

# Materials for the 28th Information Meeting

**(Financial Results for the Fiscal Year Ended March 31, 2026 and  
Forecast for the Fiscal Year Ending March 31, 2027)**

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.

June 4, 2026

***Make the HOKKAIDO Way***

 **North Pacific Bank**

(TSE Prime Market/Sapporo: 8524)

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### [Notes]

- This document contains descriptions about our Group's future performance, management objectives, and others. Such descriptions do not guarantee any future results and 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.

## II Initiatives Toward Enhancement of Corporate Value and Forecast for the Fiscal Year Ending March 31, 2027

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Medium-Term Business Plan      *Make the HOKKAIDO Way* 1<sup>st</sup> stage  
 - Creating a 'Way' That Does Not Yet Exist -

**Financial Results for the Fiscal Year Ended  
March 31, 2026**

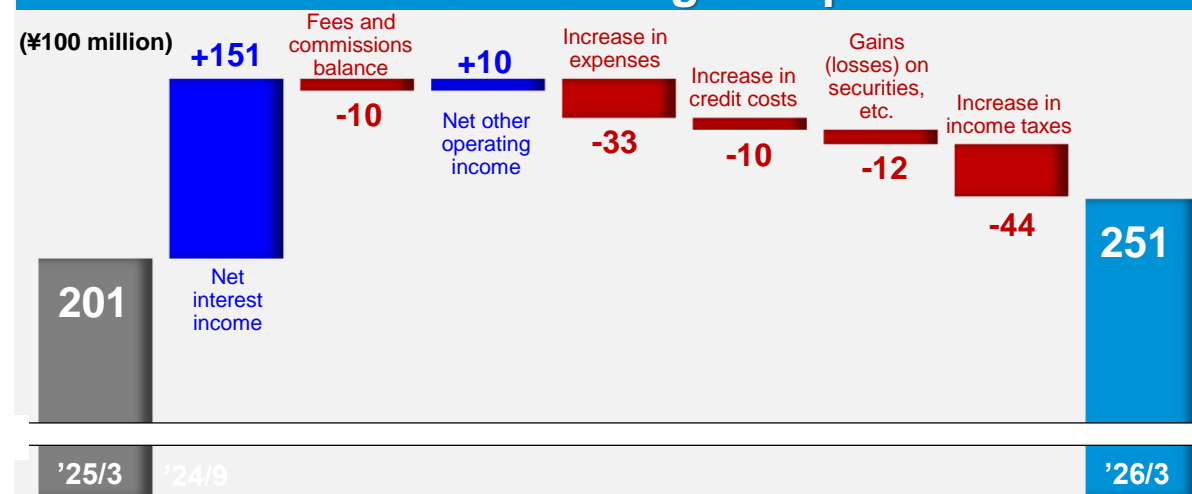
## Both core operating profit and profit increased for the third consecutive period

[Non-consolidated] (¥100 million)	FY2025/3 results	FY2026/3 results	YoY
Core gross profit	934	<b>1,085</b>	+151
Net interest income	795	<b>947</b>	+151
Interest on loans and discounts	671	<b>892</b>	+220
Interest on NCDs (-)	67	<b>196</b>	+129
Interest and dividends on securities	151	<b>201</b>	+49
Other cash flows	38	<b>50</b>	+11
Net fees and commissions	121	<b>111</b>	-10
Net other operating income	17	<b>27</b>	+10
Expenses (excluding non-recurring losses) (-)	643	<b>677</b>	+33
<b>Core operating profit</b>	<b>290</b>	<b>408</b>	<b>+117</b>
Credit costs (-)	30	<b>40</b>	+10
Gains (losses) on securities	-13	<b>-34</b>	-21
<b>Ordinary profit</b>	<b>266</b>	<b>359</b>	<b>+93</b>
<b>Profit</b>	<b>201</b>	<b>251</b>	<b>+50</b>

### Key points

- **Core operating profit increased for the third consecutive period**, mainly due to higher interest on loans and discounts resulting from increased lending volumes and loan yields, as well as an increase in interest and dividends on securities and interest on deposits with the Bank of Japan.
- The growth in topline revenue described above offset higher credit costs and a decline in gains (losses) on securities resulting from losses on low-yield bonds. Consequently, **ordinary profit increased for the second consecutive period, while profit increased for the third consecutive period.**

### Factors for changes in profit



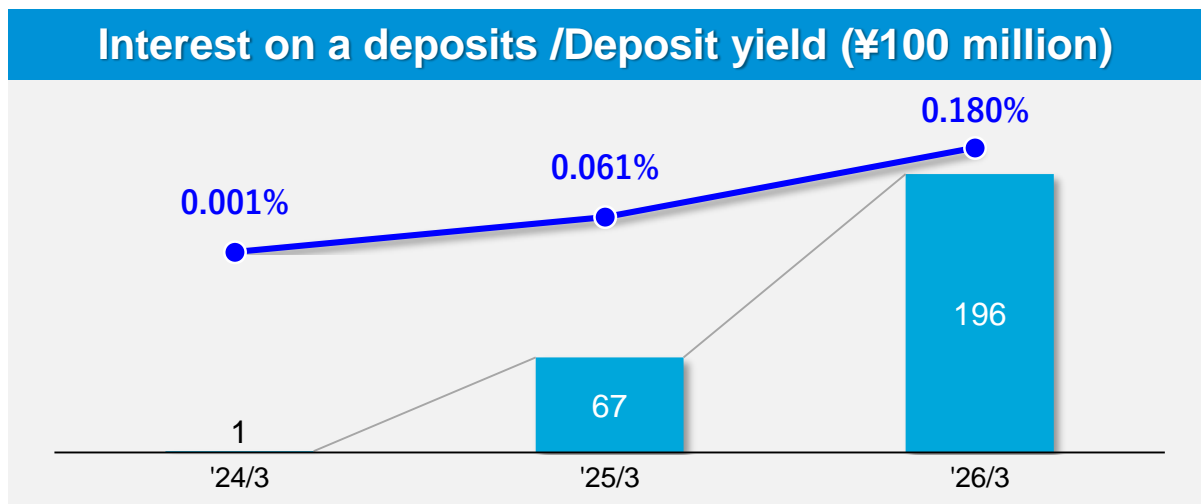
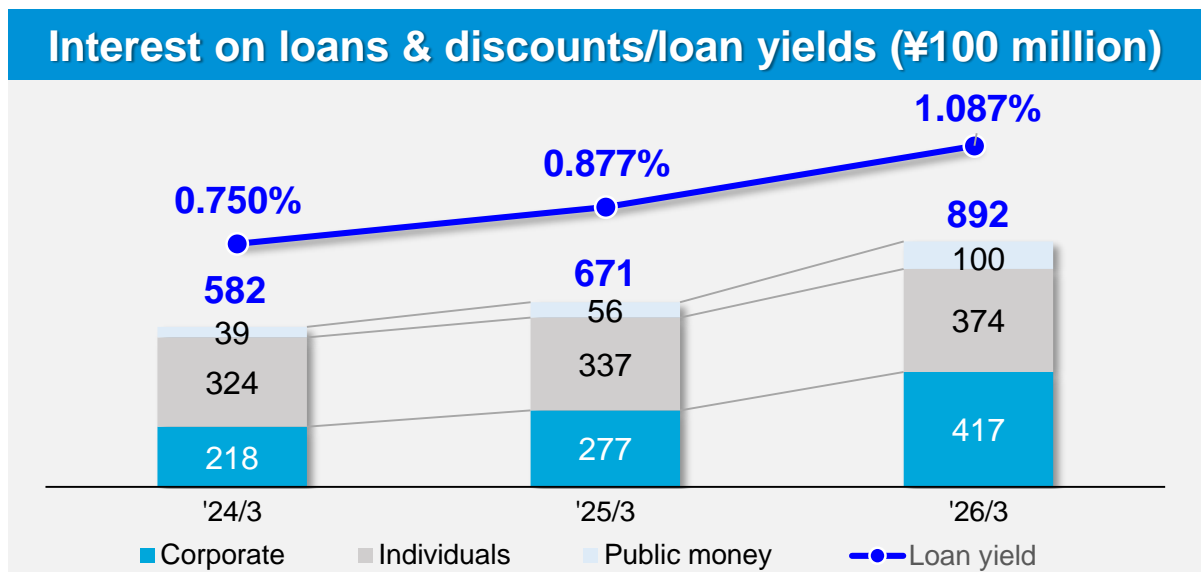
## Both income and profit increased YoY; subsidiaries' performance also remained stable

<b>[Consolidated]</b> (¥100 million)	FY2025/3 results	FY2026/3 results	YoY
Consolidated core gross profit	1,004	<b>1,167</b>	+163
Net interest income	778	<b>931</b>	+152
Interest on loans and discounts	668	<b>885</b>	+217
Interest on deposits & NCDs (-)	67	<b>196</b>	+129
Interest and dividends on securities	139	<b>192</b>	+53
Other cash flows	37	<b>49</b>	+11
Net fees and commissions	182	<b>180</b>	-2
Net other operating income	44	<b>56</b>	+12
Expenses (excluding non-recurring losses) (-)	687	<b>727</b>	+39
<b>Consolidated core operating profit</b>	<b>317</b>	<b>440</b>	<b>+123</b>
Credit costs (-)	39	<b>51</b>	+12
Gains (losses) on securities	-12	<b>-34</b>	-21
<b>Consolidated ordinary profit</b>	<b>280</b>	<b>375</b>	<b>+94</b>
<b>Profit attributable to owners of parent Profit</b>	<b>206</b>	<b>256</b>	<b>+49</b>

<b>Subsidiaries</b>				
(¥100 million)	Ordinary income	FY25/3 results	FY26/3 results	YoY
	Profit			
<b>Sapporo Hokuyo Lease</b>	Ordinary income	237	<b>250</b>	+12
	Profit	5	<b>5</b>	-0
<b>North Pacific</b>	Ordinary income	22	<b>22</b>	-0
	Profit	2	<b>2</b>	+0
<b>North Pacific Securities</b>	Ordinary income	20	<b>21</b>	+1
	Profit	0	<b>0</b>	-0
<b>Hokkaido Kyoso Partners Co., Ltd.</b>	Ordinary income	18	<b>23</b>	+5
	Profit	4	<b>4</b>	+0
<b>Two other companies</b>	Ordinary income	28	<b>27</b>	-0
	Profit	2	<b>2</b>	-0
<b>Total for 6 consolidated subsidiaries</b>	Ordinary income	327	<b>345</b>	+18
	Profit	15	<b>15</b>	+0

## Interest income from loans and interest and dividends from securities increased from the previous year, primarily due to rising yields

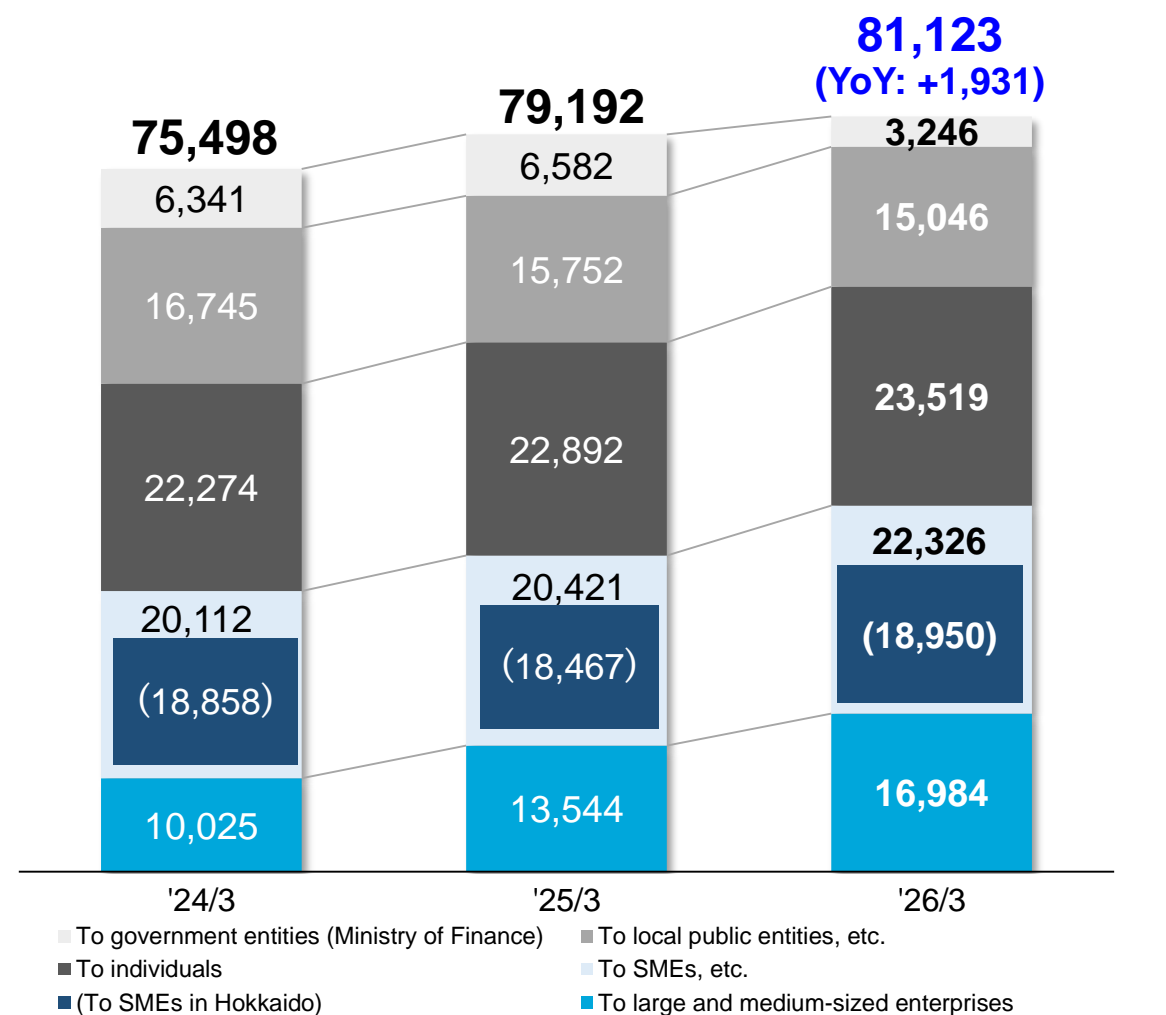
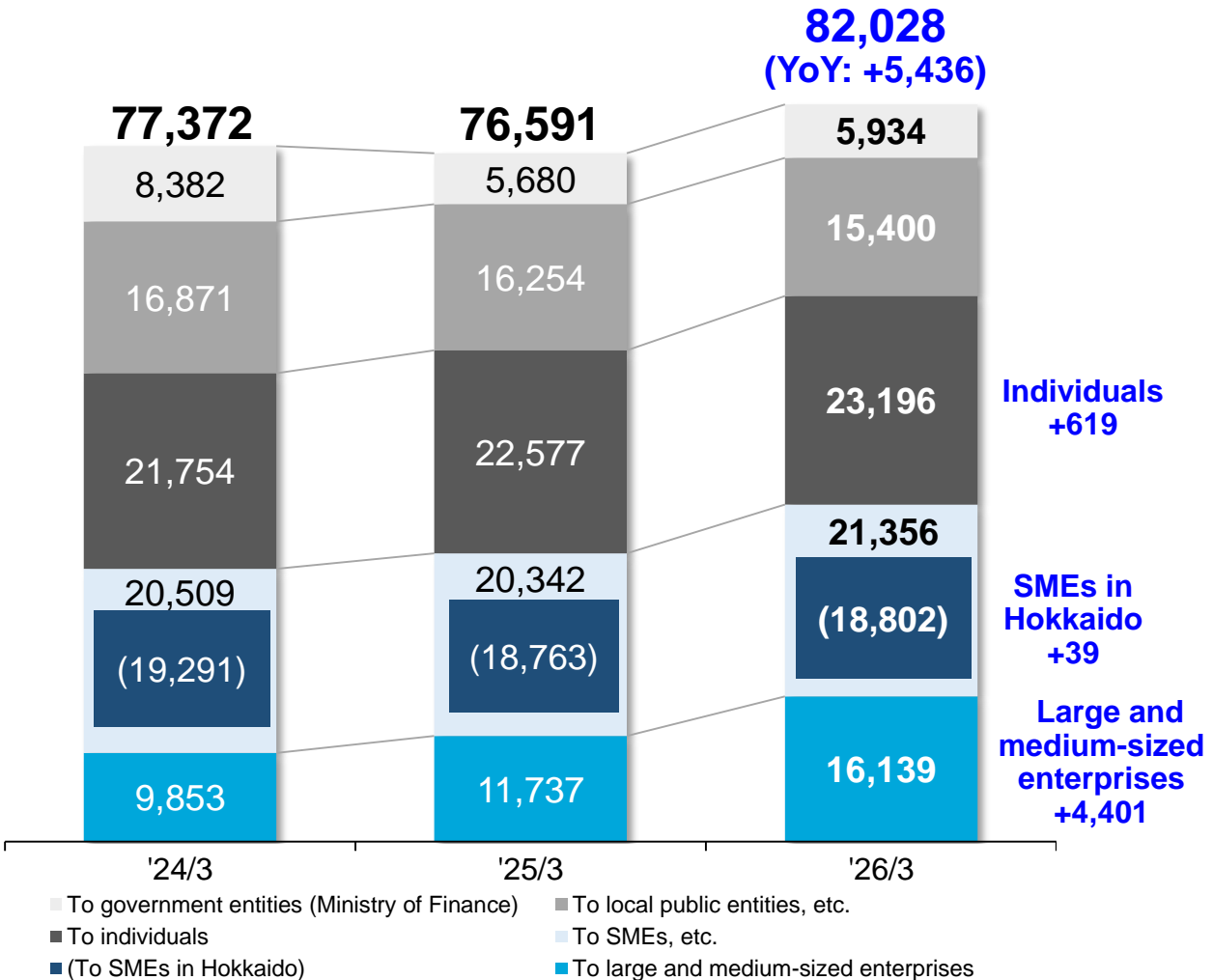
[Non-consolidated] (¥100 million)	FY2025/3 results	FY2026/3 results	YoY
<b>Net interest income</b>	<b>795</b>	<b>947</b>	<b>+ 151</b>
<b>Loans and deposits</b>	<b>604</b>	<b>695</b>	<b>+90</b>
Interest on loans and discounts	671	892	+220
Interest on NCDs (+)	67	196	+129
<b>Interest and dividends on securities</b>	<b>151</b>	<b>201</b>	<b>+49</b>
Yen bonds	78	94	+16
Stocks	41	38	-3
Foreign securities	4	7	+3
Other	27	59	+32
Gains on cancellation of investment trusts	0	26	+26
<b>Other cash flows</b>	<b>38</b>	<b>50</b>	<b>+11</b>
<b>Net interest income (excluding gains on cancellation of investment trusts)</b>	<b>795</b>	<b>920</b>	<b>+125</b>



**Loans to large and medium-sized enterprises drove growth in balances; loans to SMEs in Hokkaido increased YoY even on an average balance basis and Outstanding Balance basis**

**Average balance of loans (¥100 million)**

**Outstanding balance of loans (¥100 million)**

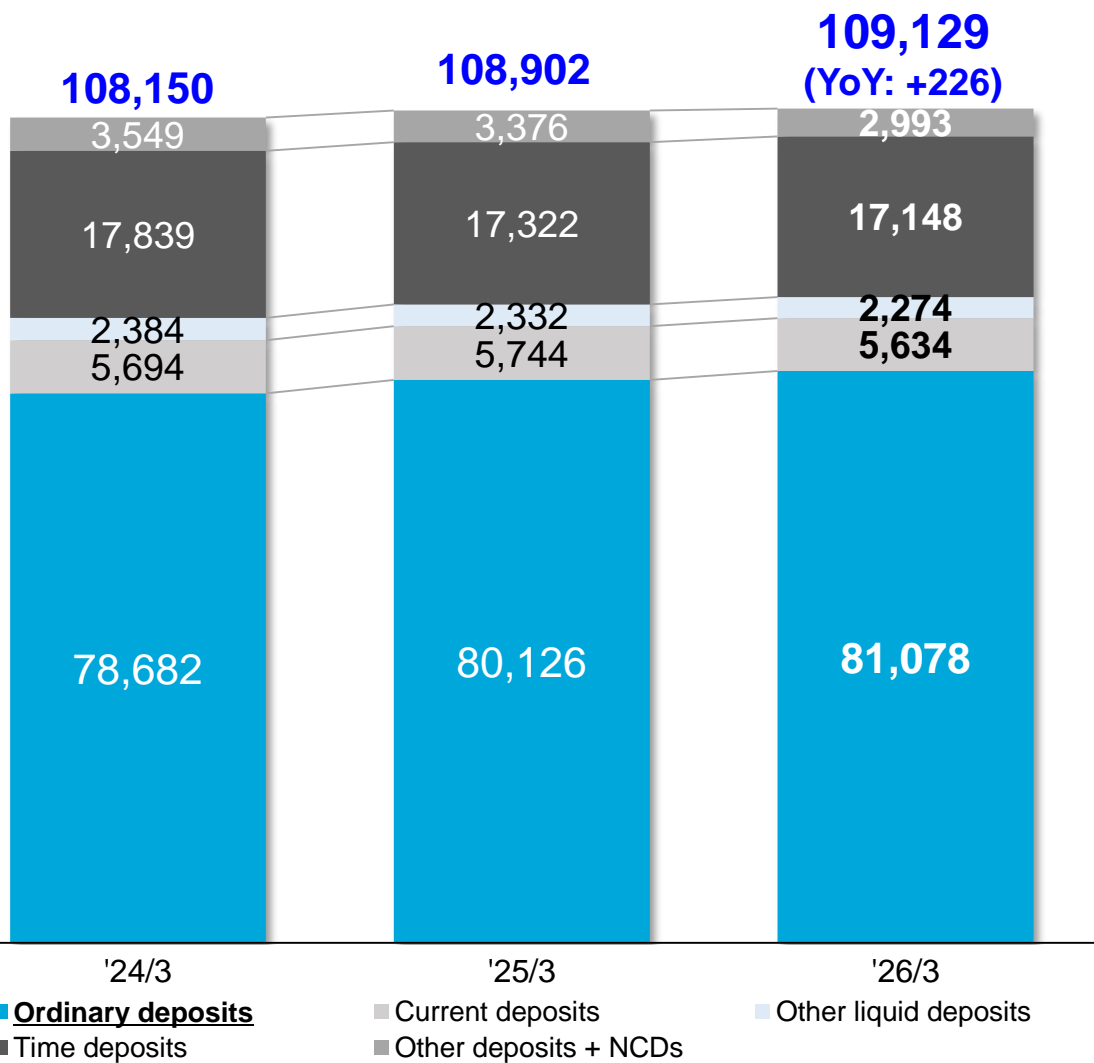


■ To government entities (Ministry of Finance)  
 ■ To local public entities, etc.  
 ■ To individuals  
 ■ To SMEs, etc.  
 ■ (To SMEs in Hokkaido)  
 ■ To large and medium-sized enterprises

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 ■ To large and medium-sized enterprises

# High ratio of liquid deposits enabled fund-raising at low cost; deposit yield up YoY

Average balance of deposits by type (¥100 million)



Deposit structure of North Pacific Bank (¥100 million)

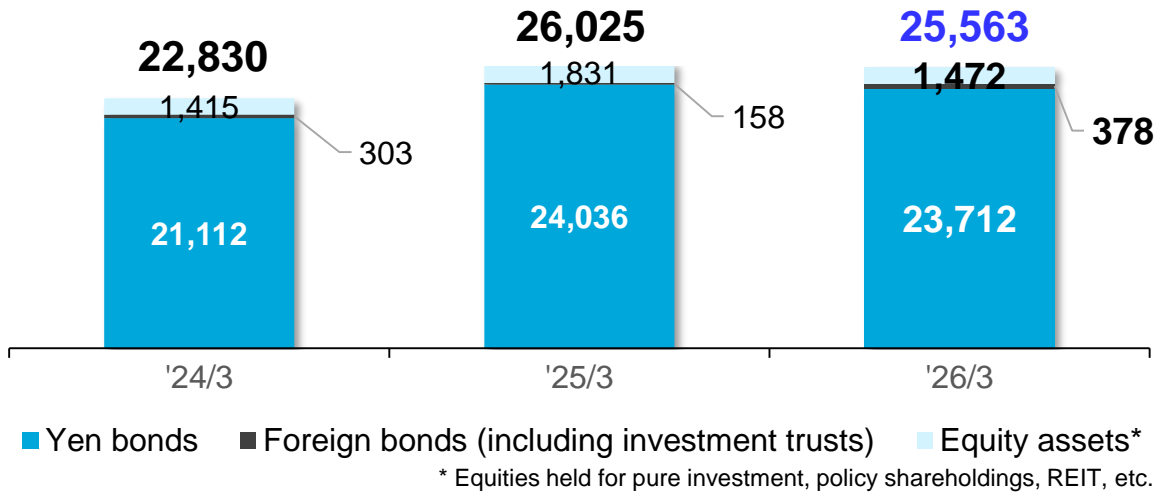
	March 2024	March 2025	March 2026
<b>Domestically licensed banks*1</b>			
Average balance of total deposits (excluding NCDs)	9,693,642	9,809,163	10,061,600
of which, average balance of liquid (demand) deposits*2	6,971,158	6,962,231	6,924,319
<b>Ratio of liquid (demand) deposits at domestically licensed banks</b>	<b>71.9%</b>	<b>70.9%</b>	<b>68.8%</b>
<b>North Pacific Bank</b>			
Average balance of total deposits (excluding NCDs)	105,201	106,150	106,755
of which, average balance of liquid (demand) deposits*2	87,281	88,735	89,521
<b>Ratio of liquid (demand) deposits at North Pacific Bank</b>	<b>82.9%</b>	<b>83.5%</b>	<b>83.8%</b>

High ratio of liquid deposits compared with domestically licensed banks  
 ➤ **Fund-raising at low cost**

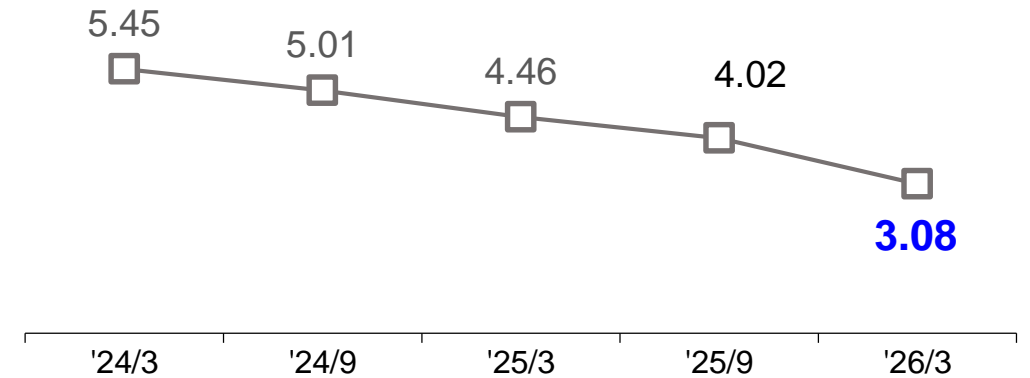
\*1 Source: Bank of Japan, "Time-Series Data Search" site; domestically licensed banks exclude Japan Post Bank, Shinkin banks, etc.  
 \*2 Sum of current deposits, ordinary deposits, savings deposits, deposits at notice, special deposits, and deposits for tax payments (excluding non-resident yen deposits and foreign currency deposits)

## Yields have improved due to the rebalancing of long-term bonds, accelerating duration shortening

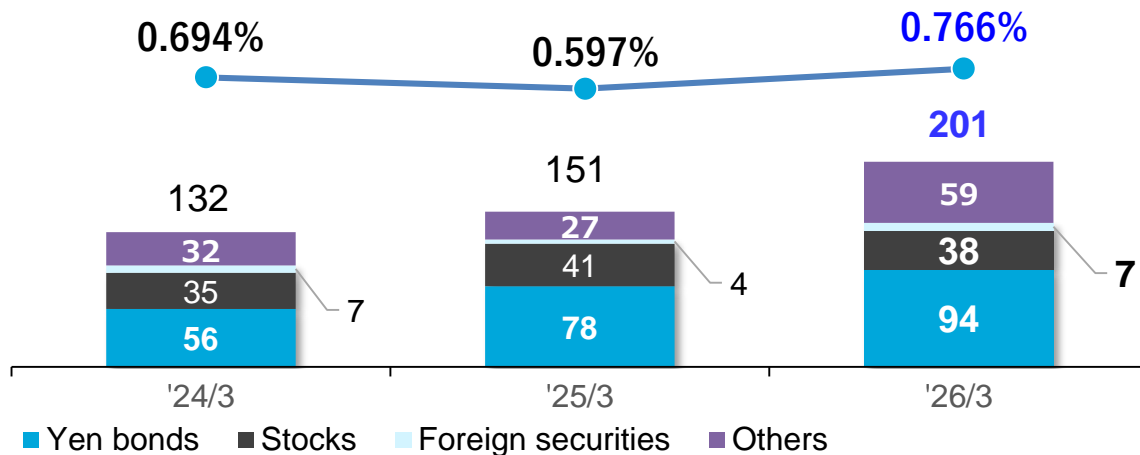
### Outstanding balance of securities (¥100 million)



