

March 27, 2026

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Notice Regarding the Upward Revision of Management Goals and KPIs for the Sixth Medium-Term Management Plan

Hokuhoku Financial Group, Inc. hereby announces that the management goals and KPIs for the “Sixth Medium-Term Management Plan,” announced on March 27, 2025 have been revised upward as follows.

1. Upward Revision of Management Goals for the Sixth Medium-Term Management Plan

Indicators to be revised	Initial goal (FY2027)	Revised goal (FY2027)
Consolidated ROE	8% level	8.5%
Consolidated Net Income	55 billion yen	65 billion yen
OHR (Combined total of two banks)	50% range	High 40 % level

2. Upward Revision of Long-Term Goals

Indicators to be revised	Initial goal (Long-Term Goal)	Revised goal (Long-Term Goal)
Consolidated ROE	10%	11 %
Consolidated Net Income	80 billion yen	90 billion yen
Capital Adequacy Ratio	10~11% range	11 % level
OHR (Combined total of two banks)	Approximately 50%	Low 40 % level

3. Upward Revision of KPI Goals

Indicators to be revised	Initial goal (FY2027)	Revised goal (FY2027)
SX and GX-related investment and loans (Total during period)	1.0 trillion yen (cumulative total from FY2025 to FY2027)	1.2 trillion yen (cumulative total from FY2025 to FY2027)
Asset formation support (outstanding balance of assets under custody)	2.8 trillion yen	3.0 trillion yen
Solution-oriented talent	2,400 people	2,500 people

4. Reasons for the Revision

In addition to the steady progress of the Sixth Medium-Term Management Plan, deposits and loans have been growing steadily. Taking into account these development, as well as the overall progress of various initiatives aimed at achieving sustainable growth, we have comprehensively assessed the situation and decided to revise upward our management goals and KPI goals, including ROE.

Note:

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

End

Revision of the Sixth Medium-Term Management Plan

NEXT STAGE

March 2026

Upward Revision of Management Goals

- We expect to achieve the final-year management goals for the Medium-Term Management Plan in the first year, ahead of schedule.
- Reflecting steady growth in deposits and loans, as well as the overall progress of various initiatives aimed at achieving sustainable growth, we have revised our management goals.

Sixth Medium-Term Management Plan 2025 – 2027

The period when we realize both “**Solutions for problems faced by the region and customers**” and “**Enhancement of our corporate value**”

Backcasting

Vision we strive for
Contribute to the prosperity
of people in the region
(Initial long-term goal)

ROE: 10%
Consolidated net income: ¥80 bn.
Capital adequacy ratio: 10% - 11% range
OHR (Combined total of two banks) : Approx. 50%

Vision of the region

1. Region full of richness and vitality
2. Affluent region supported by vibrant local industries
3. Advanced SX and GX region

Management indicators	Initial Goal (FY2027)	Revised Goal (FY2027)
Consolidated ROE	8% level	8.5%
Consolidated Net Income	¥55bn.	¥65bn.
Consolidated Capital Adequacy Ratio	10% level	10% level
OHR(Combined total of two banks)	Low 50% range	High 40% level

Initial Long-Term Goal	Revised Long-Term Goal
10%	11%
¥80bn.	¥90bn.
10~11% range	11% level
Approx. 50%	Low 40% level

