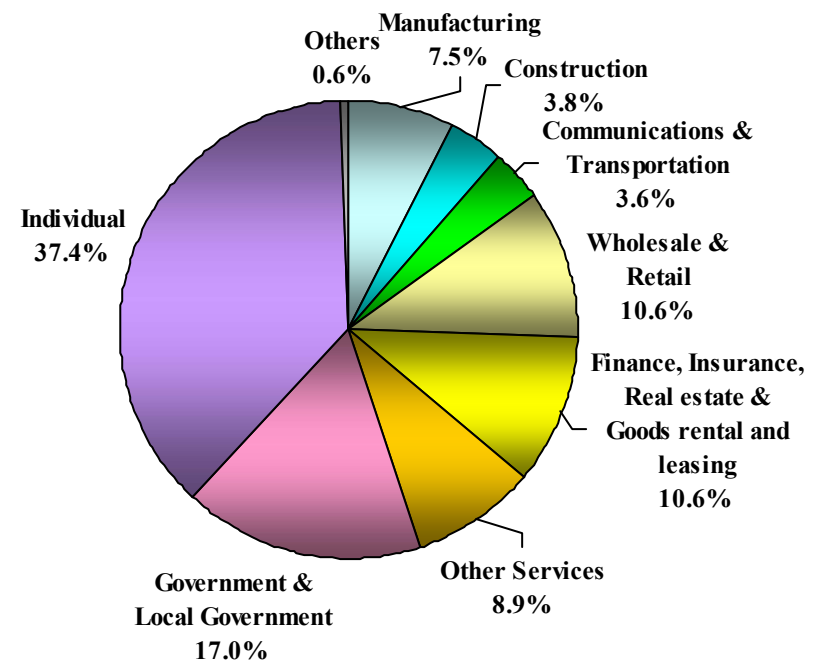
Hokuhoku Financial Group, Inc.

