

Materials for the 27th Information Meeting

(Financial Results for the Six Months Ended September 30, 2025)

December 4, 2025



(TSE Prime Market/Sapporo: 8524)

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. The following report is a summary of the Japanese-language original.

Contents

| I Overview of Financial Results for the Six Months Ended September 30, 2025 | | | II Initiatives Toward Enhancement of Corporate Value | | |
|---|--|-----|--|--|-----------|
| 1 | Summary (non-consolidated) | P1 | 1 | Long-term vision, mission and overall strategy | P13 |
| 2 | Summary (consolidated) | P2 | 2 | Direction of the next Medium-term Business Plan | P14 |
| 3 | Net interest income, interest on loans and discounts, deposits | P3 | 3 | Logic tree for enhancing corporate value | P15 |
| 4 | Loans and bills discounted | P4 | | <i>Appendix</i> Current status of ROE and PBR | P16 |
| 5 | Deposits | P5 | 4 | Strengthening topline revenue | P17 - P22 |
| 6 | RORA by borrower category | P6 | 5 | Cost control | P23 |
| 7 | Securities investment | P7 | | <i>Appendix</i> Improving efficiency of branches and ATMs | P24 |
| 8 | Net fees and commissions | P8 | 6 | Capital policy | P25 - P27 |
| 9 | Expenses | P9 | | <i>Appendix</i> Expansion of shareholder benefit program | P28 |
| 10 | Credit-related expenses and non-performing loans | P10 | 7 | Potential of Hokkaido | P29 - P36 |
| 11 | Forecast for the Fiscal Year Ending March 31, 2026 | P11 | 8 | Decarbonization and environmental conservation initiatives | P37 - P38 |
| | <i>Appendix</i> Impact of rising interest rates | P12 | 9 | Regional contribution | P39 - P41 |

[Notes]

- This document contains descriptions about our Group's future performance, management objectives, and others. Such descriptions do not guarantee any future results but involve risks and uncertainties. Please note that actual results may differ from our forecasts due to changes in the business environment, etc.
- Information on financial institutions other than our bank is based on publicly available information.
- Unless otherwise noted, amounts less than the stated amount are rounded down.

I. Overview of Financial Results for the Six Months Ended September 30, 2025

1 Summary (non-consolidated)

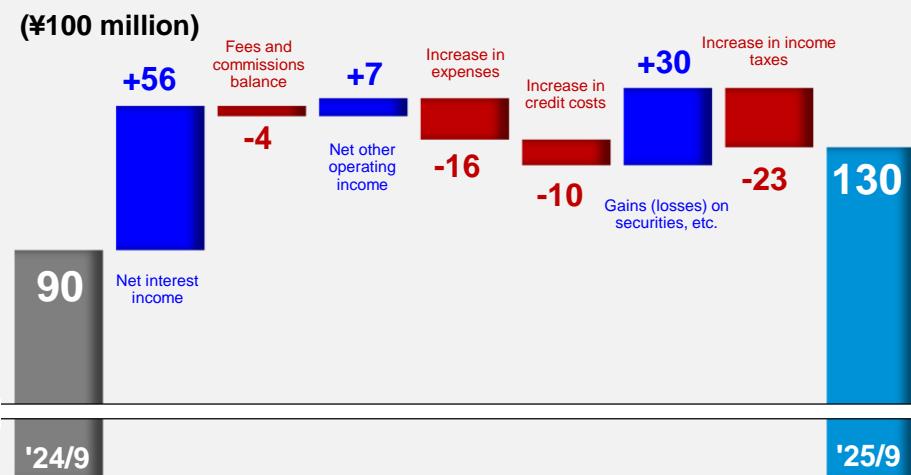
Both core operating profit and profit increased for the second consecutive period, mainly due to growth in interest on loans and bills discounted

| [Non-consolidated] (¥100 million) | '25/9 results | YoY | vs. Forecast |
|---|---------------|------------|--------------|
| Core gross profit | 510 | +59 | +11 |
| Net interest income | 451 | +56 | |
| Interest on loans and discounts | 423 | +111 | |
| Interest on NCDs (-) | 89 | +73 | |
| Interest and dividends on securities | 89 | +6 | |
| Other cash flows | 27 | +12 | |
| Net fees and commissions | 46 | -4 | |
| Net other operating income | 13 | +7 | |
| Expenses (excluding non-recurring losses) (-) | 334 | +16 | -4 |
| Core operating profit | 176 | +42 | +16 |
| Credit costs (-) | 13 | +10 | -6 |
| Gains (losses) on securities | 9 | +26 | |
| Ordinary profit | 184 | +62 | +24 |
| Profit | 130 | +39 | +16 |

Key points

- **Core operating profit increased for the second consecutive period** mainly due to higher interest on loans and discounts as a result of growth in balances of loans to large and medium-sized companies and individuals and improvement in loan yields in line with the rise in interest rates.
- **Ordinary profit and profit also increased for the second consecutive period** as growth in top-line earnings contributed despite recognizing higher expenses and credit costs.

Factors for changes in profit



2 Summary (consolidated)

Consolidated income and profit increased YoY although subsidiaries' total performance was largely unchanged from the previous year

| [Consolidated] (¥100 million) | '25/9 results | YoY | vs. Forecast |
|--|--------------------------|------------|-------------------------|
| Consolidated core gross profit | 542 | +66 | +12 |
| Net interest income | 438 | +59 | |
| Interest on loans and discounts | 420 | +109 | |
| Interest on deposits & NCDs (-) | 89 | +73 | |
| Interest and dividends on securities | 80 | +10 | |
| Other cash flows | 27 | +11 | |
| Net fees and commissions | 78 | -0 | |
| Net other operating income | 25 | +8 | |
| Expenses (excluding non-recurring losses) (-) | 358 | +19 | -5 |
| Consolidated core operating profit | 183 | +47 | +17 |
| Credit costs (-) | 19 | +11 | -1 |
| Gains (losses) on securities | 10 | +26 | |
| Consolidated ordinary profit | 183 | +66 | +23 |
| Profit attributable to owners of parent | 125 | +41 | +15 |

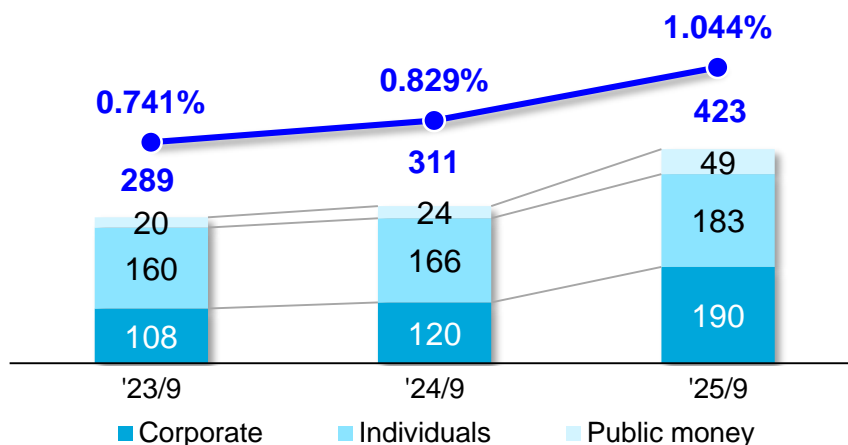
| Subsidiaries | | | | |
|---|-----------------|------------|------------|------------|
| (¥100 million) | Ordinary income | '24/9 | '25/9 | YoY |
| | Profit | | | |
| Sapporo Hokuyo Lease | Ordinary income | 117 | 124 | +6 |
| | Profit | 2 | 2 | +0 |
| North Pacific | Ordinary income | 11 | 11 | +0 |
| | Profit | 1 | 1 | -0 |
| North Pacific Securities | Ordinary income | 9 | 9 | -0 |
| | Profit | 0 | -1 | -1 |
| Hokkaido Kyoso Partners Co., Ltd. (HKP) | Ordinary income | 6 | 10 | +4 |
| | Profit | 0 | 1 | +1 |
| Two other companies | Ordinary income | 13 | 14 | +0 |
| | Profit | 1 | 0 | -0 |
| Total for 6 consolidated subsidiaries | Ordinary income | 158 | 170 | +11 |
| | Profit | 6 | 5 | -0 |

3 Net interest income, interest on loans and discounts, deposits 北洋銀行

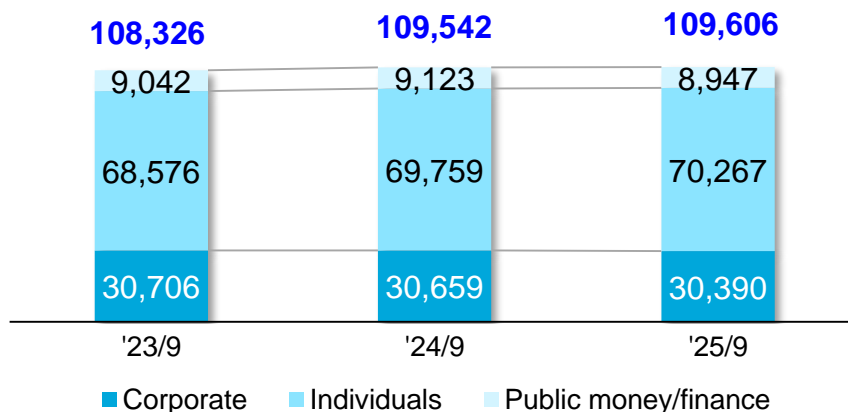
Loan yields increased; deposits increased for the 16th consecutive period although growth rate slowed

| [Non-consolidated] (¥100 million) | '24/9 results | '25/9 results | YoY |
|---|---------------|---------------|------------|
| Net interest income | 394 | 451 | +56 |
| Loans and deposits | 295 | 333 | +37 |
| Interest on loans and discounts | 311 | 423 | +111 |
| Interest on NCDs (+) | 15 | 89 | +73 |
| Interest and dividends on securities | 82 | 89 | +6 |
| Yen bonds | 37 | 42 | +5 |
| Stocks | 30 | 26 | -3 |
| Foreign securities | 2 | 2 | +0 |
| Other | 13 | 18 | +4 |
| Gains on cancellation of investment trusts | - | - | - |
| Other cash flows | 15 | 27 | +12 |
| Net interest income (excluding gains on cancellation of investment trusts) | 394 | 451 | +56 |

Interest on loans & discounts/loan yields (¥100 million)



Average balance of deposits

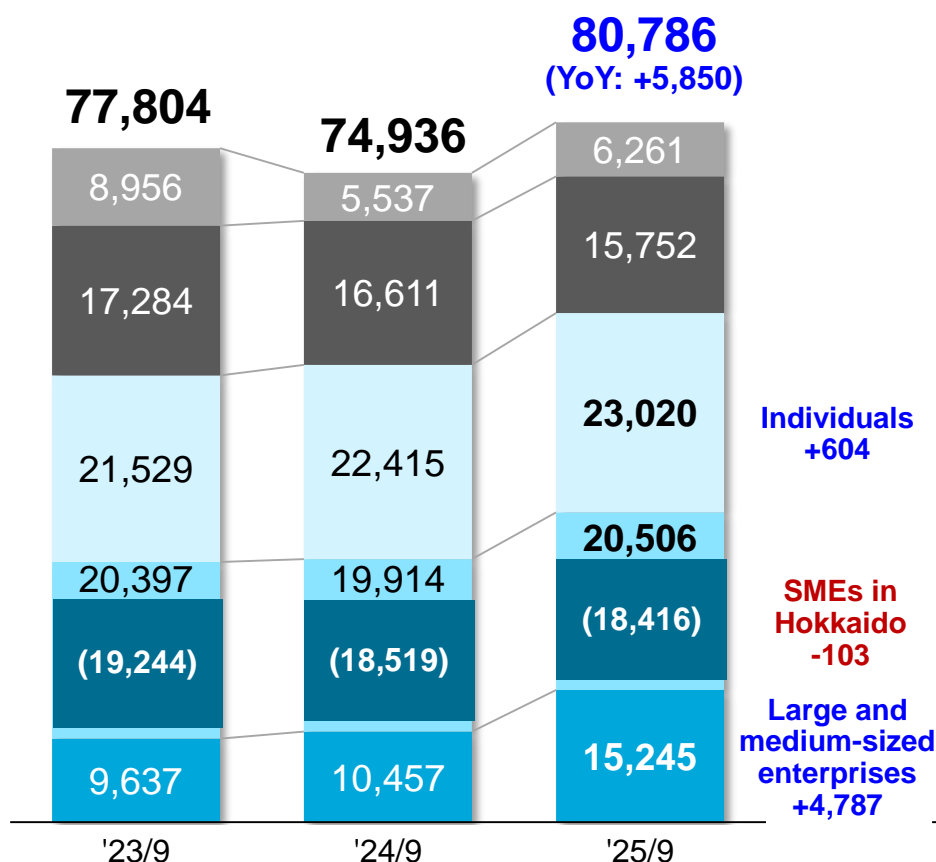


4 Loans and bills discounted

Balances increased mainly in loans to large and medium-sized enterprises;
balance of loans to SMEs in Hokkaido at the end of the first half increased YoY

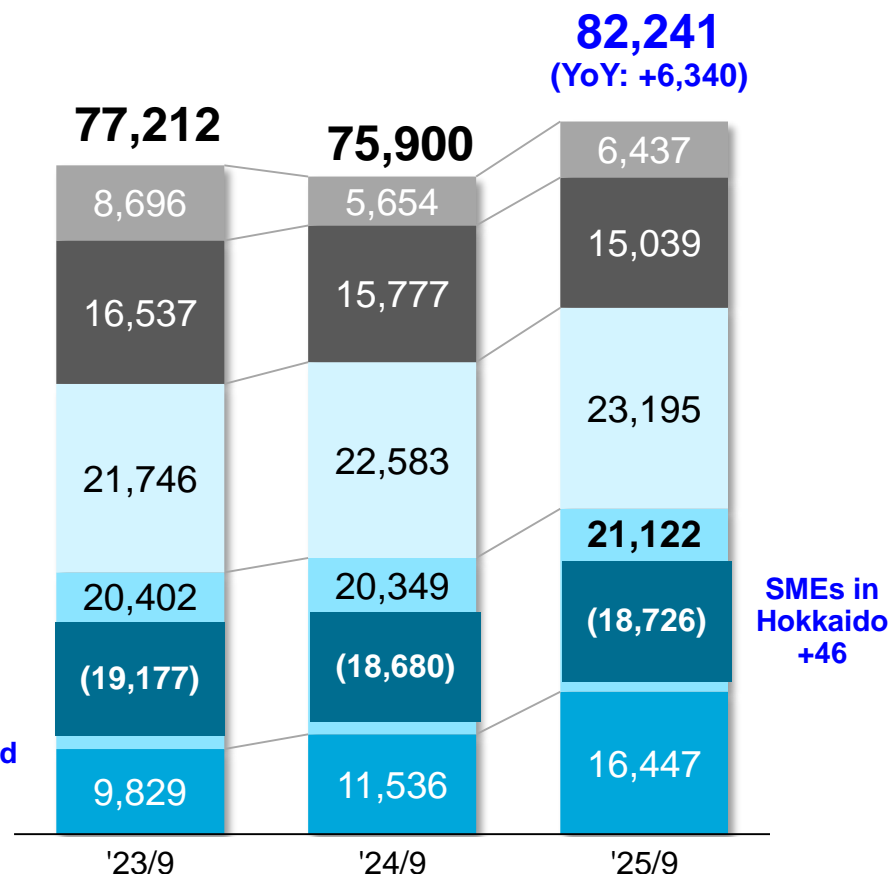
Average balance of loans

(¥100 million)



Balance of loans at end of 1H

(¥100 million)



■ To large and medium-sized enterprises
■ To individuals
■ To government entities (Ministry of Finance)

■ To SMEs, etc.
■ To local public entities, etc.
■ (To SMEs in Hokkaido)

■ To large and medium-sized enterprises
■ To individuals
■ To government entities (Ministry of Finance)

