



Summary :

November 13, 2017

Interim Financial Results for Fiscal 2017 (Japanese GAAP)

Company Name:

Hokuhoku Financial Group, Inc.

Stock Code Number (Japan):

8377

Stock Exchanges (Japan):

Tokyo Stock Exchange (First Section), Sapporo Securities Exchange

URL:

http://www.hokuhoku-fg.co.jp/

Address:

1-2-26 Tsutsumicho-dori, Toyama-city, Toyama Pref., 930-8637, Japan

Representative:

Name: Eishin Ihori

Title: President & CEO

Trading Accounts:

Established

Amounts less than one million yen are rounded down.

1. Financial Highlights for the first half of Fiscal 2017 (for the six months ended September 30, 2017)

(1) Consolidated Results of Operations

(%: Changes from corresponding period of previous fiscal year)

| | Ordinary Income | | Ordinary Profits | | Net Income Attributable to Owners of the Parent | |
|----------|-----------------|-------|------------------|--------|---|--------|
| | ¥ million | % | ¥ million | % | ¥ million | % |
| 1H F2017 | 91,763 | (2.3) | 18,064 | (23.8) | 11,113 | (33.7) |
| 1H F2016 | 93,960 | (5.2) | 23,709 | (9.3) | 16,768 | 0.6 |

Reference: Comprehensive income for the first half of Fiscal 2017: ¥20,108million [54.8%], for the first half of Fiscal 2016:¥12,990 million [286.8%]

| | Net Income | Diluted Net Income |
|----------|---------------------------|---------------------------|
| | per Share of Common Stock | per Share of Common Stock |
| | ¥ | ¥ |
| 1H F2017 | 78.65 | 78.50 |
| 1H F2016 | 120.35 | 120.19 |

Note: Hokuhoku Financial Group, Inc. implemented a common stock consolidation at a ratio of ten stocks to one stock on October 1, 2016. The above net income per share of common stock and diluted net income per share common stock are calculated on the assumption that this stock consolidation took place at the beginning of the previous year.

(2) Consolidated Financial Conditions

| | Total Assets | Total Net Assets | Own Capital Ratio |
|-------------|--------------|------------------|-------------------|
| | ¥ million | ¥ million | % |
| 1H F2017 | 12,463,320 | 598,899 | 4.8 |
| Fiscal 2016 | 12,429,425 | 585,237 | 4.7 |

Reference: Own Capital: as of September 30, 2017: ¥595,889 million; as of March 31, 2017: ¥582,397 million

Notes: Own Capital Ratio is calculated as follows: (Total Net Assets – Stock Acquisition Rights – Non-controlling Interests)/ Total Assets × 100

2. Cash Dividends for Shareholders of Common Stock

| (Record Date) | Cash Dividends per Share | | | | |
|------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------|--------|
| | The end of 1 st Qtr | The end of 2 nd Qtr | The end of 3 rd Qtr | Fiscal year-end | Annual |
| | ¥ | ¥ | ¥ | ¥ | ¥ |
| Fiscal 2016 | — | 0.00 | — | 44.00 | 44.00 |
| Fiscal 2017 | — | 0.00 | — | 44.00 | 44.00 |
| Fiscal 2017 (forecast) | — | — | — | 44.00 | 44.00 |

Notes: Revision of released forecast for cash dividends for shareholders of common stock: No

3. Earnings Estimates for Fiscal 2017(for the fiscal year ending March 31, 2018)

(%: Changes from corresponding period of previous fiscal year)

| | Ordinary Profits | | Net Income | | Net Income |
|-----------|------------------|--------|------------|--------|---------------------------|
| | ¥ million | % | ¥ million | % | per Share of Common Stock |
| Full Year | 35,500 | (10.1) | 23,500 | (16.5) | ¥ 166.03 |

Notes: Revision of released earnings estimates: No

4. Others

- (1) Changes in Significant Subsidiaries during the First Half of Fiscal 2017
(changes in specified subsidiaries accompanying changes in scope of consolidation): No
- (2) Changes in Accounting Methods and Presentation of Consolidated Financial Statements
(a) Changes in accounting policies due to revisions of accounting standards, etc.: No
(b) Changes in accounting policies other than (a) above: No
(c) Changes in accounting estimates: No
(d) Restatements: No

(3) Issued Shares (Common Stock)

| | | | | |
|---|--------------------------|-------------|--------------------------|-------------|
| (a) Number of Common Stock outstanding (including Treasury Stock) | As of September 30, 2017 | 132,163,014 | As of March 31, 2017 | 132,163,014 |
| (b) Number of Treasury Stock | As of September 30, 2017 | 1,106,754 | As of March 31, 2017 | 1,131,632 |
| (c) Average outstanding shares for the six months ended | As of September 30, 2017 | 131,044,682 | As of September 30, 2016 | 132,626,255 |

Note: Hokuhoku Financial Group, Inc. implemented a common stock consolidation at a ratio of ten stocks to one stock on October 1, 2016. The above number of common stock outstanding, number of treasury stock and average outstanding shares for the six months ended are calculated on the assumption that this stock consolidation took place at the beginning of the previous year.

Non-consolidated Financial Results

1. Financial Highlights for the First Half of Fiscal 2017(for the six months ended September 30, 2017)

(1) Non-Consolidated Results of Operations (%: Changes from previous fiscal year)

| | Operating Income | | Operating Profits | | Ordinary Profits | | Net Income | |
|----------------|------------------|-------|-------------------|-------|------------------|-------|------------|-------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % |
| 1H Fiscal 2017 | 1,138 | (3.4) | 831 | (0.9) | 808 | 0.1 | 807 | 0.2 |
| 1H Fiscal 2016 | 1,177 | 4.0 | 838 | 0.3 | 807 | (0.3) | 805 | (0.5) |

| | Net Income per Share of Common Stock | |
|----------------|--------------------------------------|--|
| | ¥ | |
| 1H Fiscal 2017 | 0.01 | |
| 1H Fiscal 2016 | (0.00) | |

Note: Hokuhoku Financial Group, Inc. implemented a common stock consolidation at a ratio of ten stocks to one stock on October 1, 2016. The above net income per share of common stock is calculated on the assumption that this stock consolidation took place at the beginning of the previous year.

(2) Non-Consolidated Financial Conditions

| | Total Assets | Total Net Assets | Own Capital Ratio |
|----------------|--------------|------------------|-------------------|
| | ¥ million | ¥ million | % |
| 1H Fiscal 2017 | 261,366 | 236,134 | 90.2 |
| Fiscal 2016 | 267,028 | 241,774 | 90.4 |

Reference: Own Capital: as of September 30, 2017: ¥235,680 million; as of March 31, 2017: ¥241,406 million

(Implementation status of audit procedures)
This report is not subject to audit procedures.

The above estimates are based on information that is available at this moment and assumptions of factors that have an influence on future results of operations. Actual results may differ materially from these estimates, depending on future events.

(Reference)

Cash Dividends for Shareholders of Preferred Stock (Type 5)

| (Record Date) | Cash Dividends per Share | | | | |
|------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------|--------|
| | The end of 1 st Qtr | The end of 2 nd Qtr | The end of 3 rd Qtr | Fiscal year-end | Annual |
| | ¥ | ¥ | ¥ | ¥ | ¥ |
| Fiscal 2016 | — | 7.50 | — | 7.50 | 15.00 |
| Fiscal 2017 | — | 7.50 | — | — | — |
| Fiscal 2017 (forecast) | — | — | — | 7.50 | 15.00 |