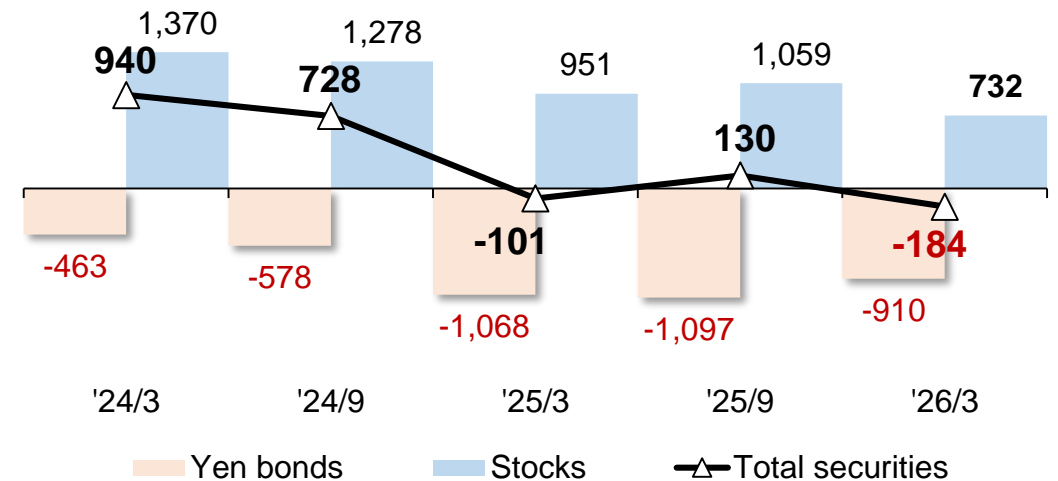
### Yen bond duration (years)



### Dividends (¥100 million) / yields on securities

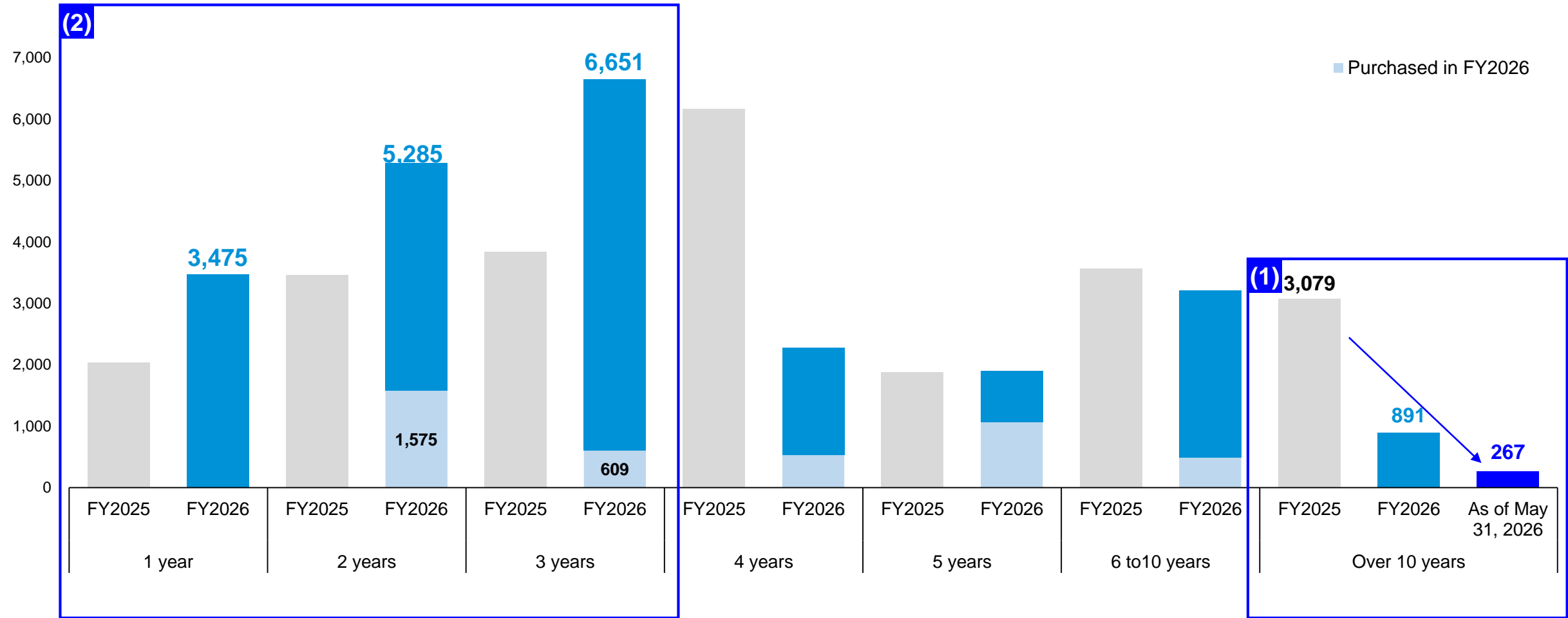


### Unrealized gains (losses) on securities (¥100 million)



### Balance of yen bonds by maturity (book value basis)

(¥100 million)

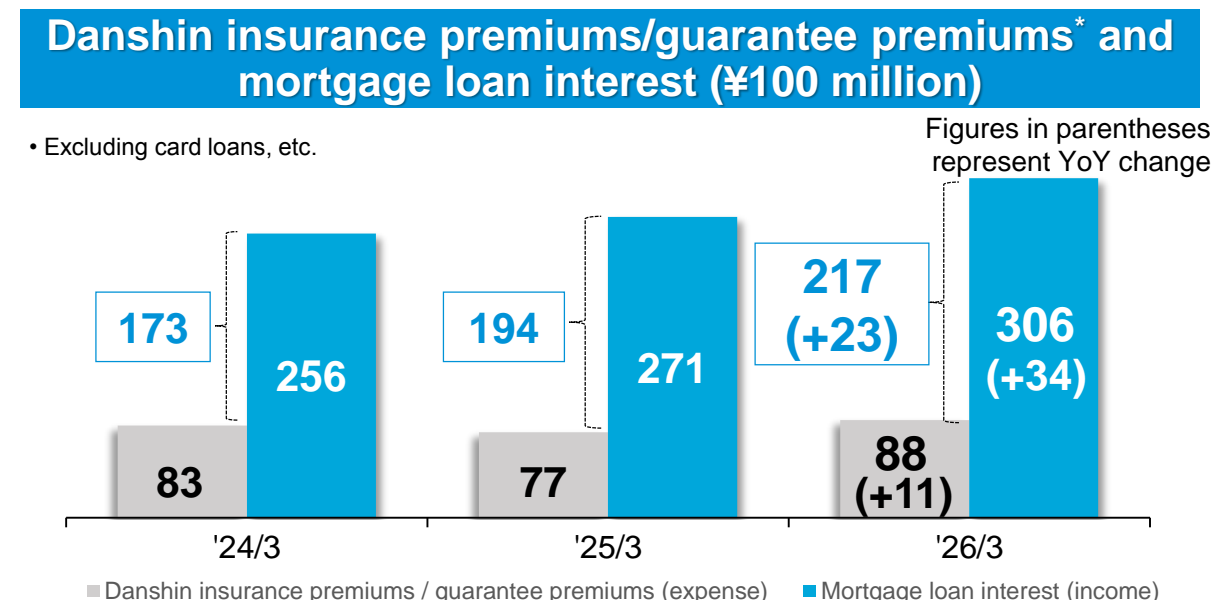
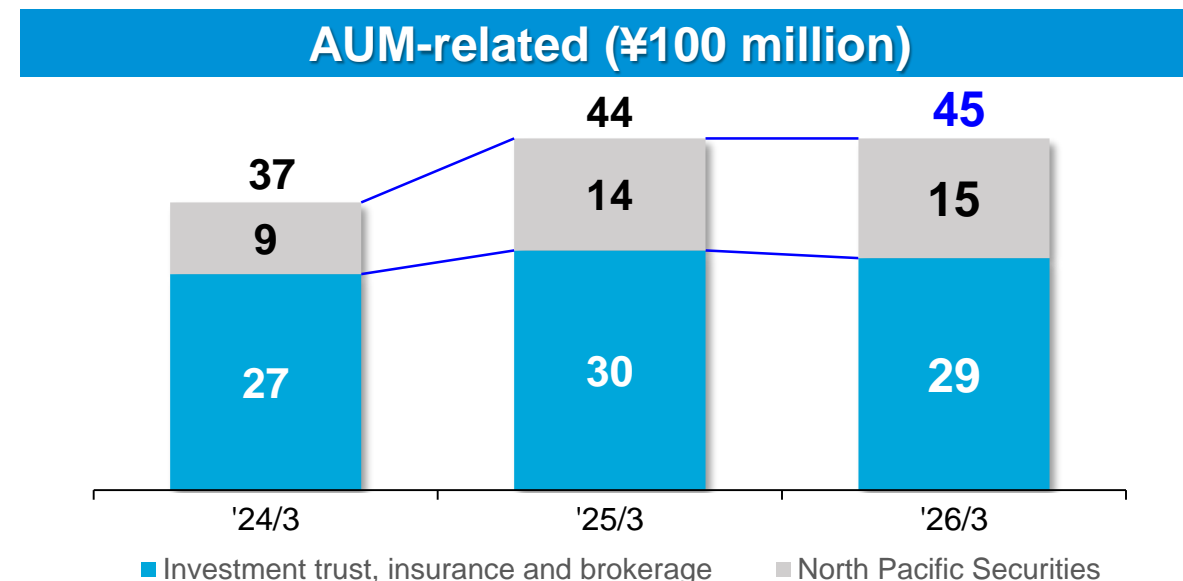


**(2)** Remaining term of three years or less: 1,541.1 billion yen (representing approximately 65% of the total outstanding yen bond balance)  
 ➔ Average yield: 0.42% (Reinvestment of redemption proceeds will significantly contribute to future income growth)

**(1)** Remaining term of over 10 years: 26.7 billion yen (as of May 31, 2026)  
 ➔ Significant decline resulting from strategic portfolio rebalancing (average yield on bonds sold: 0.39%)

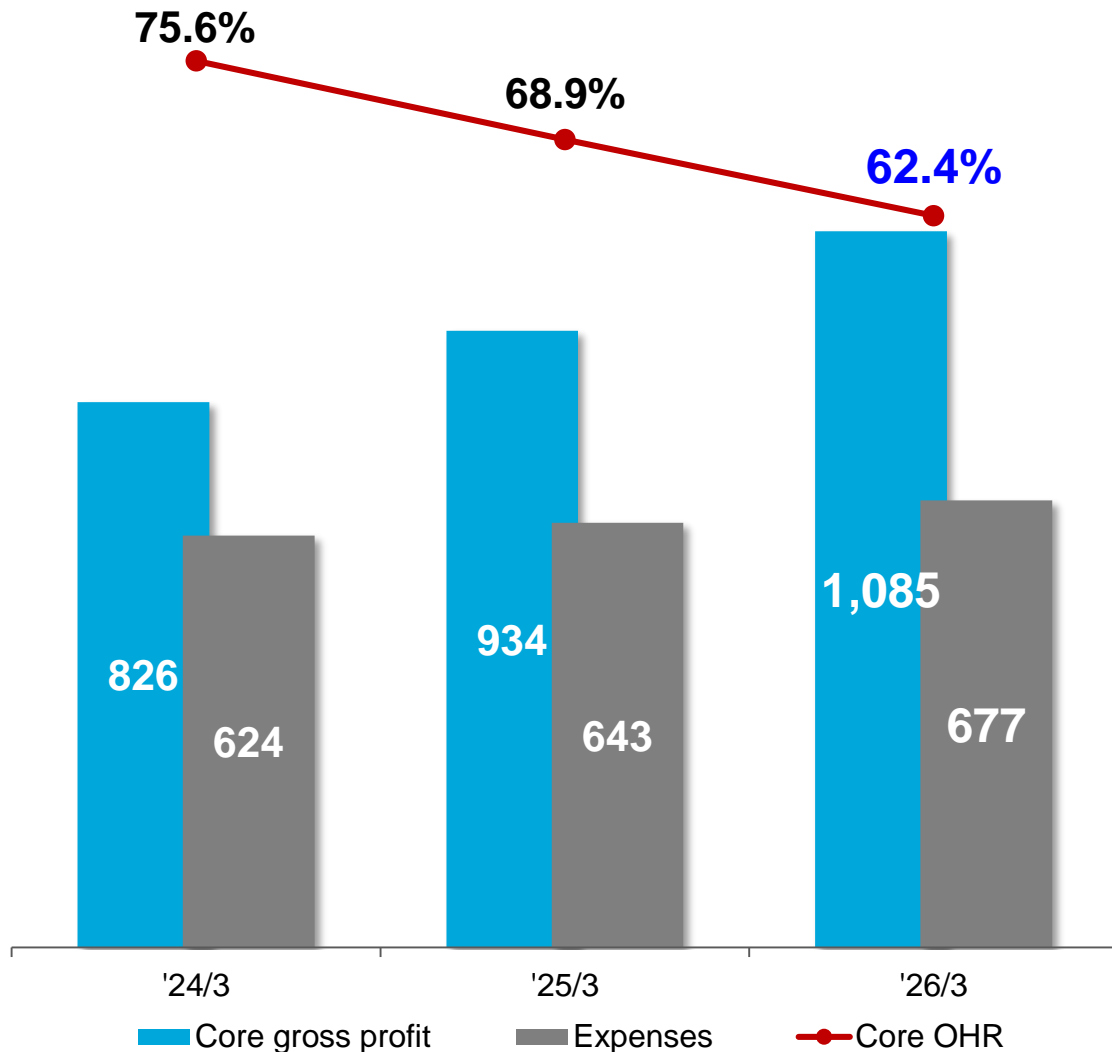
## Assets under management and subsidiary revenues remained steady, while total loan revenue increased YoY

[Consolidated] (¥100 million)	FY2025/3 results	FY2026/3 results	YoY
<b>Corporation-related</b>	<b>29</b>	<b>32</b>	<b>+3</b>
Solutions related	10	9	-0
Corporate loans	2	2	-0
Hokkaido Kyoso Partners Co., Ltd.	16	20	+4
<b>AUM-related</b>	<b>44</b>	<b>45</b>	<b>+1</b>
Investment trust/insurance	28	27	-0
Financial instrument brokerage	1	2	+0
North Pacific Securities	14	15	+1
Danshin insurance premiums	-60	-70	-9
Fees and commissions on domestic and foreign exchanges	59	60	+1
Other subsidiaries (excl. HKP and Securities)	42	43	+1
Other	68	70	+2
<b>Total</b>	<b>182</b>	<b>180</b>	<b>-2</b>

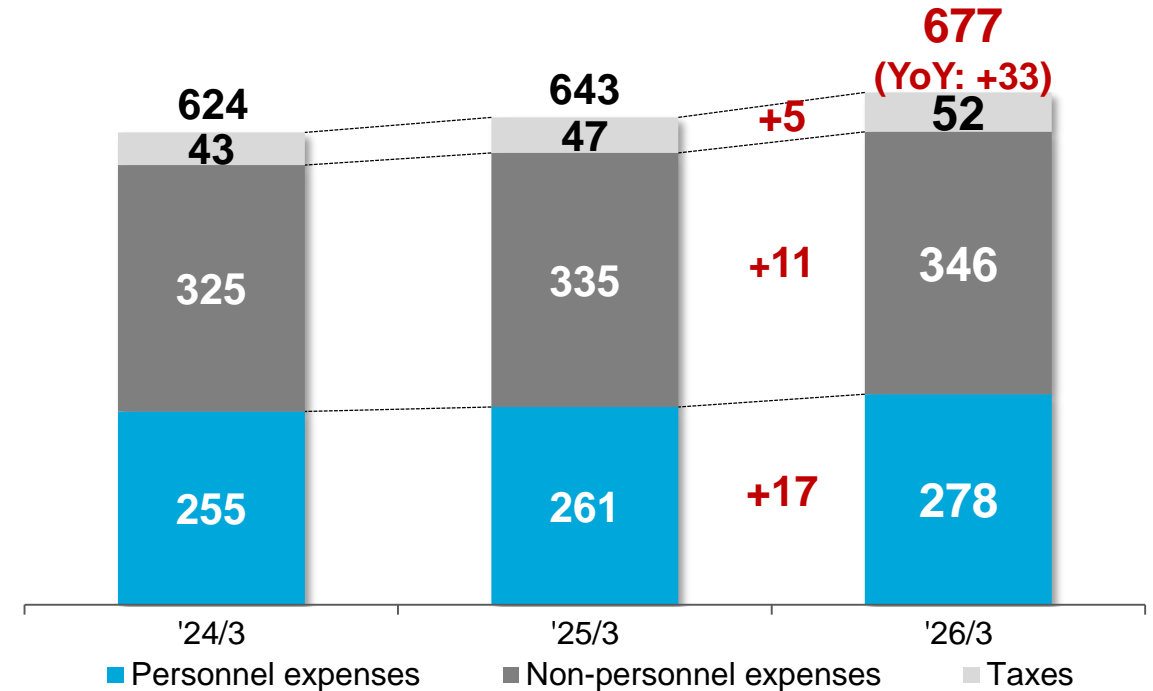


## Despite an increase in expenses, mainly personnel expenses, core OHR declined

### Expenses / core OHR (¥100 million)



### Expenses breakdown (¥100 million)



#### [Main factors for YoY changes]

##### Personnel expenses +17

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

##### Non-personnel expenses +11

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

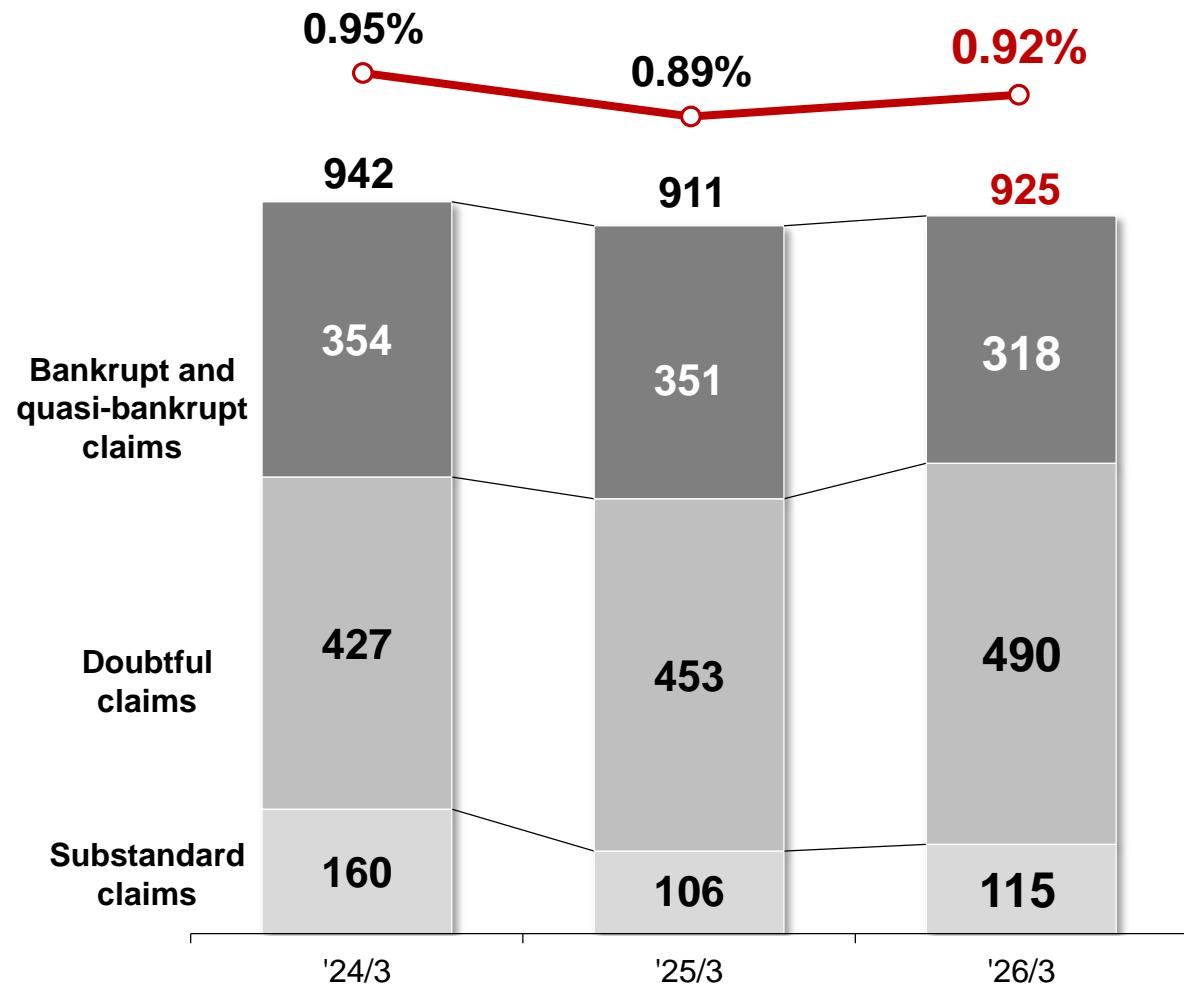
**Taxes +5** ⇒ Increase in consumption tax due to acquisition of assets

**Although credit costs increased due to company-specific factors,  
the ratio of disclosed claims remained low**

### Breakdown of credit costs

<b>[Consolidated]</b> (¥100 million)	FY2025/3 results	FY2026/3 results	YoY
<b>North Pacific Bank total</b>	<b>30</b>	<b>40</b>	<b>+10</b>
New bankruptcies, downgrades, etc.	61	60	-1
Collection, upgrades, etc.	-24	-27	-3
Fluctuations in loan loss rate	-10	5	+15
Other (liability shared by guarantee corporations)	2	2	+0
Consolidated subsidiaries total	9	10	+1
<b>Consolidated total</b>	<b>39</b>	<b>51</b>	<b>+12</b>

### Disclosed claims amount (¥100 million) and ratio\*



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

# **Initiatives Toward Enhancement of Corporate Value**

## **The plan for the fiscal year ending March 31, 2027**

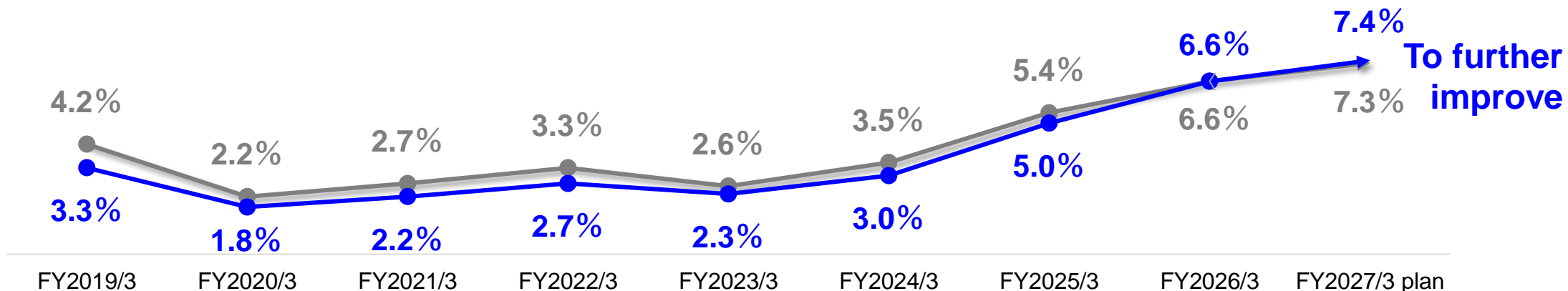
## Aiming to further improve ROE and PBR

### Consolidated ROE by year

**Cost of shareholders' equity** CAPM basis: Approx. 8 to 9% Stock yield: Approx. 7 to 10%

Shareholders' equity basis

Net assets basis\*



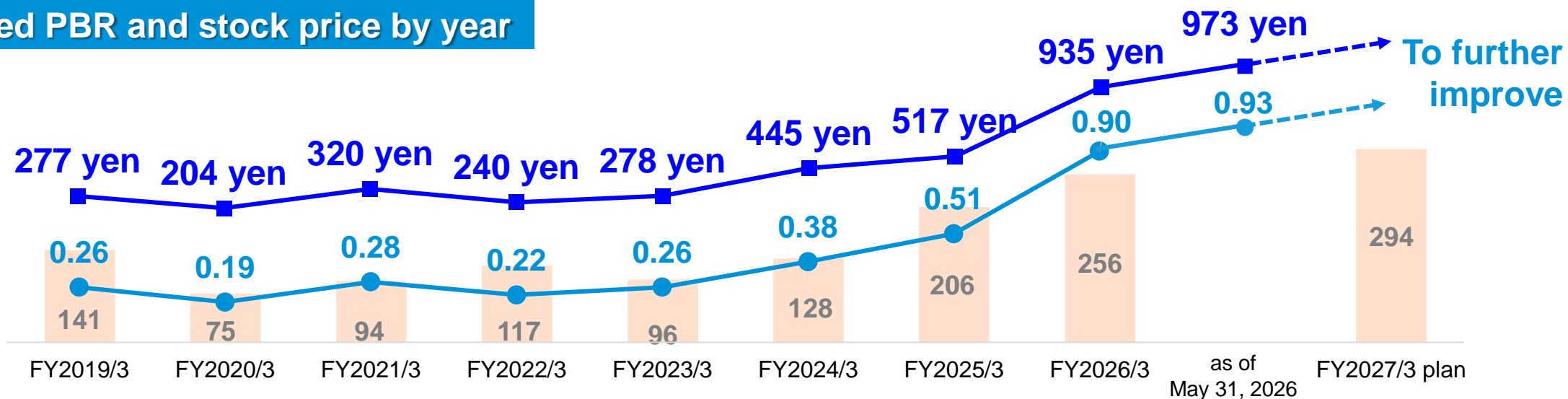
\* Calculated by deducting share acquisition rights and non-controlling interests from net assets

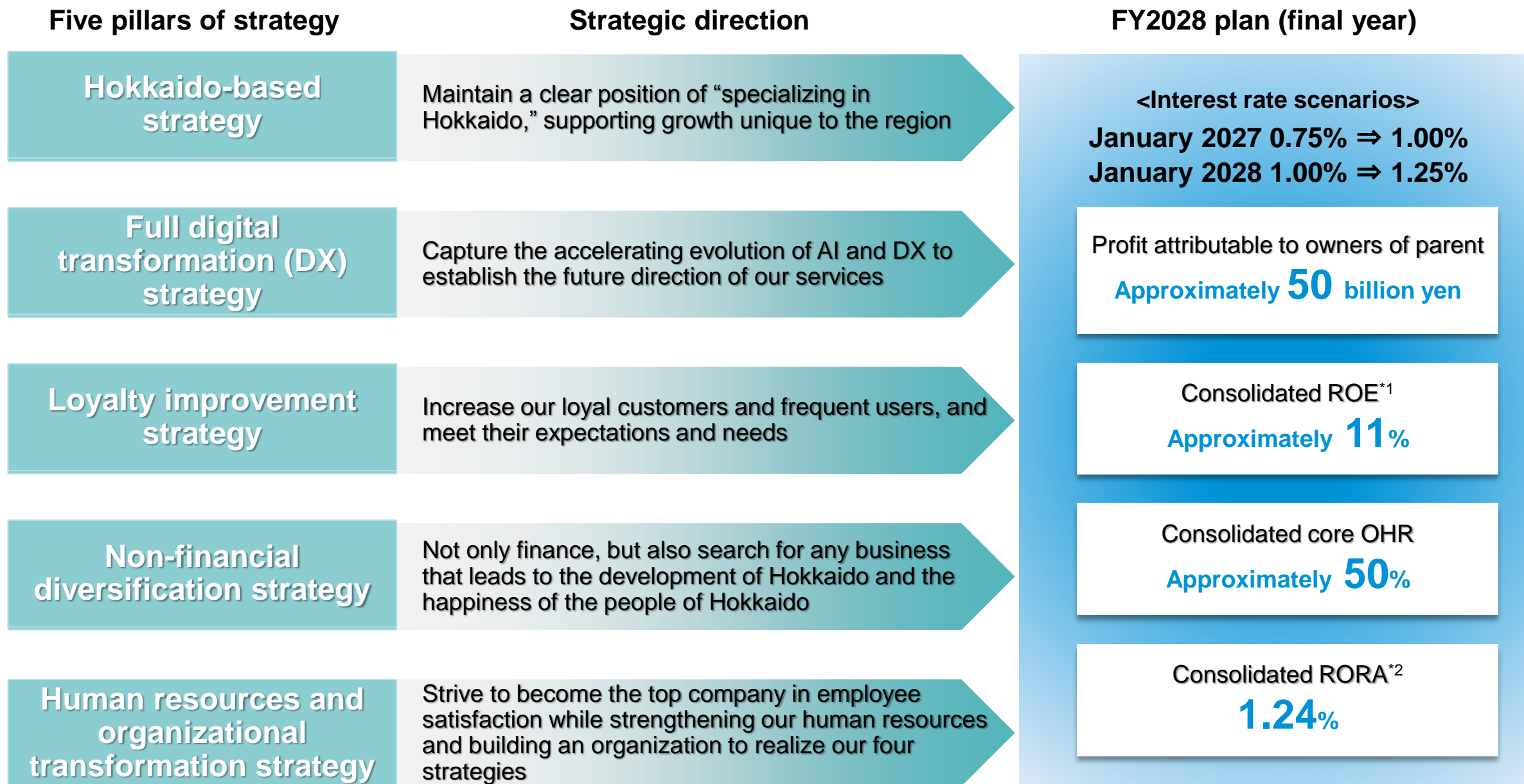
### Consolidated PBR and stock price by year

Stock price (yen)

PBR (times)

Profit attributable to owners of parent (¥100 million)





\*1 Net asset basis and shareholders' equity basis

\*2 Profit attributable to owners of parent ÷ consolidated risk-weighted assets: 0.78% for FY2025

## Enhancement of regional value

### Social impact index

- Per capita GDP in Hokkaido (real GDP)
- Population of Hokkaido (Social increase/decrease)
- Income of residents of Hokkaido (disposable income)
- Financial assets of residents of Hokkaido (amount held)
- Natural environment of Hokkaido (GHG emissions)
- DX in Hokkaido (labor productivity\*)

## Enhancement of corporate value

### Overall strategy

- Hokkaido-based strategy
- Full digital transformation (DX) strategy
- Loyalty improvement strategy
- Non-financial diversification strategy
- Human resources and organizational transformation strategy