Policy Rate Assumptions

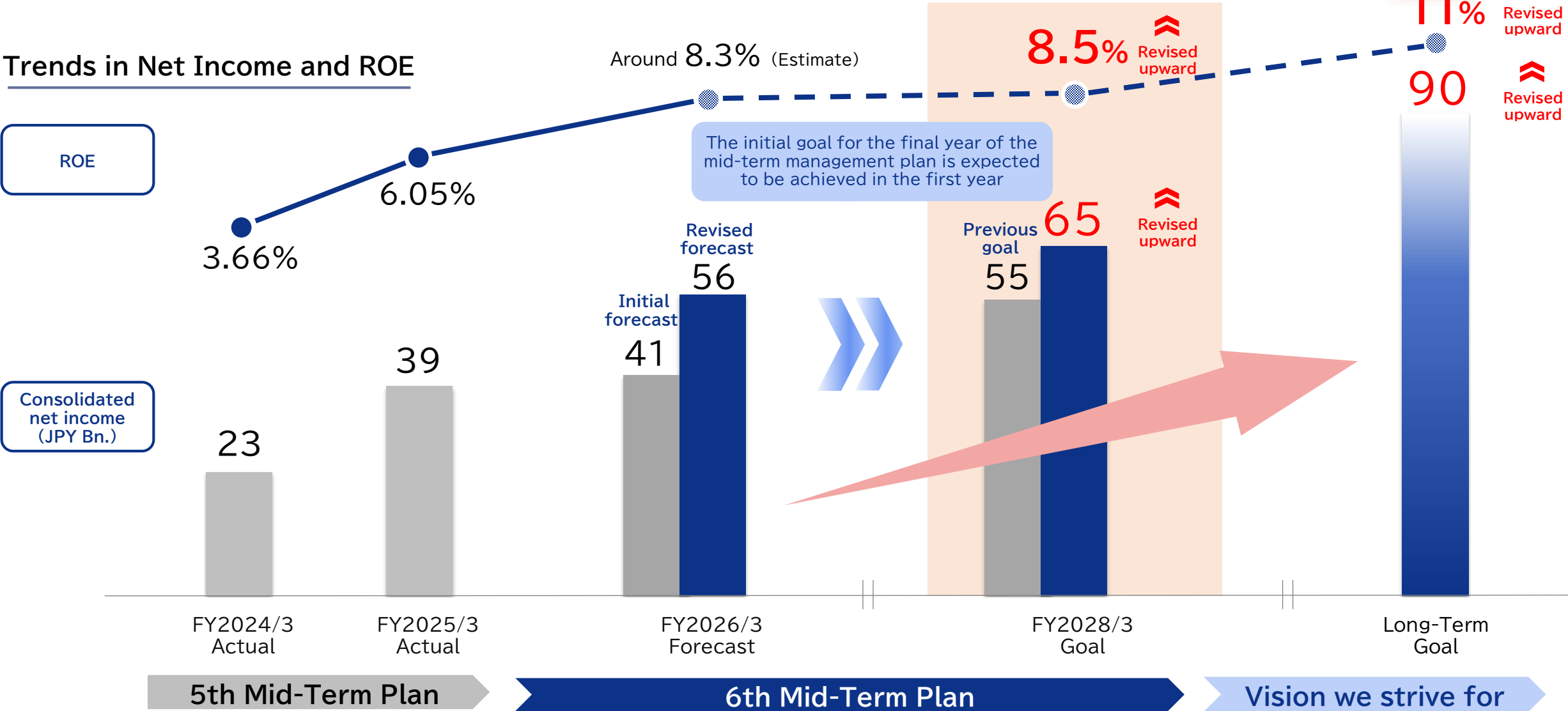
Raised to 0.75%
in FY2025 and maintained thereafter