Hokuriku Bank



Region: Toyama, Ishikawa, Fukui, Hokkaido

Hokkaido Bank

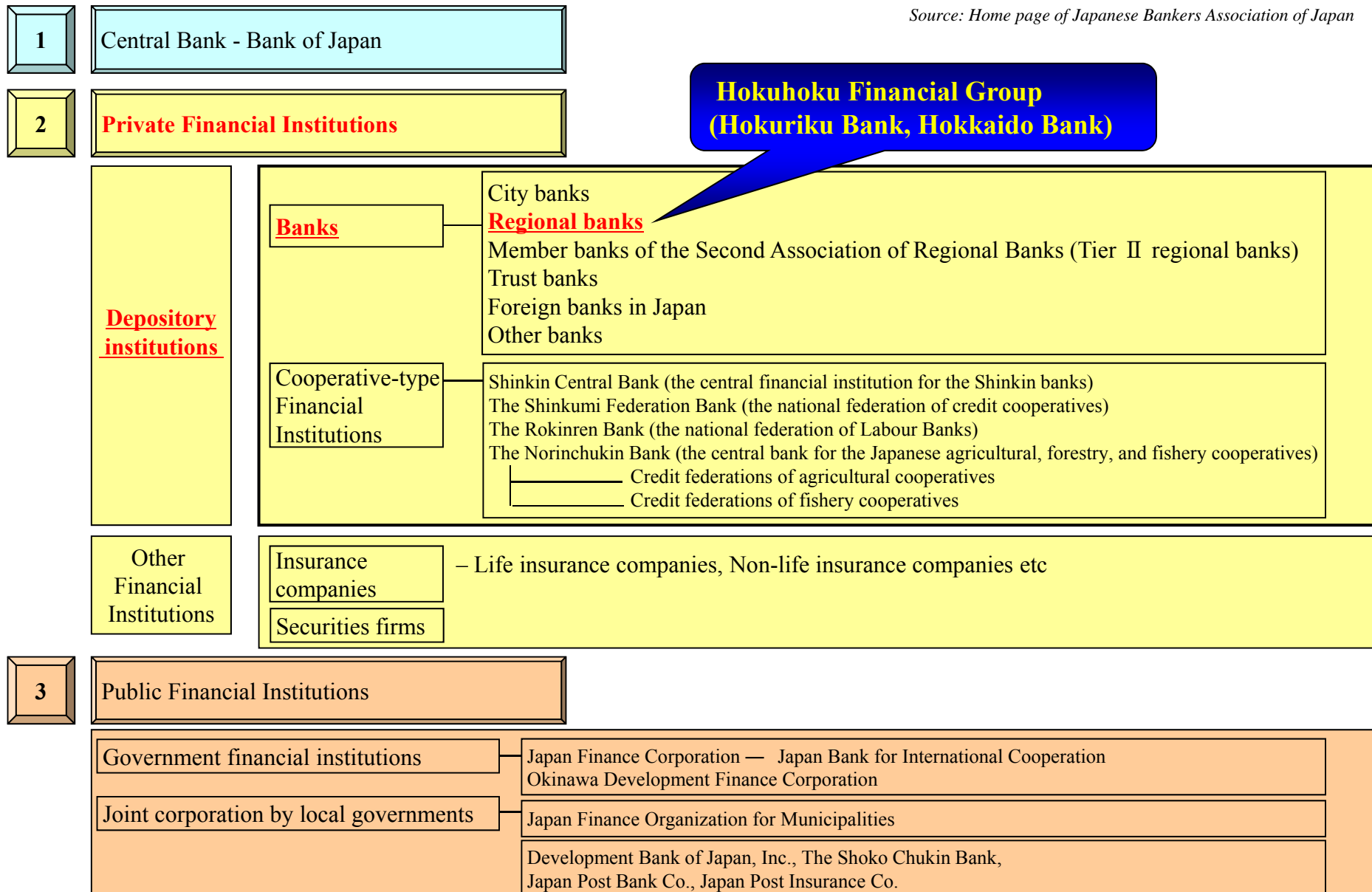


Region: Hokkaido

About Japanese Regional Banks ①

Financial Institutions in Japan

Source: Home page of Japanese Bankers Association of Japan



About Japanese Regional Banks ②

Outline of Regional Banks

Outline of Regional Banks

The 64 regional banks in Japan consistently enjoy wide patronage as banks that develop in step with the region.

In our ongoing quest to be financial institutions trusted by customers, the regional banks will strive to maintain soundness of management, as well as continuously be devoted to enhancing convenience for customers and to realizing vibrant regional communities.

Leading Banks in the Regions

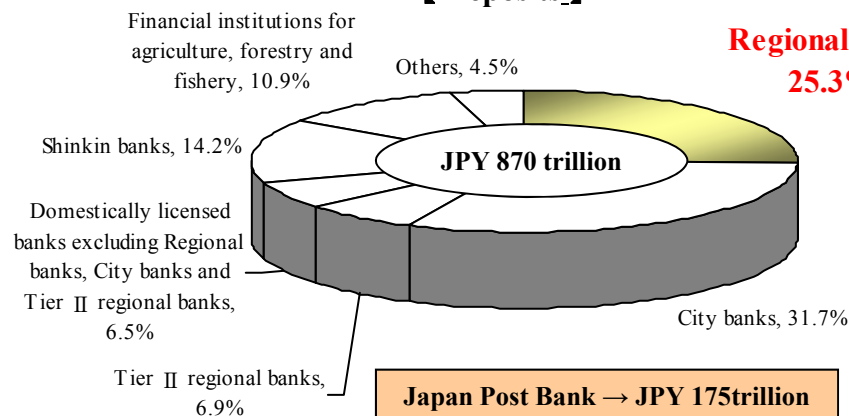
The regional banks have formed a dense branch network in the regions, mainly in the prefectures where their head offices are located, with some 7,500 branches and some 35,000 ATMs set up all over the country.

Through this branch network, the regional banks cater to the diversified financial needs of individual customers as well as medium-sized and small- and medium-sized corporate clients in the regions, and also play a leading role in regional finance for the promotion and development of regional communities.

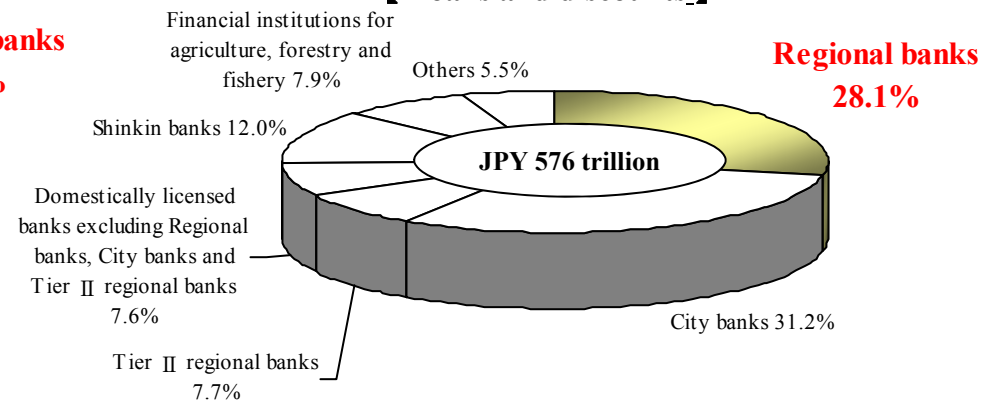


Shares of Deposits and Loans of Private Financial Institutions (Mar-12)

【 Deposits 】



【 Loans and discounts 】



Source: Home page of Regional Banks Association of Japan

The Present Condition of the Regional Economy ①

Characteristics of Our Main Business Area

Hokuhoku Financial Group, Inc.