### Major initiatives

<b>Strengthening topline revenue</b>	<p><b>Retail:</b> Enhance personal lending, particularly mortgage loans</p> <p><b>Corporate:</b> Increase lending volume by enhancing sales capabilities and improving efficiency</p> <p><b>Deposit strategy:</b> Enhance stable deposits (salary and pension deposits, business funds, etc.)</p> <p><b>Improving customer loyalty:</b> Enhance the UI / UX of the app's "core functions"</p> <p><b>Fees and commissions:</b> Increase earnings by leveraging the Group's comprehensive strengths</p> <p><b>Securities:</b> Improve yields by replacing low-yield bonds</p>
<b>Cost control</b>	Make growth investments that will lead to enhancing future corporate value Further decrease core OHR through growth in topline revenue
<b>Capital strategy</b>	<p><b>Cross-shareholdings:</b> New reduction plan progressing steadily</p> <p><b>Appropriate capital adequacy ratio:</b> floor 10%, target level 11%</p> <p><b>Shareholder returns:</b> FY2026 dividend forecast 32 yen (+ 4 yen YoY)</p>
<b>Growth industries Development of new businesses Decarbonization and environmental conservation Regional contribution</b>	<p><b>Growth industries:</b> Initiatives for GX, semiconductor-related, agricultural, and other industry support</p> <p><b>Development of new businesses:</b> Develop non-financial businesses that address social issues in Hokkaido</p> <p><b>Decarbonization:</b> Reduce the Bank's GHG emissions and strengthen support for business partners' decarbonization</p> <p><b>Environmental conservation:</b> Expand support for the promotion of biodiversity</p> <p><b>Regional contribution:</b> Strengthen initiatives for startup support and financial and economic education</p>
<b>Enhancement of information disclosure Active dialogue with investors</b>	Strengthen engagement with shareholders and investors Enhance information disclosure such as integrated report

### Financial returns and corporate value index

<p><b>RORA improvement</b></p> <p>FY2028 plan</p> <p><b>Consolidated RORA 1.24%</b></p> <p><b>Consolidated core OHR Approx. 50%</b></p>	<p><b>×</b></p>	<p><b>ROE improvement</b></p> <p>FY2028 plan</p> <p><b>Consolidated ROE Approx. 11%</b></p>
<b>Financial leverage</b>		
<b>Improvement of expected growth rate</b>		<b>PER improvement</b>
<b>Reducing cost of capital</b>		

\*Real GDP ÷ (Number of employed persons × Total hours worked per person)

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

[Non-consolidated] (¥100 million)	FY2026/3 results	FY2027/3 plan	YoY
<b>Core gross profit</b>	<b>1,085</b>	<b>1,193</b>	<b>+107</b>
Net interest income	947	1,065	+118
Interest on loans and discounts	892	1,059	+167
Interest on NCDs (-)	196	295	+98
Interest and dividends on securities	201	247	+46
Other cash flows	50	54	+4
Net fees and commissions	111	111	-0
Expenses (excluding non-recurring losses) (-)	677	738	+60
<b>Core operating profit</b>	<b>408</b>	<b>455</b>	<b>+46</b>
Credit costs (-)	40	40	-0
Gains (losses) on securities	-34	-23	+11
<b>Ordinary profit</b>	<b>359</b>	<b>435</b>	<b>+75</b>
<b>Profit</b>	<b>251</b>	<b>293</b>	<b>+41</b>

[Consolidated] (¥100 million)	FY2026/3 results	FY2027/3 plan	YoY
<b>Consolidated core gross profit</b>	<b>1,167</b>	<b>1,273</b>	<b>+105</b>
<b>Ordinary profit</b>	<b>375</b>	<b>444</b>	<b>+68</b>
<b>Profit attributable to owners of parent</b>	<b>256</b>	<b>294</b>	<b>+37</b>

### Key points

#### Profit-enhancing factors

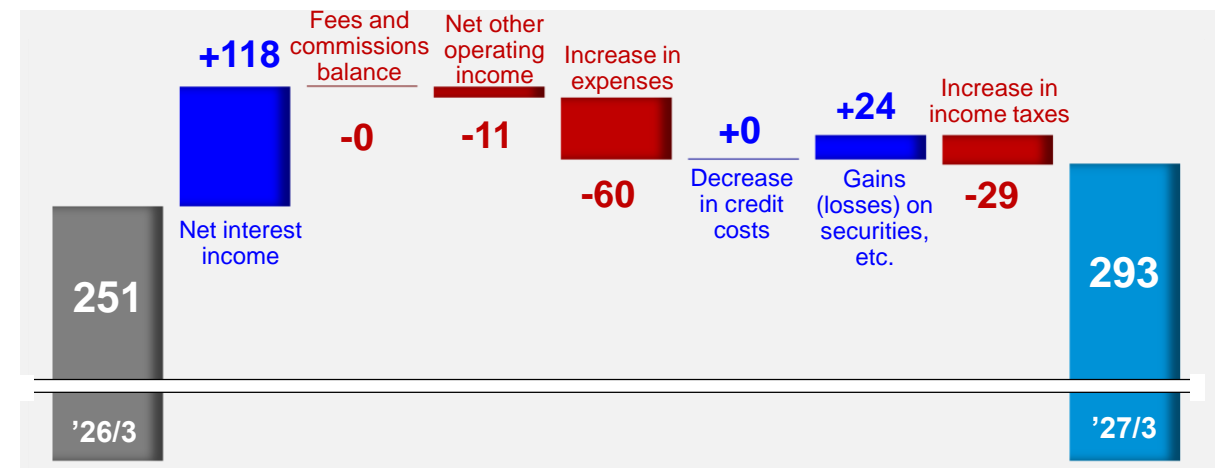
Figures in brackets represent YoY change (¥100 million)

- (1) Improvement of loan yield  
(Policy interest rate: assumed to rise from 0.75% to 1.00% in January 2027) **[+167]**
- (2) Increase in gain on investments in securities **[+46]**
- (3) Increase in other cash flows **[+4]**

#### Profit-cutting factors

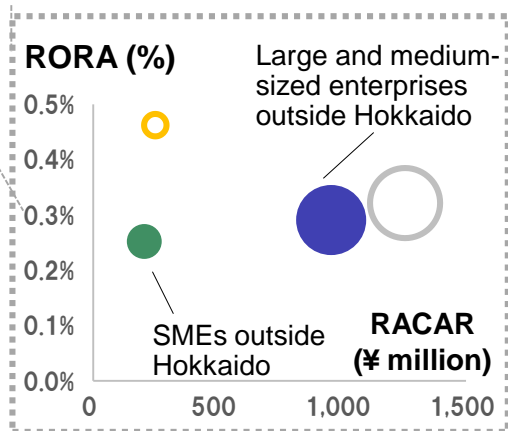
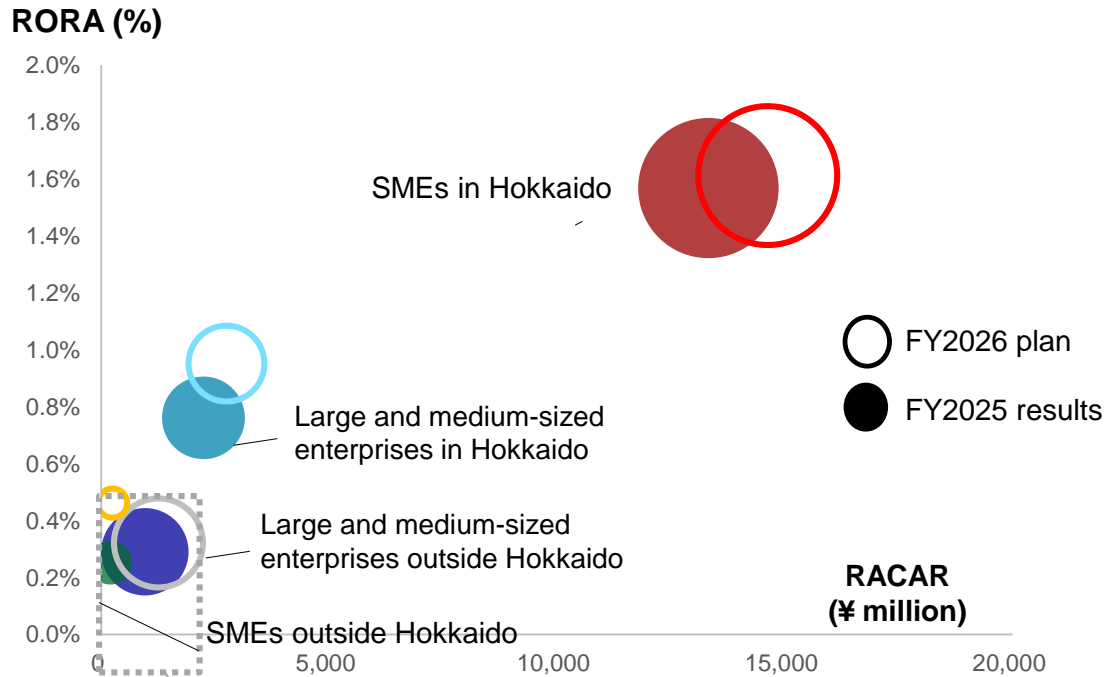
- (1) Increases in interest expenses on deposits **[-98]**
- (2) Increase in personnel expenses due to the introduction of the new personnel system and wage increases **[-13]**
- (3) Increase in non-personnel expenses, including advertising expenses and outsourcing service expenses **[-44]**

### Factors for changes in profit (¥100 million)



# Plan to improve RORA year on year, focusing on loans to SMEs in Hokkaido, the core segment

○FY2026 RORA plan by borrower category



<RORA plan and results >

	(%)			
	SMEs in Hokkaido	Large and medium-sized enterprises in Hokkaido	SMEs outside Hokkaido	Large and medium-sized enterprises outside Hokkaido
FY2026 plan	1.63	0.96	0.46	0.32
FY2025 results	1.57	0.76	0.25	0.29

## Loans to SMEs in Hokkaido

Secure stable deposits by promoting the use of settlement accounts  
Aim to raise the quality and quantity of loans and deposits to improve profitability

## Loans to large and medium-sized enterprises in Hokkaido

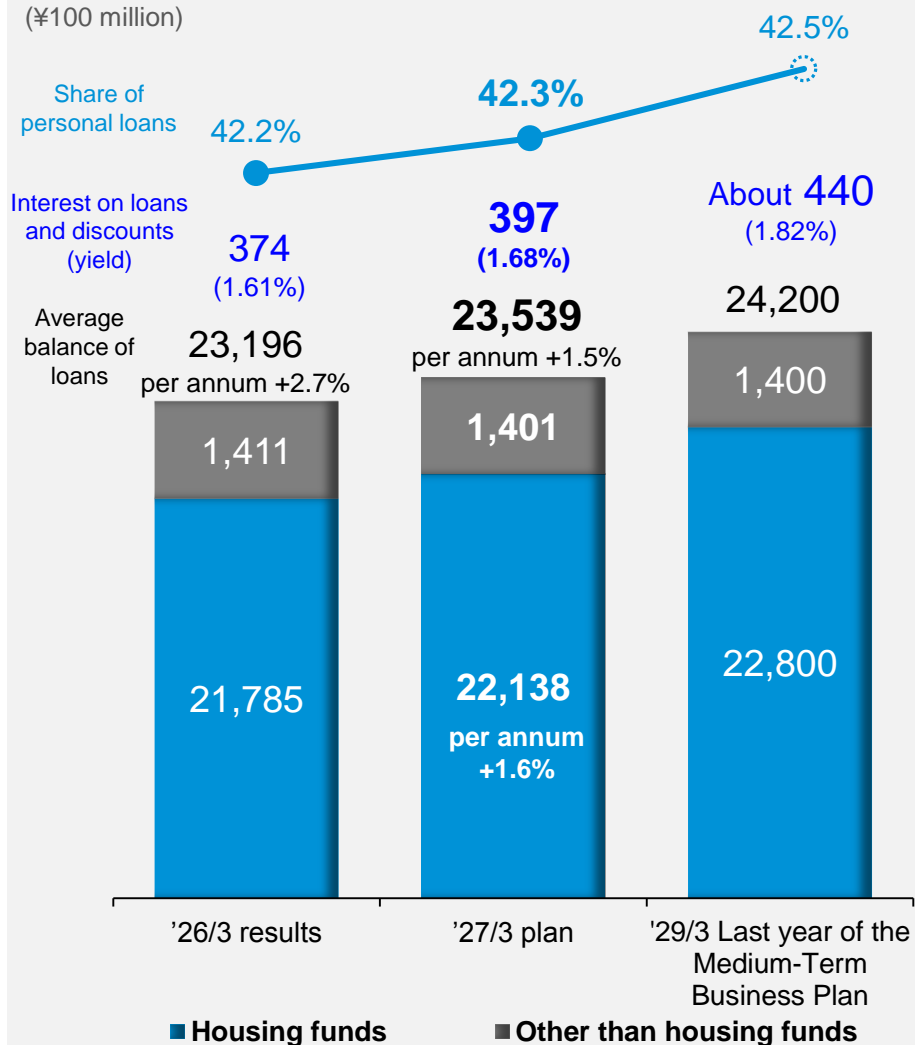
With a view to further improving RORA, secure interest margins in anticipation of a rise in the policy interest rate

## Loans outside Hokkaido (large and medium-sized enterprises, SMEs)

Large and medium-sized enterprises outside Hokkaido will be carefully evaluated to ensure they can take appropriate risks at the right time in accordance with their market conditions.  
SMEs outside Hokkaido plan to reduce their risk-weighted assets. Determine whether to proceed on a case-by-case basis

## Despite challenging market conditions, our share of personal loans remained high due to an increase in volume

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



### Increase average balance of housing funds

Hokkaido-based strategy

#### New houses / MS

- Loan with terms of up to 50 years performed well. Continue to capture the financing needs of young people to buy houses.
- As part of efforts to improve the convenience of mortgage loans, the Bank has begun offering installment loans. Aim to enhance our competitive advantage with housing business operators (the largest starting point of the customer journey for the Bank's loan applicants) by disbursing loans in line with construction schedules, and strengthen our offering of bank loans.

#### Used houses

- Secure used-housing deals by gathering information from real estate business operators (those that have referred deals to us in the past and corporate borrowers) and by making early proposals.
- Launched the "Condominium Management Support Plan." Amid a decline in the supply of newly built condominiums, we offer preferential interest rates on the purchase and refinancing of well-maintained pre-owned condominiums in an effort to attract new deals.

#### Apartment loans

Hokkaido-based strategy

Loyalty improvement strategy

- Apartment loans with a maximum term of 40 years (new houses). Pitch "inheritance planning products for high-net-worth individuals" and "wealth-building products for semi-high-net-worth individuals," which are segments we have not been able to tap in the past.



Increase share of loans to individuals in Hokkaido to **42.3%** (+0.1% YoY)

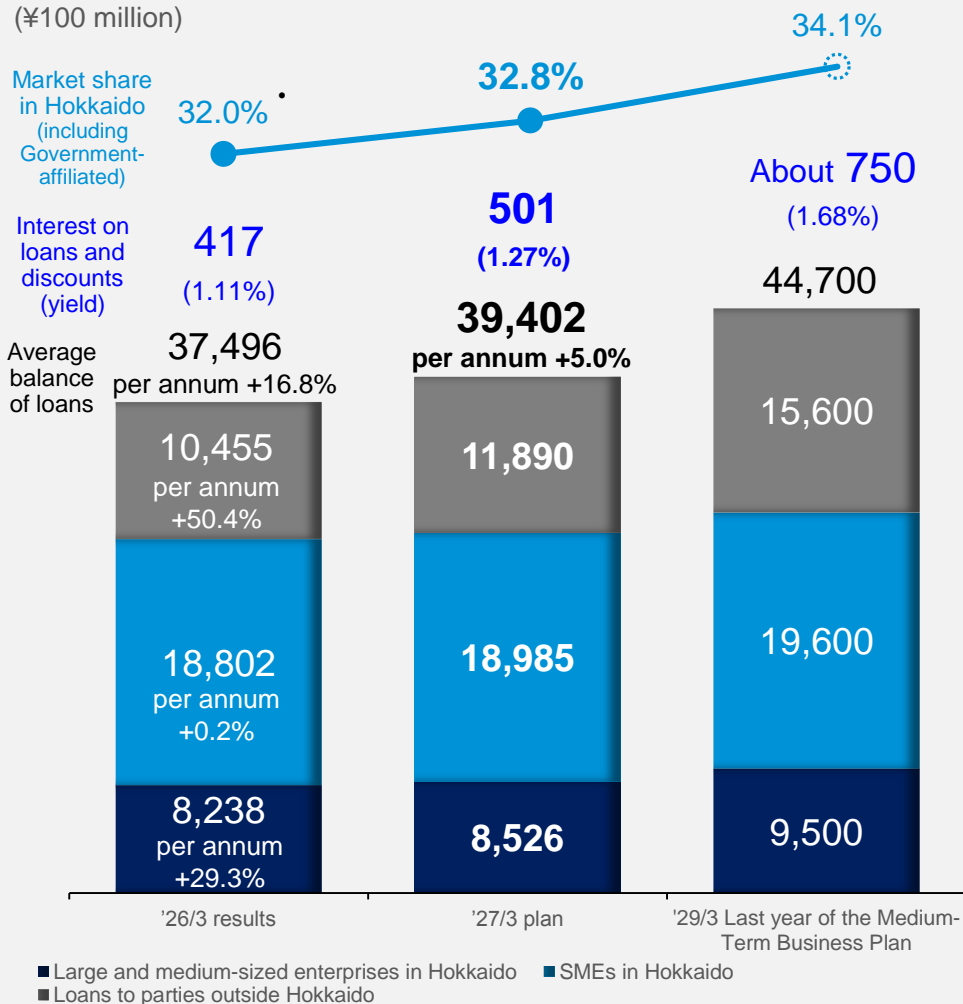
### Utilization of DX/AI (improve efficiency)

Full digital transformation (DX) strategy

- Improve operational efficiency and customer convenience through the introduction of a complete mortgage loan process on the Web (under development)

# Increase volume and market share by developing human resources to enhance sales capabilities and by improving efficiency through the use of DX/AI

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



• As of February 28, 2026

### ■ Increase annual lending rate Hokkaido-based strategy

**Loans to SMEs in Hokkaido: 1,898.5 billion yen (per annum +1.0%)**

- Aim to achieve per annum +1.0% (+0.2% YoY) through increasing Market Share by Capturing Funding Needs Based on Problem-Solving Proposals, and promotion of the Bank's competitive products

**Loans to large and medium-sized enterprises in Hokkaido: 852.6 billion yen (per annum +3.5%)**

- Continue the upward trend by targeting large and medium-sized companies in Hokkaido by actively handling capital investment projects, utilizing syndicated loans in response to strong demand for funds, and increasing loans with proper spreads to high credit-rating borrowers

**Loans to companies outside Hokkaido: 1,189.0 billion yen (per annum +13.7%)**

- Target projects that contribute to the economic development of Hokkaido, such as investment projects in Hokkaido by companies outside Hokkaido The annual lending rate declined YoY but remained at a high level of over 10%, partly reflecting an increase in government-guaranteed loans after factoring in other funding needs and profitability



**Increase share of corporate loans in Hokkaido to 32.8% (+0.8% YoY)**

### ■ Strengthen sales capabilities (human resource development)

Human resources and organizational transformation strategy

- Conduct training programs designed to improve the practical skills and service proposal capabilities of salespersons, including their data utilization skills, relationship skills, and problem-solving proposal skills

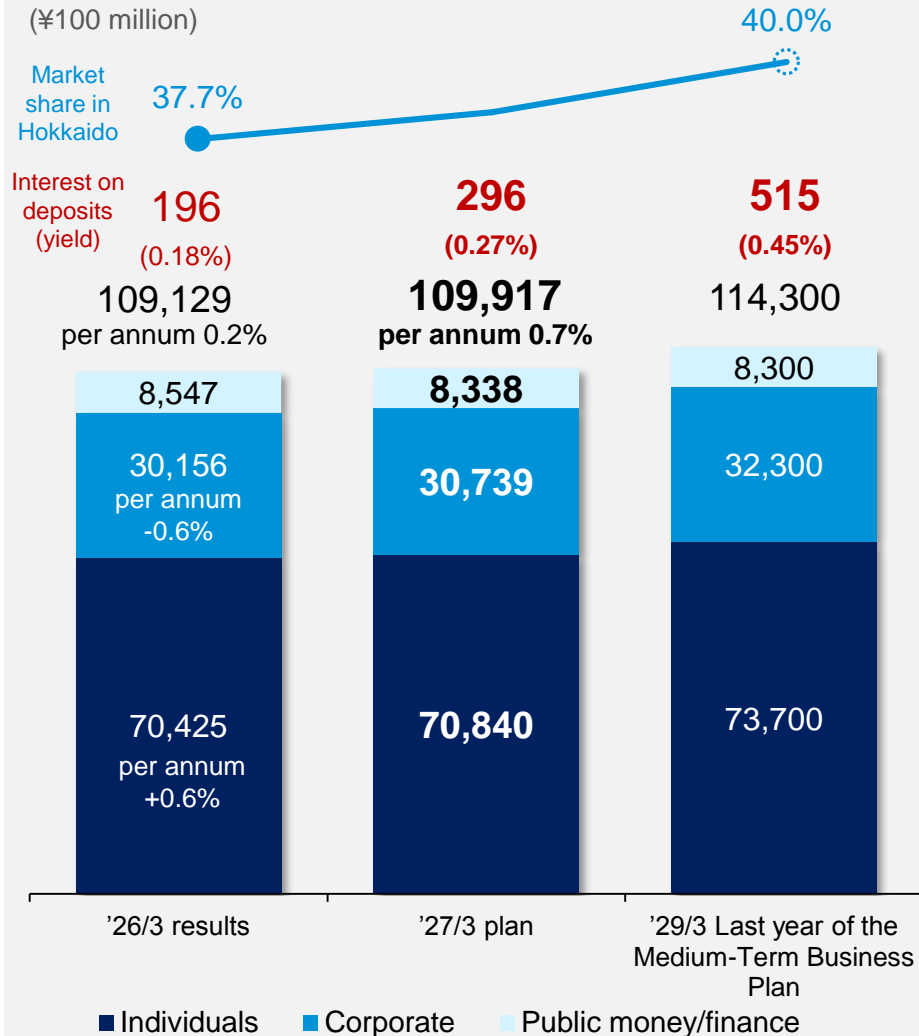
### ■ Utilization of DX/AI (improve efficiency)

Full digital transformation (DX) strategy

- We actively utilize AI for tasks such as preparing proposals and creating negotiation records. Currently developing the "corporate portal" and "corporate app" Enhance sales efficiency and digital transactions.

## Provide services chosen by customers and expand deposits based on our strengths in main account transactions

### Average balance of deposits, interest on deposits, and deposit share



Hokkaido-based strategy

×

Full digital transformation (DX) strategy

×

Loyalty improvement strategy

### ■ Increase in deposit volume

**Personal deposits: 7,084.0 billion yen (per annum +0.6%)**

- Offset the deposit balance decline associated with continued price increases by promoting salary and pension deposits and expanding our year-round product offerings, such as target-type time deposits

#### [Main promotional measures and target-type time deposits]

- **Angel Account campaign** : Early acquisition of new savings accounts for children aged 0 to 3
- **Pension time deposit (Yūyū ~Leisure~)**: Acquiring New Pension Accounts / Acquiring Pension Accounts from Other Banks and New Deposits
- **Inheritance time deposit (“Omoi-wo-tsunagu / Connecting Hopes”)**: Depositing Inheritance Funds Directly / Transferring Inheritance Funds Received from Other Banks to Our Bank
- **Retirement allowance time deposit (Campanula)**: Expanding Custody Services / Transferring Retirement Benefits from Other Banks to Ours
- **“Natsu-toku!” Campaign for time deposits**: Acquisition of new money from other banks

**Corporate deposits: 3,073.9 billion yen (per annum + 1.9%)**

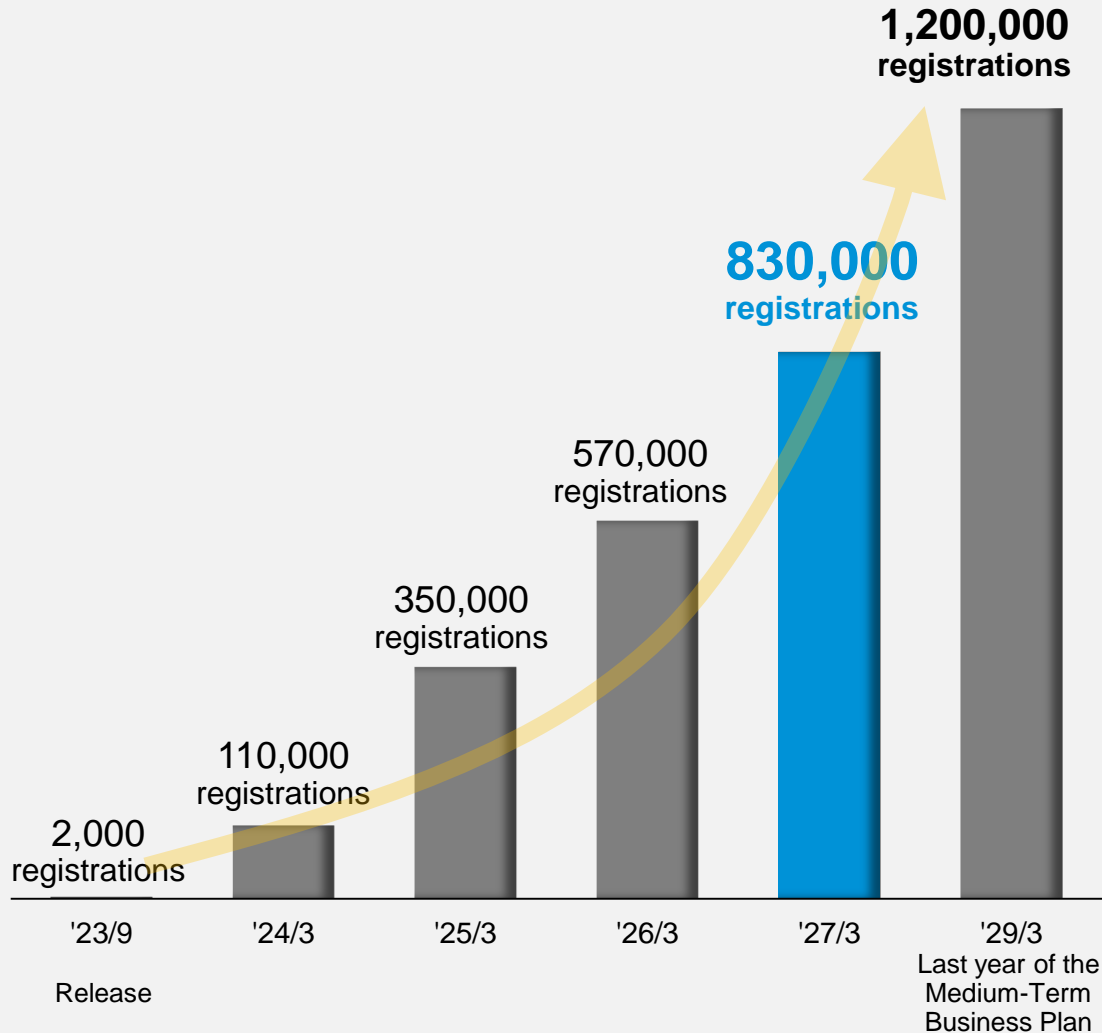
- Turn the annual deposit rate positive by promoting value-added time deposits, in addition to bringing our deposit share in line with our loan share and increasing settlement deposits through commercial flow analysis based on our strengths in main account transactions

#### [Value-added time deposits]

- **Hokuyo sustainability time deposit**: Allocation to investments and loans for businesses that contribute to solving environmental and social issues
- **Hokuyo J-Credit deposit**: Targets businesses currently engaged in or planning to engage in decarbonization measures (decarbonization support)
- **Hokkaido Nippon-Ham Fighters farm support deposit**: Donates Hokkaido food products equivalent to 0.1% of the deposit amount to support future star prospects (sports promotion)

## Strive to increase main accounts for individual transactions and enhance stable deposits by first enhancing the app's convenience

North Pacific Bank app registered users (cumulative total)



Full digital transformation (DX) strategy

×

Loyalty improvement strategy

- **Expansion of basic banking functions** (addition of new functions)
  - **Display of investment trust-related functions and free benefits for app users** (April 2026)

<Functions to be added in the future >

- **One free transfer to other banks per month** (August 2026)
- **Point service**
- **Various types of registration transactions, transfer reservations, designated-purpose deposits, family account linking, etc.**

- **Enhancement of UI/UX and support system** (under consideration)

- **UI improvements for young people - Soliciting opinions from young Bank employees, including new hires**
- **Strengthening the app support system - call center services**
- **Strengthening the support system for senior customers - collaboration with carriers**



**Acquisition of accounts for salary and pension deposits, and expansion of banking services for younger customers**

**Providing products and services tailored to the needs of each and every customer**

**Building long-term business relationships and increasing stable deposits**

# Launch Hokuyo “ATM Touchpoint Expansion Project” to significantly improve ATM convenience

## Installation of ATMs at all stations of the Sapporo Municipal Subway

Install ATMs at all 49 stations of the Sapporo Municipal Subway as part of the “Initiatives to Improve the Convenience of Subway Stations” under the “Subway-Based Community Development Partnership Agreement” concluded with the Sapporo Transportation Bureau (by around March 2027)

North Pacific Bank ATMs can be found at any subway station in Sapporo.



## Extend service hours for passbook-less ATMs

The service hours of passbook-less ATMs, which enable customers to use their bank cash cards to execute transactions (withdrawals, deposits, etc.), are extended for up to 24 hours during the business hours of the facility where the ATM is located. ATMs to be installed at the Sapporo Municipal Subway stations will be passbook-less.