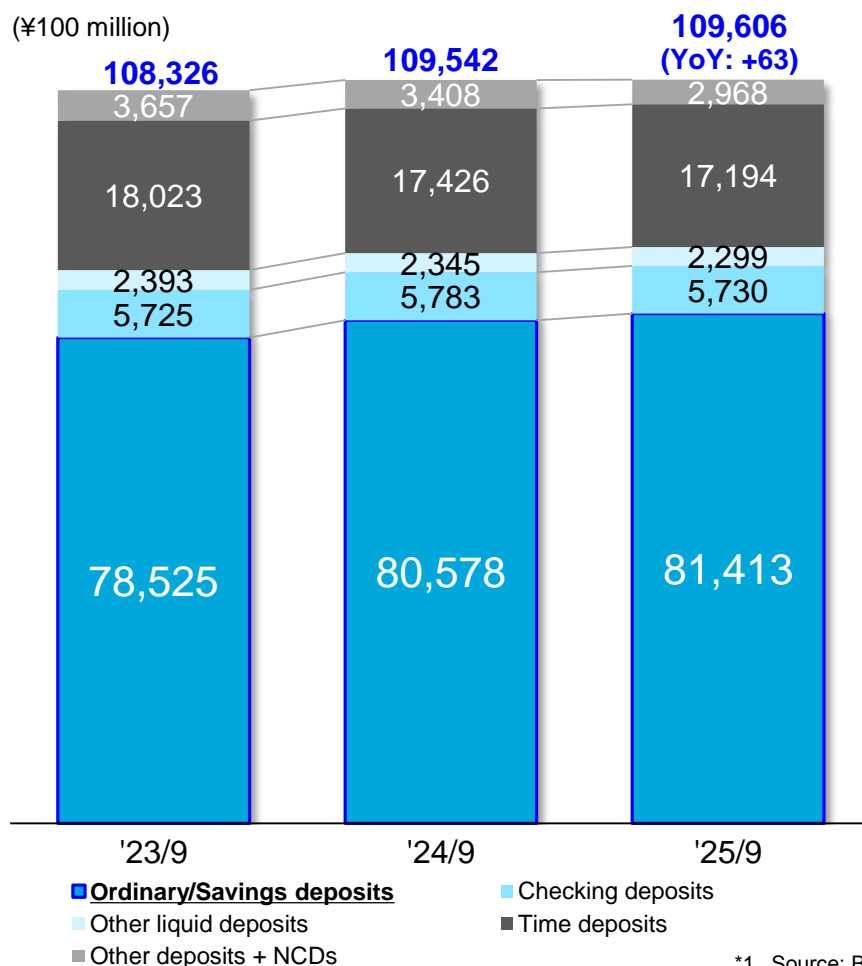
■ To SMEs, etc.
■ To local public entities, etc.
■ (To SMEs in Hokkaido)

5 Deposits

Liquid deposits account for a high proportion of total deposits, enabling fund-raising at low cost

Average balance of deposits by type

(¥100 million)



Deposit structure of North Pacific Bank

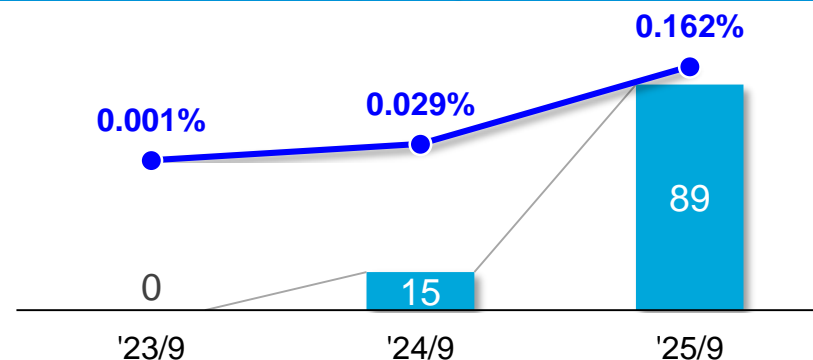
High ratio of liquid deposits compared with domestically licensed banks*

| Domestically licensed banks* ¹ | Sep. 2023 | Sep. 2024 | Aug. 2025 |
|--|-----------|-----------|-----------|
| Average balance of total deposits (excluding NCDs) | 9,571,067 | 9,742,488 | 9,935,488 |
| of which, average balance of liquid (demand) deposits ² | 6,815,200 | 6,956,026 | 6,870,034 |
| Ratio of liquid (demand) deposits at domestically licensed banks | 71.2% | 71.4% | 69.1% |

| North Pacific Bank | Sep. 2023 | Sep. 2024 | Sep. 2025 |
|--|-----------|-----------|-----------|
| Average balance of total deposits (excluding NCDs) | 105,278 | 106,749 | 107,251 |
| of which, average balance of liquid (demand) deposits ² | 87,172 | 89,225 | 89,973 |
| Ratio of liquid (demand) deposits at North Pacific Bank | 82.8% | 83.6% | 83.9% |

» Fund-raising at low cost

Interest on deposits (¥100 million) / Deposit yield



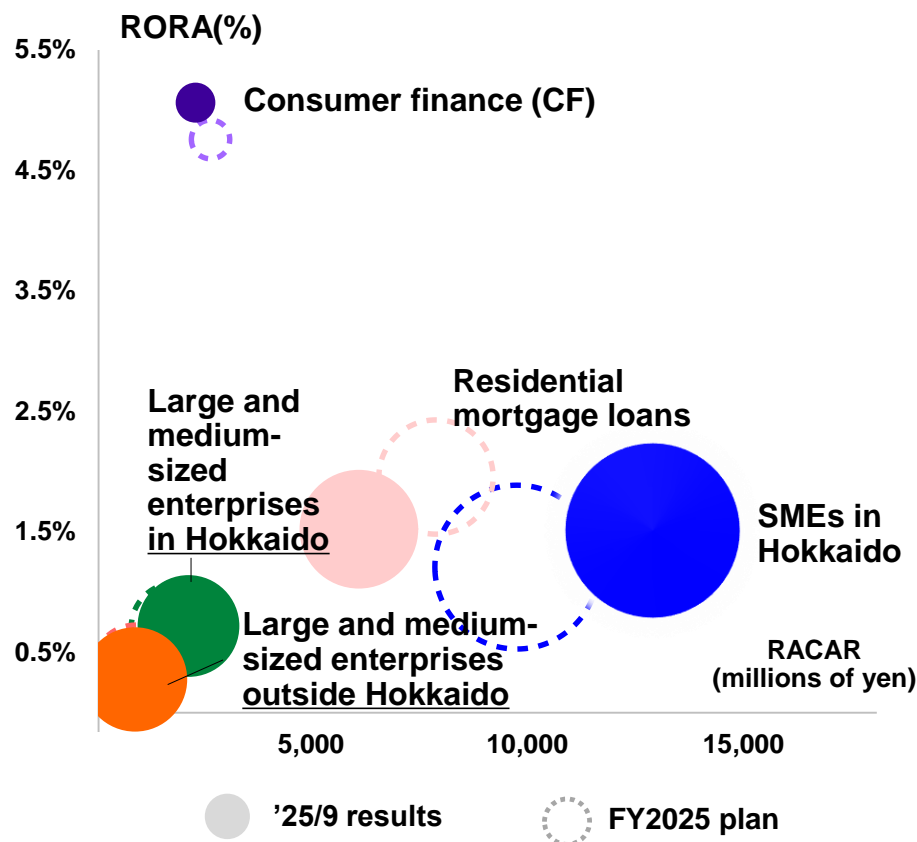
*1 Source: Bank of Japan, "Time-Series Data Search" site; domestically licensed banks exclude Japan Post Bank, Shinkin banks, etc.

*2 Sum of current deposits, ordinary deposits, savings deposits, deposits at notice, special deposits, and deposits for tax payments (excluding non-resident yen deposits and foreign currency deposits).

6 RORA by borrower category

Utilizing RORA to monitor the risk-return tradeoff

RORA (%) by borrower category as of September 30, 2025*1



Loans to SMEs in Hokkaido

The follow-through rate is almost fully linked with the short-term prime rate; RORA exceeded the plan in line with revenue from deposits.

Loans to large and medium-sized enterprises (in and outside Hokkaido)

Balances increased mainly in loans to borrowers with high credit ratings. RORA exceeded the plan for loans to large and medium-sized enterprises in Hokkaido.

Loans to individuals (residential mortgage, CF)

The planned RORA for residential mortgage loans was reviewed and revised, since a review of the LGD*2 parameters has resulted in an increase in the calculated risk-weighted assets from the time of the initial plan. For CF, RORA exceeded the plan.

*1-1 RORA = RACAR (= Net interest income + Fees and commissions – Expenses – Credit costs) / Rwa (Risk-weighted assets) *2 LGD: Loss Given Default

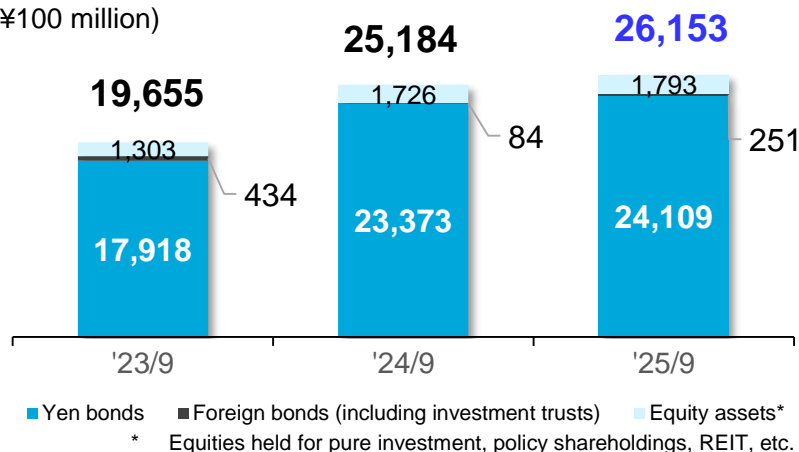
*1-2 Circle size: RWA

7 Securities investment

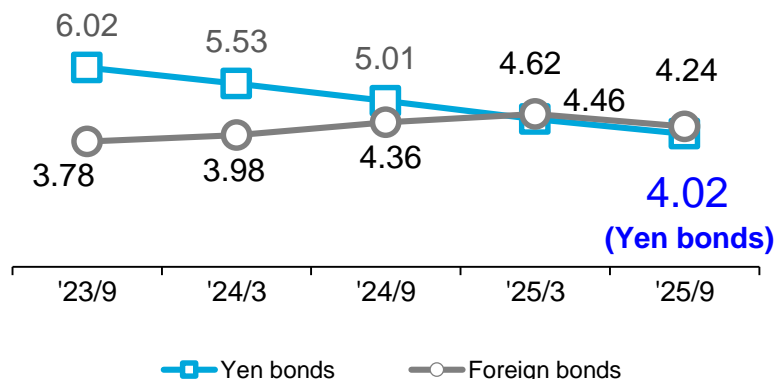
Given the highly uncertain market developments, balances were accumulated with caution.
Unrealized gains (losses) on securities turned positive overall.

Outstanding balance of securities

(¥100 million)

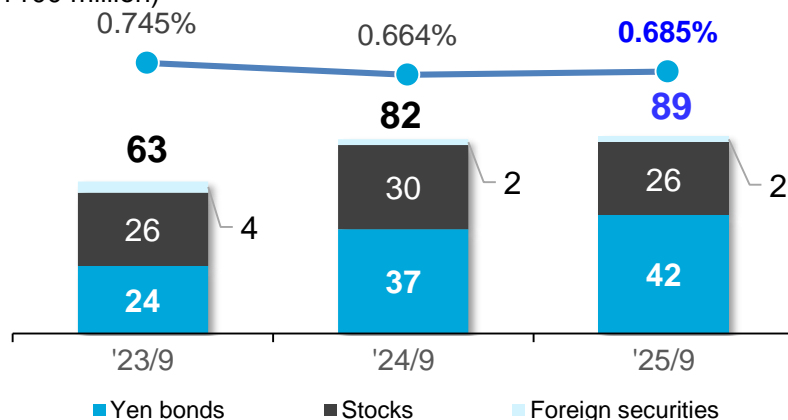


Bond duration (years)



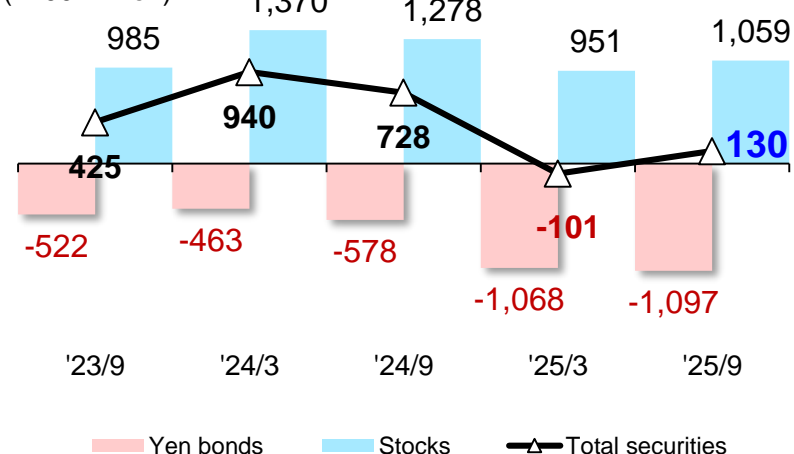
Dividends/yields on securities

(¥100 million)



Unrealized gains (losses) on securities

(¥100 million)

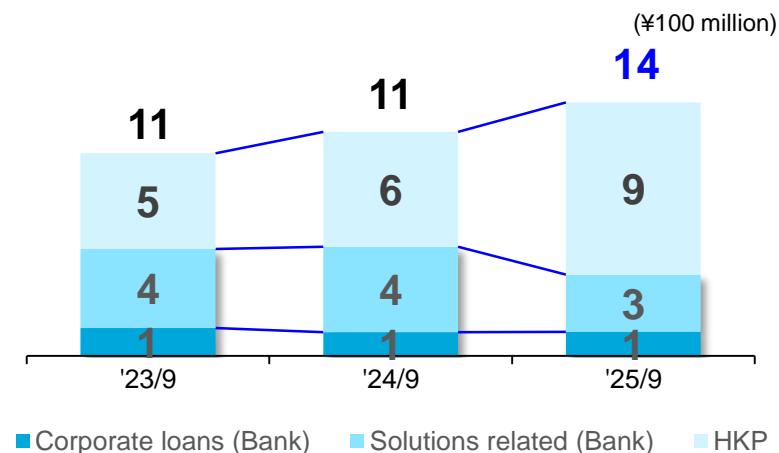


8 Net fees and commissions

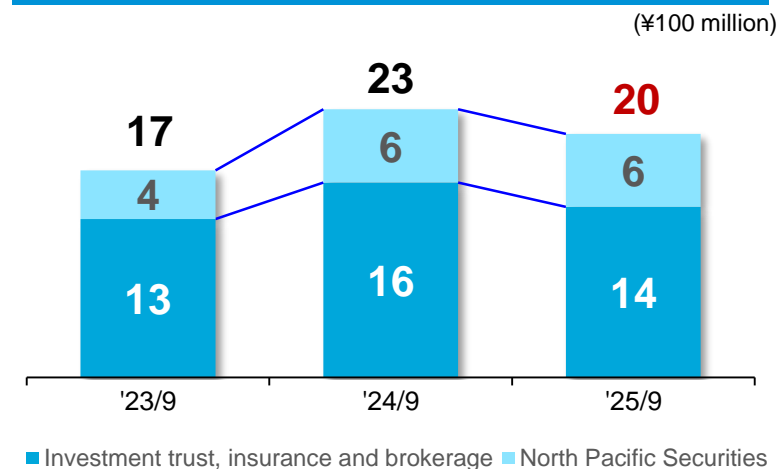
Corporate-related transactions were strong, but asset-related transactions were sluggish due to market fluctuations

| [Consolidated] (¥100 million) | '24/9 results | '25/9 results | YoY |
|--|------------------|------------------|-----------|
| Corporation-related | 11 | 14 | +2 |
| Corporate loans | 1 | 1 | +0 |
| Solutions related | 4 | 3 | -0 |
| HKP* <small>* Hokkaido Kyoso Partners Co., Ltd.</small> | 6 | 9 | +3 |
| AUM-related | 23 | 20 | -2 |
| Investment trust/insurance | 15 | 13 | -2 |
| Financial instrument brokerage | 0 | 1 | +0 |
| North Pacific Securities | 6 | 6 | -0 |
| Danshin insurance premiums | -40 | -41 | -1 |
| Foreign exchange fees | 30 | 30 | +0 |
| Other subsidiaries (excl. HKP and Securities) | 21 | 21 | +0 |
| Other | 34 | 34 | +0 |
| Total | 79 | 78 | -0 |

Corporations (Bank + HKP)



AUM (Bank + Hokuyo Securities)

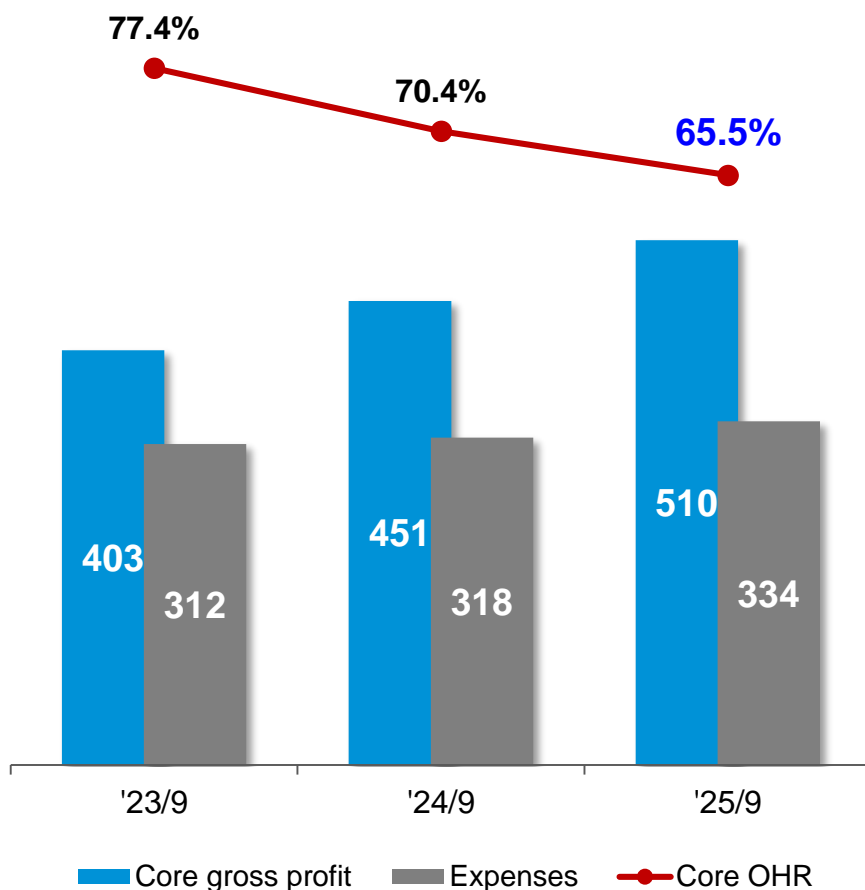


9 Expenses

Expenses increased, but core OHR continued to decline due to growth in top-line revenue