Population and Square Measure

Data from Ministry of Internal Affairs and Communications

	Toyama Prefecture a	Ishikawa Prefecture b	Fukui Prefecture c	Total a+b+c	Hokkaido	Total
Population (Ranking)	1.09Mn (37th)	1.17Mn (34th)	0.80Mn (43rd)	3.06Mn	5.49Mn (8th)	8.55Mn
Density of Population (Ranking)	256.1pt (25th)	278.6pt (23rd)	191.7pt (32nd)	—	70.0pt (47th)	—
Square Measure (Ranking) km ²	4,248 (33rd)	4,186 (35th)	4,190 (34th)	—	83,457 (1st)	—

Scale matching for Osaka!

1 st	Tokyo
2 nd	Kanagawa (9.06Mn)
3 rd	Osaka (8.86Mn)

Gross Prefectural Product

Data from Ministry of Internal Affairs and Communications and Cabinet Office

	Toyama a	Ishikawa b	Fukui C	Total a + b + c	Hokkaido	Total (JPY Bn)
GPP (Proportion) (Ranking)	4,096.5 (0.85%) (32nd)	4,250.0 (0.88%) (31st)	3,113.1 (0.64%) (41st)	11,459.7 (2.37%)	18,052.7 (3.74%) (7th)	29,512.5 (6.11%)

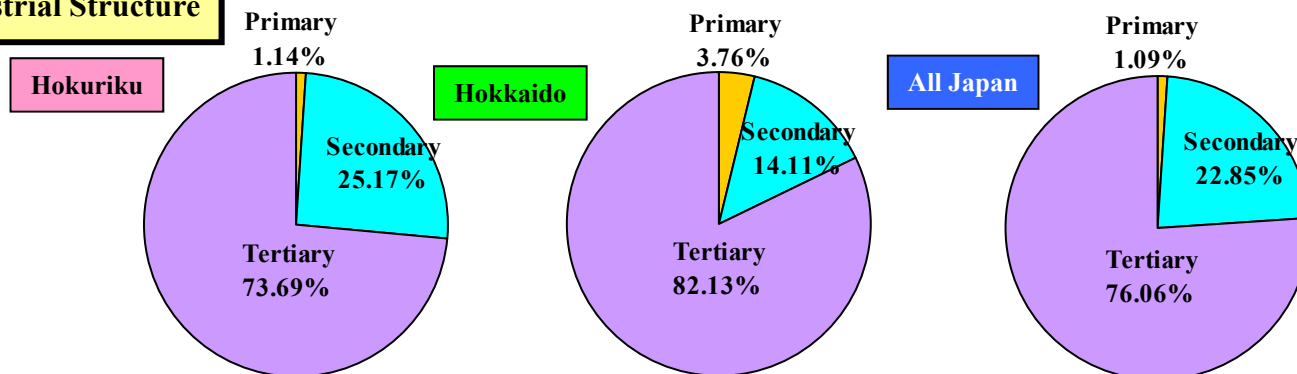
Almost equal to Kanagawa!

(JPY Bn)

1 st	Tokyo
2 nd	Osaka
3 rd	Aichi
4 th	Kanagawa (29,747.5)

Industrial Structure

Data from Cabinet Office



Exceed Denmark (Europe No14)

(JPY Bn)

1 st	Germany
2 nd	France
14 th	Denmark (26,497.4)

	Monthly Economic Report (By the Cabinet Office)	Regional Economic Report (By Bank of Japan)	
	All Japan	Hokuriku Area	Hokkaido Area
	April-13	April-13	April-13
Economic Trend	Shows movement of picking up recently, while weakness can be seen in some areas	Shows some signs of picking up	Continues to pick up
Public Investment	Steady undertone	Increasing trend	Solid
Business Investment	Starting to level off	Picking up	Moderately increasing
Private consumption	Picking up	Stop declining	Somewhat weakening
Housing construction	Steady undertone	Picking up	Picking up
Production	Showing movements of picking up	Increasing as a whole	Picking up moderately
Employment & Income	Shows signs of improvement, although some severe aspects still remain	Pick-up has come to a pause	Severe compared with other region, but the labor market is in an improvement tendency
Prices	Declined moderately	Stay around 0%	Above the previous year's level
The number of bankrupt companies	Moderately decreasing	Below previous year	Calm movement