North Pacific Bank ATMs can be used anytime between the first and last train of the day.



## Expansion of mutually free ATM tie-up with AEON Bank

Customers of the Bank and AEON Bank will be able to use each other’s ATMs without incurring an “interbank transaction fee” (free during business hours on weekdays). In addition, the service hours of AEON Bank ATMs will be extended (longest hours: from 12:05 a.m. to 11:50 p.m.).

The number of ATMs in areas without North Pacific Bank ATMs and the number of ATMs that offer services free of charge on weekdays when customers are outside of Hokkaido will increase significantly.



• Some stores do not have ATMs.



AEON Bank ATMs in Hokkaido will be changed to a “North Pacific Bank-exclusive design.”

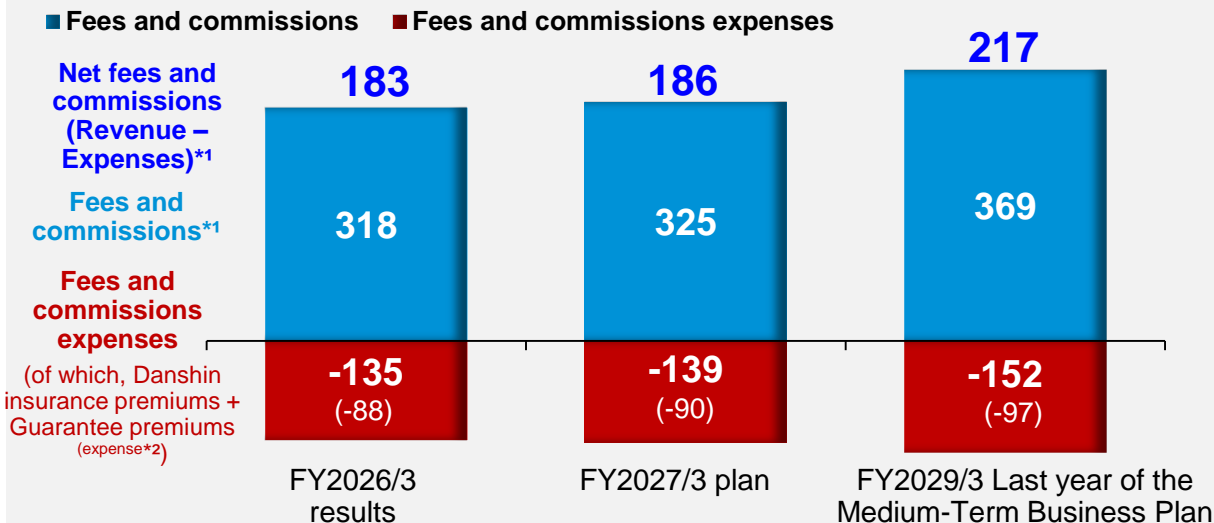
• Image

# Although expenses such as danshin insurance premiums increased, actual profits, taking interest income into account, rose YoY.

## [Consolidated] Net fees and commissions (¥100 million)

Figures in parentheses represent YoY change

Hokkaido-based strategy and Loyalty improvement strategy



\*1 The results for FY2026/3 are shown in accordance with the plan, after adding the portion of trading gains and losses recorded under "Net other operating income."

\*2 Excluding card loans

### North Pacific Bank non-consolidated

FY2027/3: 11.1 billion yen (-0.0 billion yen)

<b>Card business</b> Full digital transformation (DX) strategy	<b>3.9 billion yen</b> (+0.1 billion yen)	Promotion of large-scale corporate cards. Strengthening promotion efforts targeting local governments and universities through a dedicated team.
<b>AUM fees</b> Loyalty improvement strategy	<b>3.3 billion yen</b> (+0.3 billion yen)	Increase the number of sales office staff to boost the volume of activity. Improve safeguard proposal skills through reskilling etc.
<b>Danshin insurance premiums, guarantee premiums</b> [expenses]	<b>9.0 billion yen</b> (+0.2 billion yen) [increase in expenses]	Although expenses increased by 0.2 billion yen YoY, this was offset by higher interest income on housing funds (+2.1 billion yen).

▶ When interest income from housing loans is factored in, the total increases by approximately 2 billion yen.

### North Pacific Securities

FY2027/3: 2.0 billion yen (+0.2 billion yen)

Clarify the target customers for business promotion (mainly high-net-worth individuals and business owners) and expand high-quality securities referrals, in collaboration with the Bank's newly established "Wealth Management Department".

Loyalty improvement strategy

### Sapporo Hokuyo Card

FY2027/3: 1.7 billion yen (+0.2 billion yen)

Develop the BtoB (corporate) and BtoG (local government) markets, which are expected to grow in the future, in collaboration with the Bank's newly established "Payment Strategy Department"

Hokkaido-based strategy Non-financial diversification strategy

### Hokkaido Kyoso Partners

FY2027/3: 1.8 billion yen (-0.2 billion yen)

The decline in revenue was due to the transfer of asset succession services to the Bank and the completion of a large project in the previous fiscal year. Going forward, prioritize the allocation of resources to the "foreign talent business" and the "social impact business," which addresses social issues in Hokkaido.

Hokkaido-based strategy Non-financial diversification strategy

### CAREER BANK

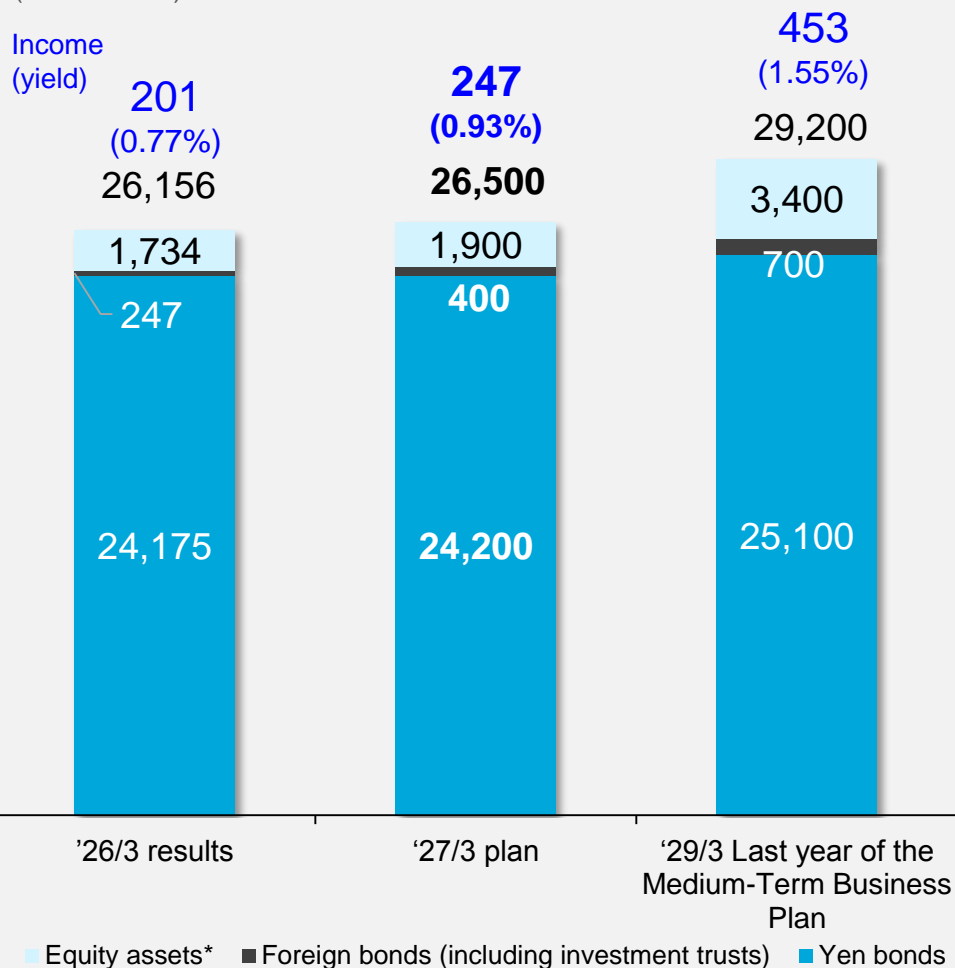
Became a consolidated subsidiary in April 2026 (At this point, the impact of the subsidiary on the consolidated financial statements has not been factored into the plan.)

## Continue to improve our portfolio, which is heavily weighted toward yen bonds, while seeking to increase income through redemptions and reinvestments

### Average balance of securities and income (yield)

(¥100 million)

Income (yield)



#### Yen bonds

Figures in parentheses represent YoY change

**Average balance plan: 2,420 billion yen (+2.5 billion yen)**

**Income: 16.8 billion yen (+7.4 billion yen)**

- In anticipation of rising interest rates, make regular purchases of mainly 2Y and 5Y bonds in fixed amounts
- Purchases during the period totaled 470 billion yen (190 billion yen in 2Y bonds and 280 billion yen in 5Y bonds), including approximately 350 billion yen in redemptions and reinvestments (redemption yield of 0.32%) Continue to implement portfolio optimization strategies focused on low-yield bonds
- The duration of yen bonds is expected to shorten further from 3.08 years in the previous fiscal year to 2.54 years.

#### Foreign bonds (including investment trusts)

**Average balance plan: 40 billion yen (+15.3 billion yen)**

**Income: 1.7 billion yen (+0.7 billion yen)**

- Yields are expected to be on par with or higher than those of yen bonds with the same maturity (after accounting for hedging costs).
- Plan to purchase approximately 15 billion yen during the period, primarily in U.S. dollar-denominated bonds

#### Equity assets

**Average balance plan: 190 billion yen (+16.6 billion yen)**

**Income: 6.2 billion yen (approximately -3.5 billion yen)**

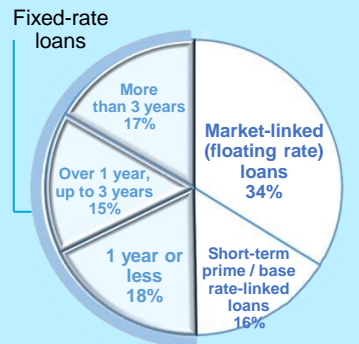
- Income decreased due to a one-time factor (+2.6 billion yen in gains from redemption of investment trusts) in the previous period and a temporary reduction in the portfolio resulting from sales to realize gains. However, an increase in dividends is expected due to enhanced shareholder returns, and earnings may exceed the plan.
- In consideration of the sale of policy shareholdings, while our policy is to accumulate holdings, we will conduct flexible trading operations, such as considering the sale of a portion when the market becomes overheated.

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

## Estimating that a 0.25% rise in the policy interest rate would have a positive impact of approximately 5 billion yen on net interest income

### BS summary (average balance as of March 31, 2026)

#### Loans and bills discounted Approx. 8.2 trillion yen

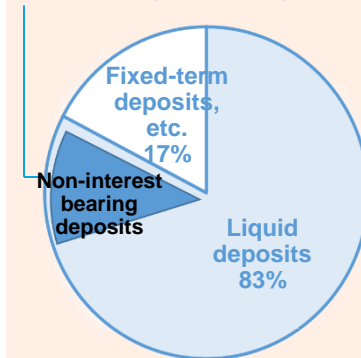


#### Securities Approx. 2.6 trillion yen

Bank of Japan current accounts, etc.  
Approx. 1.7 trillion yen

#### Deposits Approx. 10.8 trillion yen

Of liquid deposits, non-interest bearing deposits account for approximately 1.6 trillion yen.



Fund-raising through BOJ bond repos, etc.  
Approx. 1.5 trillion yen

### In the case of a 0.25% rise in the policy interest rate

#### Impact on net interest income (annual basis)

Total **+4.7 billion yen**

Interest income on loans  
**+10.6 billion yen**

Other **+2 billion yen**

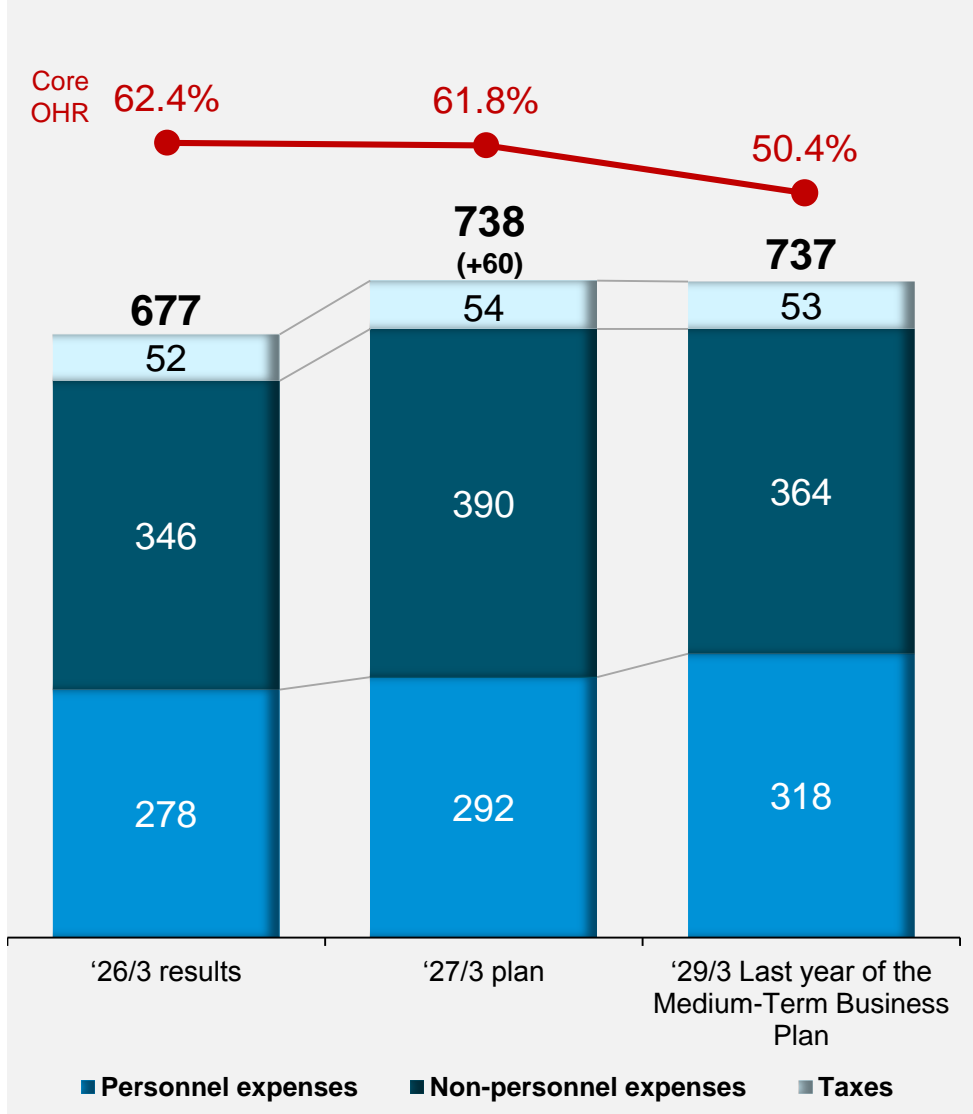
Interest on deposits **-7.9 billion yen**

#### <Assumptions>

- On the assumption that the investment-funding balance as of March 31, 2026 remains unchanged, only the impact of interest rates is estimated.
  - 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 a liquid deposit follow-through rate of 40% and a lending follow-through rate of 100%.

## Although expenses increased due to growth investments, core OHR improved due to growth in topline revenue.

### Expenses (¥100 million) / Core OHR



#### ■ Personnel expenses:

**29.2 billion yen (+1.3 billion yen)**

- Increase due to the full-year implementation of the new personnel system: +500 million yen
- Other items, including wage increases and the self-directed learning support program: +900 million yen

(▶ indicates expenses associated with each strategy)  
Figures in parentheses represent YoY change

Human resources and organizational transformation strategy

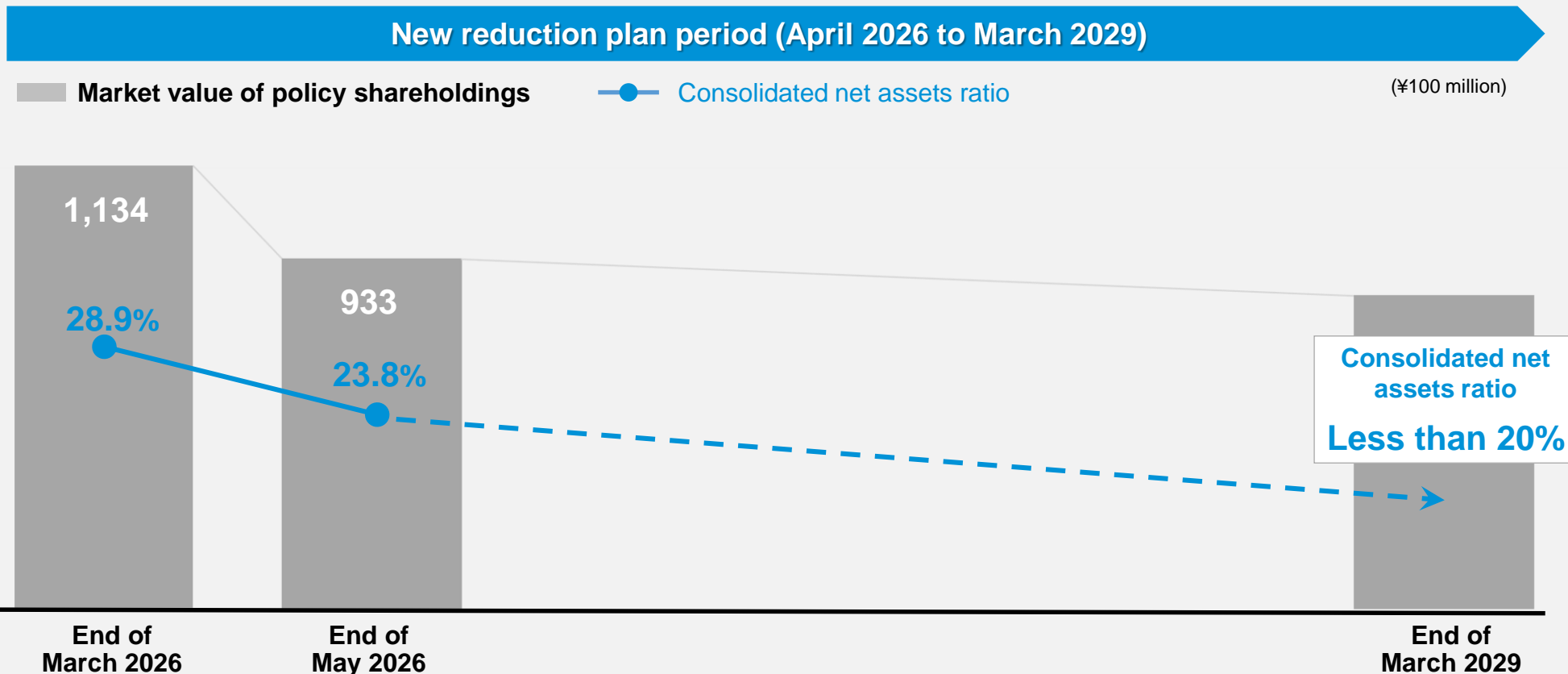
#### ■ Non-personnel expenses: 39.0 billion yen (+4.4 billion yen)

- Depreciation and amortization: +800 million yen  
System renewal, etc.: +600 million yen
- App development: +200 million yen ▶ Full digital transformation (DX) strategy and Loyalty improvement strategy
- Advertising expenses: +1 billion yen
  - Loyalty program: +400 million yen ▶ Loyalty improvement strategy
  - App promotion: +200 million yen ▶ Full digital transformation (DX) strategy and Loyalty improvement strategy
  - Deposits, NISA promotion: +200 million yen ▶ Hokkaido-based strategy and Loyalty improvement strategy
  - Branding: +100 million yen ▶ Loyalty improvement strategy
- Miscellaneous: +600 million yen
  - Enhancement of mid-career hiring: +100 million yen ▶ Human resources and organizational transformation strategy
  - Branding: +100 million yen ▶ Loyalty improvement strategy
  - Other: +400 million yen
- Outsourcing service expenses: +1.2 billion yen
  - Mortgage loan reform: +100 million yen ▶ Full digital transformation (DX) strategy
  - Card brand: +100 million yen ▶ Hokkaido-based strategy
  - System: +300 million (system maintenance, etc.) Other: +700 million

#### ■ Taxes: 5.4 billion yen (+0.1 billion yen)

Increase in consumption tax, size-based business tax, etc.

## Steady reduction of policy shareholdings with the aim of achieving the plan early



■ Formulate a reduction plan to achieve a consolidated net asset ratio of less than 20% during the new Medium-Term Business Plan period

■ With the aim of achieving our targets early, we will continue negotiations aimed at reducing our policy shareholdings.

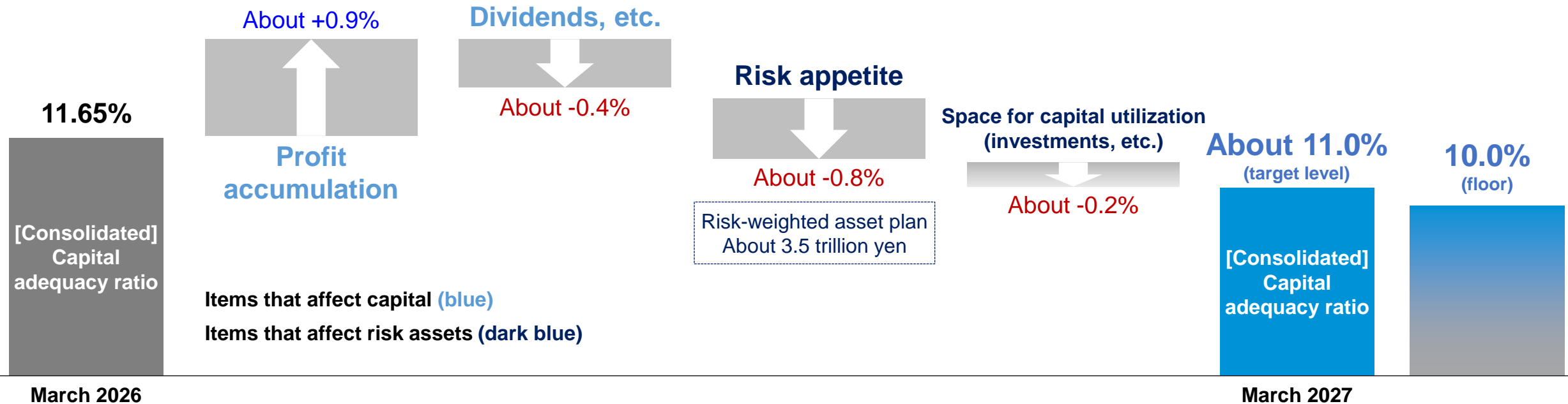
[Status of dialogue]

Target companies	Positive response	Dialogue to continued
41 companies	19 companies	22 companies

• This calculation is based on consolidated net assets as of the end of March 2026.

## The (consolidated) capital adequacy ratio for the first fiscal year of the Medium-Term Business Plan is set at a target level of around 11.0%, with a floor of 10.0%.

Target level and floor of the capital adequacy ratio in FY2026 (first fiscal year of the Plan) [Basel III full-implementation basis]



### Approach to capital strategy

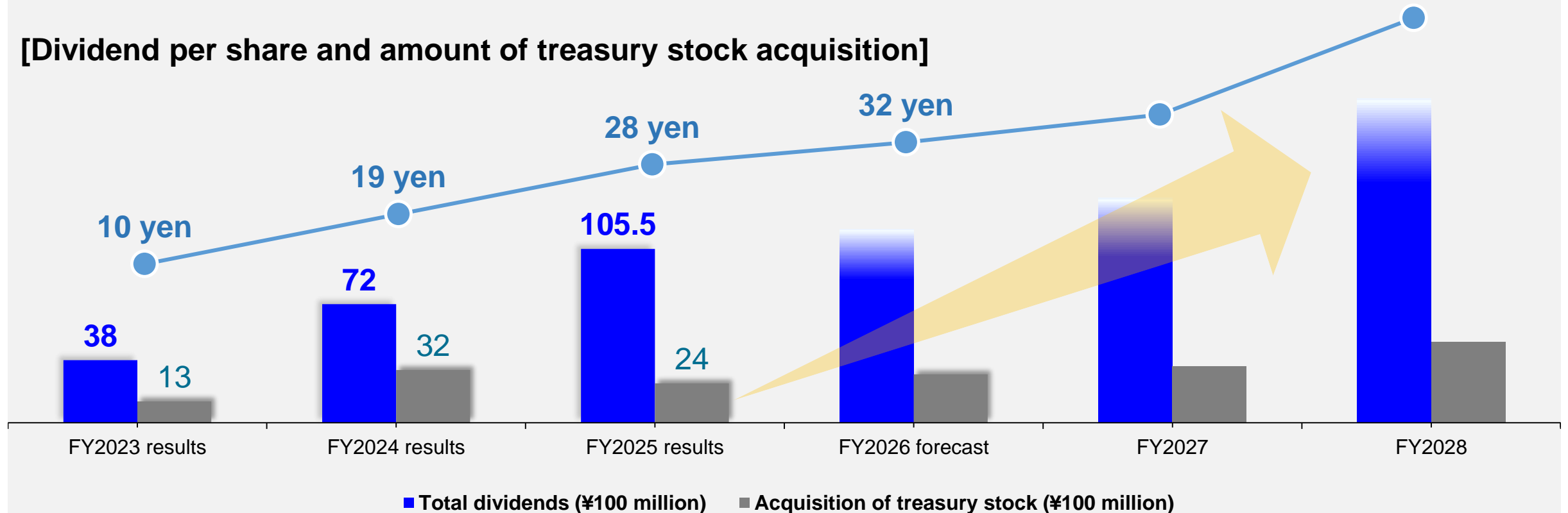
- Maintain appropriate control over capital through: **expanding investments and loans in local industries** based on our “Hokkaido-based strategy”; supporting GX and renewable energy projects; making **strategic investments** to expand our non-financial businesses; **investing in service improvements and enhanced competitiveness**; and **enhancing shareholder returns**
- While focusing on investments in the future, such as support for human resource development and reskilling through our “Human resources and organizational transformation strategy,” **annually review** what constitutes an appropriate capital adequacy ratio for us to ensure our financial soundness, taking into account our business outlook, asset and liability status, and trends in the external environment

## Dividend expected to increase by 4 yen YoY in FY2026; quarterly dividends enable the early return of earnings to shareholders

### Shareholder return policy

- **Dividend payout ratio shall be 40% or higher** while maintaining a stable annual dividend of 10 yen per share
- **Record dates for quarterly dividends** (dividend record dates for the first and third quarters) to be announced based on resolution by the Board of Directors
- 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**

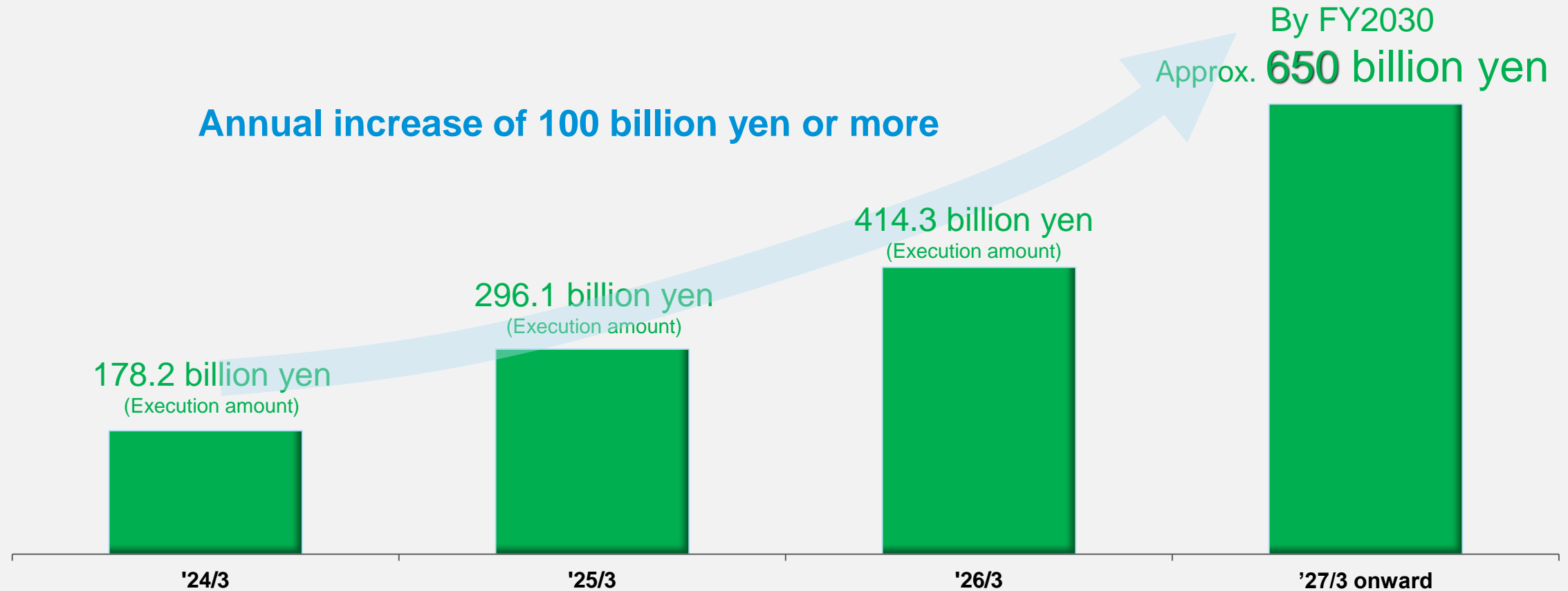
### [Dividend per share and amount of treasury stock acquisition]



## GX-related loans are significantly increasing

### GX-related financing (cumulative basis from FY2021)

Annual increase of 100 billion yen or more



# The Bank will play a major role in making preparations for the full-scale launch of the business.

## Business development support through investments and loans

Approximately 6 trillion yen is expected to be invested in GX businesses in Hokkaido going forward.\*



- ✓ Investment in H2 HOKKAIDO Co., Ltd.
- ✓ Loans for data centers, grid-connected battery storage projects, etc.