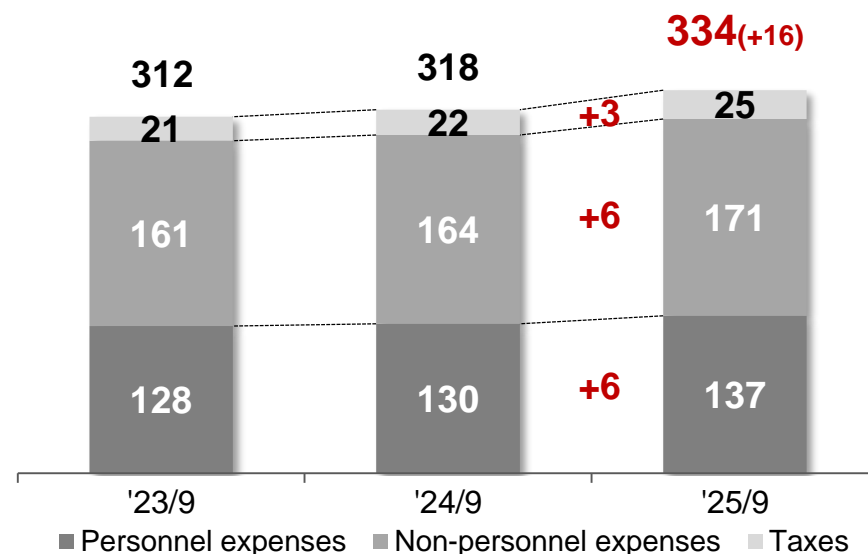
Expenses/core OHR

(¥100 million)



Expenses breakdown

(¥100 million)



[Main factors for YoY changes]

Personnel expenses +6

⇒ Increased due to base-pay increase and new personnel system

Non-personnel expenses +6

⇒ Outsourcing service expenses +2 (system usage fees, etc.)
 ⇒ Advertising expenses +1, furniture and fixtures expenses +1, amortization of movables/immovables +1, etc.

Taxes +3

⇒ Increase in consumption tax due to acquisition of assets

10 Credit-related expenses and non-performing loans

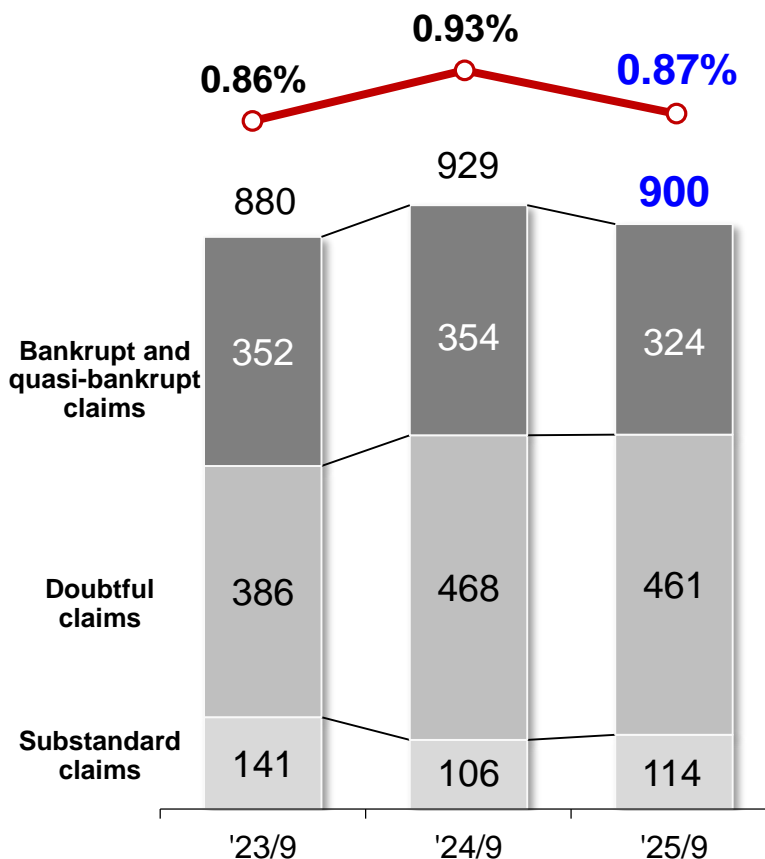
Credit costs were within the expected level; the ratio of the disclosed claims to total credit exposure remained at a low level

Breakdown of credit costs

| [Consolidated] (¥100 million) | '24/9 results | '25/9 results | YoY |
|---|------------------|------------------|------------|
| North Pacific Bank total | 2 | 13 | +10 |
| New bankruptcies, downgrades, etc. | 28 | 18 | -10 |
| Collection, upgrades, etc. | -16 | -10 | +5 |
| Fluctuations in loan loss rate | -11 | 4 | +15 |
| Other (liability shared by guarantee corporations) | 1 | 1 | -0 |
| Consolidated subsidiaries total | 5 | 5 | +0 |
| Consolidated total | 8 | 19 | +11 |

Disclosed claims amount and ratio* [Non-consolidated]

(¥100 million)



* Percentage of disclosed claims to total credit provided after partial direct write-off

11 Forecast for the Fiscal Year Ending March 31, 2026

Materials for the 26th Information Meeting on June 5, 2025 reposted

Expecting a year-on-year increase in profit mainly due to an increase
in net interest income

| [Non-consolidated] (¥100 million) | FY2025/3 results | FY2026/3 plan | YoY |
|---|---------------------|------------------|------|
| Core gross profit | 934 | 1,013 | +78 |
| Net interest income | 795 | 894 | +98 |
| Interest on loans and discounts | 671 | 849 | +177 |
| Interest on NCDs (-) | 67 | 179 | +112 |
| Interest and dividends on securities | 151 | 169 | +17 |
| Other cash flows | 38 | 55 | +16 |
| Net fees and commissions | 121 | 108 | -13 |
| Expenses (excluding non-recurring losses) (-) | 643 | 678 | +34 |
| Core operating profit | 290 | 334 | +43 |
| Credit costs (-) | 30 | 40 | +9 |
| Gains (losses) on securities | -13 | 23 | +36 |
| Ordinary profit | 266 | 336 | +69 |
| Profit | 201 | 238 | +37 |

| [Consolidated] (¥100 million) | FY2025/3 results | FY2026/3 plan | YoY |
|---|---------------------|------------------|-----|
| Consolidated core gross profit | 1,004 | 1,090 | +85 |
| Ordinary profit | 280 | 348 | +67 |
| Profit attributable to owners of parent | 206 | 243 | +36 |

Key points

Figures in brackets represent YoY change
(¥100 millions)

■ Profit-enhancing factors

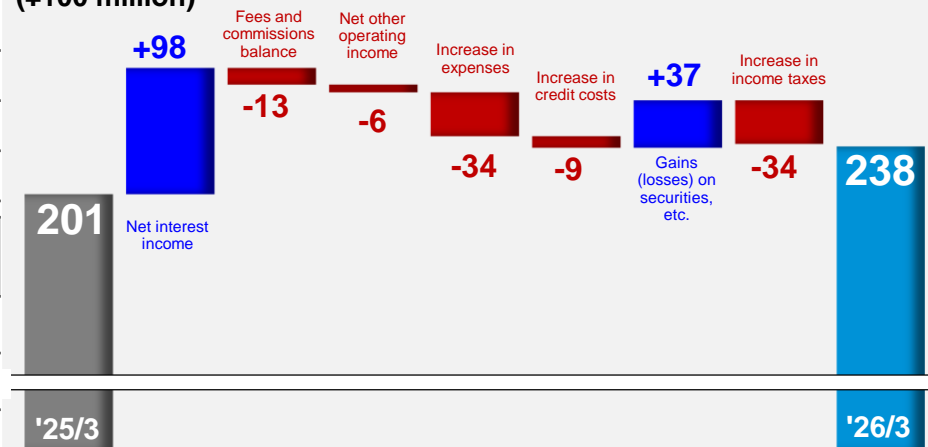
- (1) Increase in lending volume, mainly to corporations [+28]
- (2) Improvement in loan yields
(policy interest rate unchanged at 0.50%) [+149]
- (3) Increase in gain on investments in securities [+17]
- (4) Increase in interest on Bank of Japan current accounts [+44]

■ Profit-cutting factors

- (1) Increase in interest expenses on deposits [-112]
- (2) Increase in personnel expenses due to the start of the new personnel system [-34]
- (3) Increase in income taxes [-34]

Factors for changes in profit

(¥100 million)

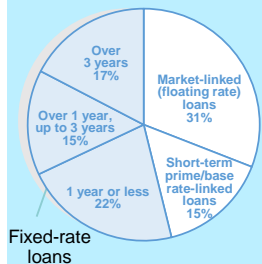


Appendix Impact of rising interest rates

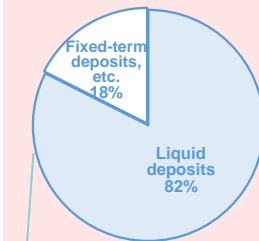
Estimating a positive impact of 33.5 billion yen on net interest income over the three years

BS summary (as of September 30, 2025)

Loans and bills discounted
Approx.
8.2 trillion yen



Deposits
Approx.
10.9 trillion yen



Of liquid deposits, non-interest bearing deposits account for 1.8 trillion yen

Securities
Approx. 2.6 trillion yen

Bank of Japan current accounts
Approx. 2.0 trillion yen

Fund-raising through BOJ bond repos, etc.
Approx. 1.7 trillion yen

Impact of a rise in policy interest rates

+57

+121

+157

⇒ **+ 33.5 billion yen** over the 3 years

| | If the policy interest rate is unchanged (0.50% for the entire period) | | | Policy interest rate scenarios under the next Medium-Term Business Plan (0.75% in 26/1 and 1.00% in 27/1) | | |
|--------------------------------------|---|--------------|--------------|--|--------------|--------------|
| | FY26 | FY27 | FY28 | FY26 | FY27 | FY28 |
| Cash flows | 975 | 1,008 | 1,048 | 1,032 | 1,129 | 1,205 |
| Interest on loans and discounts | 938 | 945 | 940 | 1,059 | 1,217 | 1,256 |
| Dividends on securities | 195 | 236 | 287 | 198 | 243 | 301 |
| Bank of Japan current accounts, etc. | 78 | 66 | 60 | 123 | 131 | 120 |
| Interest on deposits & NCDs (-) | 184 | 187 | 188 | 268 | 359 | 368 |
| Other fund-raising (-) | 52 | 52 | 52 | 80 | 103 | 104 |
| ROE | 6.8% | 7.1% | 7.5% | 7.7% | 9.1% | 9.9% |

<Assumptions>

- Only the impact of interest rates is estimated on the assumption that the investment-funding balance at September 30, 2025, remains unchanged. (Excluding the factor for an increase in interest expenses due to changes in the ratio of liquid vs. fixed-term deposits.)
- * For fund-raising through the BOJ, considered the impact of a decrease in the outstanding balance following the termination of the Loan Support Program. Climate change operation assumes refinancing the same amount.
- The follow-through rate of each asset is estimated based on the actual result at the time of the most recent policy rate hike. (Liquid deposits follow-through rate: 40%, lending follow-through rate: 100%)
- Assumption that securities redemptions and reinvestments are limited to JGB five-year bonds.
- * Calculations are based on the following: Policy rate at 50 bps as of September 30 5y = 1.24%, after rate hike at 75 bps = 1.30% and 100 bps = 1.35%.
- Approximate ROE is calculated with fees and commissions, expenses, credit costs, etc. other than net interest income left unchanged in the FY2025 plan. * Outflow portion (effective tax rate of 30%, total return ratio of 50%)

II. Initiatives Toward Enhancement of Corporate Value

1 Long-term vision, mission and overall strategy

Management philosophy

Taking a thorough customer-oriented approach, striving to solve diverse challenges, and exploring the future of Hokkaido

Long-term vision and mission

Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness

1

Aim to become the No. 1 regional bank group in employee satisfaction, thereby enhancing the quality and speed of our services

2

Lead growth unique to Hokkaido by promoting the sustainable use of Hokkaido's rich natural environment while preserving it

3

Dedicate our full management resources to realizing Hokkaido's potential

4

Are fully committed to sharing happiness with the people of Hokkaido through asset-building support

Five pillars of overall strategy

2 3

Hokkaido-based strategy

Maintain clear commitment to Hokkaido, supporting growth unique to the region

2 4

Full digital transformation (DX) strategy

Ensure we pursue basic application functions and combine real channels

2 4

Loyalty improvement strategy

Combine a sense of specialty with community-oriented approach
Provide a customer journey process

2 3

Non-financial diversification strategy

Not only finance, but also search for any business that leads to the development of Hokkaido and the happiness of the people of Hokkaido

1

Human resources and organizational transformation strategy

Build a foundation of a culture that takes on challenges
Strengthen organizational capacity to support the key four strategies

Each strategy is associated with one of the four missions (the numbering indicates the corresponding mission)

First 3 years of 10

Next Medium-Term Business Plan

2 Direction of the next Medium-term Business Plan - Target ROE index -

Target ROE index under the next medium-term business plan is 10% or higher

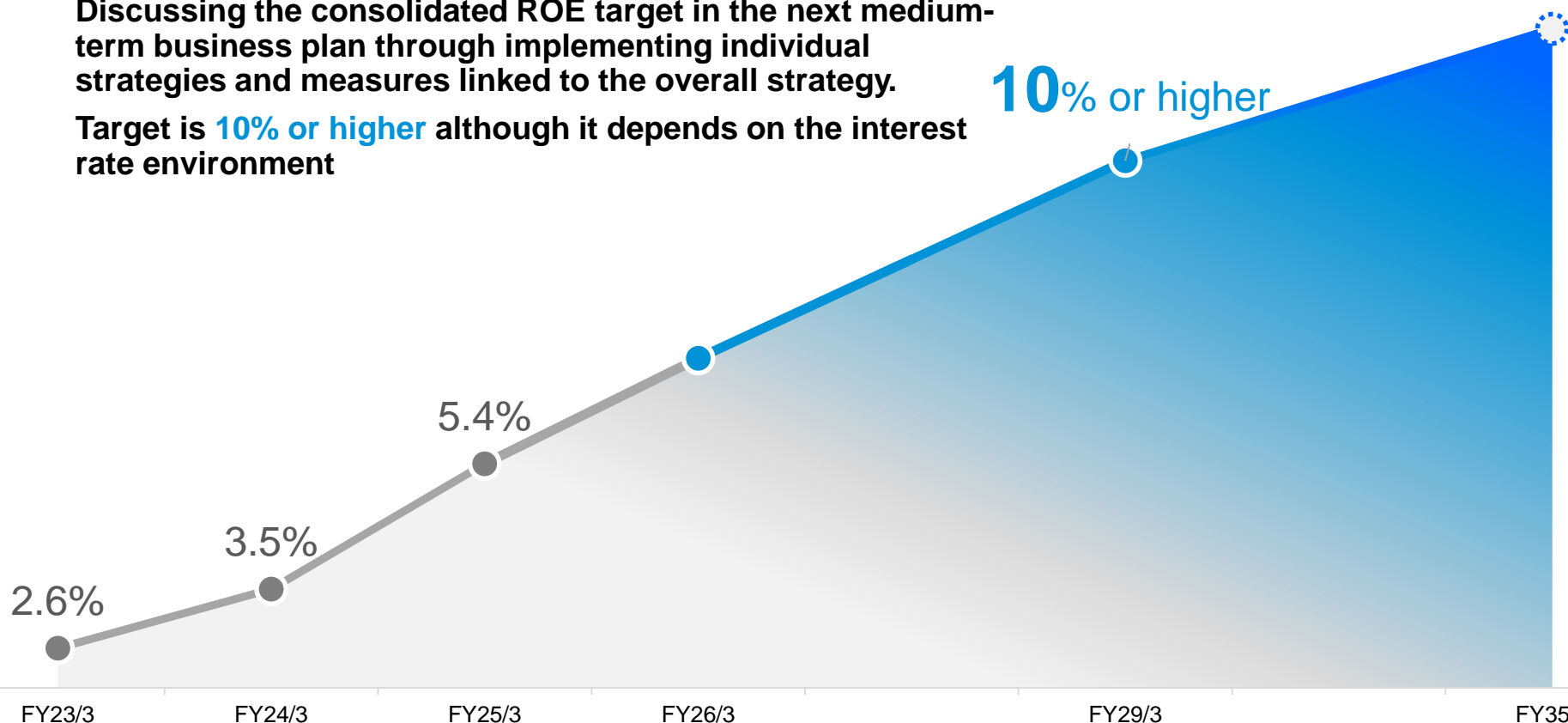


Target level of consolidated ROE*

Discussing the consolidated ROE target in the next medium-term business plan through implementing individual strategies and measures linked to the overall strategy.