The Present Condition of the Regional Economy ③
Big Projects in Hokuriku and Hokkaido Area

Hokkaido

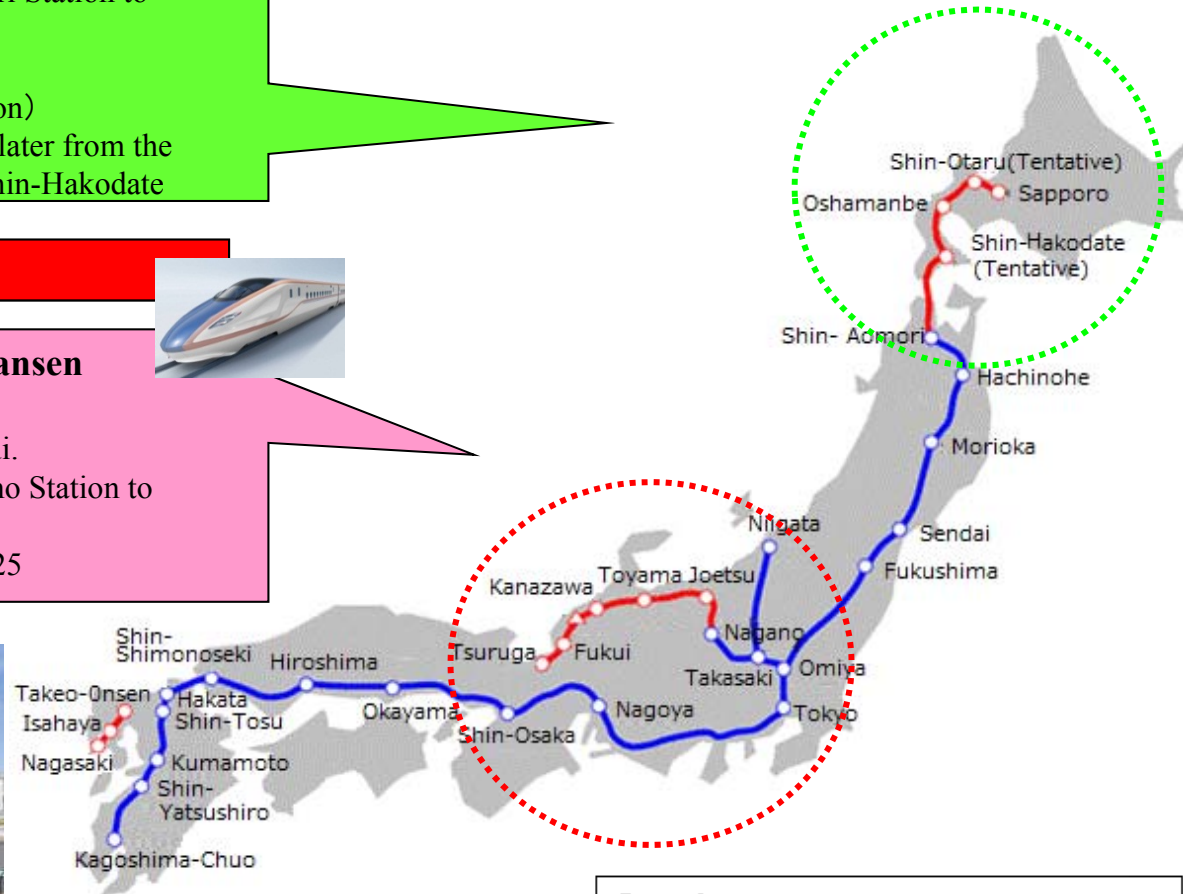
◎Construction of the Hokkaido Shinkansen
 Constructing a 360 KM line from Shin-Aomori Station to Sapporo Station.
 Expected to be completed in FY 2015
 (Shin-Aomori Station to Shin-Hakodate Station)
 Planned to be completed to Sapporo 20 years later from the opening of business between Shin-Aomori, Shin-Hakodate

Hokuriku

◎Construction of the Hokuriku Shinkansen
 Constructing a 700 KM line from Tokyo to Osaka via Nagano, Toyama, Kanazawa, Fukui.
 Expected to be completed in FY 2014 (Nagano Station to Kanazawa Station)
 Planned to be completed to Tsuruga in FY2025



Design plan of Toyama Station



Legend

- Shinkansen line in service
- New Shinkansen line (under construction)

Inquiries related to this presentation should be addressed to

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