Signing ceremony for the partnership agreement between Sapporo City and H2 HOKKAIDO

Source: Sapporo City website

## Supply chain development support (offshore wind power generation business)

Offshore wind power generation businesses are expected to generate economic ripple effects ranging from hundreds of billions to trillions of yen.\*



- ✓ Provided matching support for 48 projects between offshore wind power-related companies and companies in Hokkaido
- ✓ In addition, we are collaborating with related companies and local governments to support companies in Hokkaido in securing more orders.



Lecture by the Bank's business partner, Dive Co., Ltd., at a regular seminar of Muroran Offshore Wind Industry Promotion Association

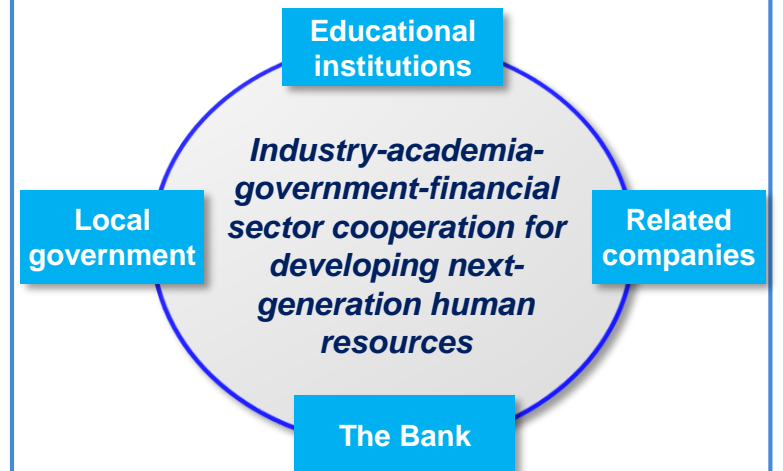
Source: Courtesy of Dive Co., Ltd.

## Human resource development

Developing next-generation human resources is essential for GX businesses due to their long business term.



- ✓ Initiated studies for the development of next-generation human resources in cooperation with educational institutions, local governments, and related companies



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

\* Expected economic ripple effects in Hokkaido based on estimates of economic ripple effects in other regions

## Expect an increase in related financing as the project progresses

### Semiconductor-related financing (cumulative basis)

Financial support for companies in and outside Hokkaido

Approx. **300** billion yen by FY2030

**17.4** billion yen  
(Execution amount)

**39.1** billion yen  
(Execution amount)

**68.5** billion yen  
(Execution amount)

'24/3

'25/3

'26/3

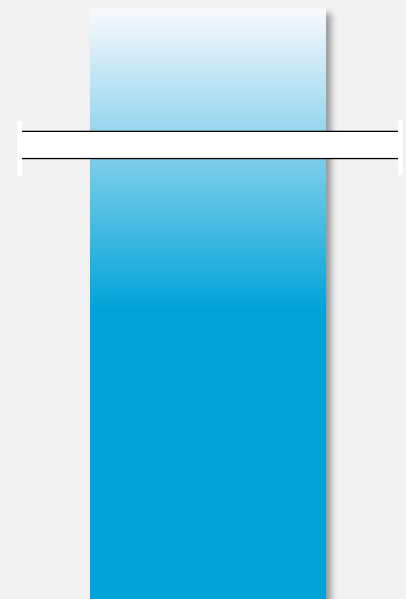
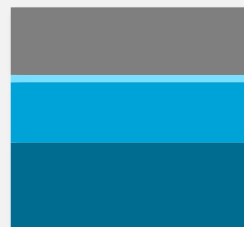
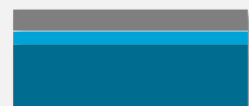
'27/3 onward

■ Manufacturing

■ Construction and real estate

■ Wholesale and retail

■ Other



# Investment of 5 billion yen in Rapidus to accelerate “community-building” through the clustering of the semiconductor industry

Investment of **5 billion yen** in Rapidus

### Objective

- Significance of manufacturing cutting-edge semiconductors in Chitose City, Hokkaido and supplying them globally
- Expectations for revitalizing Hokkaido’s economy and promoting regional development
- Promotion of the Bank’s own “understanding of the business viability of cutting-edge semiconductor manufacturing” through investment
- Supporting the participation of the Bank’s business partners in supply chains based on an understanding of business viability



Developments at Rapidus



## Accelerate community-building through the clustering of the semiconductor industry



Source of developments at Rapidus: Compiled by North Pacific Bank based on the Ministry of Economy, Trade and Industry’s website

### National project for clustering

#### Establishment of an R&D hub for cutting-edge semiconductors

**AIST Group** (The National Institute of Advanced Industrial Science and Technology, AIST Solutions)

- 01** ➢ In FY2029, the Bank plans to launch an R&D center in Chitose City that will be equipped with state-of-the-art manufacturing equipment, including next-generation EUV lithography equipment.

#### Leading-edge Semiconductor Technology Center (LSTC)

- 02** ➢ In FY2028, the Bank plans to establish a research center for cutting-edge semiconductors, focusing on back-end process technology development, at Chitose Institute of Science and Technology.

# Contributing to the strengthening of financial support for Hokkaido agriculture and the resolution of issues

## Support for agriculture ▶ Strengthen investments and loans for agriculture, a key industry

### Hokuyo agricultural loans

#### Loan products for farmers

Enabling repayment methods tailored to the customer's business model

81 applications / 102 million yen

Japan Finance Corporation CDS-backed contracts:  
56 cases / 720 million yen  
CDS-backed products boast top-tier track records in the country

### Hokuyo agricultural area revitalization fund No. 2

For corporations in the agriculture and in food industries  
[total investment limit: 300 million yen]

Investments in agriculture-related funds:  
26 deals / 900 million yen

[Case study] March 2026: 30 million yen investment in Kitaichi Meat Co., Ltd.

Utilizing a closed school in Betsukai Town to produce new hometown tax return gifts using locally produced Betsukai beef



## Entry into agriculture and foster next generation of farmers ▶ Aim to address the “shortage of farmers”

### The Groups' own “entry into agriculture”

- Personally engage in agriculture and convey **its appeal**
- Engage in agriculture in urban areas and **serve as a gateway for new farmers to enter the industry**
- Share practical agricultural know-how gained through firsthand experience to **support those starting their own farming businesses**



Build a new pathway to farming in the Sapporo suburbs, where there are many prospective farmers

### “Agricultural School” that can be attended while working

- Provide an environment where those interested in agriculture and aspiring farmers can learn **cultivation techniques** and agricultural management
- By leveraging the Bank's management-related expertise and network, **the Group provides comprehensive support throughout the process from starting a farming business to becoming established.**

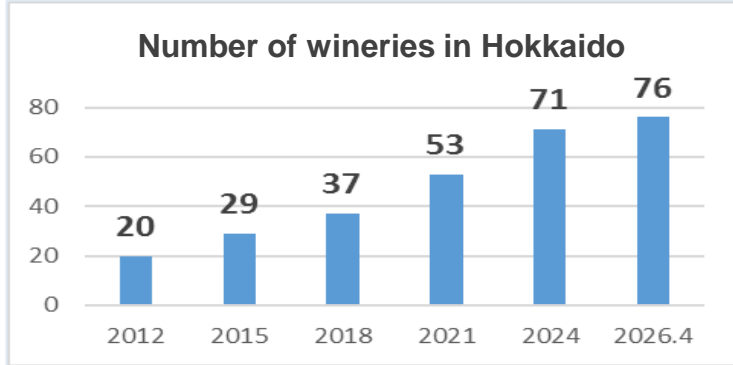


Contribute to the sustainable development of Hokkaido's agriculture by training, welcoming, and deploying the next generation of farmers

# Supporting the wine industry as a new growth business in Hokkaido

## Changes in the external environment

The number of wineries has tripled in about 10 years.



## Support for development of wine professionals

Development of wine professionals in cooperation with Hokkaido and Hokkaido University

- |                                      |  |
|--------------------------------------|--|
| <p><b>Hokkaido Wine Academy</b></p>  | <ul style="list-style-type: none"> <li>➢ Aiming to improve management capabilities in areas such as viticulture, winemaking techniques, and marketing</li> <li>➢ 45 of the 293 graduates as well as 33 businesses have opened wineries (since 2015).</li> </ul>  |
| <p><b>Hokkaido Wine Platform</b></p> | <ul style="list-style-type: none"> <li>➢ A support organization for the wine industry formed through collaboration among industry, academia, government, and financial institutions to offer consultation on various topics, including viticulture (such as soil analysis), winemaking, and business management</li> </ul> |

## Financial support

Strengthen financial support for wineries

- Agricultural funds for wine producers  
Investment in 8 projects/ 350 million yen
- Financial support for the growth of Hokkaido's wine industry

 Accelerating efforts beyond financial support

## Partnership agreement with wine-producing areas (November 2025)



[First initiative under the Yoichi Town partnership agreement] “Workforce Recruitment Seminar” (February 2026)



Addressing the labor shortage at wineries

## Support for regional revitalization through wine tourism

Conducted a familiarization trip in collaboration with local governments and tourism associations to develop winery tours (November 2025)



## Implement various initiatives to promote tourism in Hokkaido and revitalize the local economy

### Organize an invitation project (FAM trip) to develop cruise port tours based out of Otaru Port

- In light of the recent increase in cruise ship calls at ports in Hokkaido, experts were invited to develop port-of-call tours with the aim of further promoting tourism and revitalizing the local economy.
- Introducing new attractions in Otaru, Shakotan, Iwanai and Yoichi



Offer **tours that combine a variety of tourist attractions**, including the natural scenery and historic streetscapes of the three towns on the Shakotan Peninsula, located within day-trip distance of Otaru, as well as local ingredients and beverages (such as wine and craft beers)

### Support Through the Use of Enterprise Value Charge (EVC)\*



- We have provided a loan with an Enterprise Value Charge (EVC) to Notorikoso Co., Ltd., a company operating a traditional Japanese inn, to refinance its existing loans and corporate bonds.
- In addition, we provided funds to the CEO—the successor to the founding family—to purchase shares, thereby supporting the succession of our business

\*Enterprise Value Charge (EVC): A system designed to promote lending that focuses on a business's future potential rather than relying excessively on real estate collateral or personal guarantees from business owners

# Creating new businesses that go beyond finance, driven by a commitment to resolving social issues in Hokkaido

## Initiatives to create new businesses

### Objective

**Solving social issues in Hokkaido**

Based on the “Non-financial diversification strategy,” one of the five pillars of our overall strategy

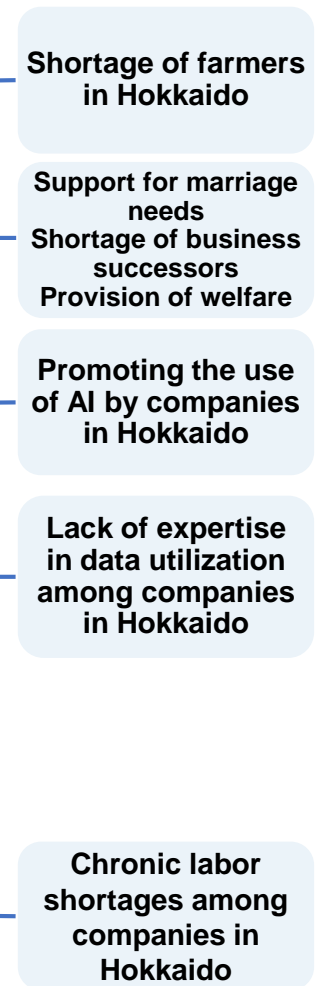
### Mechanisms and tools for creating new businesses



### New businesses under consideration



### Issues to be solved



# “Community-building” aimed at enhancing Hokkaido's attractiveness and creating a network of connected residents

The Bank’s approach to “community-building” = building a sustainable community (work, people, and the community)



## Community-building centered on “people” “Hokkaido Regional Future Study Abroad Scholarship (Benefit-Type Scholarship Program)”



• This marks the first time in Japan that a regional scholarship program has been established through corporate donations.



Signing of partnership agreement with the regional attractiveness promotion platform

## Offer a range of funding options tailored to the needs and stage of development to support startups working to solve local issues

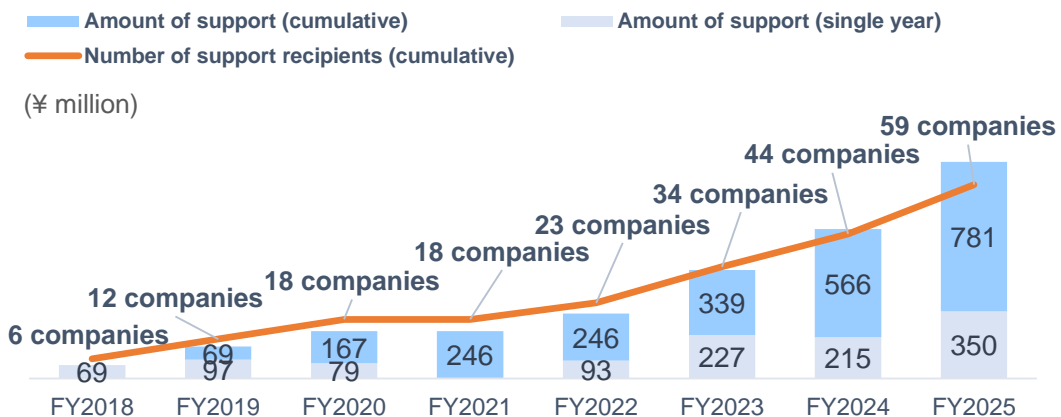
### Support startups with a full range of investments, loans and subsidies

<b>Investment</b>	Hokuyo Startup Fund No. 1	<ul style="list-style-type: none"> <li>Launched a new fund as a successor to the Hokuyo SDGs Promotion Fund</li> <li>Increased the total fund amount from the conventional 500 million yen to 2 billion yen to strengthen support</li> </ul>
<b>Loans</b>	Hokuyo Startup Loan Hokuyo Venture Debt (with subscription right to shares)	<ul style="list-style-type: none"> <li>Loan product for startups in mid-to-late stage seeking to go public</li> <li>First financial institution in Hokkaido to offer loans with share acquisition rights; executed the first deal in September 2025</li> </ul>
<b>Subsidies</b>	North Pacific Bank Startup Research & Development Fund	<ul style="list-style-type: none"> <li>Grant of 1 million yen per company to startups</li> <li>In FY2025, 10 startups were subsidized out of 38 applications.</li> </ul>

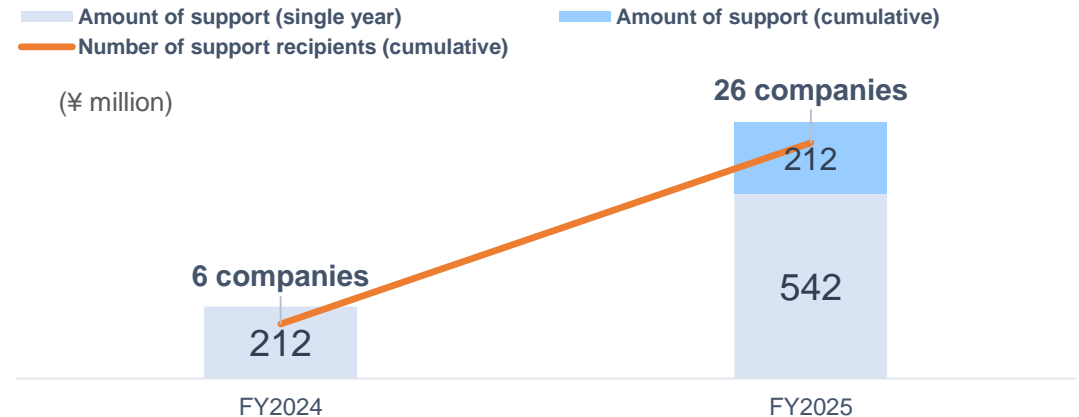
### Strengthen investment and financing for startups outside Hokkaido that are working to solve regional issues within Hokkaido

<b>Strengthen investment and loans for startups outside Hokkaido</b>	<ul style="list-style-type: none"> <li>Supporting startups based outside Hokkaido that pursue initiatives to help solve regional issues in Hokkaido</li> <li>In FY2025, we invested 400 million yen (+300 million yen YoY) in 12 startups outside Hokkaido.</li> </ul>
<b>Comprehensive partnership agreement (March 2026)</b>	<ul style="list-style-type: none"> <li>Partnership agreement with SEVENRICH Accounting (Tokyo) Co., Ltd.</li> <li>Further strengthen support for startups outside Hokkaido that have strong affinity with Hokkaido</li> </ul>

[(1) Actual support extended to startups through investment]

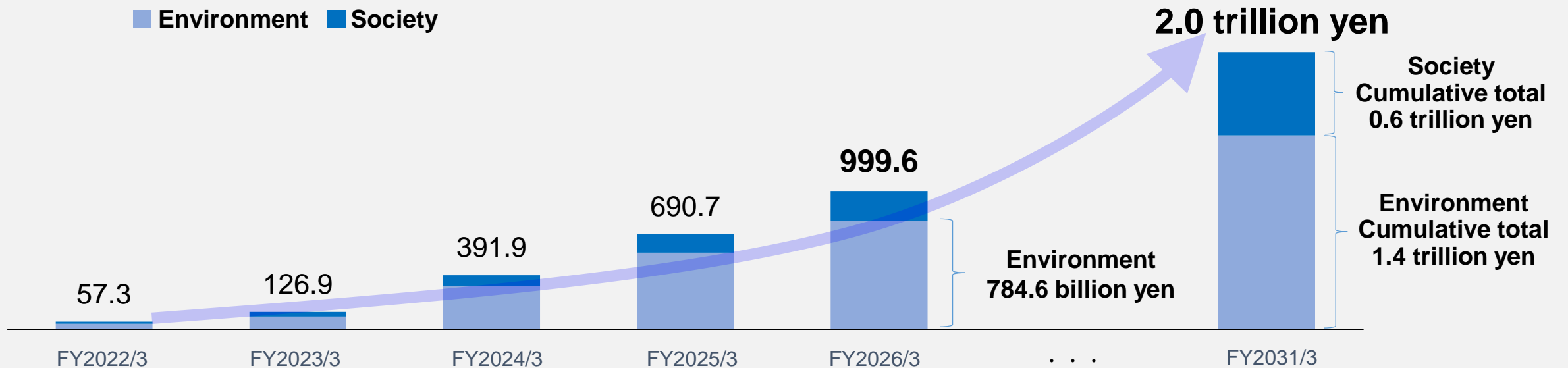


[(2) Actual support extended to startups through loans]



## Implementation of sustainable finance is steadily increasing

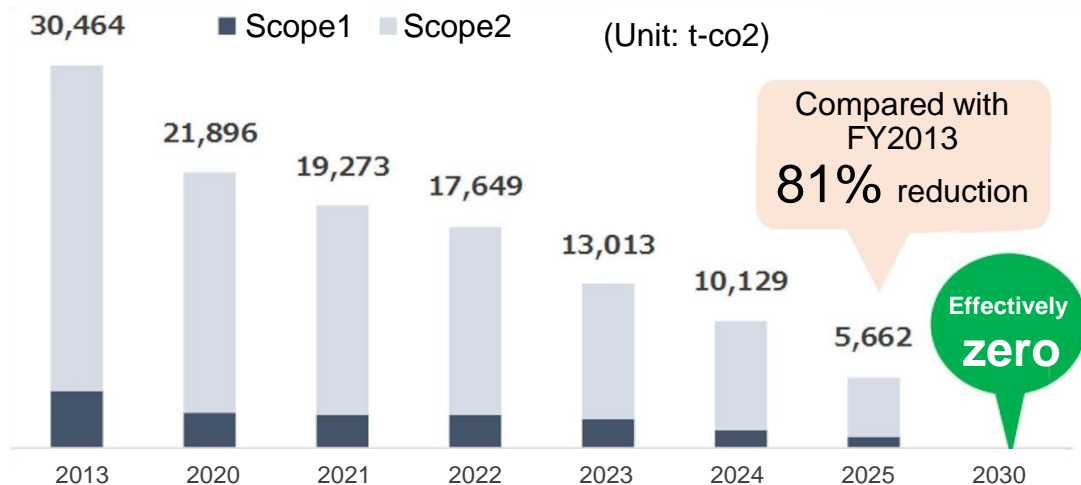
### Raise sustainable finance targets



- In FY2026/3, disbursed 308.9 billion yen (203.5 billion yen for environment-related and 78.4 billion yen for society-related).
- The cumulative disbursements reached **999.6 billion yen, or about 50% of the final target.**
- 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
- Society-related includes support for semiconductor-related industries, development of new industries (startups and new businesses), streamlining of manufacturing industries, and strengthening support for food and tourism

## Strengthening the movement toward decarbonization throughout Hokkaido

### GHG emissions of the Group



### Specific initiatives

- Carbon-free electricity and gas
- Purchase of carbon credits
- Updating of heating and cooling equipment
- Installing solar panels at sales offices
- Conducting feasibility studies on the introduction of perovskite solar cells

### Reducing customers' GHG emissions

#### Hokuyo J-Credit Deposits

Started offering deposits that utilize J-Credit to provide a carbon offset equivalent to 5 t-CO<sub>2</sub> for every 50 million yen of principal at maturity

Through J-Credit, customers can contribute to efforts to combat global warming while also promoting their company and enhancing its corporate value.

With a view to achieving carbon neutrality by 2050, we will support companies in their decarbonization efforts while contributing to forest management and the revitalization of the local economy.



- The scheme is the first in Japan to allow banks to directly procure J-Credit without going through intermediaries.

## Contributing to Nature Positivity in Hokkaido

### Nature Positive Fund

- A subsidy program to support organizations working to protect rare species and improve their habitats in order to conserve biodiversity in Hokkaido
- The newly established enhancement program selects organizations engaged in the protection and restoration of endangered species and the conservation and restoration of wetlands.
- In FY2026, we provided 13 million yen in subsidies to 14 organizations. Since its establishment in 2010, offered a total of 113.6 million yen (total of 218 organizations) in subsidies



#### [Specified NPO Kiusito Wetland and Noboribetsu]

To increase the populations of aquatic organisms living in wetlands, including near-endangered species such as bladderworts, loaches, and Ezo hotoke loaches, we are removing overgrown vegetation and eradicating invasive species in the wetlands.



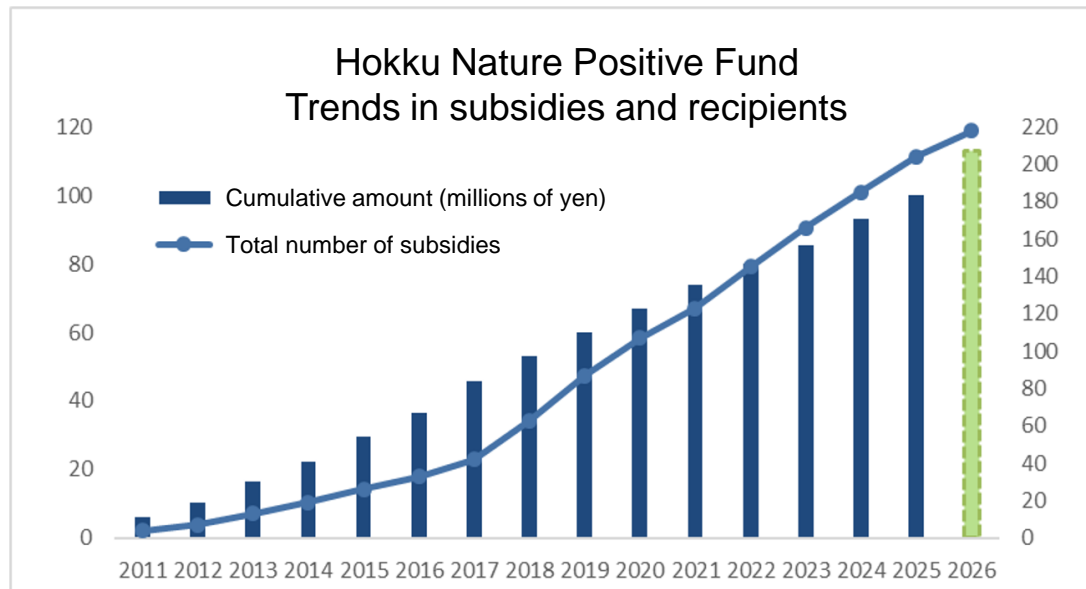
#### [Ishikari River Estuary Wetland Research Team]

Based in Lake Pেকেlet, one of the few remaining wetlands in the lower Ishikari River basin, the project aims to preserve and restore the wetlands of the lower Ishikari River basin. Aim to conserve and restore aquatic plant communities and wetland forests, and restore and create habitats for rare species



#### [Extra]

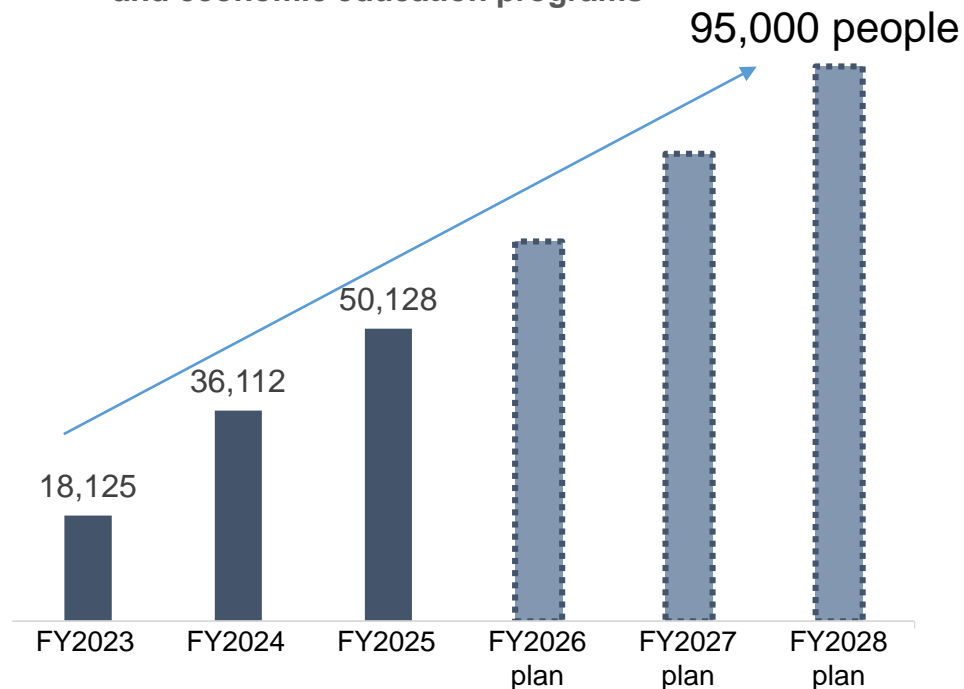
**Currently applying to designate the forested land owned by the Bank in Kyogoku Town and Shintotsukawa Town as nature coexistence sites**  
Aim to create a **sustainable corporate-owned forest rooted in the community** by conducting activities in cooperation with local environmental organizations and schools



## Contributing to improving financial literacy in Hokkaido as a whole

- We are committed to providing financial education and developmental support to the children who will shape Hokkaido's future. From FY2023 to FY2025, we reached **50,128 children**, exceeding our target of 50,000 for financial and economic education.
- We will continue to contribute to improving financial literacy in Hokkaido through workplace tours and lectures for academic credit.

Cumulative number of participants in financial and economic education programs



[Workplace tour]



- Provide elementary, middle, and high school students with opportunities to learn about banking operations, the economic system, proper financial knowledge, and asset formation, as well as the issue of fraud, which has become a growing concern in recent years

[Lectures for academic credit]



- In addition to providing general financial knowledge, the lectures are organized to promote understanding of a wide range of fields, including regional revitalization, sustainability, and startups.
- Conducted at Hokkaido University, Otaru University of Commerce, Hokkaido University of Education Hakodate Campus, and Sapporo University

[Financial education for children and adults with disabilities **(NEW)**]

- We are currently considering offering a program that teaches children and adults with disabilities the basics of money management and how to handle money effectively, using methods tailored to their specific needs (such as Braille materials, audio materials, sign language, written information, and illustrations).
- Aim to foster accurate financial knowledge and the ability to protect oneself from financial difficulties, thereby paving the way for an independent life and employment in the future

# Appendix

# Medium-Term Business Plan

## *Make the HOKKAIDO Way* 1<sup>st</sup>stage —

Creating a 'Way' That Does Not Yet Exist

FY2026 to FY2028

March 24, 2026

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.

***Make the HOKKAIDO Way***  
 **North Pacific Bank**

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This document contains descriptions about our Group’s future performance, management objectives, and others. These statements are based on forecasts and other projections made at the time of preparation of this document, based on information currently available to the Company. Furthermore, these statements are based on certain assumptions. These statements or assumptions are subjective and may prove to be inaccurate in the future or may not materialize. While there are numerous uncertainties and risks that could cause such outcomes, additional information regarding these can be found in our financial results announcements, information meeting materials, securities reports, and integrated reports. Please note that forward-looking statements in this document reflect the Company’s views as of the date of this document (or any other date specified herein). The Company has neither the obligation nor the policy to update such information to reflect subsequent developments. Furthermore, information regarding companies other than the Company Group contained herein is sourced from publicly available information. The Company has not verified the accuracy or appropriateness of such information and makes no warranties regarding it.