Target is **10% or higher** although it depends on the interest rate environment

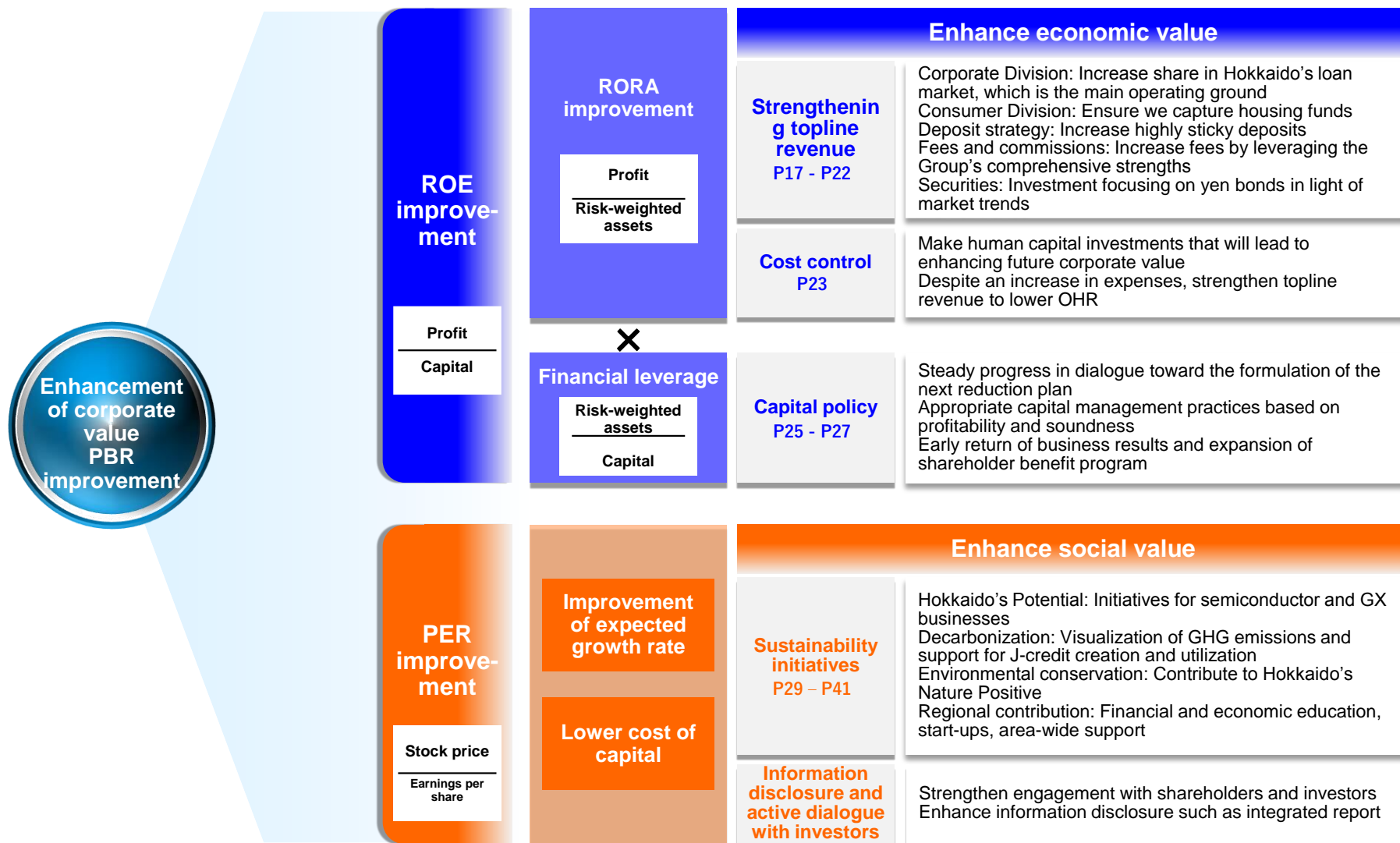
To further improve



* Shareholders' equity basis

3 Logic tree for enhancing corporate value

Aiming to increase corporate value by enhancing economic and social value

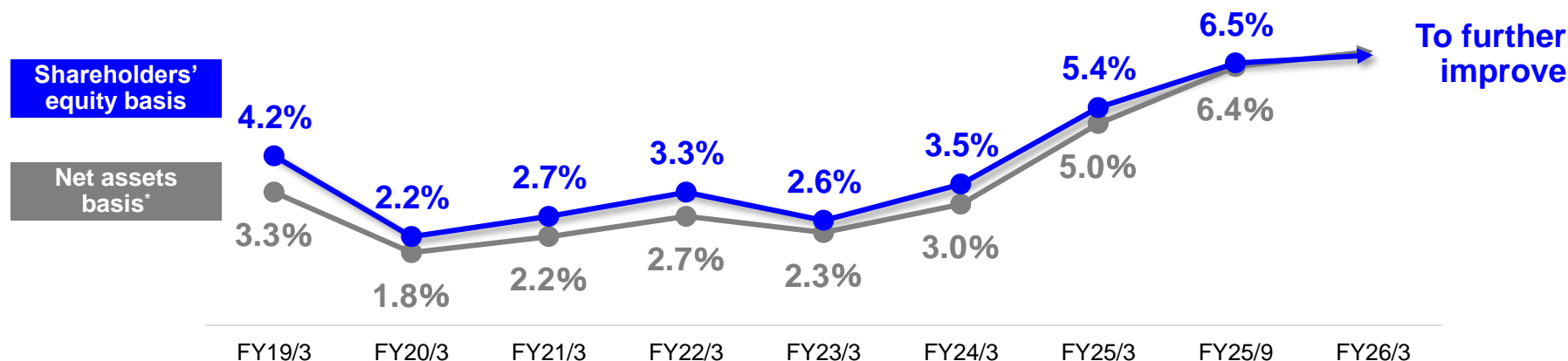


Appendix Current status of ROE and PBR

Aiming to further improve ROE and PBR

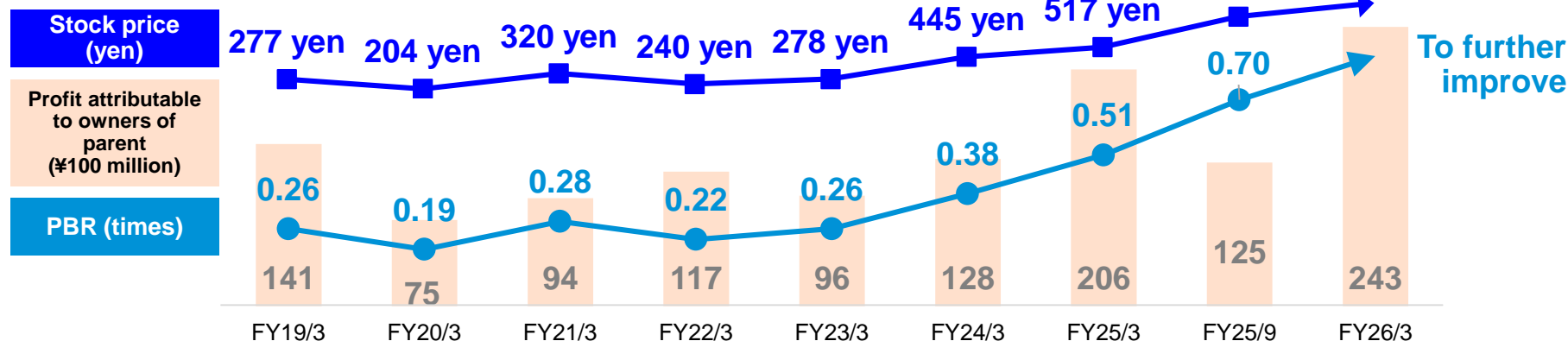
Consolidated ROE by year

Cost of shareholders' equity CAPM basis: Approx. 7 to 8% Stock yield: Approx. 8 to 10%



* Calculated by deducting subscription rights to shares and non-controlling interests from net assets

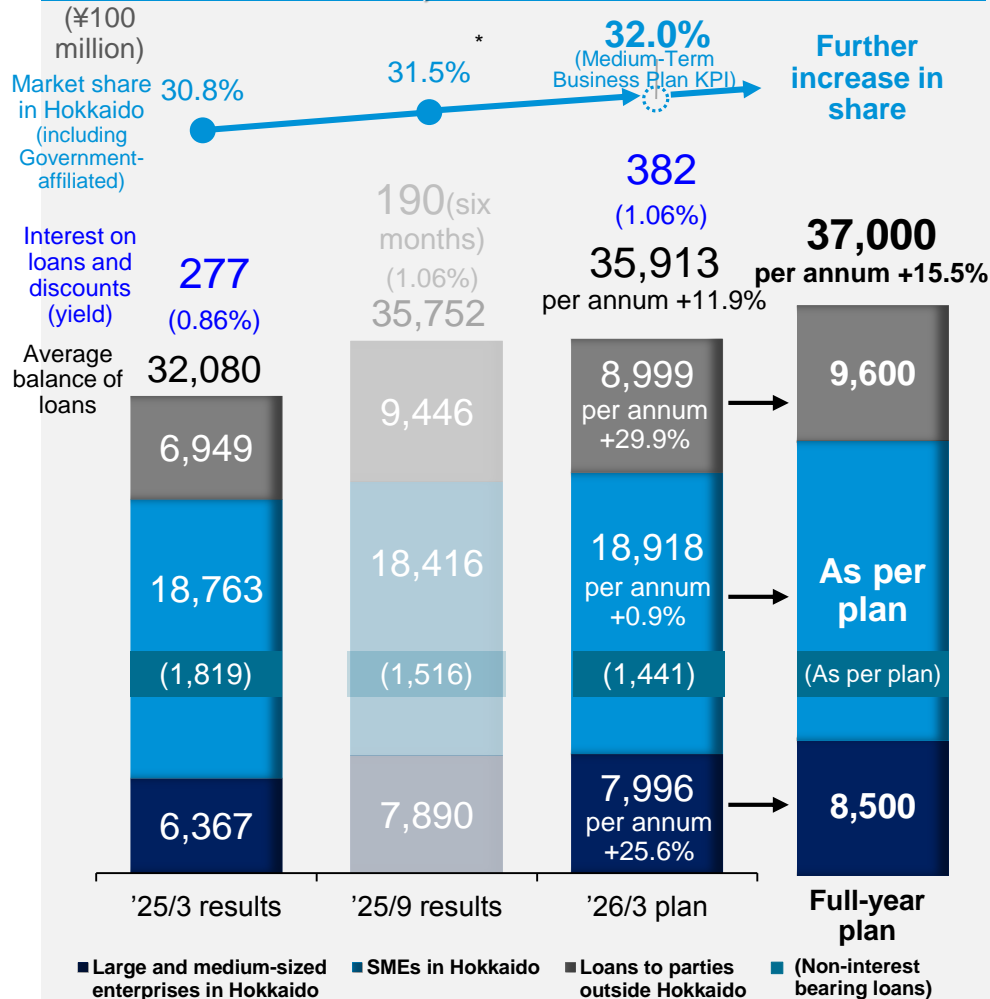
Consolidated PBR and stock price by year



4 Strengthening topline revenue (1) - Corporate Division -

Utilizing digital technology to steadily capture demand for funds, increase volume and expand market share

Average balance of corporate loans, interest on loans, and loan share



Hokkaido-based strategy

■ Increase annual lending rate; increase share in Hokkaido

- **Loans to SMEs in Hokkaido:** Ensure that demand for seasonal and bonus funds is captured. Strengthen proposals in response to a rise in the Bank of Japan's policy interest rate, and capture demand for funds in response to the growing need for fixed interest rates. Expecting to be on par with the plan for the full year.
- **Target large and medium-sized companies in Hokkaido** by actively handling capital investment projects related to hotels, warehouses, etc., utilizing syndicated loans in response to strong demand for funds, and increasing loans with proper spreads to high credit-rating borrowers. Expecting to exceed the full-year plan based on the current performance.
- **For loans outside of Hokkaido,** target projects that contribute to the economic development of Hokkaido, such as investment projects in Hokkaido by companies outside of Hokkaido. Expecting to exceed the full-year plan based on the current performance.

Full digital transformation (DX) strategy

■ Promote standardization through DX and AI combined with productivity improvement

- **Dedicated platform covering all aspects of corporate promotion:** Centrally manage promotion data, lists, good practice guides, and specialized forms to speed up response to customer needs.
- **Generative AI:** Grasp the issues of business operators and speed up proposals. Reduce time required for paperwork such as document preparation and create time for making proposals to customers.

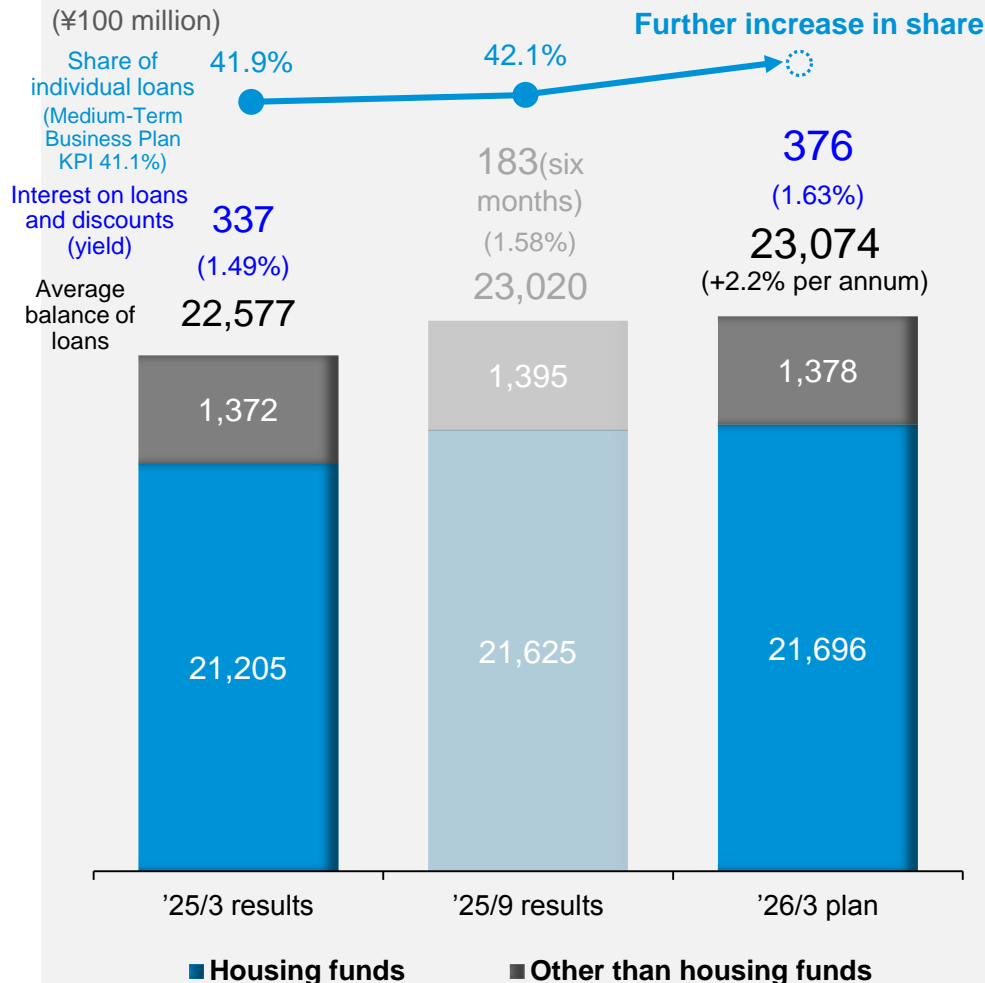
II Initiatives Toward Enhancement of Corporate Value

4 Strengthening topline revenue (2)

- Consumer Division -

Increase volume to meet housing-related needs and expand combined transactions

Average balance of personal loans, interest on loans, and loan share



Hokkaido-based strategy

■ Increase average balance of housing funds and share

- **New houses:** Taking advantage of the loan term of up to 50 years, capture the financing needs of young people to buy houses.
- **Used houses:** Approach real estate business operators (companies that have brought in past projects and corporate borrowers).
- **Strengthen points of contact with housing business operators:** Support dealing with housing business operators, which are the largest starting point of the customer journey for home buyers (e.g., assigning specialists).
- **Providing products that meet the needs:** Expand the Danshin lineup, etc.

