

INTERIM FINANCIAL RESULTS
For Fiscal Year 2007

As of and for the six months ended September 30, 2007

Hokuhoku Financial Group, Inc.

Consolidated Interim Balance Sheets (Unaudited)

Hokuhoku Financial Group, Inc. and Consolidated Subsidiaries (As of September 30, 2007 and 2006)

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Assets			
Cash and due from banks.....	213,879	243,893	1,852,896
Call loans and bills bought.....	131,154	70,000	1,136,224
Receivables under securities borrowing transactions.....	—	20,200	—
Commercial paper and other debt purchased.....	192,079	211,610	1,664,034
Trading assets.....	9,123	10,440	79,042
Money held in trust.....	11,385	16,398	98,631
Securities.....	1,644,931	1,673,759	14,250,470
Loans and bills discounted.....	6,869,071	6,675,912	59,508,550
Foreign exchanges.....	13,236	13,664	114,673
Other assets.....	149,952	111,159	1,299,075
Tangible fixed assets.....	132,957	135,336	1,151,848
Intangible fixed assets.....	43,061	45,619	373,050
Deferred tax assets.....	67,253	90,636	582,635
Customers' liabilities for acceptances and guarantees.....	172,592	271,491	1,495,217
Reserve for possible loan losses.....	(118,956)	(139,906)	(1,030,549)
Total assets.....	9,531,724	9,450,217	82,575,796
Liabilities and net assets			
Liabilities			
Deposits.....	8,489,275	8,312,285	73,544,795
Call money and bills sold.....	50,000	31,768	433,163
Payables under securities lending transactions.....	11,741	27,194	101,723
Trading liabilities.....	901	637	7,808
Borrowed money.....	155,268	188,359	1,345,129
Foreign exchanges.....	608	527	5,268
Bonds.....	67,310	71,220	583,124
Other liabilities.....	112,283	109,714	972,739
Reserve for employee bonuses.....	—	24	—
Reserve for employee retirement benefits.....	11,180	11,523	96,856
Reserve for reimbursement of deposits.....	2,442	—	21,162
Deferred tax liabilities for land revaluation.....	9,085	9,120	78,713
Acceptances and guarantees.....	172,592	271,491	1,495,217
Total liabilities.....	9,082,690	9,033,865	78,685,697
Net assets			
Capital stock.....	70,895	50,000	614,182
Capital surplus.....	253,248	272,578	2,193,958
Retained earnings.....	105,113	69,161	910,624
Treasury stock.....	(444)	(375)	(3,854)
Total stockholders' equity.....	428,812	391,364	3,714,910
Net unrealized gain on available-for-sale securities.....	10,717	16,149	92,852
Net deferred hedge losses.....	(17)	(659)	(153)
Land revaluation excess.....	8,954	9,005	77,578
Total valuation and translation adjustments.....	19,655	24,494	170,277
Minority interests.....	566	493	4,912
Total net assets.....	449,034	416,352	3,890,099
Total liabilities and net assets.....	9,531,724	9,450,217	82,575,796

Notes:1 The accompanying consolidated financial statements and non-consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and the Banking Law of Japan, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. In preparing these financial statements, certain reclassifications and rearrangements have been made to the financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

2 The yen amounts are stated in millions of yen by discarding amounts less than ¥1 million.

3 The translation of Japanese yen amounts into U.S. dollar is presented solely for the convenience of readers outside Japan and has been made at ¥115.43=U.S.\$1.00, the foreign exchange rate prevailing at September 30, 2007.

Consolidated Interim Statements of Income (Unaudited)

Hokuhoku Financial Group, Inc. and Consolidated Subsidiaries (For the six months ended September 30, 2007 and 2006)

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Income			
Interest income:			
Interest on loans and discounts.....	69,875	63,531	605,352
Interest and dividends on securities.....	9,993	9,788	86,580
Other interest income.....	2,492	2,297	21,595
Fees and commissions.....	24,749	22,852	214,410
Trading income.....	447	750	3,877
Other operating income.....	15,576	16,275	134,944
Other income.....	2,676	2,337	23,185
Total income.....	125,812	117,833	1,089,943
Expenses			
Interest expenses:			
Interest on deposits.....	11,397	3,834	98,740
Other interest expenses.....	2,937	3,264	25,446
Fees and commissions.....	5,585	5,351	48,392
Other operating expenses.....	7,494	9,810	64,928
General and administrative expenses.....	48,430	46,707	419,568
Other expenses.....	19,968	20,705	172,988
Total expenses.....	95,814	89,673	830,062
Income before income taxes and minority interests.....	29,998	28,160	259,881
Income taxes:			
Current.....	475	751	4,122
Deferred.....	13,025	12,224	112,842
Minority interests in net income.....	32	49	285
Net income.....	16,464	15,135	142,632