FY2026 : 0.75%
FY2027 : 1.00%

Performance Trends and Goals

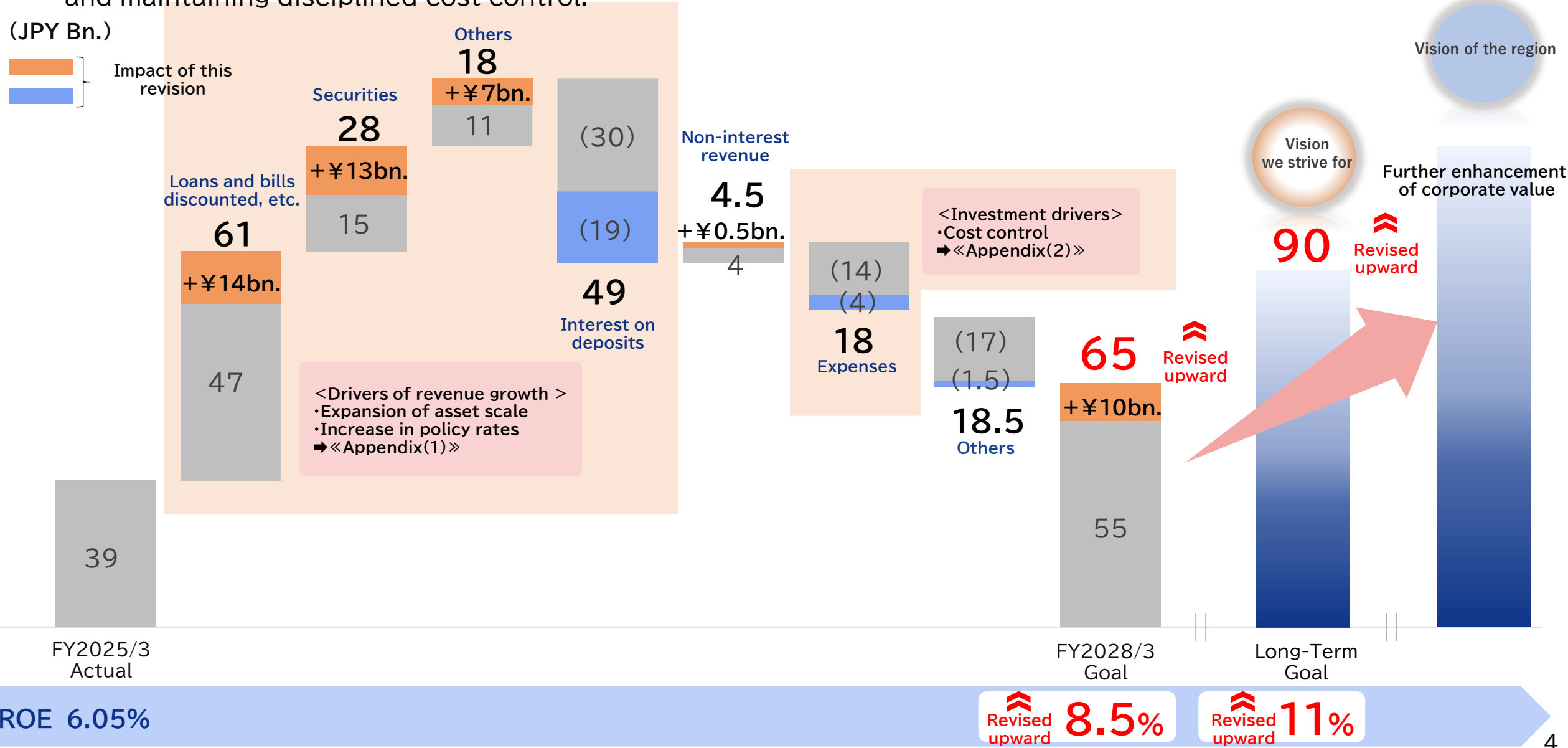
➤ Aiming to achieve sustainable growth through various initiatives