Full digital transformation (DX) strategy

Loyalty improvement strategy

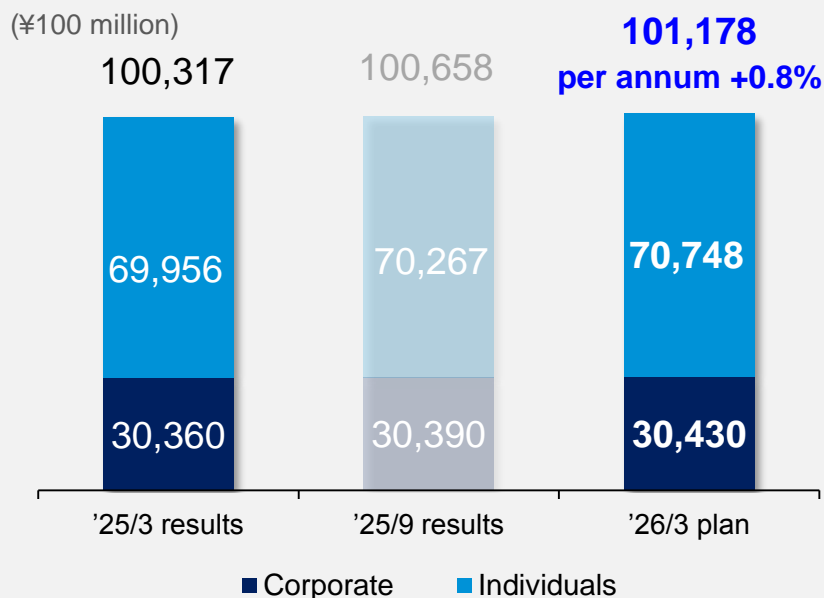
■ Complete mortgage loan process on the Web

- **Complete Web-based process from acceptance to execution:** Realize faster credit screening and simpler procedures along with enhanced convenience for customers.
- **Expand combined transactions to loan users**
- **North Pacific Bank App and NISA:** Expand combined transactions using loans as leverage by strengthening proposals at the time of handling new loans and highlighting benefits to existing customers.

4 Strengthening topline revenue (3) - Deposit strategy 1-

Leveraging the high share of deposits and loans in Hokkaido* combined by using digital technology, increase sticky deposits.

Average balance of corporate deposits + personal deposits



[Corporate deposits]

- **Value-added time deposits: Products for the realization of a sustainable society** (From August 2025 – Hokuyo Sustainability Time Deposit: Used to fund ESG/SDG-related investments and loans. Other products are under development.)

[Personal deposits]

- **Expansion of targeted products:** Started offering **retirement benefit time deposits** (from July 2025) and **inheritance time deposits** (from October 2025). Continue to expand our lineup of fixed-term products.

* See page 20 of the Appendices for details.

Hokkaido-based strategy

Loyalty improvement strategy

Full digital transformation (DX) strategy

- **In-store branches:** Open **new branches** that combine digital technology and real operation. In addition to handling **new account openings**, provide consultation on asset management and loans, hold various events, etc.

Name: Hokku Touch AEON Mall Sapporo Hiraoka



- **Enhancement of non-face-to-face services:** Add functions to the North Pacific Bank app sequentially.

At the same time as opening a **savings account**, customers can apply* to **use the Hokuyo-JCB debit integrated card and open an investment trust (NISA) account**

[Functions under consideration for future implementation]

Money transfer limit increase, scheduled money transfer, etc.

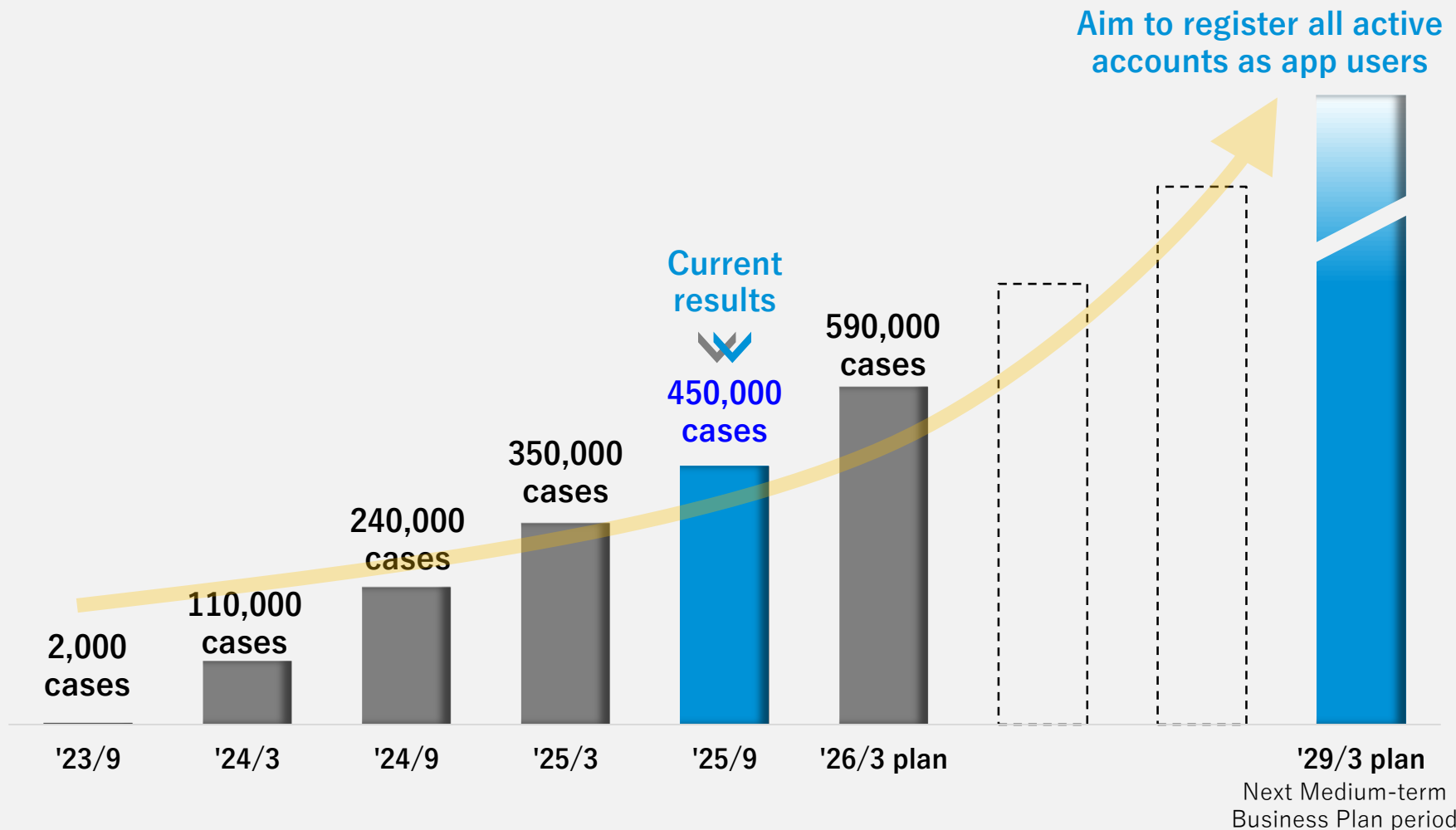
* Limited to customers who do not have a savings account at the Bank.

4 Strengthening topline revenue (3) - Deposit strategy 2-

The number of registered app users is steadily increasing.

Number of individual mobile app subscribers (cumulative)

※App release : September 2023

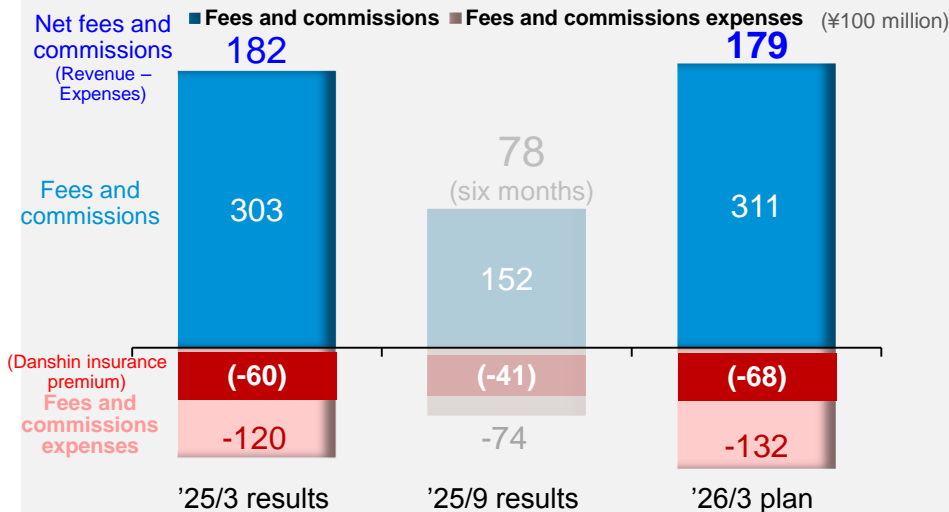


4 Strengthening topline revenue (4)

- Fees and Commissions -

Enhance profitability of the entire Group by leveraging the comprehensive strength together with subsidiaries

[Consolidated] Net fees and commissions



North Pacific Securities

- **Commissions received: 2.3 billion yen (+300 million yen)**
 - Improve the quality of referrals through performance analysis and countermeasures by the Bank-Securities Cooperation Committee

HKP

- **Consulting, M&A fees, etc.: 1.8 billion yen (+160 million yen)**
 - Make proposals based on extraction of DX and GX issues through business growth support
 - Incorporate accounting BPO which is strong in demand
 - Prepare for the launch of the foreign talent business (April next year)

Figures in parentheses represent YoY change

Bank (non-consolidated)

Full digital transformation (DX) strategy

- **Card business: 3.7 billion yen (+100 million yen)**
 - Propose introduction of corporate cards to local governments based on actual demand and raise needs for efficient expense settlement to all general corporations.
 - Promote the spread of debit card integrated cash cards. Can apply via the North Pacific Bank app starting in November.

Hokkaido-based strategy

Loyalty improvement strategy

- **Assets under custody: 3.1 billion yen (+50 million yen)**
 - Balance of investment trusts, etc.: Approx. 190 billion yen (+20 billion yen)
 - Holiday consultation session, use of NISA First Time Dial
 - Strengthen consultation service for long-term diversified investment through goal-based approach.

Future Initiatives

Strengthen

non-financial diversification strategy

- Advertising business, human resources business (HKP), agricultural revitalization, etc.

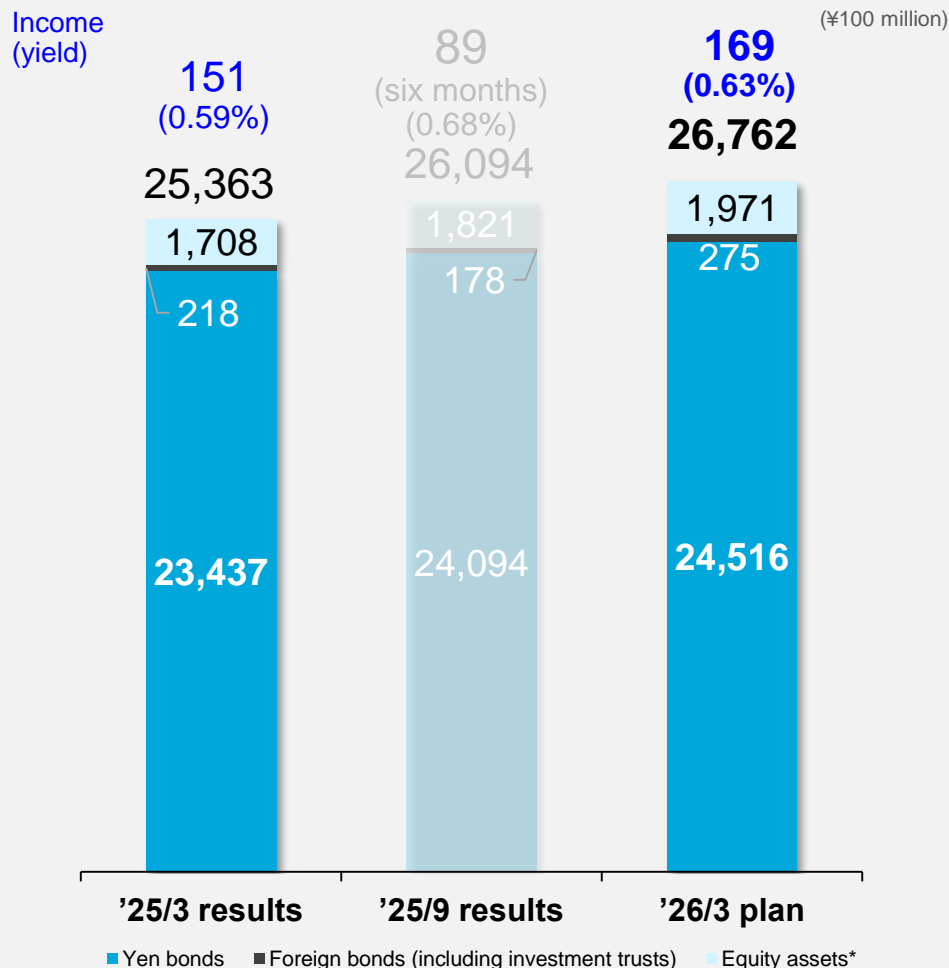
II Initiatives Toward Enhancement of Corporate Value

4 Strengthening topline revenue (5)

- Securities investment -

Raise yields mainly through regular fixed-amount purchases of yen bonds while closely monitoring market trends

Outstanding balance of securities and Income (yield)



Figures in parentheses represent YoY change

■ Yen bonds

Average balance plan: 2,451.6 billion yen (+107.9 billion yen)

Income: 9.1 billion yen (approx. +1.3 billion yen)

- Amid volatile market conditions in the first half, executed buys with caution.
- In the second half, proceed with regular fixed-amount purchases of short- and medium-term bonds (2Y-5Y) (planning redemptions and reinvestments of approximately 135 billion yen and balance accumulation of approximately 130 billion yen).
- The current plan is based on the assumption that the policy rate will remain unchanged at 0.5%. There is room for increasing earnings due to a rise in interest rates.

■ Equity assets – of which, stocks for pure investment

Average balance plan: 70 billion yen (+26.4 billion yen)

Income: 1.5 billion yen (approx. +0.4 billion yen)

- As for the portion of decrease in the portfolio due to the sale of cross-held shares, the decline in income will be offset by building stocks for pure investment, ETF, etc.
- On the other hand, when the market seems to be overheated, will refrain from active accumulation and act cautiously (wait for a downturn).
- As for income, there is a possibility that it will exceed the plan due to the effect of increasing dividends by strengthening shareholder returns in the first half.

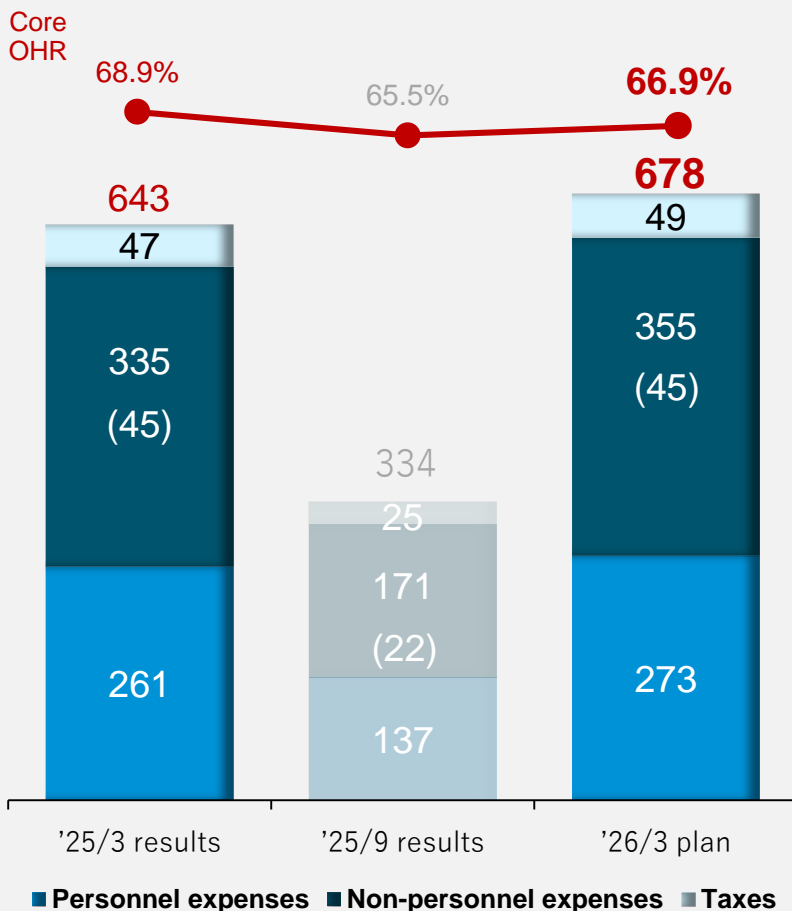
* Equities held for pure investment, policy shareholdings, REIT, etc.