Consolidated Statements of Changes In Net Assets (Unaudited)

Hokuhoku Financial Group, Inc. and Consolidated Subsidiaries (For the six months ended September 30, 2007 and 2006)

	Thousands		Millions of yen				
	Issued number of shares of common stock	Issued number of shares of preferred stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance as of March 31, 2007	1,391,630	336,432	70,895	293,268	93,072	(447)	456,788
Changes during the period							
Cash dividends	—	—	—	—	(4,425)	—	(4,425)
Net income	—	—	—	—	16,464	—	16,464
Purchase of treasury stock	—	—	—	—	—	(40,106)	(40,106)
Disposition of treasury stock	—	—	—	(4)	—	93	88
Retirement of treasury stock	—	(70,000)	—	(40,015)	—	40,015	—
Transfer from land revaluation excess	—	—	—	—	2	—	2
Net changes in items other than stockholders' equity	—	—	—	—	—	—	—
Total changes during the period	—	(70,000)	—	(40,019)	12,041	2	(27,975)
Balance as of September 30, 2007	1,391,630	266,432	70,895	253,248	105,113	(444)	428,812

	Millions of yen					
	Net unrealized gain on available-for-sale securities	Net deferred hedge losses	Land revaluation excess	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2007	26,078	(20)	8,957	35,016	543	492,348
Changes during the period						
Cash dividends	—	—	—	—	—	(4,425)
Net income	—	—	—	—	—	16,464
Purchase of treasury stock	—	—	—	—	—	(40,106)
Disposition of treasury stock	—	—	—	—	—	88
Retirement of treasury stock	—	—	—	—	—	—
Transfer from land revaluation excess	—	—	—	—	—	2
Net changes in items other than stockholders' equity	(15,360)	2	(2)	(15,361)	23	(15,338)
Total changes during the period	(15,360)	2	(2)	(15,361)	23	(43,314)
Balance as of September 30, 2007	10,717	(17)	8,954	19,655	566	449,034

	Thousands		Millions of yen				
	Issued number of shares of common stock	Issued number of shares of preferred stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance as of March 31, 2006	1,286,630	336,432	50,000	272,576	57,542	(303)	379,814
Changes during the period							
Cash dividends	—	—	—	—	(3,573)	—	(3,573)
Net income	—	—	—	—	15,135	—	15,135
Purchase of treasury stock	—	—	—	—	—	(79)	(79)
Disposition of treasury stock	—	—	—	1	—	5	6
Transfer from land revaluation excess	—	—	—	—	57	—	57
Increase due to the change of the interest of associated company	—	—	—	—	—	3	3
Net changes in items other than stockholders' equity	—	—	—	—	—	—	—
Total changes during the period	—	—	—	1	11,619	(71)	11,549
Balance as of September 30, 2006	1,286,630	336,432	50,000	272,578	69,161	(375)	391,364

	Millions of yen					
	Net unrealized gain on available-for-sale securities	Net deferred hedge losses	Land revaluation excess	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2006	17,136	—	9,063	26,199	451	406,465
Changes during the period						
Cash dividends	—	—	—	—	—	(3,573)
Net income	—	—	—	—	—	15,135
Purchase of treasury stock	—	—	—	—	—	(79)
Disposition of treasury stock	—	—	—	—	—	6
Transfer from land revaluation excess	—	—	—	—	—	57
Increase due to the change of the interest of associated company	—	—	—	—	—	3
Net changes in items other than stockholders' equity	(987)	(659)	(57)	(1,704)	42	(1,662)
Total changes during the period	(987)	(659)	(57)	(1,704)	42	9,887
Balance as of September 30, 2006	16,149	(659)	9,005	24,494	493	416,352