Trends in Net Income and ROE



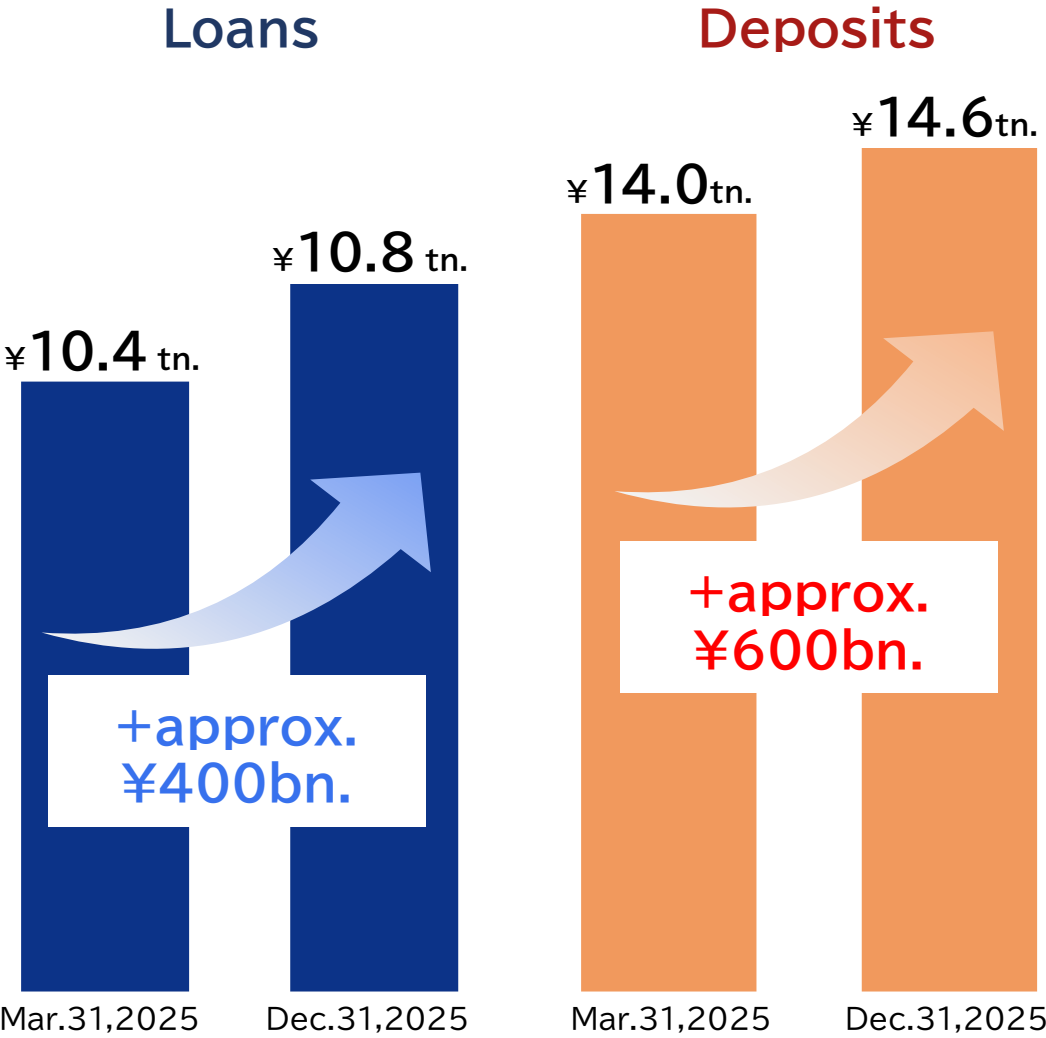
Conceptual Image of Profit Growth under the Revised Scenario

➤ We aim to improve earnings capacity by building high-quality assets, expanding non-interest income, and maintaining disciplined cost control.