5 Cost control

Core OHR decreased due to growth in topline revenue

Expenses / Core OHR

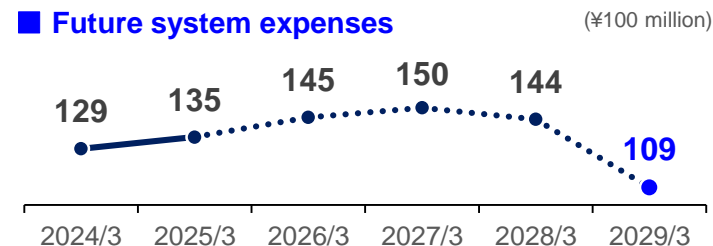
(¥100 million)



Figures in parentheses are depreciation expenses for TSUBASA core system out of property expenses.

Figures in parentheses represent YoY change

- **Personnel expenses: 27.3 billion yen (+1.1 billion yen YoY)**
 - New personnel system revision ▶ +1.5 billion yen per year
 - ⇒ Personnel expenses up about 2 billion yen a year due to system revision
 - ⇒ New system to start in July
- **Non-personnel expenses: 35.5 billion yen (+2.0 billion yen YoY)**
 - System related ▶ +0.8 billion yen per year
 - ⇒ Next-generation branch terminal upgrade, server maintenance fees, etc.
 - Non-system ▶ +1.1 billion yen per year
 - ⇒ New personnel system related
 - Rented company housing expenses, lump-sum relocation payments, etc.
 - ⇒ Outsourcing service expenses (handling unauthorized use of credit cards, etc.)
- **Taxes: 4.9 billion yen (+0.2 billion yen YoY)**
 - Increase in consumption tax due to increase in non-personnel expenses



Appendix Improving efficiency of branches and ATMs

Status of branch restructuring Efficient operation of branches and ATMs

● Reconstruction of branch functions

| | FY2023 results | FY2024 results | FY2025 (plan) | Total |
|---|----------------|----------------|---------------|-------------|
| Integration of corporate lending functions | 11 branches | 24 branches | - | 35 branches |
| Branch consolidation with bank-in-bank (BIB) branches | - | 6 branches | 8 branches | 14 branches |

| | | | |
|--------------------|--------------|--------------|--------------|
| Number of branches | 140 branches | 134 branches | 127 branches |
|--------------------|--------------|--------------|--------------|

● Headcount creation effect/plan

| FY2023 results | FY2024 results | FY2025 (plan) | Total |
|----------------|----------------|---------------|--------------------|
| 13 persons | 67 persons | 33 persons | 113 persons |

● Cost reduction effect/plan

| FY2023 results | FY2024 results | FY2025 (plan) | Total |
|-----------------|-----------------|-----------------|------------------------|
| 100 million yen | 600 million yen | 400 million yen | 1.1 billion yen |

Branches

Joint counter within Shinkin bank branch

FY2024: **1 Shinkin bank** → FY2025 (plan): **5 Shinkin banks**

Efficiency improvement by concurrently serving as branch manager of a branch with integrated corporate lending functions

FY2024: **5 branches** → FY2025 (plan): **10 branches**

Efficiency improvement of store operations by introducing lunch-hour closure

Implemented at **32 branches** (FY2024: 11 branches, FY2025: 21 branches)

New channels

Introduction of **in-store branches** (page 18) and **mobile store vehicles**

ATM

Optimization of ATM cash points

Expansion of mutually free ATM tie-up with other financial institutions

FY2023: **1 Shinkin bank**, FY2024: **1 Shinkin bank**, FY2025 (plan): **7 Shinkin banks**

Installation of ATMs at post offices (2 sites)

Install light-weight ATMs in branches to accommodate passbook-less operation and quicker operation (2 sites)

Improve convenience and efficiency through relocating low-usage ATMs

6 Capital strategy (1) - Policy shareholdings -

Steady progress in dialogue toward the formulation of the next reduction plan by the end of FY2025

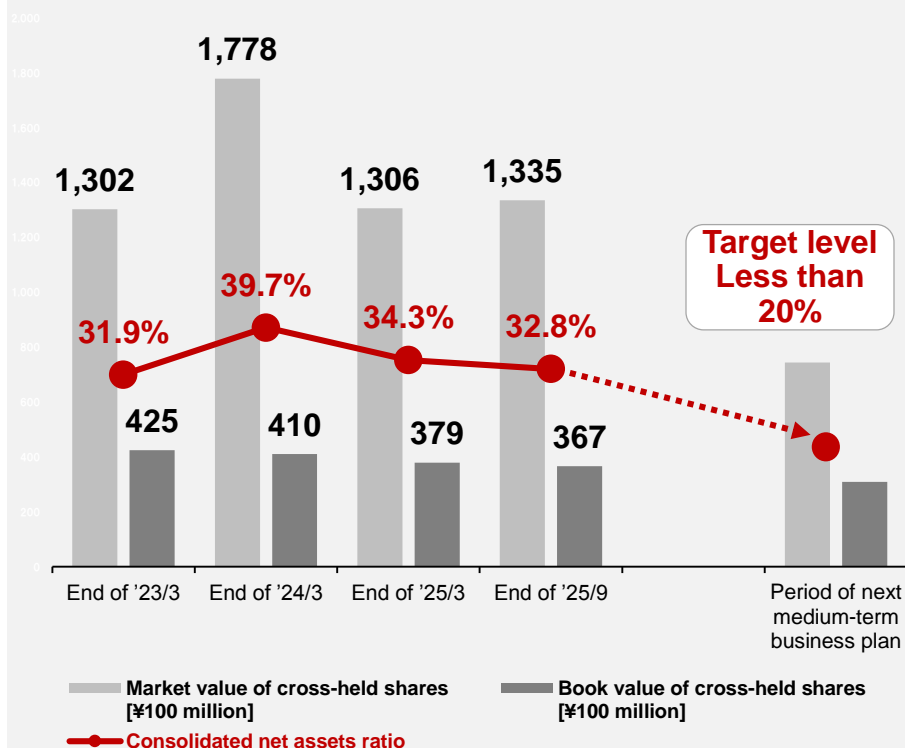
Reduction of policy shareholdings

[Current reduction plan]

Reduce book value by 5 billion yen by the end of '26/3 (vs. the end of '23/3)
Reduce book value by 5.1 billion yen by the end of '25/7

Target achieved

[Period of current reduction plan] To a new reduction plan



Progress of formulation of the next reduction plan

- Hold dialogue with all companies, including those headquartered in Hokkaido, with the aim of formulating a plan to reduce the consolidated net assets ratio to below 20% during the period of the next Medium-Term Business Plan.

[Summary of dialogue results]

| Target companies | Positive response | Continue dialogue |
|------------------|-------------------|-------------------|
| 46 companies | 21 companies | 25 companies |

- As a result of dialogue, received positive responses from 21 parties and made steady progress. Will work to reach an agreement on specific sales schedule and amount and proceed with formulating the reduction plan for the next fiscal year. Will continue regular dialogue with the remaining 25 parties.
- Gain on sale will be used to cover losses on low-yield bonds and for investments and loans for growth. Will achieve stable ROE of 10% or more and PBR of 1x or more as soon as possible, while increasing shareholder value and achieving stable dividends.
- Reduced amount of risk associated with the sale and cash inflows will be appropriated to invest in and finance small and medium-sized enterprises in Hokkaido and new industries (semiconductor, GX, etc.), and the remainder will be used to restructure our securities portfolio.

6 Capital strategy (2)

- Financial strategy and capital adequacy ratio -

Appropriate capital management practices based on profitability and soundness

Basic capital management policy

■ Setting an appropriate capital adequacy ratio <Non-consolidated>

For FY2025, the capital adequacy ratio is set at **a lower limit of 10%** and **an operational target of around 11%**.



As of the end of September 2025, the capital adequacy ratio was **11.34%** (non-consolidated)

[Capital Utilization]

- (1) **Investments and loans to improve ROE** (loans, securities investment, etc.)
- (2) **Strategic investment to improve services and strengthen competitiveness** (human capital investment, systems investment, etc.)
- (3) **Strengthening shareholder returns** (Total return ratio of 50% and dividend payout ratio of 40% or higher)

■ Maintaining Financial Soundness

In light of the Bank's business outlook, status of its assets and liabilities, and developments in the external environment, **annually verify** the level of capital adequacy ratio (lower limit) through stress tests and the ALM Committee

6 Capital strategy (3) - Shareholder returns -

Earliest return of profits from business through quarterly dividends with a total return ratio of 50% as a guideline

Shareholder return policy

➤ **Effective from the current fiscal year (FY2026/3)**

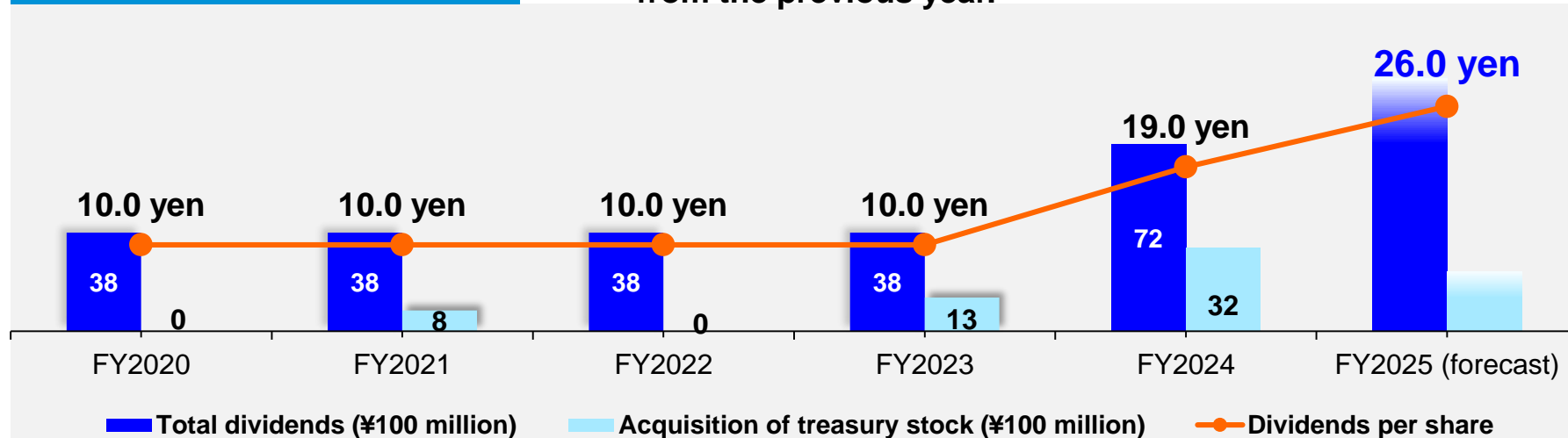
- **Dividend payout ratio** shall be **40% or higher** while **maintaining a stable annual dividend of 10 yen per share**
- Considering the capital adequacy ratio, business outlook, external environment, etc., **the target total return ratio shall be 50%**
- Acquisition of treasury shares shall be implemented **flexibly and with agility**

Introduction of quarterly dividend

Record dates (dividend record dates for the first and third quarters) to be announced based on resolution by the Board of Directors

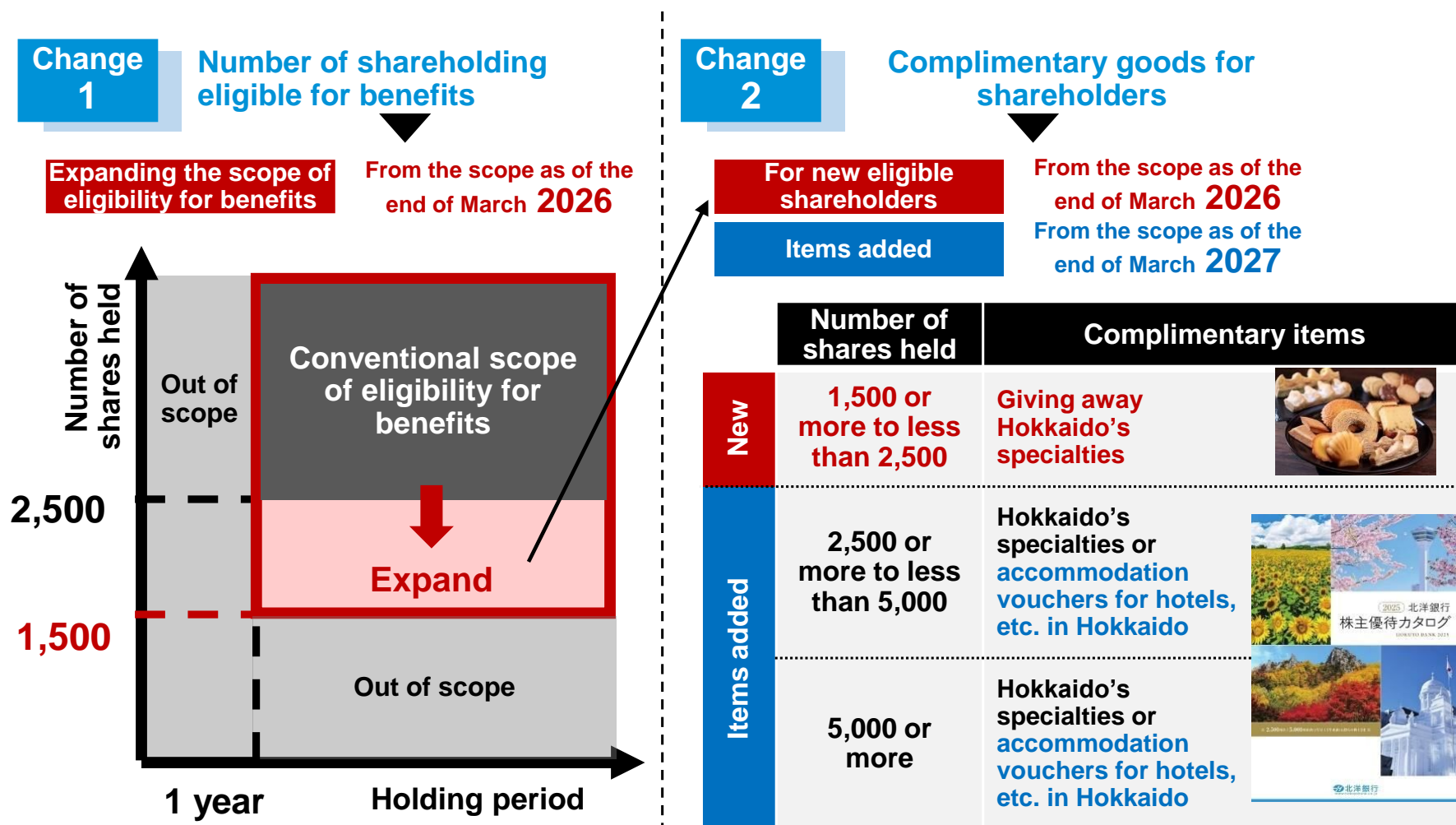
Actual shareholder returns

➤ **FY2025 dividend is expected to increase by 7.0 yen from the previous year.**



Appendix Expansion of shareholder benefit program

Expanding the shareholder benefit program to make our bank stock more attractive to investors



*1 There is no change to the number of shares held (2,500 or more to less than 5,000 shares; 5,000 shares or more), holding period (1 year or more; 5 years or more), and record date (March 31).

*2 With March 31, 2026, as the record date, the complimentary goods under this system will be limited to Hokkaido's specialties.