	Thousands of U.S. dollars				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance as of March 31, 2007	614,182	2,540,660	806,308	(3,877)	3,957,273
Changes during the period					
Cash dividends	—	—	(38,342)	—	(38,342)
Net income	—	—	142,632	—	142,632
Purchase of treasury stock	—	—	—	(347,449)	(347,449)
Disposition of treasury stock	—	(37)	—	807	770
Retirement of treasury stock	—	(346,665)	—	346,665	—
Transfer from land revaluation excess	—	—	26	—	26
Net changes in items other than stockholders' equity	—	—	—	—	—
Total changes during the period	—	(346,702)	104,316	23	(242,363)
Balance as of September 30, 2007	614,182	2,193,958	910,624	(3,854)	3,714,910

	Thousands of U.S. dollars					
	Net unrealized gain on available-for-sale securities	Net deferred hedge losses	Land revaluation excess	Total valuation and translation adjustments	Minority interests	Total net assets
Balance as of March 31, 2007	225,925	(173)	77,604	303,356	4,712	4,265,341
Changes during the period						
Cash dividends	—	—	—	—	—	(38,342)
Net income	—	—	—	—	—	142,632
Purchase of treasury stock	—	—	—	—	—	(347,449)
Disposition of treasury stock	—	—	—	—	—	770
Retirement of treasury stock	—	—	—	—	—	—
Transfer from land revaluation excess	—	—	—	—	—	26
Net changes in items other than stockholders' equity	(133,073)	20	(26)	(133,079)	200	(132,879)
Total changes during the period	(133,073)	20	(26)	(133,079)	200	(375,242)
Balance as of September 30, 2007	92,852	(153)	77,578	170,277	4,912	3,890,099

Consolidated Interim Statements of Cash Flows (Unaudited)

Hokuhoku Financial Group, Inc. and Consolidated Subsidiaries (For the six months ended September 30, 2007 and 2006)

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
I. Cash flows from operating activities:			
Income before income taxes and minority interests.....	29,998	28,160	259,881
Depreciation.....	7,959	7,144	68,956
Losses on impairment of fixed assets.....	10	11	93
Amortization of goodwill.....	1,132	1,132	9,813
Equity in earnings of affiliates.....	24	(35)	215
Increase (decrease) in reserve for possible loan losses.....	(588)	(20,109)	(5,099)
Increase (decrease) in reserve for employee bonuses.....	(30)	—	(260)
Increase (decrease) in reserve for employee retirement benefits.....	(143)	(308)	(1,241)
Increase (decrease) in reserve for reimbursement of deposits.....	2,442	—	21,161
Interest income.....	(82,362)	(75,617)	(713,527)
Interest expenses.....	14,334	7,098	124,185
Losses (gains) on securities.....	(184)	1,978	(1,599)
Losses (gains) on money held in trust.....	10	(0)	88
Losses (gains) on foreign exchange.....	218	(42)	1,889
Losses (gains) on sales of fixed assets.....	122	271	1,065
Decrease (increase) in trading assets.....	166	(973)	1,441
Increase (decrease) in trading liabilities.....	182	(118)	1,582
Net decrease (increase) in loans and bills discounted.....	(55,592)	2,356	(481,611)
Net increase (decrease) in deposits.....	3,291	66,100	28,515
Net increase (decrease) in negotiable certificates of deposit.....	27,715	42,299	240,103
Net increase (decrease) in borrowed money (excluding subordinated borrowed money).....	(68,176)	152,605	(590,633)
Net decrease (increase) in due from banks (excluding deposits with the Bank of Japan).....	(4,424)	(5,680)	(38,329)
Net decrease (increase) in call loans, bills bought, commercial paper and other debt purchased.....	106,704	(66,249)	924,409
Net decrease (increase) in receivables under securities borrowing transactions.....	21,785	(20,200)	188,731
Net increase (decrease) in call money and bills sold.....	18,427	(285,731)	159,638
Net increase (decrease) in payables under securities lending transactions.....	(31,035)	(80,682)	(268,865)
Net decrease (increase) in foreign exchanges (assets).....	2,421	1,152	20,976
Net increase (decrease) in foreign exchanges (liabilities).....	197	181	1,707
Interest received.....	71,727	62,385	621,392
Interest paid.....	(9,235)	(4,923)	(80,010)
Other, net.....	(33,691)	3,544	(291,875)
Subtotal	23,408	(184,249)	202,791
Income taxes paid.....	(1,696)	(640)	(14,696)
Net cash provided by (used in) operating activities	21,711	(184,889)	188,095
II. Cash flows from investing activities			
Purchases of securities.....	(204,857)	(97,857)	(1,774,731)
Proceeds from sales of securities.....	129,965	82,585	1,125,927
Proceeds from maturity of securities.....	54,996	83,121	476,451
Proceeds from sales of money held in trust.....	3,500	9,000	30,321
Proceeds from fund management.....	10,025	9,789	86,856
Purchases of tangible fixed assets.....	(7,028)	(6,676)	(60,887)
Proceeds from sales of tangible fixed assets.....	357	207	3,099
Purchases of intangible fixed assets.....	(720)	—	(6,245)
Net cash provided by (used in) investing activities	(13,760)	80,171	(119,209)
III. Cash flows from financing activities			
Proceeds from issuance of subordinated borrowed money.....	—	1,000	—
Repayment of subordinated bonds.....	(3,900)	—	(33,787)
Expenditures for fund procurement.....	(1,526)	(1,236)	(13,223)
Dividends paid.....	(4,425)	(3,573)	(38,342)
Dividends paid to minority stockholders.....	(0)	—	(4)
Purchases of treasury stock.....	(40,106)	(79)	(347,449)
Proceeds from sales of treasury stock.....	88	6	770
Net cash provided by (used in) financing activities	(49,869)	(3,882)	(432,035)
IV. Effect of exchange rate changes on cash and cash equivalents	(5)	9	(50)
V. Net increase (decrease) in cash and cash equivalents	(41,924)	(108,591)	(363,199)
VI. Cash and cash equivalents at beginning of period	231,158	338,909	2,002,582
VII. Cash and cash equivalents at end of period	189,233	230,317	1,639,383