# **Long-term Vision, Mission and Overall Strategy**

Management philosophy

Long-term vision and mission

Overall strategy

**Medium-Term Business Plan**

Brand Slogan ***Make the HOKKAIDO Way***

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

- Aim to become the No. 1 regional bank group in employee satisfaction, thereby enhancing the quality and speed of our services
- Lead growth unique to Hokkaido by promoting the sustainable use of Hokkaido's rich natural environment while preserving it
- Dedicate our full management resources to realizing Hokkaido's potential
- Are fully committed to sharing happiness with the people of Hokkaido through asset-building support

「Hokkaido-based strategy」 「Full digital transformation (DX) Strategy」

「Loyalty improvement strategy」 「Non-financial diversification strategy」

「Human resources and organizational transformation strategy」

**The First Three-Year Plan to Realize Our Long-Term Vision and Overall Strategy**

The guiding principles that form the foundation for realizing our management philosophy and long-term vision

**- Creating a 'Way' That Does Not Yet Exist -**

## Vision

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

## Mission

- Aim to become the No. 1 regional bank group in employee satisfaction, thereby enhancing the quality and speed of our services
- Lead growth unique to Hokkaido by promoting the sustainable use of Hokkaido's rich natural environment while preserving it
- Dedicate our full management resources to realizing Hokkaido's potential
- Are fully committed to sharing happiness with the people of Hokkaido through asset-building support

## 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



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

North Pacific Bank Group's Brand Slogan

# *Make the HOKKAIDO Way*

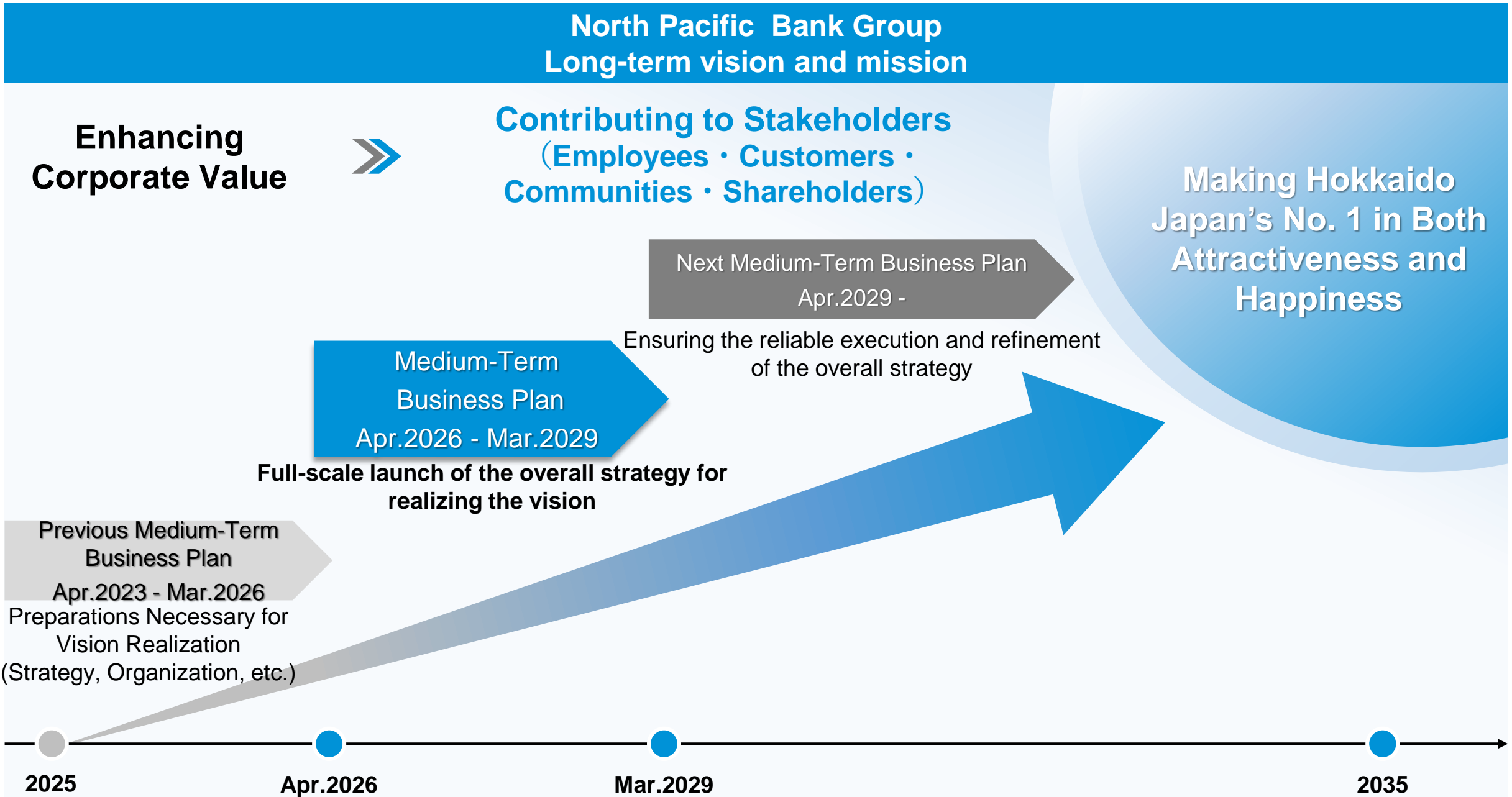
A unique  
**approach** that  
leverages the  
strengths of  
Hokkaido

The Vision  
Hokkaido **Should**  
**Aim For**

The Path  
**Forward** for  
Hokkaido

With the resolve to Create a '**Way**' That Does Not Yet Exist





**Per capita GDP (real GDP)**

**1.3 x (in 10 years)**

**Population of Hokkaido (net migration)**

**Increase (in 10 years)**

**Income of Hokkaido residents (disposable income)**

**1.3 x (in 10 years)**

**Financial assets held by Hokkaido residents (amount held)**

**1.3 x (in 10 years)**

**Hokkaido's natural environment (GHG emissions)**

**48% reduction**  
(By FY2030, vs. FY2013)

**Digital transformation in Hokkaido (labor productivity \*)**

**1.3 x (in 10 years)**



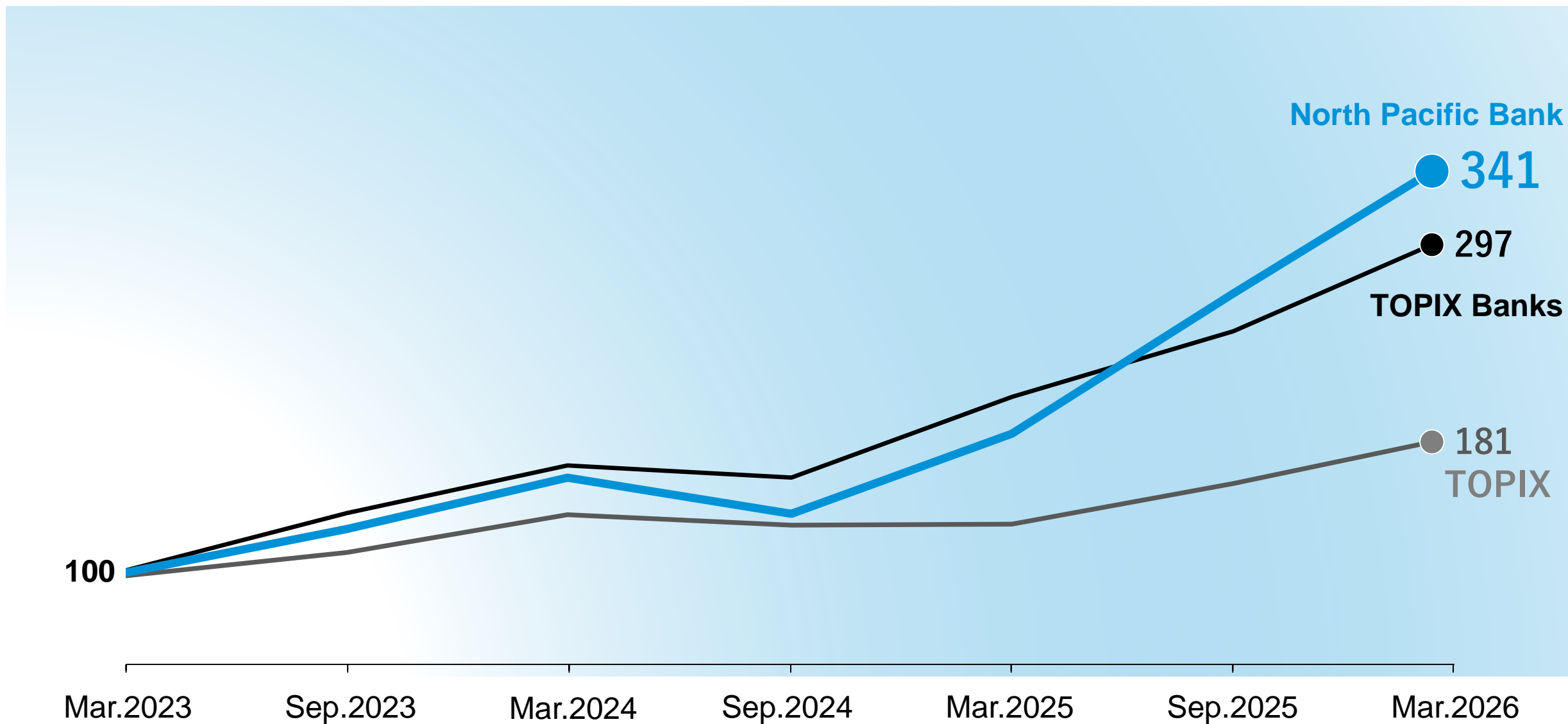
\* Real GDP ÷ (number of employed persons × total hours worked per person)

# **Overview of the New Medium-Term Business Plan**

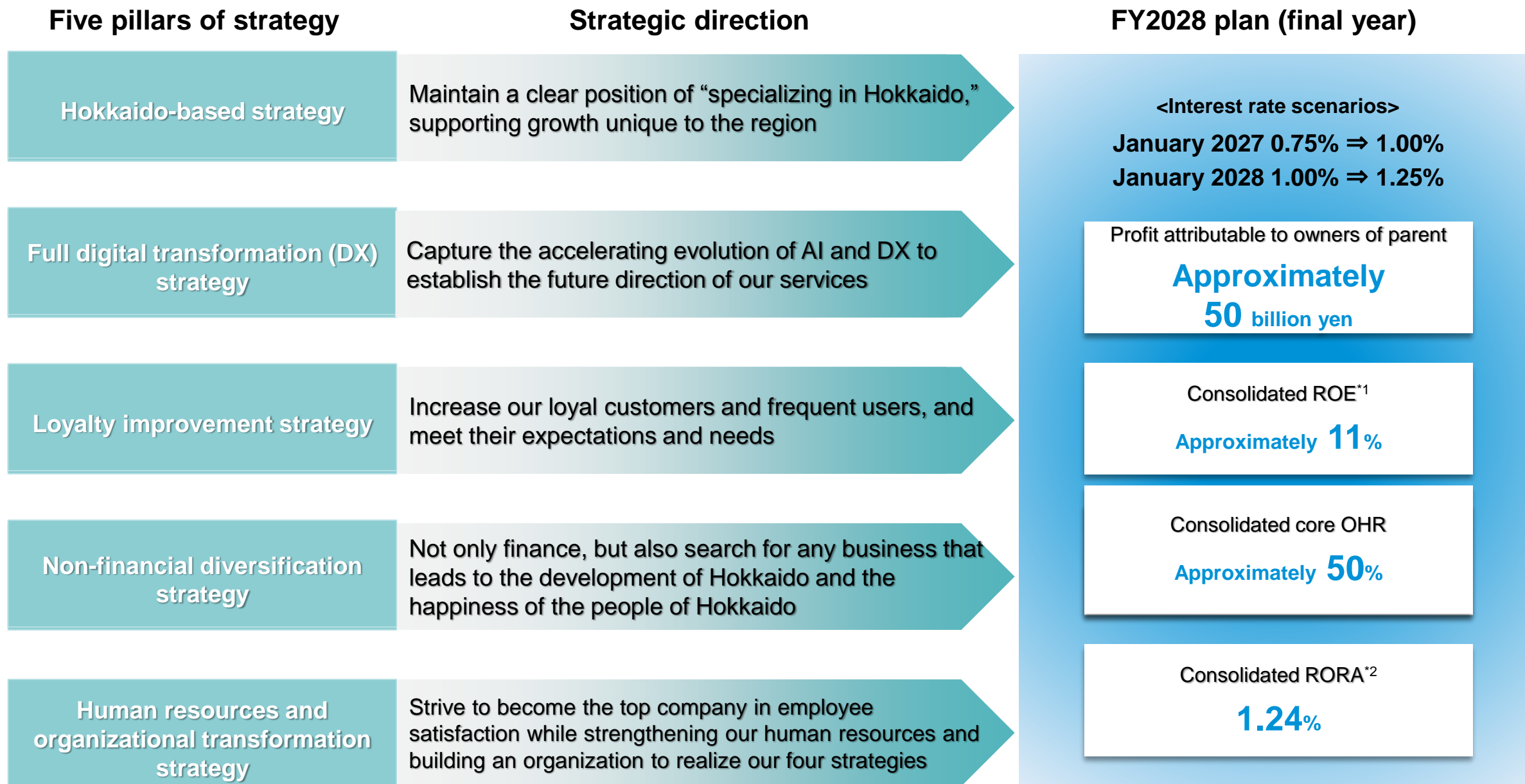
Target	Target for FY2025	Outlook for FY2025
Profit attributable to owners of parent	Approximately 17 billion yen	Approximately 24.3 billion yen
Consolidated capital adequacy ratio	Approximately 14%*	12% range*
Consolidated core OHR	Approximately 70%	60% range
Consolidated ROE	Approximately 4%	Approximately 6.3%

\* Basel III finalization (transitional period) basis. Based on the full implementation of Basel III, it is projected to be in the 11% range in FY2025

**Outperformed the TOPIX and the TOPIX Banks Index, with the stock price rising to approximately 3.4 times its previous mid-term management plan period**

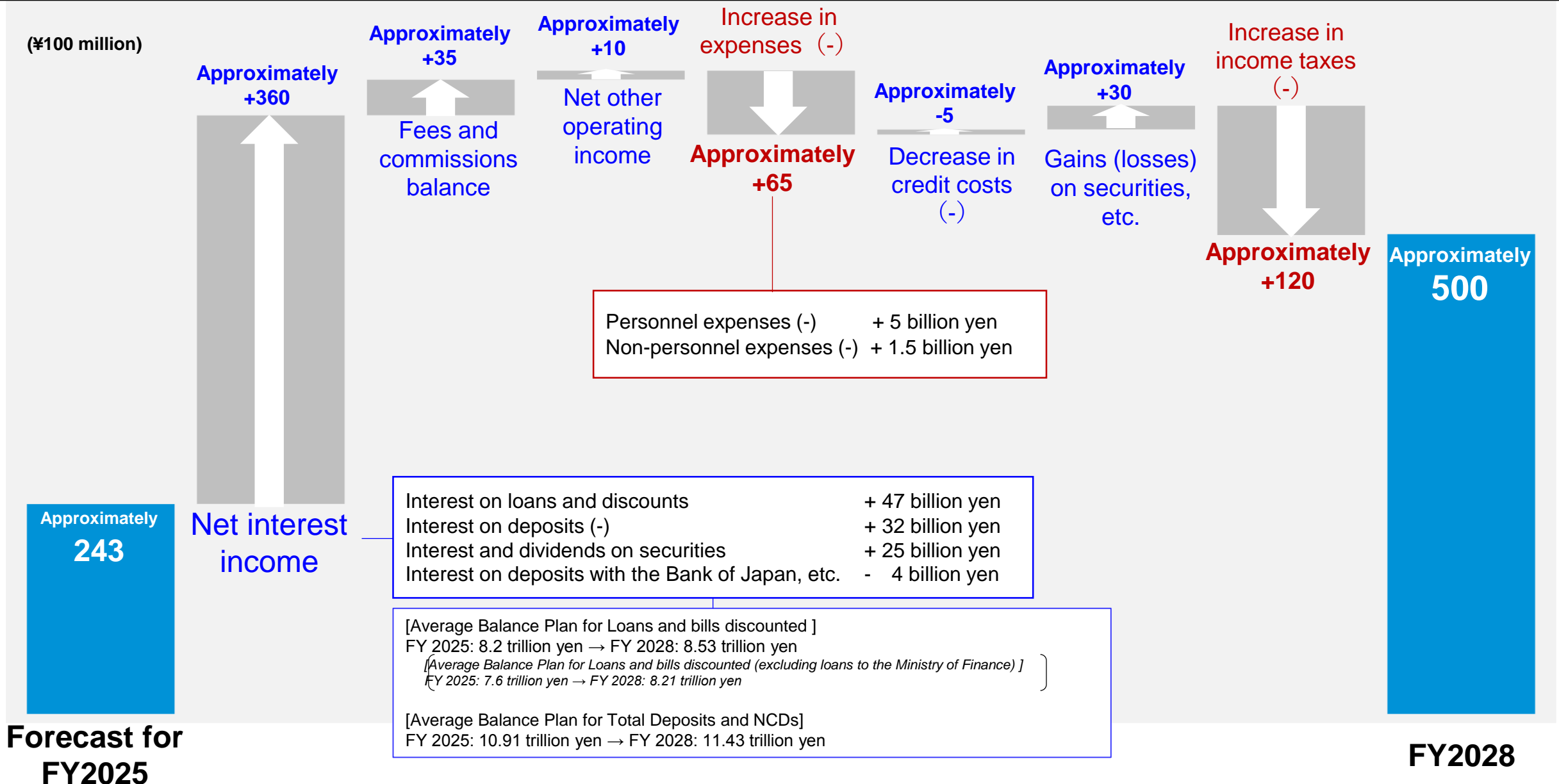


※ The price trends for each stock are shown from the closing price on March 31, 2023, to the closing price on March 13, 2026.



\*1 Net asset basis and shareholders' equity basis \*2 Profit attributable to owners of parent ÷ consolidated risk-weighted assets Approximately 0.73% for FY2025

**Profit attributable to owners of parent is expected to reach approximately 50 billion yen, primarily due to increases in interest on deposits and loans as well as interest and dividends on securities**



Growth investments associated with mid-term strategic initiatives	Three-Year Cumulative Revenue and Expenses (100 million yen)			Key Initiatives, Investment Returns, and Projected Return to Profitability
	Revenue	Costs	Cumulative total for the 2026–2028 period	
Investment in Human Resources (Personal costs, etc.)	0	-43	-43	<b>Human resources and organizational transformation strategy</b> <b>[Polaris Penetration] → P34 [Strengthening Mid-Career Hiring] → P35</b> • Absorbed through increased overall revenue resulting from improved staff satisfaction, service quality, and other factors → P/H Revenue (Net Income): FY2026: 8.4 million yen → FY2027: 10.6 million yen → FY2028: 15.2 million yen
Branding Investment (Raising Awareness and Building a Loyal Customer Base)	1	-13	-12	<b>Loyalty improvement strategy</b> <b>[Concept Store Expansion] [Support for Sports Teams] → P28</b> • Revenue comes from advertising. We will offset costs by increasing customer awareness, fostering a loyal fan base, and boosting overall revenue. → In addition to the advertising revenue mentioned above, we will cover costs by improving core revenue through measures such as increasing deposit and loan balances.
Investments in Loyalty Enhancement (Apps and High-Net-Worth Services)	12	-43	-31	<b>Full digital transformation (DX) strategy   Loyalty improvement strategy</b> <b>[App Revamp (Point Redemption, etc.)] → P23, P26</b> <b>[Assignment of Dedicated Concierges] → P27</b> • Improving customers' total transaction revenue (lifetime revenue) and increasing service revenue in conjunction with stage-up initiatives → App-related investments are projected to turn a profit in FY2032 and achieve cumulative profitability by FY2035
Investments to Expand Business (Individuals and Corporations)	47	-22	25	<b>Hokkaido-based strategy   Full digital transformation (DX) strategy</b> <b>[Promotion of Deposits and NISA / Strengthening of Promotions] → P16–P18</b> <b>[Cashless Payment Promotion] → P24</b> → Spread income and fee income generated by increased deposit balances will offset personnel and advertising expenses <b>[Introduction of Corporate Portals, etc.] → P14–P15, P24</b> → Portal-related investments will turn profitable in FY2028 and be recouped by FY2034, driven by increased revenue from deposit balances and transfers
Growth Sectors and New Business Investments (Agriculture, Semiconductors, GX, New Businesses)	12	-6	6	<b>Hokkaido-based strategy   Non-financial diversification strategy</b> <b>[Agricultural Promotion and Business Entry] → P19, P32 [Semiconductors] [GX] → P20</b> → Costs will be offset by revenue from increased agricultural loan balances; the agricultural business segment alone is projected to achieve cumulative profitability by FY2030 → Costs associated with securing specialized talent will be offset by revenue from increased semiconductor and GX-related lending <b>[New Business Development] → P29–P31 [Community Development Participation] → P21</b> → New businesses will absorb personnel costs and other expenses through future revenue growth across all business segments, aiming to turn a profit by FY2030 → Community development will turn a profit by FY2030 through municipal consulting and real estate financing
Investments in Efficiency and Business Continuity (DX, AI, etc.)	3	-10	-7	<b>Hokkaido-based strategy   Full digital transformation (DX) strategy</b> We are investing in initiatives such as improving operational efficiency through the use of DX and AI, as well as cybersecurity measures.
<b>Total</b>	<b>75</b>	<b>-137</b>	<b>-62</b>	

# Overall Strategy

# Hokkaido-based Strategy

Maintaining a clear position of “specializing in Hokkaido,” we will leverage our leading customer base, network, and capital strength within the region, and differentiate ourselves through the quality of our human resources, frequency of visits, and solution offerings, while concentrating investments in growth areas and strengthening partner collaborations to expand our market share and achieve growth unique to the region

FY2026 to FY2028 (Medium-Term Business Plan period)

–2035

**Early market share expansion phase**

Qualitative growth phase

Realization of growth unique to the region

**[Individual strategies with priority]**

**Differentiation to expand market share across all services for corporations and individuals within Hokkaido**

- Capital strength
- Frequency of visits
- Quality of human resources
- Solution offerings

**Concentrated investment in growth industries**

- Support for the tourism industry
- Support for agriculture
- GX/decarbonization
- Advanced semiconductor industry

**Key KPIs (FY2028)**

Share of loans in Hokkaido  
39.7% → 41.4%

Share of deposits in Hokkaido  
37.7% → 40.0%

Main bank ratio  
37.9% → 40.0%

Number of area-wide regional collaboration projects  
3 cases



Hokkaido-based strategy × non-financial diversification strategy

**Strengthen collaboration with regional partners**

Building a partnership foundation

- Our banking Group
- Local government
- Regional partners such as universities and companies

Hokkaido-based strategy × non-financial diversification strategy

**Active participation in community-building**

Promote in coordination with the strategies listed on the left

- Maintaining and growing key industries
- Job creation for foreign nationals, etc.
- Attracting and cultivating new industries
- DX/AI support and efficiency enhancement

**Expand market share by clarifying business segments, developing human resources to strengthen sales capabilities, and maximizing both activity volume and quality of proposals**

**Corporate sector**

Hokkaido-based strategy × full digital transformation (DX) strategy × human resources and organizational transformation strategy

**Segment clarification**

Ensure sales activity volume through hybrid sales including non-face-to-face approach (face-to-face and non-face-to-face segments)

Sales volume and average balance of deposits

Primarily one-to-one

Mainly digital

Prospective customers

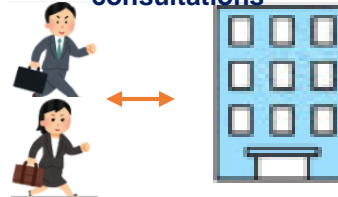
Deposit-only customers

Borrowers

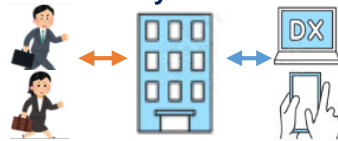
Customer referral

Digital methods

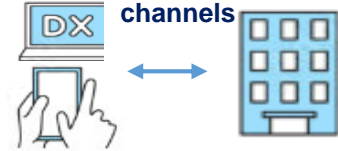
Emphasis on face-to-face meetings and enhanced consultations



Face-to-face/non-face-to-face hybrid



Deepening customer engagement through digital channels



Fully digital

corporate apps  
corporate portals

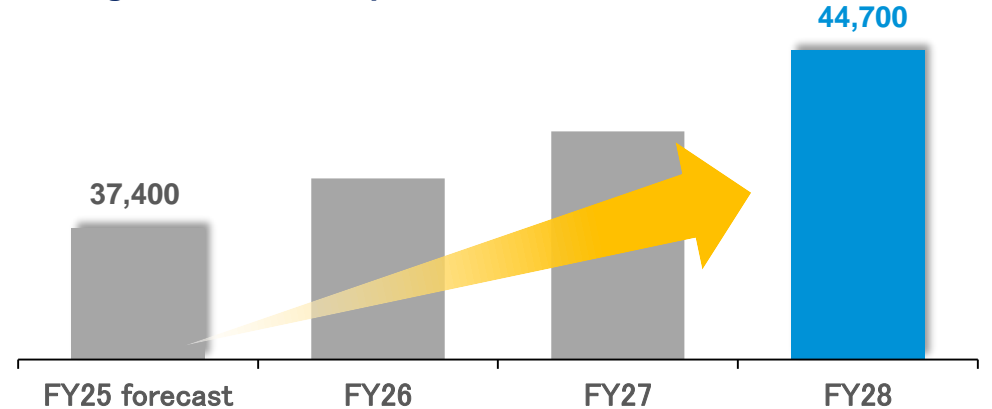
Breadth of transaction

**Utilization of DX/AI (corporate portal, etc.)**

Strengthen sales efficiency and digital transactions by introducing non-face-to-face channels

- Introduce a corporate portal app to expand transactions with young executives seeking digital transactions and improve the productivity of bank employees
- The Corporate Portal primarily offers services such as “electronic document delivery,” “survey functionality for business partners,” and “online loan agreements.”
- Also advance DX for settlement, account opening, contracts, and various procedures for corporate apps and BDs, such as transaction lending and other non-face-to-face loan products

Average balance of corporate loans [¥100 million]



# Expand market share by clarifying business segments, developing human resources to strengthen sales capabilities, and maximizing both activity volume and quality of proposals

Corporate sector

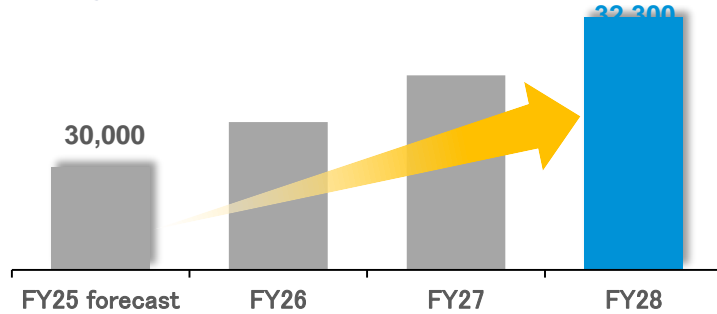
Hokkaido-based strategy × full digital transformation (DX) strategy × human resources and organizational transformation strategy

## DX/AI utilization × strengthening deposit transactions

Since deposits are strongly correlated with settlement transactions, we will expand stable deposits by promoting digital payment services as a core transaction platform. Also develop new value-added time deposits

- Borrowers** Promotion of deposits exceeding loan share ratio
- Deposit-only customers** BD utilization has further room for expansion; promote in combination with financing
- Prospective customers** Promoting new digital transactions through the introduction of online account opening

Average balance of corporate deposits [¥100 million]



## Strengthening sales capabilities (human resource development)

Improve digital data utilization skills, practical sales capabilities, and service proposal skills to enhance both quantity and quality

Increase volume (frequency of visits)

Improve quality (human resources and solutions)

### Data utilization skills

Standardizing “preparation and proposal” by utilizing on-site data to implement efficient face-to-face sales and improve activity volume and productivity

- Data Management Lab. - branch managers and deputy section managers
- Sales promotion management training - branch managers and assistant branch managers

### Relationship skills

Enhance the ability to win over executives, accelerate the development of young professionals into productive contributors, enhance the closing skills of managers, and boost both the activity volume and practical execution capabilities

- Training to strengthen practical execution capabilities as a salesperson - young professionals and managers (Communication and presentation training)

### Problem-solving proposal skills

Learn high-performing knowledge from role models within the Company (senior employees) to improve preparation skills and proposal capabilities

- Biz Starter Lab. - young professionals
- Booster Lab. - mid-level

Accumulate knowledge on advanced financial services to enhance the depth of proposal capabilities

- Special training by product
  - Loans
  - Various solutions
  - Deposits and settlement
  - DX/GX

Standardization (preparation and proposal)

Efficiency enhancement (DX/AI utilization)

Human resource development (strengthening sales capabilities)

Maximizing the volume and quality of activity

Expanding market share

# Enhance stable deposits by focusing on the acquisition of salary payment accounts and pension accounts based on the convenience of the app and the provision of benefits based on transactions

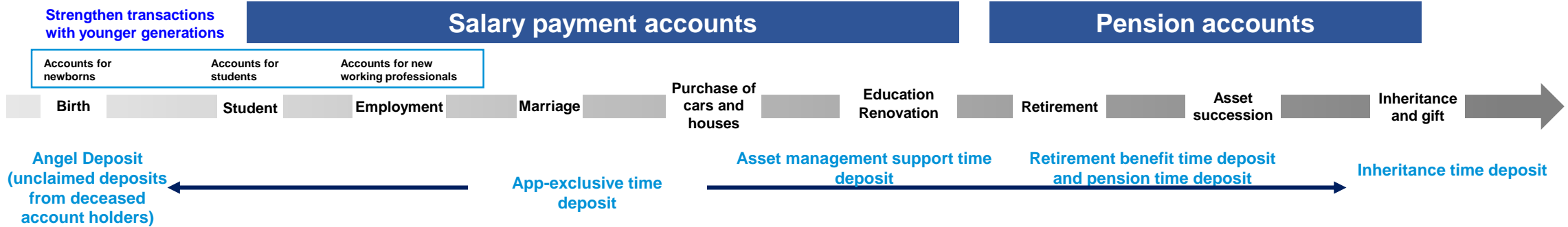
[Retail sector]