■Asset and Funding Structure Changes

- Deposits and loans have expanded steadily, contributing NII growth

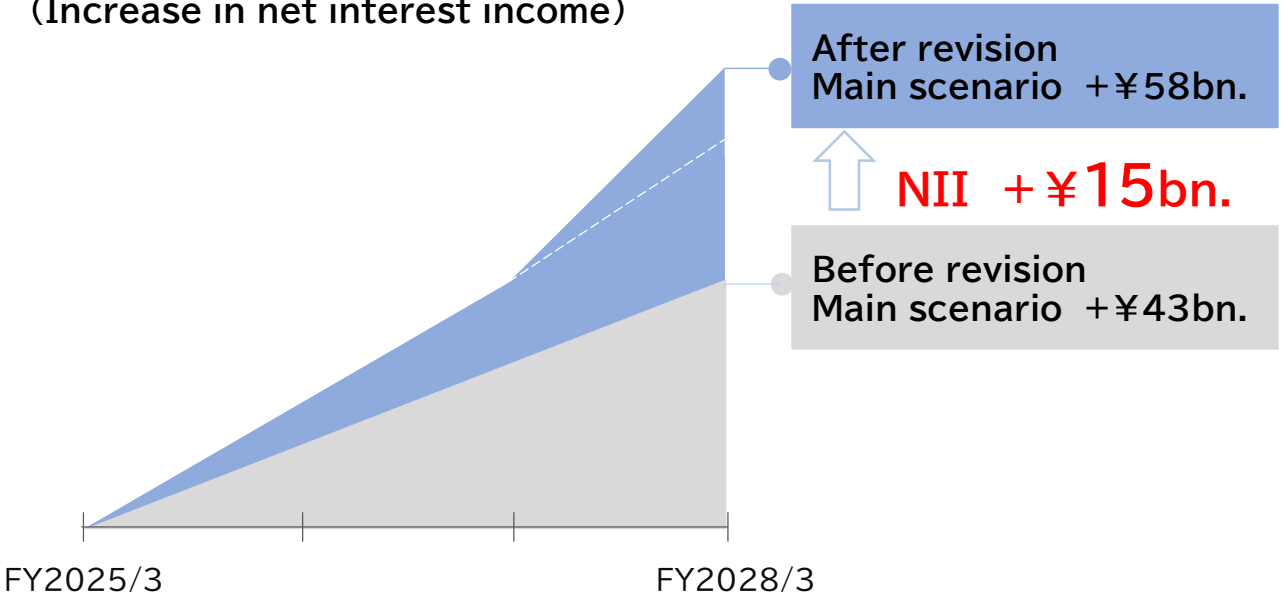


■Impact on Net Interest Income

- NII is expected to remain solid, supported by higher than expected loan and securities interest

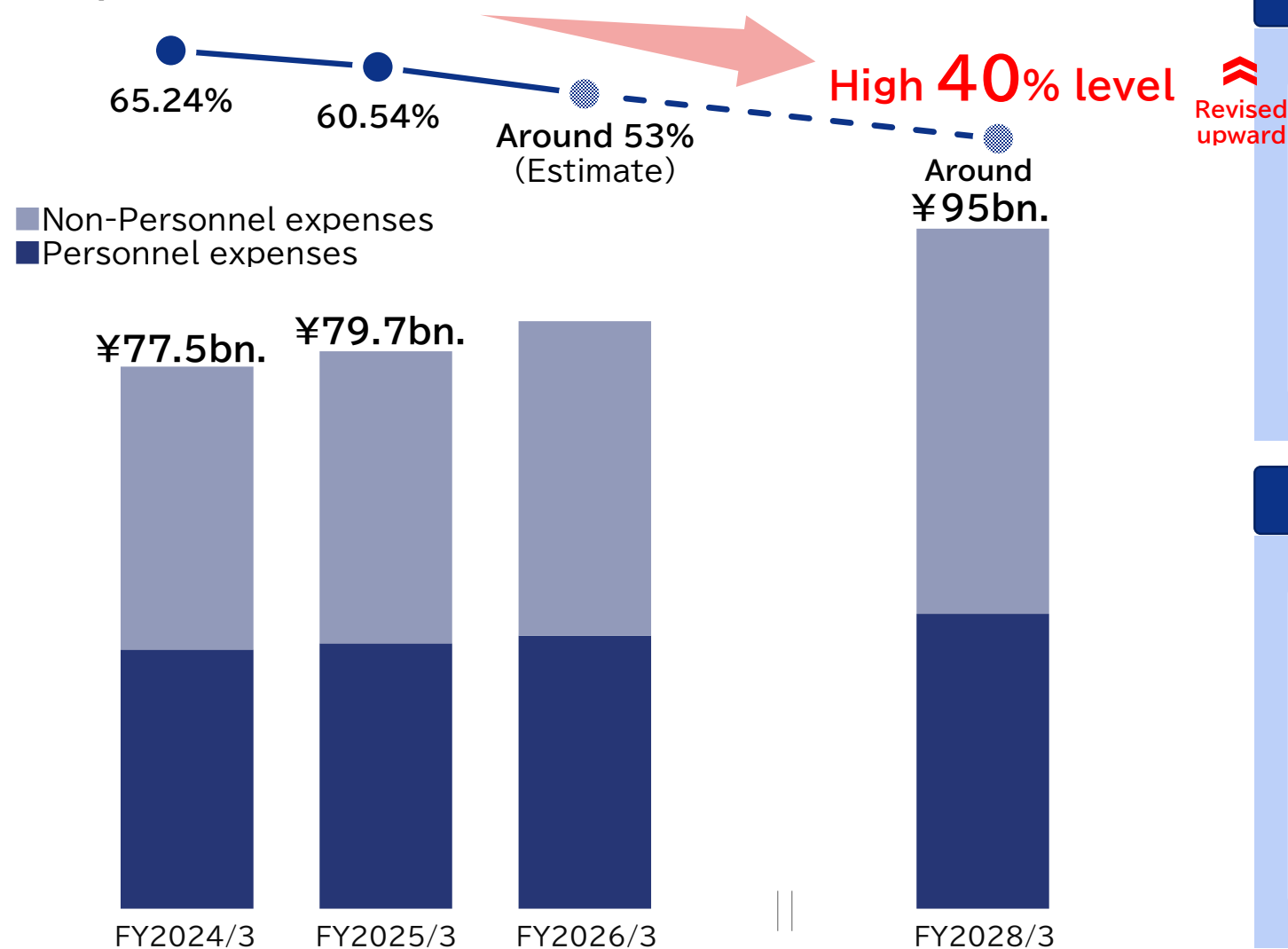
Policy Rate Assumptions	FY2025	FY2026	FY2027
After revision	Dec 2025 0.5% ⇒ 0.75%	0.75%	1.00%
Before revision	Jul 2025 0.5% ⇒ 0.75%	0.75%	