7 Potential of Hokkaido - Sustainable finance -

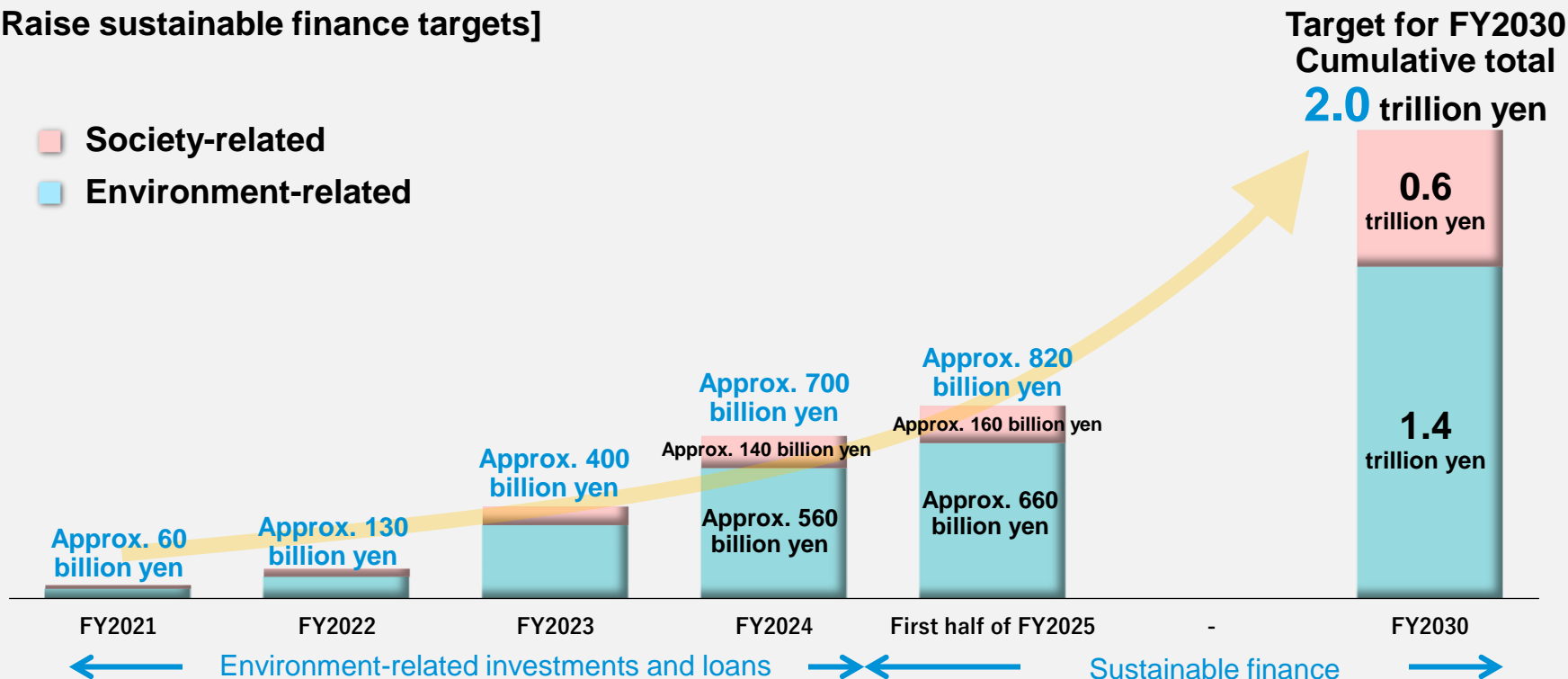
Contributing to the realization of a sustainable environment and society

Sustainable finance (renamed from environment-related investments and loans)

[Raise sustainable finance targets]

■ Society-related

■ Environment-related



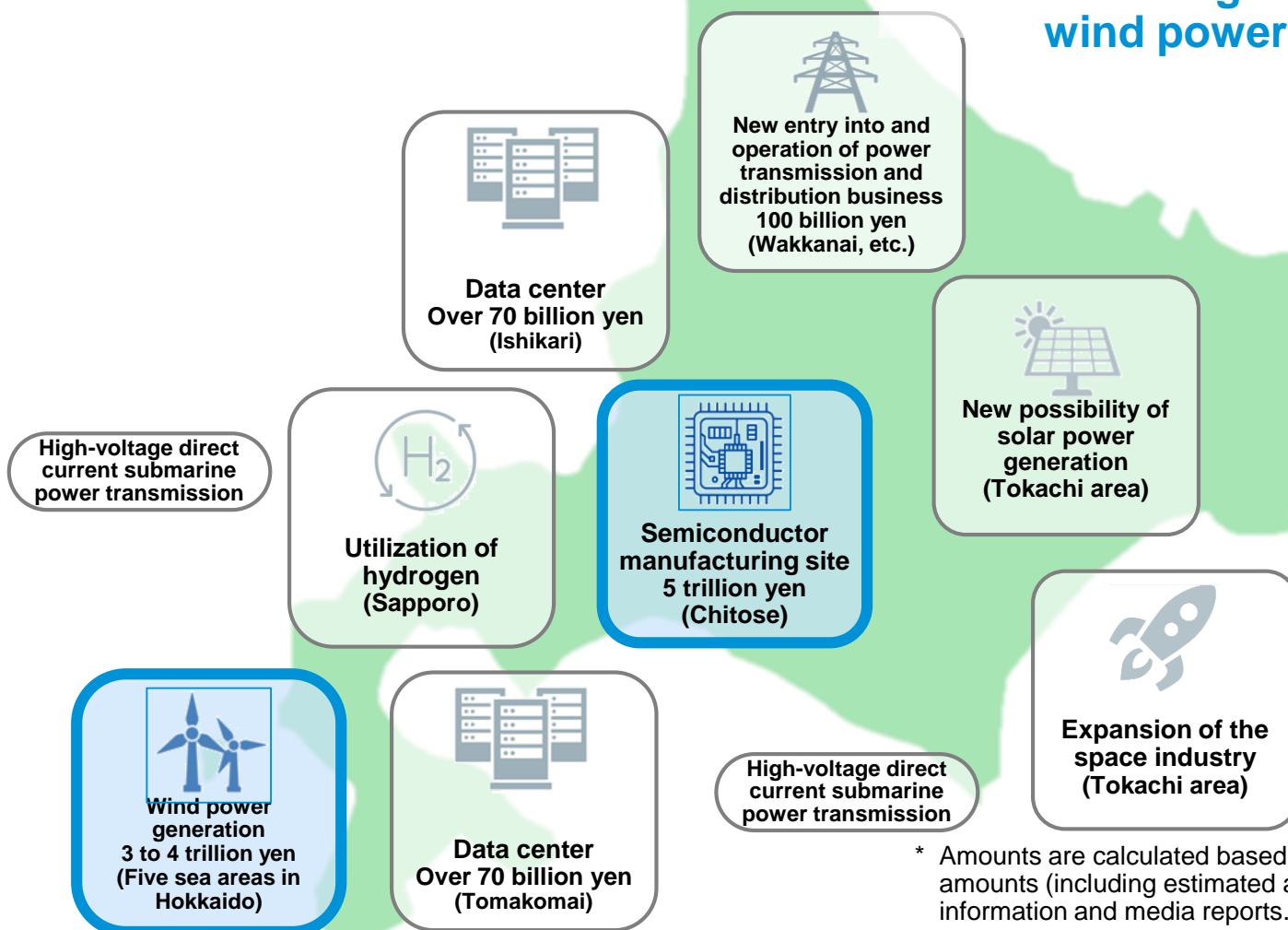
- The name was changed to **sustainable finance**, adding investments and loans that contribute to solving social issues* in Hokkaido to the existing environment-related investments and loans. **Raised the new target to 2.0 trillion yen**, including past results as done with environment-related transactions.
- **Will build up sustainable finance mainly through implementing investments and loans related to GX by taking advantage of the potential of Japan's leading renewable energy and providing support related to next-generation semiconductors.**

* Investments and loans that contribute to solving social issues include support for semiconductor-related industries, development of new industries (startups and new businesses), streamlining of manufacturing industries, and strengthening support for food and tourism

7 Potential of Hokkaido

New businesses that take advantage of Hokkaido's potential are emerging across a wide area of Hokkaido

Focusing on semiconductor manufacturing sites and offshore wind power generation

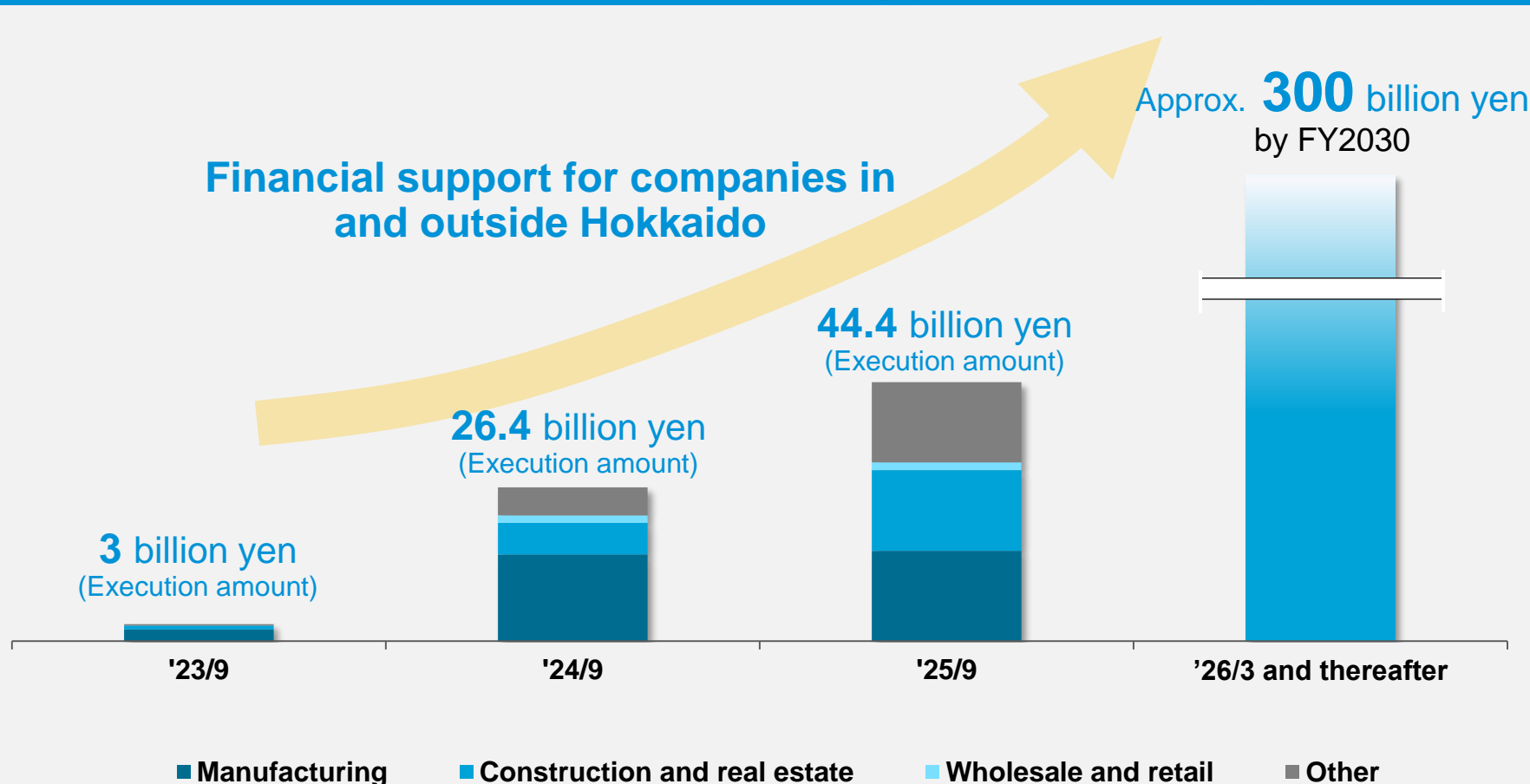


* Amounts are calculated based on project expenses and investment amounts (including estimated amounts) available in published information and media reports.

7 Potential of Hokkaido - Next-generation semiconductors -

Increase in related financing as the project progresses

Semiconductor-related financing (cumulative basis)



Strengthening cooperation for consolidation of the semiconductor industry

Hokkaido-based strategy

Non-financial diversification strategy

* Order needs and number of referral companies are cumulative; includes matching in areas other than the semiconductor network.

Comprehensive partnership agreement concluded with Chitose City

Promoting community-building centered on semiconductors



Sept. 9: Comprehensive partnership agreement ceremony

Began four specific initiatives toward realization of Chitose Future Vision

- ✓ Helping companies to expand
- ✓ Promotion of local industries
- ✓ Development and revitalization of sustainable communities
- ✓ Other matters to be determined through consultation

Memorandum of understanding signed with Higo Bank (Kumamoto Prefecture)

Reinforcement of semiconductor supply chain building structure



Sept. 29: Semiconductor Seminar (North Pacific Bank Seminar Hall)

Began collaboration and cooperation with Higo Bank in Kumamoto Prefecture, an advanced semiconductor market, to solve issues

- ✓ Sharing information on corporate expansion activity trends
- ✓ Sharing information and know-how on invitation activities
- ✓ Implementation of initiatives to resolve regional issues
- Sept. 29: Held a seminar on taking on challenges in the semiconductor business, inviting lecturers from Higo Bank and its business partners (more than 350 participants)

Establishment of semiconductor network

Faster matching of companies in Hokkaido with semiconductor business operators

Matching scheme

Companies in Hokkaido

(2) Presenting order needs



(1) Entry of companies in Hokkaido

Hokuyo Semiconductor Network

(3) Introducing companies that want to receive orders



(1) 'Presenting order needs

Semiconductor-related companies

Operation status

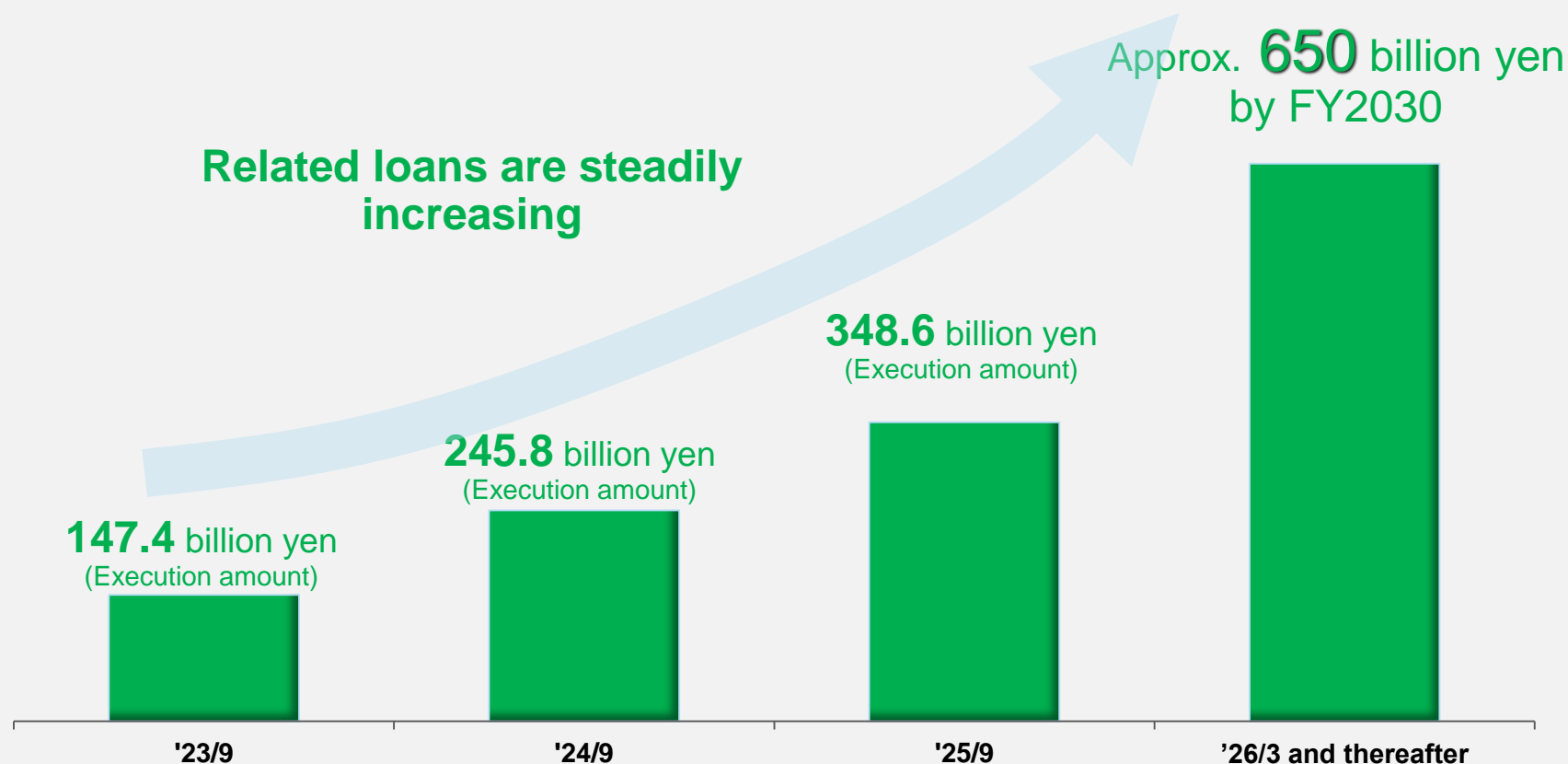
(January 1 to September 30, 2025)*

| Entry companies | Ordering companies |
|-----------------|--------------------|
| 100 entities | 15 entities |
| Order needs | Referral companies |
| 28 cases | 52 entities |

7 Potential of Hokkaido - GX related -

GX-related loans are increasing at an annual pace of approximately 100 billion yen

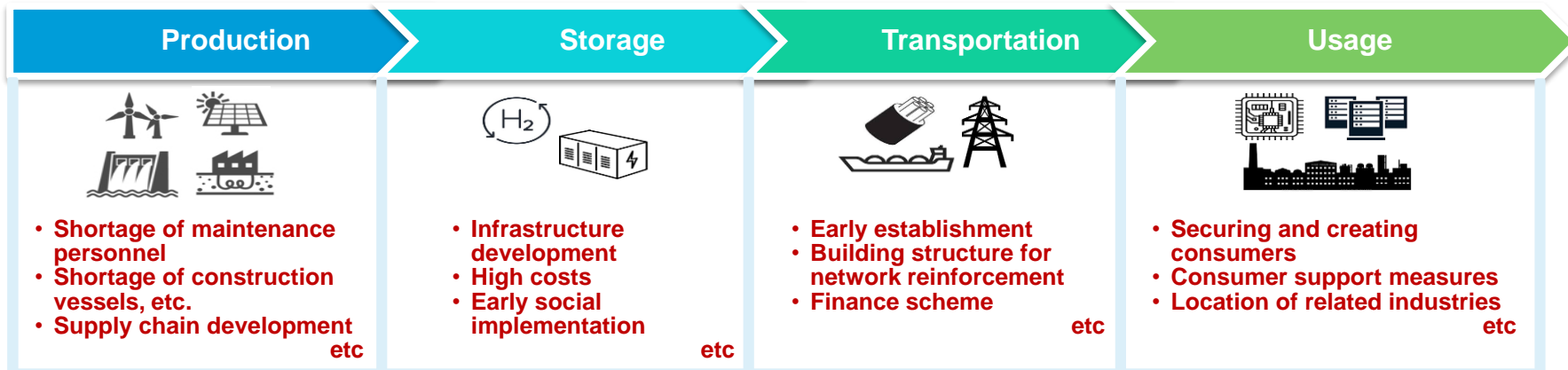
GX-related financing (cumulative basis from FY2021)



7 Potential of Hokkaido - GX related -

Solving Hokkaido's issues and realizing its potential to promote GX

Issues amid the spread of renewable energy and next-generation energy



➤ Approximately 6 trillion yen in investment could be generated across the entire supply chain going forward.