Hokkaido-based strategy × full digital transformation (DX) strategy × loyalty improvement strategy

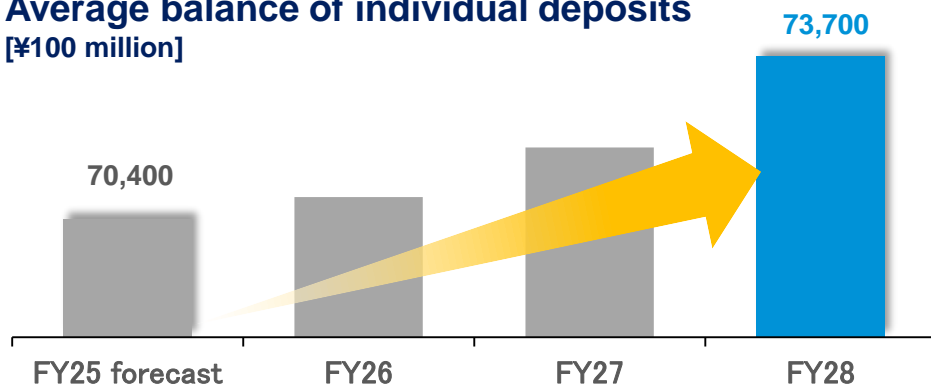
## Acquisition of deposit accounts

Enhance stable deposits by providing deposits and retail services that meet the needs and life events of each customer, including the acquisition of salary payment accounts and pension accounts, as well as the introduction and continuation of transactions for younger generations, starting with various programs via apps

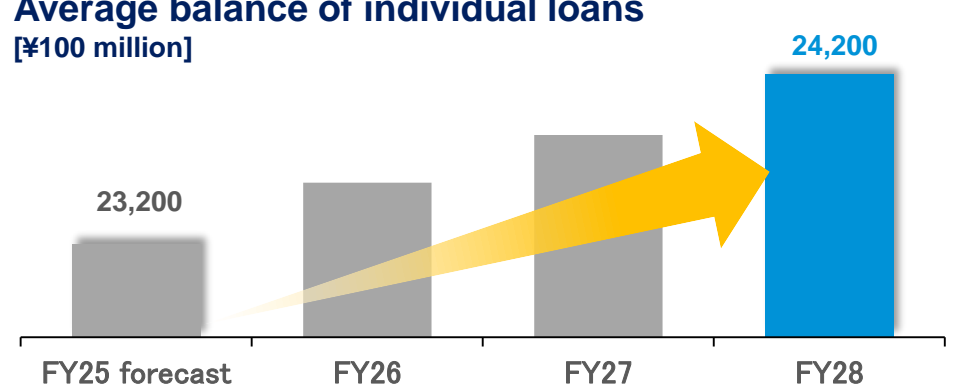
### Acquisition of deposit accounts and target deposits (enhancing promotions through marketing)



Average balance of individual deposits [¥100 million]



Average balance of individual loans [¥100 million]



# Promote the integration of digital and physical experiences, services offering benefits and sense of exclusivity, and multi-product transactions tailored to life plans

## [Retail sector]

Hokkaido-based strategy × full digital transformation (DX) strategy × loyalty improvement strategy

### Differentiation through the integration of physical and digital channels

Leverage and reorganize our advantageous physical locations (branches and ATMs) tailored to regional characteristics and competition with other banks, while simultaneously developing unique services that are integrated with digital transformation

#### Development of streamlined branches

##### ■ In-store branches



Hokku Touch AEON Mall Sapporo Hiraoka

- Offer various digital services at physical branches, including in-person app operation support by bank employees
- In addition to enhancing brand strength, mobile store vehicles will also incorporate advertising services as part of the package

#### Development of mobile store vehicles

##### ■ Mobile store vehicles (conceptual image)



Deposits and withdrawals handled via ATMs; consultation services are the main focus

#### Current policies for branches and ATMs

- During the period of the new Medium-Term Business Plan, our branches and ATM network, the core strength of the bank, will be maintained as key cash points, from the perspective of securing deposits and advancing the penetration of digital services

### Development of loyalty enhancement services

Beyond offering benefits and sense of exclusivity, engage customers by offering optimal customer journeys and proposing integrated retail transactions

Tiered program (customer benefits)

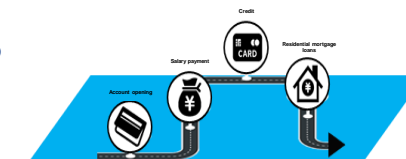
⇒ Page 26

Offer a sense of exclusivity to high-net-worth individuals

⇒ Page 27

#### Provide an optimized customer journey

- Track and analyze changes in life stages and behavioral patterns to provide optimal services tailored to each individual's needs and attributes at the appropriate time



#### Other integrated retail transaction proposals, etc.

- Enhance consulting capabilities by developing life consulting plaza (LCP) human resources, and strengthen proposals for life plans and corresponding integrated retail transactions
- With regard to residential mortgage loans, create surplus capacity by achieving the completion of the mortgage loan process on the web and streamlining clerical work, and strengthening support systems for housing developers
- Reinforce the app menu and web consultation channels for retail services while expanding our holiday consultation support system

Digitalization (convenience + utilization of physical locations)



Loyalty enhancement services (profitability + sense of exclusivity)



Development of LCP human resources (improvement of integrated consulting capabilities)

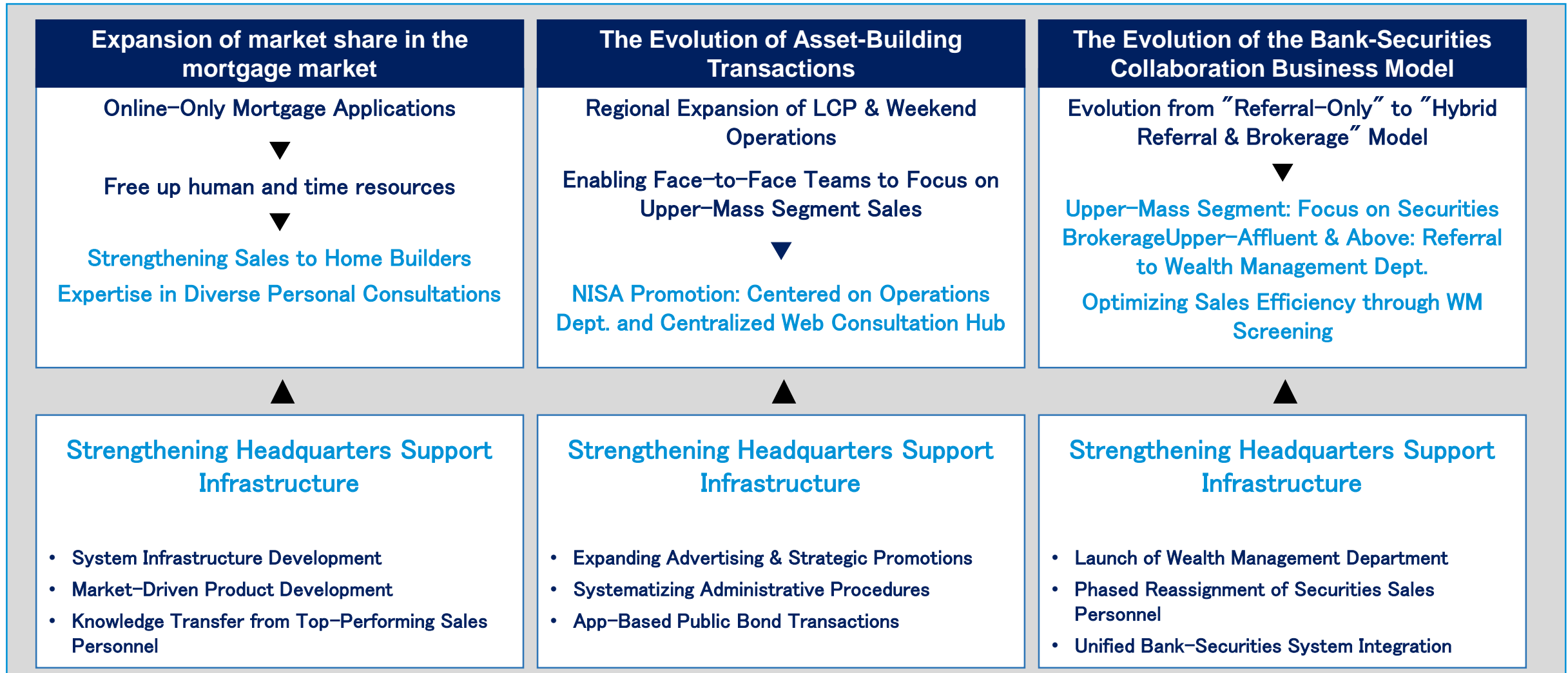


Acquisition of deposit accounts  
Expanding market share

Bank employees working in retail operations will enhance their knowledge through mutual learning, while the head office will expand its support for knowledge development

[Retail sector]

Hokkaido-based strategy × Full digital transformation (DX) strategy × Loyalty improvement strategy



# Promotion of tourism through fund investments, etc. / establishment of North Pacific Bank as the bank for agriculture / strengthening of support for start-ups within and outside Hokkaido

## Support for the tourism industry

**Establishment of regional trading companies**

**Implementation of various initiatives related to tourism promotion by regional trading companies**

**Development of tours**

Leverage the Bank's network to discover and promote tourism content  
Develop small-scale, high-value-added tours based on local information

**Crowdfunding**

Specialize in GCF\* by leveraging our connections with local governments. Aim to protect Hokkaido's tourism resources and enhance its attractiveness

**Other measures**

Hold product fairs, manage and plan events, and establish information dissemination bases outside of Hokkaido  
Gradually expand the tools and capabilities for tourism promotion

**Formation of tourism fund**

**Expand the attractiveness of tourism resources through fund investment**

**Fund investment**

Redevelopment and reconstruction of tourism content utilizing investment funds  
Formation of fund by the Bank alone or in collaboration with other parties  
Project structuring supported by regional consultants fostered within the Bank as well as the collection of information through outreach activities conducted by our headquarters

\*Government Crowdfunding: A crowdfunding-type hometown tax donation program where donations are selected from local projects

## Support for startups

**Active investment in and financing of startups outside Hokkaido**

Deploy specialists in Tokyo to secure profits through project sourcing, investment and financing, and LP investments in venture capital funds

**Establishment of a startup support base**

Establish a base to brand our startup support initiatives to create a Hokkaido startup ecosystem

## Support for agriculture

**Establishment of agriculture = North Pacific Bank**

**Expanding loans to farmers within Hokkaido**

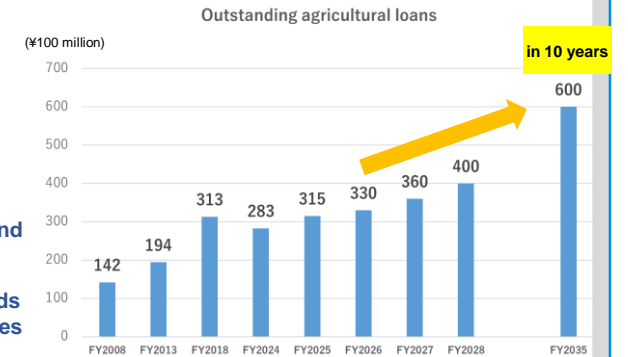
**Key measures**

**FY2025: 31.5 billion yen**  
**FY2028: 40 billion yen After 10 years: 60 billion yen**

■ Allocation of agricultural specialists

■ Business promotion image

- (1) Planting period: Expand the number of agricultural corporations as business partners
  - Hokuyo agricultural loans
  - Utilize agricultural area revitalization fund No. 2
- (2) Growing period: Identify large loan needs : Development into integrated businesses



**Foster leaders and entry into agriculture**

Details on page 32

**Newly established corporation, "Hokuyo Harvest Village"**  
(Grand Prize Winner of the 1st Business Contest)

# Dedicate our full management resources to GX and semiconductor-related industries to realize Hokkaido's potential

## GX-related

### Commercialization of large-scale GX projects

Support for commercialization through investment and financing

Large-scale GX projects to be developed within Hokkaido, aiming for commercialization in the 2030s. Actively engage from the planning stage to contribute to maximizing Hokkaido's potential.

### Supply chain development

Leveraging the Bank's hub function through investment and financing

Through direct involvement in GX projects through investments, we will deepen our understanding of their business viability and support our business partners' participation by serving as a hub.

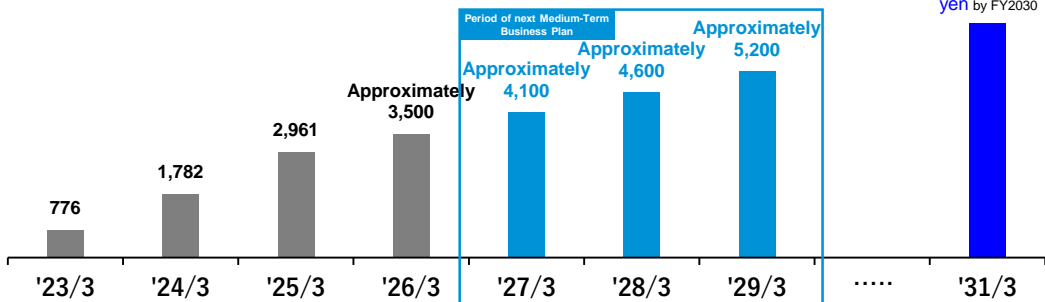
### Regional revitalization

Creating jobs, industries, and opportunities in the region

Starting with the GX business, we will create an environment in which jobs exist locally and people can settle down.

GX-related financing and plans (cumulative basis) [¥100 million]

Approx. 650 billion yen by FY2030



## Semiconductor-related

### Community-building

Revitalization of the Chitose area as a hub for the semiconductor industry

Encourage the sale or leasing of unused land owned by the Bank's business partners, while supporting entry into new subdivisions to promote the location of semiconductor-related companies in the area (30 target sales offices).

### Human resource development

Strengthening human resources in manufacturing to support the build-out of a semiconductor industry cluster

Implement human resource development through collaboration with semiconductor-related companies both within and outside Hokkaido and by promoting the utilization of human resource development facilities.

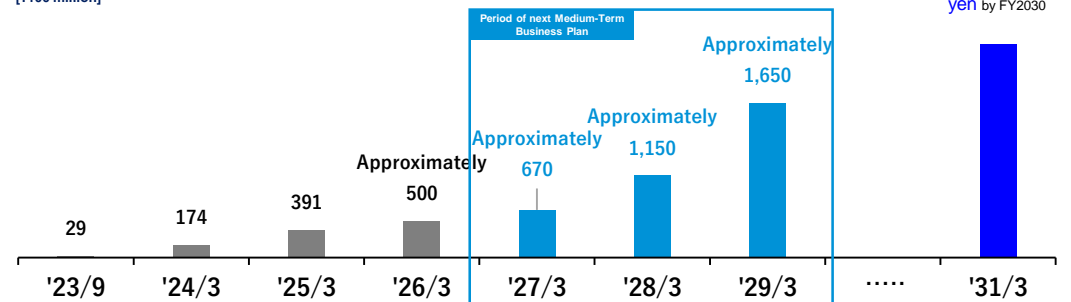
### Supply chain development

Promote the participation of Hokkaido companies in the supply chain

Encourage Rapidus and major counterparties to engage in business with companies in Hokkaido, uncovering a wide range of procurement needs. Strengthen companies seeking to enter semiconductor-related networks and directly support the entry of companies in Hokkaido into the semiconductor industry as part of their growth strategy.

Semiconductor-related financing and plans (cumulative basis) [¥100 million]

Approx. 300 billion yen by FY2030



# Proactive participation in sustainable community-building through strengthened collaboration with local governments and local partners

FY2026 (1st year of Medium-Term Business Plan)

FY2027 (2nd year of Medium-Term Business Plan)

FY2028 (3rd year of Medium-Term Business Plan) –2035

Strengthening regional cooperation, information gathering and analysis

Identify the entry points for community-building in each region and begin implementing specific solutions

Commercialization

Active participation in community-building



Strengthen collaboration among the Group, local governments, and regional partners

Hokkaido-based strategy × non-financial diversification strategy

## Formation of a regional ecosystem



### Hokkaido growth business headquarters

Promote Hokkaido's regional growth, the creation and fostering of new industries, and regional revitalization

Growth Strategy Planning Department

New Business Creation Department

Public Finance Community Development Department

Community-building Promotion Office

Newly established

Strengthening connections with community-building stakeholders  
Collection of information on initiatives by regional banks outside Hokkaido  
Addressing knowledge gaps

Identifying challenges by region and area  
Identifying entry points for community-building (real estate, etc.)  
Utilizing local government plans, RESAS, ILO industry analysis, etc.

Lead solutions for each region centered on these entry points  
Become a key player in community-building

E.g.) in the real estate sector, we will leverage regional resources while considering intangible elements such as revitalizing local communities and decarbonization, utilizing fund formation and other mechanisms

- Collaboration among the three departments within the business headquarters is the main focus
- Fully leverage the comprehensive strength and solution capabilities of the Group
- Proactively reach out to local stakeholders

Further strengthen partnerships

# **Full Digital Transformation (DX) Strategy**

Under our policy of aiming to be the best in Japan in UI/UX and support systems for the app’s “basic functions,” through digital integration leveraging our unique customer base and physical locations, we aim to establish a unique position that differentiates us from online banks and deliver tailored value propositions to each customer

FY2026 to FY2028 (Medium-Term Business Plan period)

–2035

**Basic functionality and differentiation establishment phase**

Qualitative advancement phase      Toward full digital transformation (DX)

**[Individual strategies with priority]**

**App renewal and enhanced support system**

- Japan’s top UI/UX and support system
- Fee revision
- Launch of a points program

**Hokkaido-based strategy × full digital transformation (DX) strategy**

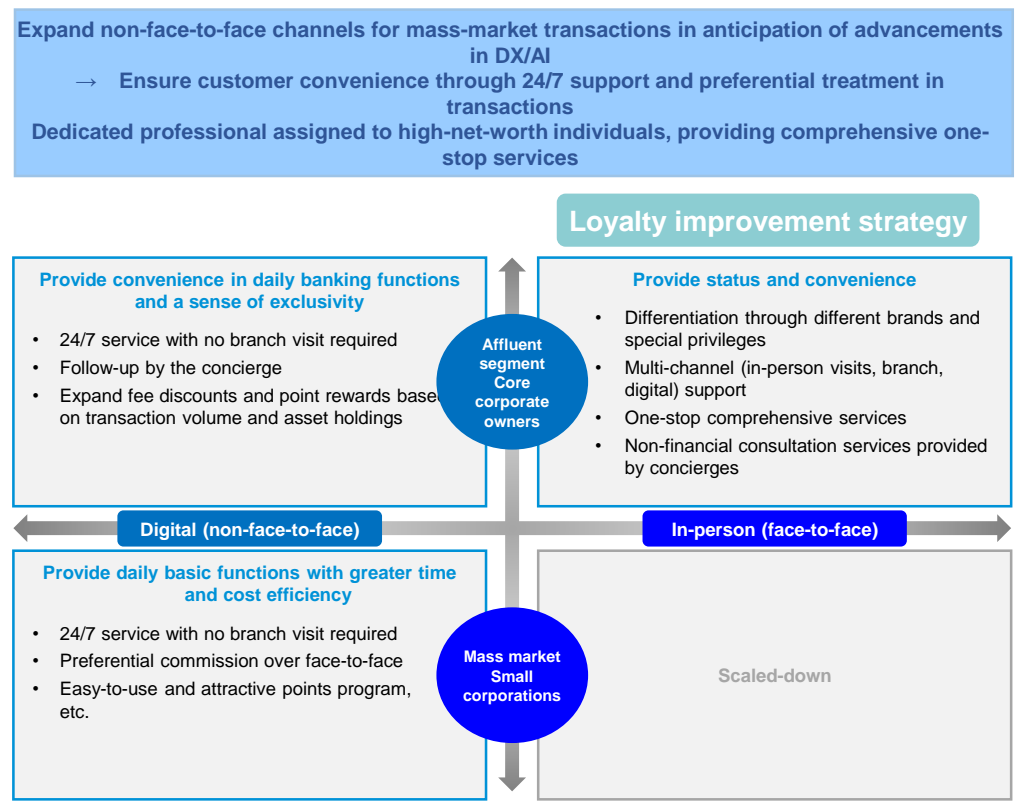
**Introduction of corporate portal/apps\***

- Expansion and streamlining of digital services for corporations

**Operational efficiency through DX/AI**

- Business process automation with RPA
- DX implementation support
- AI-driven business optimization and advanced data utilization

**[Direction of channel transactions]**



**Key KPIs (FY2028)**

- Number of app users 590,000 → 1.2 million
- App usage rate among younger generations 27.4% → 65.3%
- Number of companies using the corporate portal 50,000 companies
- Number of companies using the corporate app 20,000 companies



# Enhancement of basic banking functions and improving UI/UX while building a robust support system

FY2025

FY2026 (1st year of Medium-Term Business Plan)

FY2027 (2nd year of Medium-Term Business Plan)

FY2028 (3rd year of Medium-Term Business Plan)

Sequential improvements to the app's basic banking functions, UI/UX, and support system

Toward delivering new value

## [Expansion of app functions and systems]

### Enhancement of basic banking functions

- In addition to incorporating feedback from staff and customers, we will implement banking features that are lacking vs. other banks into the app to enhance convenience

### [App functions to be added in the future]

- (1) Various administrative procedures via the app
- (2) Money transfer reservation
- (3) Goal-oriented savings
- (4) Account transfer acceptance etc.....

### POINT

Enhance UX by offering features comparable to major banks and online banks



App Ape Award 2025  
Winner of the Special Award (Regional App Award)



## Become Japan's top bank app in UI/UX

- Improve unclear (or difficult-to-use) app screens and usability based on feedback from staff and customers

### POINT

Improve UI/UX that cover users from the younger generations to the elderly

## Enhancement of support system

- Enhance inquiry handling capacity to accommodate increased QA due to expanded functionality
- Comprehensive app guide for beginners

### POINT

Establish the best support system in Japan



## Advance the optimization of business processes through DX and AI to create additional time and workforce capacity

### Operational efficiency through AI

#### Implementation of AI tools

April 2026 onwards

Implement in-house FAQ tool to reduce inquiry response time at headquarters

#### Utilization of Generative AI Chat

April 2026 onwards

Active promotion of use of generative AI to improve operational efficiency

### Operational efficiency through DX

#### Channel for businesses that do not require branch visits

FY2028–

- In addition to switching paper documents such as repayment schedules to electronic formats, financial statements and other documents received from customers will be exchanged electronically
- Consider loan applications (transaction lending) via new channels (corporate app)
- Enable non-face-to-face account openings (website → corporate portal)
- Enhance the convenience of North Pacific Business Direct while strengthening security to provide customers with peace of mind **FY2026–**

#### Payment initiatives

FY2026–

- Establish a dedicated department **Payment Strategy Department** for promoting cashless payments
- Promote the acquisition and use of corporate credit cards, while commercializing corporate debit cards
- Form a dedicated team targeting local governments and universities to accelerate progress

#### North Pacific Bank app

FY2026–

- Revamp both UI/UX and support systems to expand the number of users
- Continue to expand attractive functions

#### Streamlining internal operations

- Review the residential mortgage loan processing workflow to streamline LP operations **FY2027–**
- Gradually begin remote processing of inheritance ‘acceptance procedures’ and expand to all branches by FY2028 (LiveOn) **FY2026–**

#### Cooperation in non-competitive areas

FY2026–

- Establishment of the TSUBASA Joint Administrative Center
- Maximize the TSUBASA alliance synergy effects (quantify the impact of the initiative)
- Enhance collaboration with other banks in the area of operational efficiency

Full digital transformation (DX) strategy × non-financial diversification strategy

# Loyalty Improvement Strategy

**Aim to enhance customer loyalty and achieve clear differentiation by providing convenient and value-added services to our customers, alongside exclusive services for high-net-worth individuals, while advancing our “community-focused” approach through supportive consulting and brand establishment**

July 2025 Established new specialized department

FY2026 to FY2028 (Medium-Term Business Plan period)

Planning of measures by the Loyalty Enhancement Promotion Office

Establishment and operational phase of various programs and initiatives

customer base expansion

Establishment of the Group brand

## [Individual strategies with priority]

Full digital transformation (DX) strategy × loyalty improvement strategy

**Differentiation through point rewards, etc.**

Offer programs tailored to each tier

Blue

White

Bronze

Silver

Gold

Platinum

Hokkaido-based strategy × loyalty improvement strategy

**Provide a customer journey process<sup>\*1</sup>**

Ideal phased product model development

Quantification of contributions by product

Identification of the optimal customer journey

Optimal product recommendations for each customer

### Loyalty Enhancement Promotion Office

**Offer a sense of exclusivity to high-net-worth individuals**

Offer status and convenience

Concierge placement

Special app functions

Expansion of asset succession consultation services

Non-financial services support

**Branding of the North Pacific Bank Group**

Promoting branding internally and externally

Logo design change

Enhanced sponsor support

Character business development

Concept branch development

### Key KPIs

(FY2028)

**Number of Tiered members**  
500,000 people

**App MAU rate<sup>\*2</sup>**  
73% → 80%

**Existing corporate owners:**  
800 individuals

**Number of succession consultation contracts**  
1,220 (cumulative)



\*1 Page 17

\*2 MAU (Monthly Active Users) Rate: A metric indicating the percentage of registered users who used the service at least once in a given month

# Introduce a points program and establish a tiered program to enhance convenience and customer benefits and expand the Bank's loyal customer base

FY2026 (1st year of Medium-Term Business Plan)

FY2027 (2nd year of Medium-Term Business Plan)

FY2028 (3rd year of Medium-Term Business Plan)

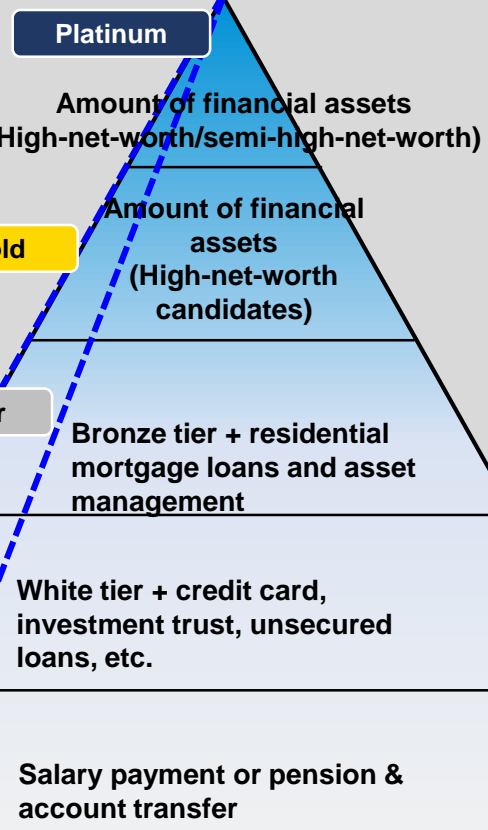
Develop and design the points and tiered program, and launch the points program

Full operation of tiered program

## [Tiered program]

Loyalty improvement strategy × full digital transformation (DX) strategy

Conceptual image



### (1) Younger generation tier "Blue"

Grant special benefits to the younger generation (aged 15 to 25) to broaden their transaction base  
 Aim to prevent the outflow of the younger generation to other banks and make them our mainstay banking customers in the future

### (2) Point services



Award points for key transactions for main account activation, such as salary payment and pension transactions, to encourage continued engagement  
 Points are awarded per transaction and can be exchanged for bank points that can be exchanged for PayPay credit or Rakuten points

### (3) Tiered program



To further expand transactions with mainstay customers, we will enhance benefits such as expanding points and various commission discounts at each tier  
 Achieve both "expansion of transactions" and "retention" through incentives for long-term, substantial transactions

# Strengthen succession support while providing comprehensive, one-stop services encompassing both face-to-face and non-face-to-face, financial and non-financial services

FY2026 (1st year of Medium-Term Business Plan)

FY2027 (2nd year of Medium-Term Business Plan)

FY2028 (3rd year of Medium-Term Business Plan)

-2035

Launch concierge services Sequential rollout of non-financial services / Implementation of high-net-worth functions in the app

Toward a separate branding for high-net-worth individuals

## Offer a sense of exclusivity to high-net-worth individuals

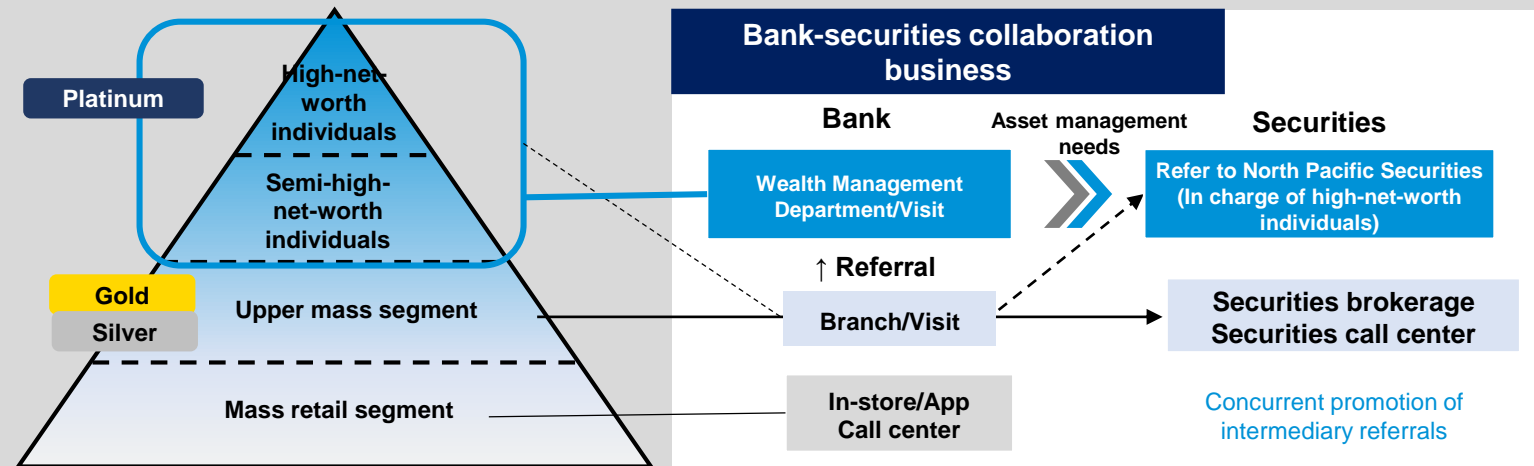
Loyalty improvement strategy x non-financial diversification strategy