Non-Consolidated Interim Balance Sheets (Unaudited)

The Hokuriku Bank, Ltd. (As of September 30, 2007 and 2006)

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Assets			
Cash and due from banks.....	128,593	150,131	1,114,042
Call loans and bills bought.....	51,154	—	443,163
Commercial paper and other debt purchased.....	192,029	211,555	1,663,604
Trading assets.....	5,093	6,866	44,126
Money held in trust.....	2,432	2,426	21,070
Securities.....	840,084	859,984	7,277,874
Loans and bills discounted.....	4,176,216	4,097,416	36,179,642
Foreign exchanges.....	8,784	10,578	76,101
Other assets.....	61,241	53,465	530,553
Tangible fixed assets.....	64,461	65,828	558,450
Intangible fixed assets.....	3,608	4,248	31,260
Deferred tax assets.....	43,708	58,122	378,655
Customers' liabilities for acceptances and guarantees.....	96,139	189,185	832,879
Reserve for possible loan losses.....	(59,214)	(69,824)	(512,992)
Reserve for possible investment losses.....	(58)	(302)	(502)
Total assets.....	5,614,275	5,639,682	48,637,925
Liabilities and net assets			
Liabilities			
Deposits.....	4,973,735	4,879,320	43,088,761
Call money and bills sold.....	50,000	31,768	433,163
Payables under securities lending transactions.....	11,741	27,194	101,723
Trading liabilities.....	907	637	7,865
Borrowed money.....	178,147	226,844	1,543,335
Foreign exchanges.....	565	475	4,901
Other liabilities.....	54,554	53,523	472,622
Reserve for employee retirement benefits.....	253	195	2,199
Reserve for reimbursement of deposits.....	1,535	—	13,305
Deferred tax liabilities for land revaluation.....	9,085	9,120	78,713
Acceptances and guarantees.....	96,139	189,185	832,879
Total liabilities.....	5,376,667	5,418,265	46,579,466
Net assets			
Capital stock.....	140,409	140,409	1,216,404
Capital surplus.....	14,998	14,998	129,939
Retained earnings.....	62,633	44,258	542,609
Total stockholders' equity.....	218,041	199,666	1,888,952
Net unrealized gain on available-for-sale securities.....	10,629	12,880	92,082
Net deferred hedge losses.....	(17)	(134)	(153)
Land revaluation excess.....	8,954	9,005	77,578
Total valuation and translation adjustments.....	19,566	21,750	169,507
Total net assets.....	237,607	221,417	2,058,459
Total liabilities and net assets.....	5,614,275	5,639,682	48,637,925

Non-Consolidated Interim Statements of Income (Unaudited)

The Hokuriku Bank, Ltd. (For the six months ended September 30, 2007 and 2006)