* Calculated independently by our bank based on publicly disclosed information, media reports, and other sources regarding project costs and investment amounts (including estimated figures).

Initiatives of North Pacific Bank

Hokkaido-based strategy

Non-financial diversification strategy

- Filling in missing pieces (business participation through investment)
- Approaching various relevant parties (examining solutions to issues through collaboration with partners)
- Investment in Sapporo/Hokkaido GX Fund (tentative name)

[Fund concept]

- ✓ Investing in GX projects in Hokkaido
- ✓ Sourcing by using local communities and Team Sapporo-Hokkaido networks, and taking on the challenge of investing in advanced fields



7 Potential of Hokkaido

- Support for agriculture and wine industry -

Active support for key and growing industries in Hokkaido

Hokkaido-based strategy

Non-financial
diversification strategy

Support for agriculture

Hokuyo agricultural loans

February 2025 Began handling **loan products for farmers**
Enabling repayment methods tailored to
the customer's business model

48 applications / 790 million yen

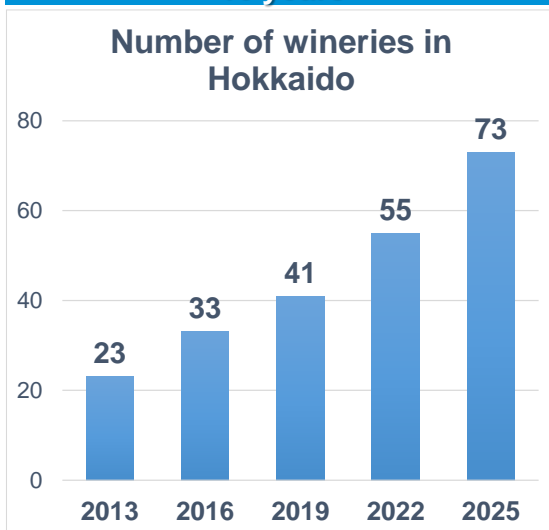
Hokuyo agricultural area revitalization fund No. 2

July 2025 Investment in agricultural corporations and food
industry corporations
Fund established
(total investment limit: 300 million yen)

Investments in agriculture-related funds:
23 deals / 850 million yen

Support for wine industry

Number of wineries has tripled in 10 years



Wine industry support menu

- | | | |
|-------------------------------------|-------------------------------|--|
| (1) Founding Grape production | Financing Business plan | Investment, loans, support for subsidy application and business plan formulation |
| (2) Sales | Sales channel expansion | Exhibition & business meeting "Information Bazaar" |
| (3) Regional revitalization | Regional cooperation | Development of wine tourism and other travel products in cooperation with local governments |

Partnership agreement with wine producing areas

November 6, 2025 Yoichi Town
Signed comprehensive partnership
agreement on wine promotion and
community-building



7 Potential of Hokkaido - Support for tourism -

Expanding sales channels for tourism products in Hokkaido and supporting and strengthening information dissemination

Hokkaido-based strategy

Tourism business meeting in Tokyo

Date and time: Wednesday, August 27, 2025

Venue: Ikebukuro Sunshine City
Import Mart Building

[Exhibitors from Hokkaido]
Municipalities, tourist
associations, DMOs, and
regional tourism councils
Tourism-related business
operators, etc.
21 organizations



Matching
168 cases

[Tokyo Metropolitan area]
Travel agencies,
publishers, etc.
23 companies



Tourism online business meeting

Date and time: Tuesday, January 28, 2025

Venue: Daiwa Conference Hall

[Exhibitors from Hokkaido]
Municipalities, tourist
associations, DMOs, and
regional tourism councils
Tourism-related business
operators, etc.
34 organizations



Matching
174 cases

[Tokyo Metropolitan area]
Travel agencies,
publishers, etc.
20 entities



8 Decarbonization and environmental conservation initiatives (1)

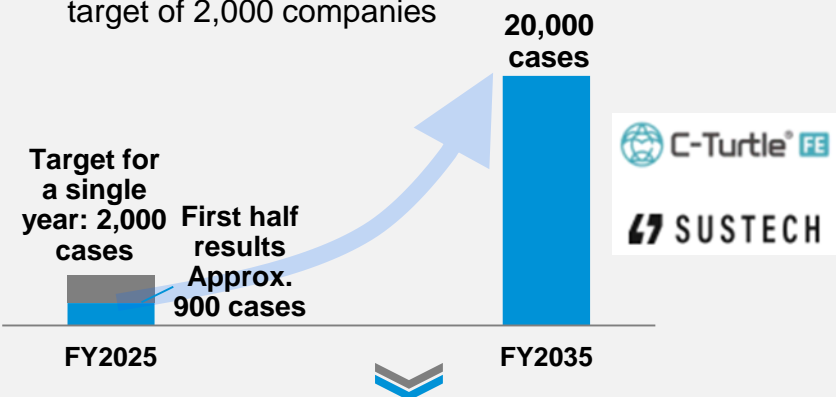
Strengthening the movement toward decarbonization throughout Hokkaido

Hokkaido-based strategy

Visualization of GHG emissions

Proposal of concrete decarbonization measures

- Providing GHG emission calculation tools to help customers visualize their emissions toward decarbonization
- In FY2025, 900 companies in the first half against the target of 2,000 companies



■ Proposal of decarbonization measures based on emissions data

Green/Social/Sustainable finance
Sustainability-linked finance
Positive impact finance
Sustainable management support finance
SDGs consulting
Decarbonization consulting

J-Credit creation and utilization support

■ Partnership agreements with local governments

Support for local efforts to realize a decarbonized society and the creation of J-Credit utilizing the region's rich forest resources Expand the circle to all of Hokkaido

| Municipalities | | |
|----------------|--------|----------|
| Eniwa | Otaru | Shibecha |
| Hamatombetsu | Ebetsu | Akkeshi |
| Hakodate | Yubari | |

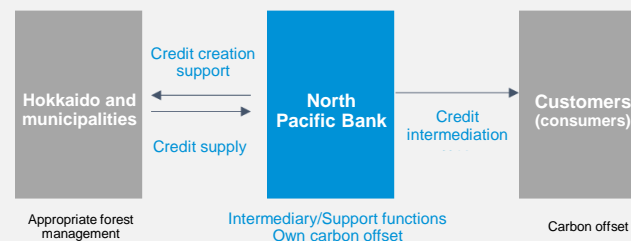
Partnerships with a total of 8 municipalities thus far



Partnership ceremony with Ebetsu

■ Utilization of forestry credits

Forestry credits, etc. that supported credit creation will be used to offset the Bank's own carbon emissions. Will also strengthen support for customers (consumers) with offset needs.



Appendix Decarbonization and environmental conservation initiatives (2)

Contribute to Hokkaido's Nature Positive

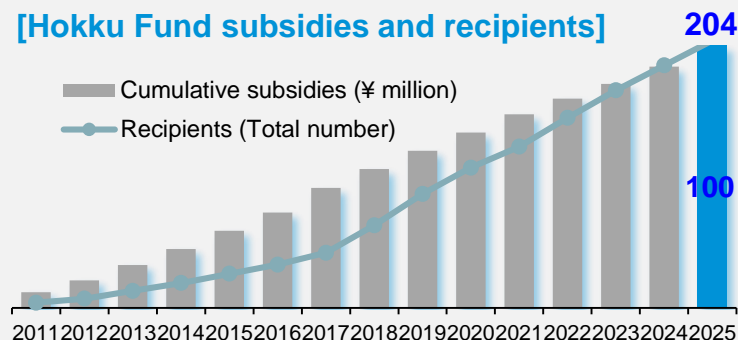
Hokkaido-based strategy

*1 A fund that supports various organizations working to protect rare species and improve their habitats in order to conserve biodiversity in Hokkaido. 100.6 million yen/204 recipients since its establishment in 2010

Hokku Nature Positive Fund

- Hokku Fund^{*1} was renamed the **Hokkaido Nature Positive Fund**. Scope of activities applicable for the subsidy has been expanded to include activities for the purpose of **promoting (restoring, creating)** biodiversity in addition to the existing activities for biodiversity conservation. In line with the revision, the upper limit of the subsidy was **increased to 2 million yen** from 1 million yen (from FY2026).

[Hokku Fund subsidies and recipients]



[Activities of subsidized organizations]



Considering registering owned forests on the nationally certified sustainably managed natural sites

- Considering **registering forests owned** (in Kyogoku-cho and Shintotsukawa-cho) **on the nationally certified sustainably managed natural sites**^{*2} (onsite environmental survey in progress).
- The initiative can contribute to the “30 by 30”^{*3} initiative under the National Biodiversity Strategy, and the Bank’s know-how relating to the registration will be expanded to all areas of Hokkaido.

*2 A system in which the Ministry of the Environment designates areas where biodiversity is being conserved through private-sector efforts.

*3 The target is to effectively conserve more than 30% of land and sea as healthy ecosystems by 2030.

[Mountain forests]



9 Regional contribution

- Initiatives for area-oriented support -

Recognizing regional issues from the perspective of the area as a whole, the Group serves as a hub for solving them

Hokkaido-based strategy

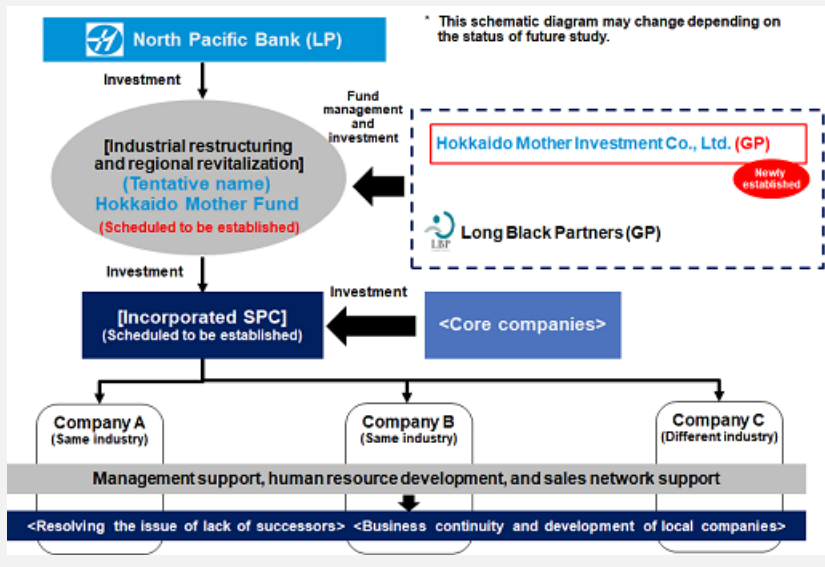
Non-financial diversification strategy

Industrial restructuring support

- Establishment of a subsidiary -

- Established a new investment subsidiary with the aim of strengthening competitiveness and promoting growth through industrial restructuring and solving regional issues.
- A new joint-stock SPC was established with investment from a fund for industry restructuring and regional revitalization together with core companies in each industry for providing support to SMEs under its umbrella to strengthen their business foundations.

[Schematic diagram]



Addressing shortage in human resources

- HKP initiatives -

- HKP launched a foreign worker dispatch business (Indonesia) to solve the serious labor shortage problem of construction companies in Hokkaido.
- Integrated support from recruitment of human resources to follow-up after appointment.

[Entrance ceremony]



Collaboration with core local companies

- Signed comprehensive partnership agreement on regional revitalization.
- Both sides will work together to build a sustainable nursing care welfare business, including management support, securing and developing human resources, and creating jobs and employment for community nursing care businesses.

MOE Group Holdings Co., Ltd. [Comprehensive partnership agreement signing ceremony]



9 Regional contribution - Supporting startups -

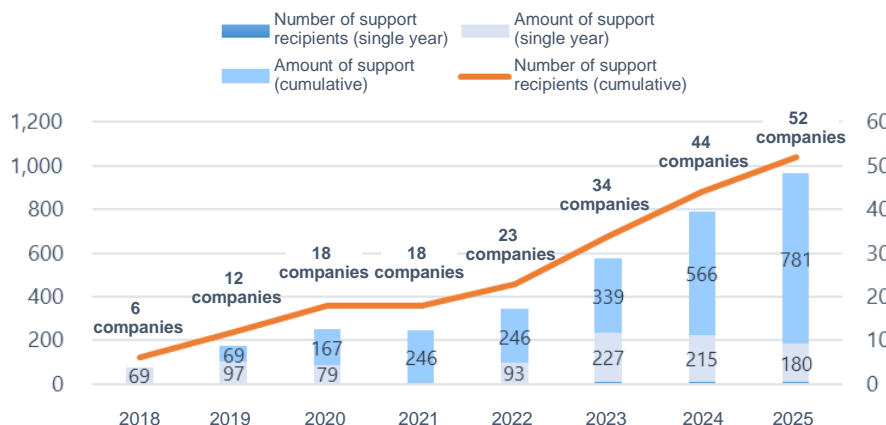
Active support for startups working to solve local issues

Main start-up support menu

Hokkaido-based strategy

| | Product | Outline |
|------------|---|---|
| Investment | Hokuyo Startup Fund No. 1 (Newly began handling in November 2025) | <ul style="list-style-type: none"> Launched a new fund as a successor to the Hokuyo SDGs Promotion Fund Increased the total fund amount from the conventional 500 million yen to 2 billion yen to strengthen support |
| Loans | Hokuyo Venture Debt (loan with subscription right to shares) | <ul style="list-style-type: none"> Loan product for startups in mid-to-late stage seeking to go public First financial institution in Hokkaido to begin offering this service; executed the first deal in September 2025 |
| Subsidies | North Pacific Bank Startup Research & Development Fund | <ul style="list-style-type: none"> Grant of 1 million yen per company to start-up businesses In FY2024, 8 startups were subsidized out of 31 applications. |

Support for startups through the Hokuyo SDGs Promotion Fund



[North Pacific Bank Startup Research & Development Fund presentation ceremony in March 2025]



Contributing to improving financial literacy in Hokkaido as a whole

Hokkaido-based strategy

Implementation of financial and economic education to elementary and junior high students (Tomakomai)

- **City of Tomakomai and its Board of Education, four financial institutions*¹ in the city, and Hokkaido Financial Literacy and Education Promotion Council*² collaborate** to provide financial and economic education to elementary and junior high school students with the aim of increasing financial literacy of children who will be the next generation of the region.
- Similar initiatives in cooperation with local communities will be expanded throughout Hokkaido.

*¹ North Pacific Bank, The Hokkaido Bank, The Hokuriku Bank, Tomakomai Shinkin Bank

*² An organization consisting of 45 financial institutions with branches in Hokkaido that aims to improve financial literacy in Hokkaido by providing financial and economic education opportunities throughout Hokkaido.

[Briefing meeting among relevant persons]



Lecture held at Hokkaido University of Education Hakodate

- A total of 15 **credit-certified lectures** were held for the first time for students at Hokkaido University of Education Hakodate. (Fourth university in Hokkaido)
- In addition to providing general financial knowledge, the lectures are organized to promote understanding of a wide range of fields, including **the financial industry, regional revitalization, and sustainability**.
- By giving lectures to students who will become teachers of the future, the aim is to implement financial and economic education in educational settings.

[At a lecture]



North Pacific Bank, Ltd.
Materials for the 27th Information Meeting

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Management Planning Group (IR), Management Planning
Department, North Pacific Bank, Ltd.

7, Odori Nishi 3-chome, Chuo-ku, Sapporo 060-8661
Phone: +81-11-261-1693
E-mail : ir@hokuyobank.co.jp