【Interest rate assumptions and financial impact】
(Increase in net interest income)



- While expanding investments for sustainable growth, including strategic and human capital investments, we aim to achieve an OHR(Combined total of two banks) in the high 40% range through appropriate cost control.

■Expenses/OHR



Strategic investment(property costs)

- 1 Establishment of next-generation branches
- 2 Enhancement of the functions of apps and ATMs
- 3 Investment in generative AI and other IT systems that contribute to higher productivity

Human capital investment

- 1 Strengthen mid-career employment
- 2 Improve staff treatment
- 3 Engage in human investment for the fostering of professional talent

- Various KPIs have also been reviewed in line with upward revision of goals for key management indicators

Management indicators

Sixth Medium-Term Management Plan 2025 - 2027

(FY2027 goal)

ROE: 8.5%

Consolidated net income: ¥65 bn.

Capital adequacy ratio: 10% level

OHR: High 40% level

After
revision

Engines driving strategy

Deepen problem-
solving capability

SX and GX-related
investment and loans
JPY 1.2 trillion

(cumulative total from FY2025 to FY2027)

Solidify the
management base

Asset formation support
JPY 3.0 trillion

(outstanding balance of assets under custody)

(FY2027 goals)

Institutionalize
a vibrant corporate culture

Solution-oriented
talent
2,500 people

(FY2027 goals)

Sixth Medium-Term Management Plan 2025 - 2027

(FY2027 goal)

ROE: 8% level

Consolidated net income: ¥55 bn.

Capital adequacy ratio: 10% level

OHR: 50% level

Before
revision

SX and GX-related
investment and loans
JPY 1.0 trillion

(cumulative total from FY2025 to FY2027)

Asset formation support
JPY 2.8 trillion

(outstanding balance of assets under custody)

(FY2027 goals)

Solution-oriented
talent
2,400 people

(FY2027 goals)

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