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Income			
Interest income:			
Interest on loans and discounts.....	40,673	37,012	352,362
Interest and dividends on securities.....	5,095	4,917	44,139
Other interest income.....	2,131	1,692	18,468
Fees and commissions.....	13,431	12,072	116,359
Trading income.....	383	680	3,323
Other operating income.....	4,326	4,888	37,480
Other income.....	804	1,723	6,966
Total income.....	66,845	62,986	579,097
Expenses			
Interest expenses:			
Interest on deposits.....	7,036	2,320	60,957
Other interest expenses.....	2,466	2,903	21,369
Fees and commissions.....	3,272	3,163	28,354
Other operating expenses.....	0	—	1
General and administrative expenses.....	25,506	24,713	220,973
Other expenses.....	12,612	13,636	109,268
Total expenses.....	50,895	46,737	440,922
Income before income taxes.....	15,949	16,249	138,175
Income taxes:			
Current.....	44	44	381
Deferred.....	7,687	7,672	66,596
Net income.....	8,218	8,532	71,198

Non-Consolidated Interim Balance Sheets (Unaudited)

The Hokkaido Bank, Ltd. (As of September 30, 2007 and 2006)

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Assets			
Cash and due from banks.....	84,354	92,417	730,783
Call loans and bills bought.....	80,000	70,000	693,061
Receivables under securities borrowing transactions.....	—	20,200	—
Commercial paper and other debt purchased.....	1	1	12
Trading account securities.....	4,030	3,566	34,916
Money held in trust.....	8,952	13,971	77,561
Securities.....	858,228	867,607	7,435,058
Loans and bills discounted.....	2,703,676	2,578,690	23,422,647
Foreign exchanges.....	4,452	3,086	38,572
Other assets.....	68,879	38,107	596,721
Tangible fixed assets.....	26,295	25,954	227,804
Intangible fixed assets.....	2,739	2,364	23,732
Deferred tax assets.....	24,304	33,103	210,555
Customers' liabilities for acceptances and guarantees.....	30,454	33,264	263,831
Reserve for possible loan losses.....	(42,721)	(50,905)	(370,105)
Total assets.....	3,853,647	3,731,432	33,385,148
Liabilities and net assets			
Liabilities			
Deposits.....	3,575,962	3,489,937	30,979,487
Borrowed money.....	40,000	26,000	346,530
Foreign exchanges.....	42	51	367
Other liabilities.....	29,433	23,986	254,993
Reserve for employee retirement benefits.....	10,574	11,013	91,609
Reserve for reimbursement of deposits.....	906	—	7,856
Acceptances and guarantees.....	30,454	33,264	263,831
Total liabilities.....	3,687,373	3,584,253	31,944,673
Net assets			
Capital stock.....	93,524	93,524	810,223
Capital surplus.....	16,795	16,795	145,500
Retained earnings.....	49,890	29,561	432,216
Total stockholders' equity.....	160,209	139,880	1,387,939
Net unrealized gain on available-for-sale securities.....	6,064	7,823	52,536
Net deferred hedge losses.....	—	(525)	—
Total valuation and translation adjustments.....	6,064	7,298	52,536
Total net assets.....	166,273	147,179	1,440,475
Total liabilities and net assets.....	3,853,647	3,731,432	33,385,148

Non-Consolidated Interim Statements of Income (Unaudited)

The Hokkaido Bank, Ltd. (For the six months ended September 30, 2007 and 2006)

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Income			
Interest income:			
Interest on loans and discounts.....	28,912	26,174	250,475
Interest and dividends on securities.....	4,948	4,830	42,871
Other interest income.....	357	606	3,097
Fees and commissions.....	9,388	9,035	81,337
Other operating income.....	2,022	1,613	17,517
Other income.....	1,049	579	9,095
Total income.....	46,678	42,839	404,392
Expenses			
Interest expenses:			
Interest on deposits.....	4,430	1,551	38,380
Other interest expenses.....	518	293	4,489
Fees and commissions.....	3,119	2,883	27,028
Other operating expenses.....	145	1,604	1,265
General and administrative expenses.....	19,600	18,911	169,806
Other expenses.....	6,625	5,214	57,399
Total expenses.....	34,440	30,458	298,367
Income before income taxes.....	12,238	12,381	106,025
Income taxes:			
Current.....	32	32	279
Deferred.....	5,258	5,012	45,555
Net income.....	6,947	7,336	60,191