### New department dedicated to serving high-net-worth individuals

- HKP Wealth Management Team established as a dedicated department within the Bank for high-net-worth individuals

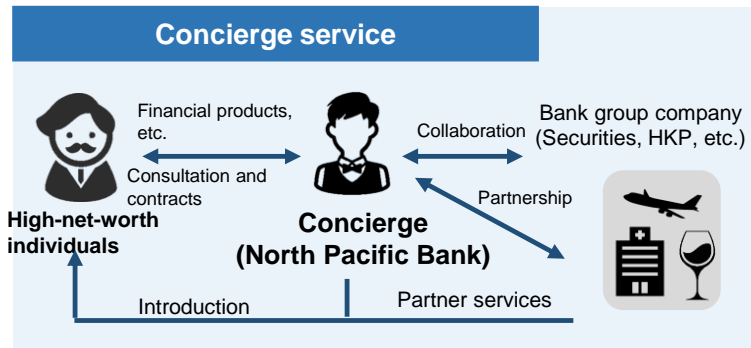
**Wealth Management Department** Newly established

- Strengthen support for asset management and business/asset succession, primarily targeting corporations/corporate owners, real estate owners, and those seeking tax and legal consultation



## Enhance loyalty of high-net-worth individuals

- Assign dedicated **concierge** specialists to provide comprehensive services, including non-financial services, through a one-stop solution
- Introduce **special app functions** such as tax planning as part of the benefits of the tiered program



## Special app functions

Conceptual image



- Concierge consultation function
- Features that address specific concerns, such as asset and tax planning

# Strongly advance the establishment of the North Pacific Bank Group brand through various initiatives based on the *Make the HOKKAIDO Way*

FY2025

FY2026 (1st year of Medium-Term Business Plan)

FY2027 (2nd year of Medium-Term Business Plan)

FY2028 (3rd year of Medium-Term Business Plan)

Penetration of inner branding within the Group

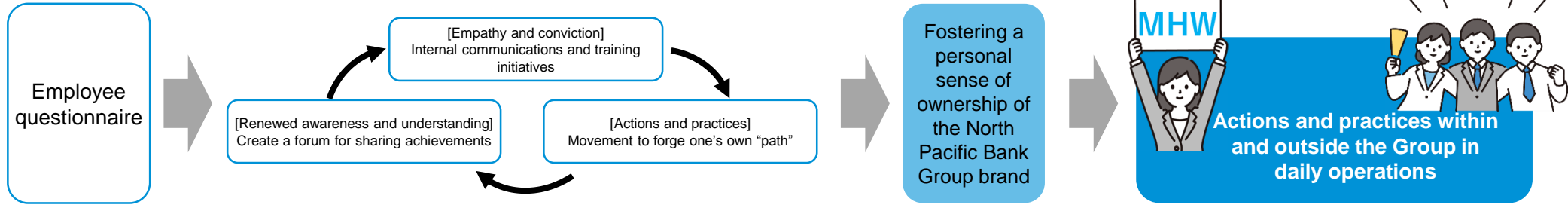
Employees embodying the brand through their own actions

Enhancement of existing promotional initiatives

Preparation for new branding initiatives

Large-scale branding deployment

Internal



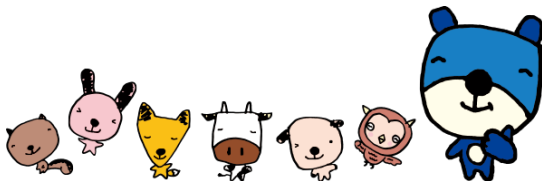
North Pacific Group brand slogan

**Make the HOKKAIDO Way**

We will create the "way" that does not yet exist

External

Increase exposure of mascot character "Hokku and Friends"



Enhance sponsor support for sports teams

Loyalty program

Establishment of corporate club activities

Sapporo Snow Festival giant snow sculpture project



Multi-faceted expansion of concept branches

Establish brand image aligned with the long-term vision

# **Non-Financial Diversification Strategy**

To realize solutions beyond finance that contribute to seizing opportunities and solving challenges in Hokkaido, we are building a unique value-provision model that combines banking strengths with non-financial expertise. Through comprehensive support only possible as a regional bank and the creation of new businesses, we aim to enhance the value of the entire region

FY2026 to FY2028 (Medium-Term Business Plan period)

→2035

## Non-financial business expansion and new business creation phase

Area expansion phase

Regional ecosystem and new business development

### [Individual strategies with priority]

**Hokkaido-based strategy × non-financial diversification strategy**

**Acquire expertise and take initiative in advancing renewable energy/GX project support<sup>\*1</sup>**  
Establish a regional core position

- Build expertise through collaboration with partners
- Active participation in offshore wind, solar and hydrogen businesses

**Full digital transformation (DX) strategy × non-financial diversification strategy**

**Strengthen TSUBASA alliance<sup>\*2</sup>**  
Implement measures leveraging wide-area collaboration

- Utilization of common API platform
- Joint administrative center
- Sharing of know-how
- Mutual customer matching

**Non-financial business for regional revitalization (regions and companies)**  
Regional problem-solving support

- Decarbonization support
- DX/AI support
- Recruitment support
- Real estate support
- Industrial cluster revitalization support
- New businesses

**Hokkaido-based strategy × non-financial diversification strategy**

**Strengthen collaboration with regional partners<sup>\*3</sup>**  
Building a partnership foundation

- Our banking Group
- Local government
- Regional partners such as universities and companies

**Key KPIs**  
(FY2028)

- Sustainable finance**  
1.5 trillion yen
- Number of human resource matches**  
224 cases
- Number of new businesses**  
6 cases



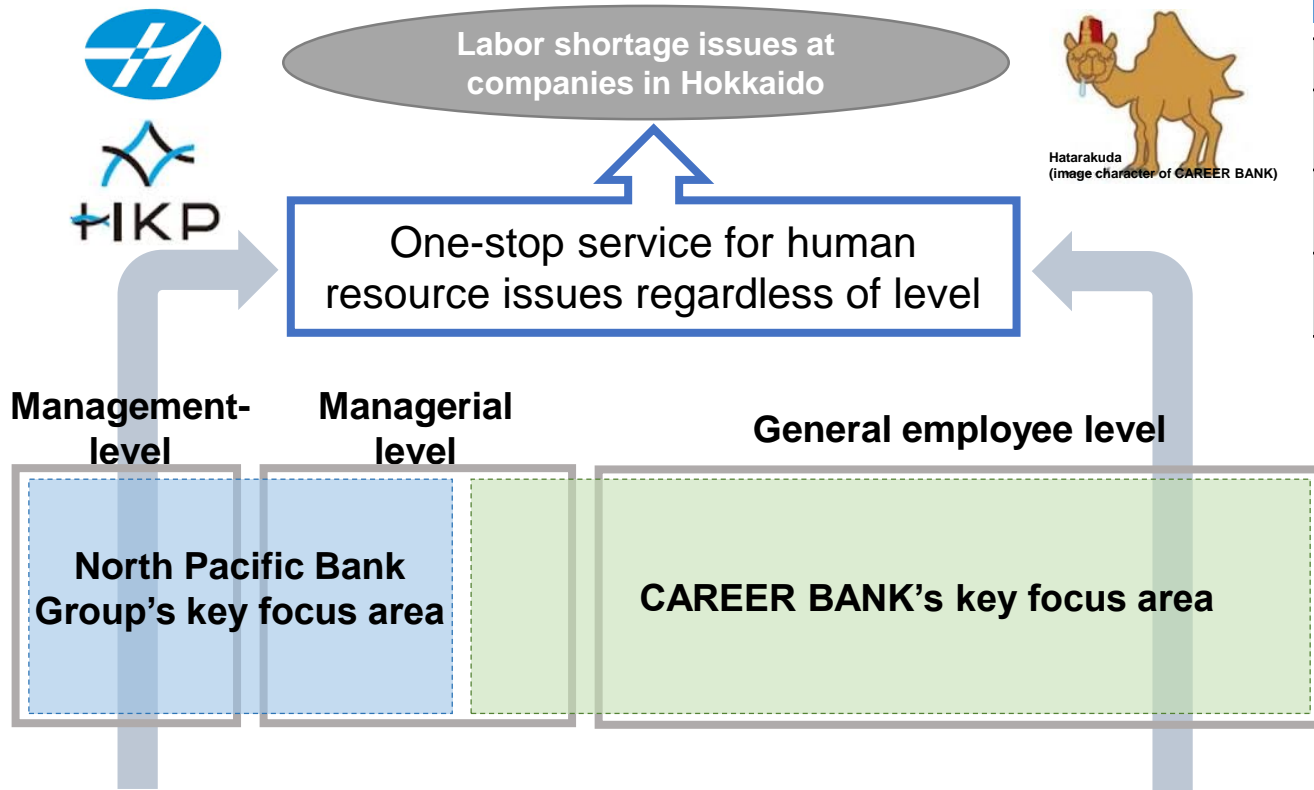
\*1 Pages 20 and 21

\*2 Page 24

\*3 Page 21

## Explore all businesses that help solve social issues in Hokkaido

### Temporary staffing and recruitment business [North Pacific Bank x CAREER BANK]



March 4, 2026

### Launch of a tender offer (TOB) for CAREER BANK CO., LTD.

Tender offer period	March 4 to April 21, 2026 [34 business days]
Purchase price	Common stock: 1,755 yen per share (Premium: 45.52% compared to the closing price on March 2)
Minimum number of shares to be purchased	638,000 shares
Maximum number of shares to be purchased	Not specified



Make the HOKKAIDO Way  
 North Pacific Bank  **CAREER BANK**  
 キャリアバンク株式会社

#### 【Strengths of North Pacific Bank Group】

- Network of business partners in Hokkaido
- Network of branches throughout Hokkaido
- Consulting services

#### 【Strengths of CAREER BANK】

- Human resource supply mechanism
- Pool of job seekers
- Links with the government (employment support, etc.)

# Explore all businesses that help solve social issues in Hokkaido

## Overseas staffing business [HKP]

Proactively address the challenge of human resource shortages

- To address the major challenge of “shortage of construction management personnel” among construction companies in Hokkaido, HKP provides comprehensive support from recruitment (Indonesians) to training, matching with companies, visa applications, immigration procedures, and post-employment follow-up.

**Challenges Facing the Construction Industry in Hokkaido**  
Shortage of construction management personnel



Comprehensive support for foreign workers' employment

Proactively addressing the challenge of labor shortages



[Entrance ceremony]

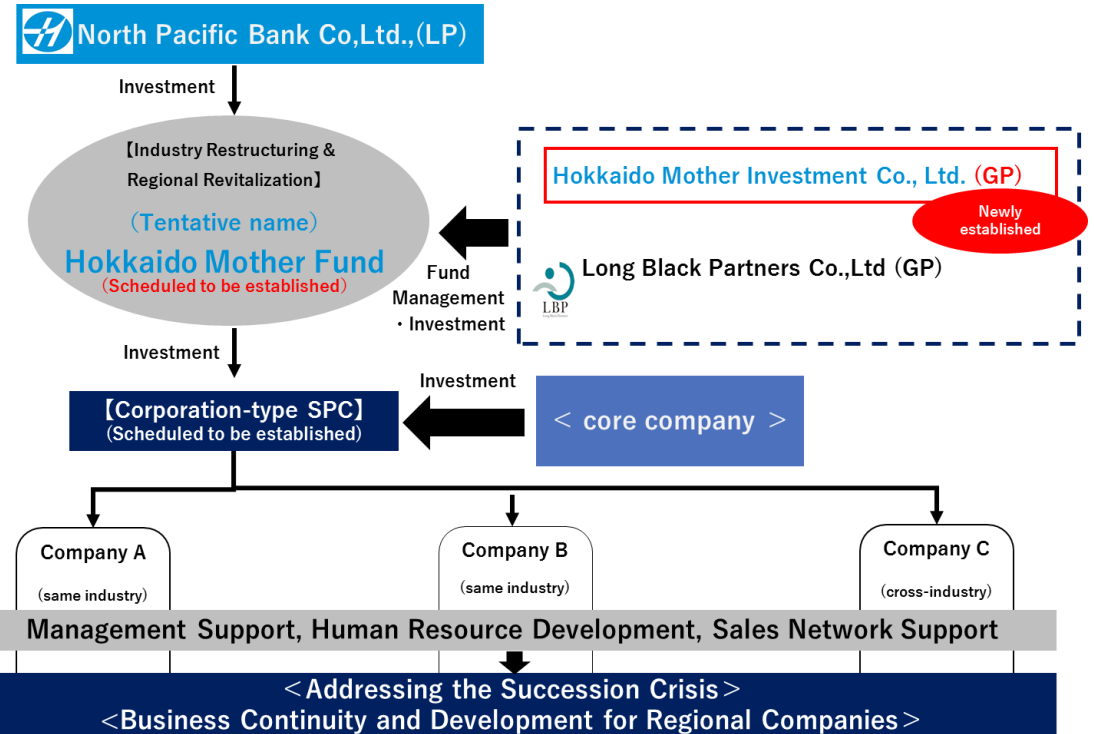


- Starting April 2026, we plan to begin dispatching the first cohort (14 individuals) in stages
- Thereafter, they will visit Japan every six months to conduct matching with the assigned companies

## Industrial cluster revitalization support

Strengthen competitiveness and promote growth through industry restructuring, aiming to resolve 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.
- Hokkaido Mother Investment Co., Ltd., a newly established subsidiary, will primarily handle fund management operations.



# Explore all businesses that help solve social issues in Hokkaido

## New Business Development

## Contributing to Solving Hokkaido's Social Issues through Non-Financial Businesses

### Agriculture

**Cultivating the Next Generation of Farmers: Enhancing the Vitality and Appeal of Hokkaido's Agriculture**

- **Creating a New Agricultural Entry Model in the Sapporo Metropolitan Area**
- **Addressing the Talent Shortage through a "Nurture, Integrate, and Deploy" Framework**

#### Banking groups' own entry into the agricultural sector

- Practicing agriculture firsthand to promote its appeal.
- Engaging in urban farming to create employment opportunities for new farmers.
- Transferring accumulated farming expertise to support independent agricultural startups.

#### Agricultural schools for working professionals

- Offering new options for those interested in agriculture and aspiring farmers
- Leveraging our bank's "business management expertise" and "network," we provide comprehensive support from the start of farming through to establishing a successful farm

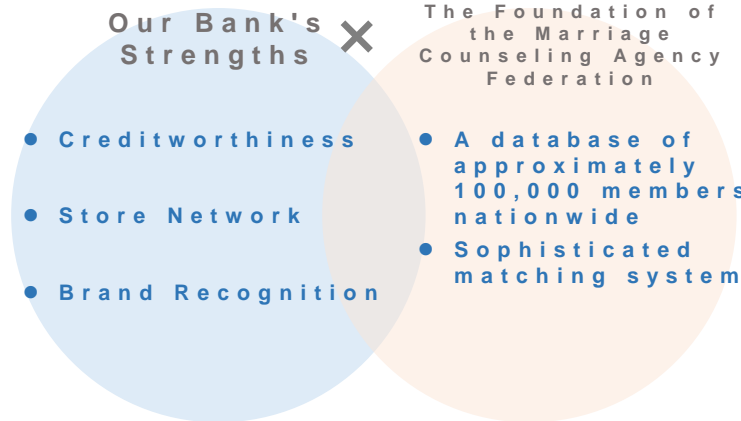
**Contributing to the sustainable development of agriculture in Hokkaido**

### Marriage counseling agency

Scheduled to Launch Proof of Concept

**Leveraging Banking Strengths for Regional Matchmaking: Enhancing the Well-being of Hokkaido's Residents**

- **Addressing Employee Welfare and Succession Challenges:**
- **Leveraging Banking Infrastructure to Expand Hokkaido's Matchmaking Market**



**Support for "marriage needs" for Hokkaido residents**

### AI Adoption Support

**End-to-End Support for AI Integration and Talent Development: Achieving Holistic Optimization of Daily Operations**

- Provision of AI Educational Training, AI Consulting, and Creative Advertising Services to Regional Enterprises and Municipalities
- In addition to the aforementioned external solutions, we also execute internal group operations, including business process optimization support, strategic evaluation of AI tool implementation, and the delivery of specialized training and creative advertising production for our own banking group.

Scheduled to Launch Proof of Concept

<b>AI Education Workshop</b>	In-person training that offers stage-specific programs, ranging from executive decision-making to the development of practical skills on the front lines
<b>AI Consulting</b>	Support for redesigning your company's business processes with AI in mind after implementation, and accompanying you through the adoption process
<b>Advertising Production</b>	An AI-powered ad creation service that enables flexible advertising while keeping promotional costs low

**Using AI to Boost Corporate Productivity and Solve Business Challenges**

# **Human Resources and Organizational Transformation Strategy**

In order to secure human resources and strengthen the organization that supports the four strategies, we apply evaluation under the new personnel system and foster a culture in which employees can take on challenges autonomously. We aim to achieve the No. 1 position in employee satisfaction through actively hiring mid-career professionals, including specialists, promoting internal reskilling and development, and cultivating a workplace in which everyone can work healthily

FY2026 to FY2028 (Medium-Term Business Plan period)

–2035

Phase for embedding the system and promoting talent development and recruitment

Qualitative expansion phase

Establish a culture of challenge  
Top company in employee satisfaction

## [Individual strategies with priority]

### Establishment of the new personnel system “Polaris”

Promotion of understanding of the personnel system through training

Reflection of autonomous behavior in performance evaluations

### Promotion of autonomous activities such as cross-organizational projects

Reflection of autonomous cross-sectional project evaluation criteria

Promotion of the utilization of the side-job system

### Active recruitment and development of human resources

Strengthening of recruitment through collaboration with business headquarters

Diversification of recruitment methods (alumni referrals)

### Promotion of career advancement and reskilling

Expansion of reskilling opportunities

Career development through the utilization of open recruitment system

### Strengthening organizational structure in new business and digital fields

Identifying internal planning talent through business competitions

Strategic acquisition and internal development of DX/AI human resources

### Review and enhancement of health management initiatives

Utilization of DX/AI to increase efficiency and reduce working hours

Leveling of operations by reassigning personnel

### Key KPIs

(FY2028)

Engagement score  
68→77

Annual number of open recruitment  
100 persons

Number of participants in the recruitment selection process  
1,800 per year

Number of paid leave taken per employee  
16 days



# Promote self-directed career development and organizational transformation by instilling the new personnel system

## Establishment of the new personnel system “Polaris”

**The Concept of “Polaris”**

merit-based evaluation improved fairness of treatment autonomy  
 An evaluation system that serves as the foundation for realizing the concept

- Identify issues through questionnaires and individual interviews, and use those findings to deepen the adoption of Polaris and improve the system. We view evaluator training as an ongoing process, and we will continue to provide it on an ongoing basis.

**Key measures**

**Employee questionnaire**  
 Review questionnaire results to consider and implement improvement measures → Respond based on facts such as the degree of understanding and support levels for each initiative

**Continued implementation of training for appraisers and appraisees**  
 Revise training content based on questionnaires and performance appraisal results

**Individual interviews with all employees**  
 Scheduled for FY2027 or later, when training for appraisers is fully established

**Engagement score trend**

Year	Engagement Score
'24/3	64
'25/3	66
'26/3	68
'28/3	77

## Promotion of career advancement and reskilling

### Promotion of autonomous activities such as cross-organizational projects

- Support the autonomous career development of each employee by providing tools for visualizing career goals and self-development
- Activate cross-sectional projects and promote transformation into an autonomous organization to tackle challenges as a unified bank

**Key measures**

**Realization of autonomous career development**  
 Career visualization → List of required skills, recommended qualifications, and training programs  
 Provision of learning and training opportunities  
 Provision of reskilling opportunities and learning tools, expanding access through open-enrollment training programs  
 Creation of career realization opportunities through the expansion of open recruitment system

**Establishment and revitalization of cross-organizational projects (including open recruitment of project proposals)**

```

            graph TD
            A[Visualization of career prospects] --> B[Participation in self-development and open-enrollment training programs]
            B --> C[Utilization of the open recruitment system]
            C --> D[Career realization]
            style D fill:#0070C0,color:#fff
            
```

Annual number of open recruitment

**End of FY2028  
100 persons**

# Accelerate proactive recruitment and internal development of human resources to support the four strategies

## Strengthening organizational structure in new business and digital fields

### Active recruitment and development of human resources

- Year-round recruitment and diversification of hiring methods to proactively secure human resources
- Expand recruitment of highly specialized human resources aligned with corporate strategy through HRBP\*1 placement
- Maximize potential through training tailored to individual experience and skills

#### Key measures

#### Implement year-round recruitment, expand mid-career and specialist recruitment

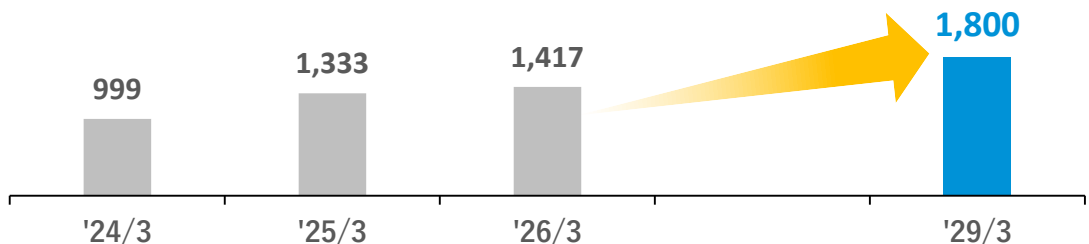
- Newly implement the referral recruitment system
- Utilize alumni recruitment (expand the number of alumni network registrants)
- Allocate HRBPs to each business division (concurrently)

#### Support employees in maximizing their performance based on their experience and skills

- Expand onboarding training
- Introduction of a mentor system for mid-career hires

#### Establishment of the Digital Business Department and New Business Creation Department

Trend of recruitment process participants [Unit: Persons]



\*1 Human resource professionals who collaborate with the HR department on challenges such as recruitment and human resource development (training) from a position close to the work scene

## Review and enhancement of health management initiatives

- Further promotion of the use of paid leave and improvement of productivity by correcting excessive working hours
- Preventing departure of junior employees who may be struggling through prompt follow-up

#### Key measures

#### Revision of work rules

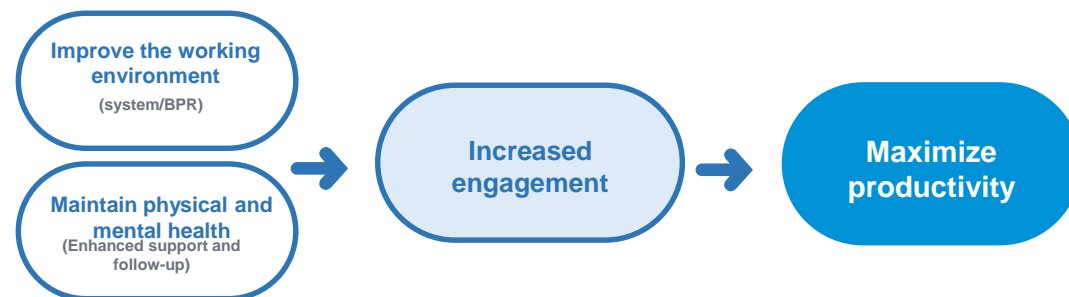
Establishment and promotion of hourly paid leave system

#### Improving the working environment through BPR initiatives

Review cross-departmental BPR and staffing measures

Establish a system to promptly detect junior employees (within three years of joining) who may be struggling and provide swift follow-up support

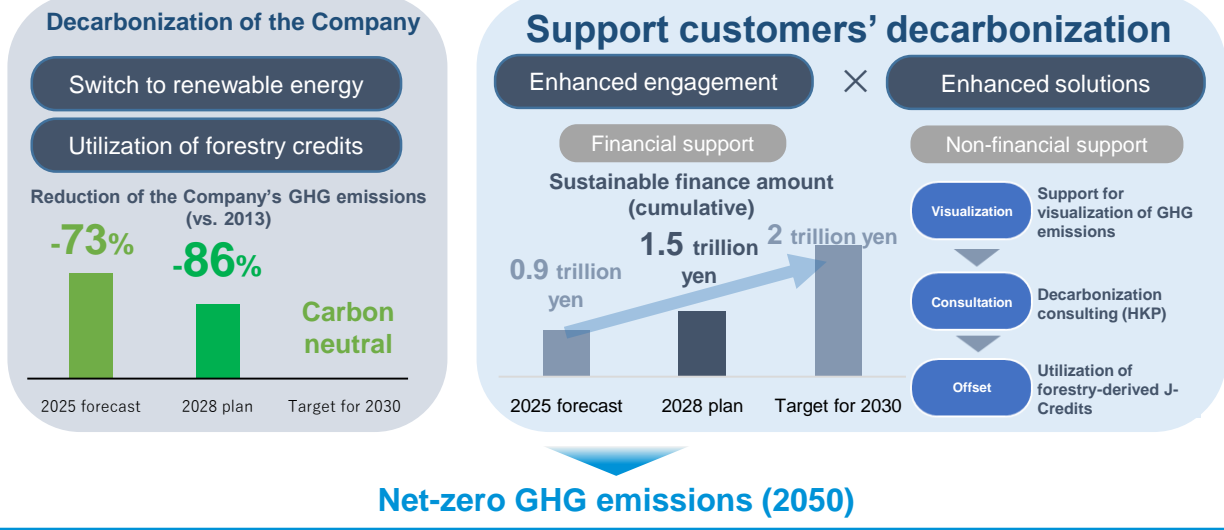
Provide support through in-person and online consultations



# Other Strategy

# Contributing to growth that is unique to Hokkaido through decarbonization, the promotion of biodiversity, financial education, and support for solving local issues

## Strengthen support for the Company and our customers toward the decarbonization of Hokkaido



## Strengthen support for the promotion of biodiversity in Hokkaido

### Application support for registration as a Nationally Certified Sustainably Managed Natural Site\*

- Register the forested land owned by the Bank as a Nationally Certified Sustainably Managed Natural Site and develop it into a model case within Hokkaido for maintaining and restoring biodiversity through tree and forest cultivation, bamboo cutting, and other maintenance activities
- Launch a new support service to conduct on-site surveys of customers' forested land, formulate implementation plans, and assist with registration as a Nationally Certified Sustainably Managed Natural Site

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

### Utilization of Hokku Nature Positive Fund

- Contribute to the creation of biodiversity by supporting activities that contribute to the conservation and promotion of biodiversity, as well as activities that contribute to environmental education and human resource development

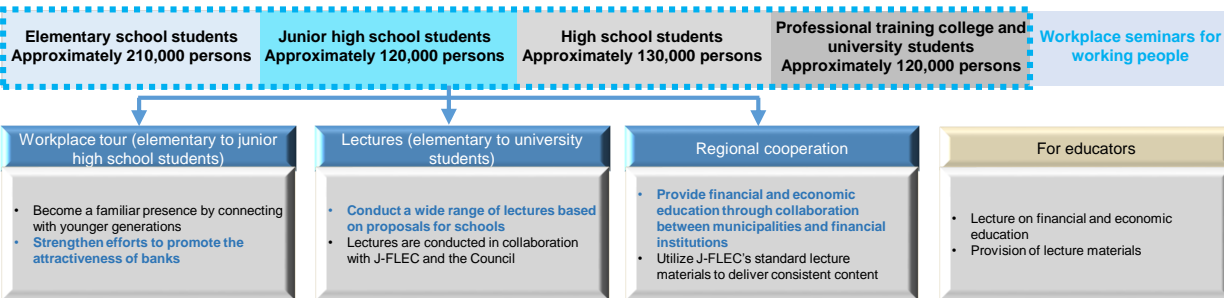
Contribute to the maintenance and restoration of ecosystems by enhancing social value through registration as a Nationally Certified Sustainably Managed Natural Site, and by improving the natural environment

Protect Hokkaido's abundant nature while promoting its utilization

Contributing to nature positivity through initiatives such as environmental improvement and environmental education

## Contribute to improving happiness by fostering financial literacy in Hokkaido

- In a financial literacy survey, Hokkaido ranked 33rd out of 47 prefectures, placing it in the lower tier. Enhance financial and economic education for all generations in collaboration with J-FLEC and the Hokkaido Financial Education Promotion Council
- Provide services for educators to establish a system in which educators can deliver lectures themselves



## Financial support for activities contributing to enhanced attractiveness and level of happiness of Hokkaido

- The North Pacific Bank Group will work to enhance Hokkaido's attractiveness and happiness through activities that contribute to regional revitalization and solving local issues, as well as by providing financial support for education, culture and sports

### Eligible for support

- Regional revitalization, (2) Environmental conservation, (3) Sports support, (4) Education, culture and arts promotion, (5) Medical welfare services, (6) Other activities that help solve regional issues in Hokkaido

### Public call for new initiatives (NEW)

Launch a public solicitation donation program for activities that help solve regional issues. Provide support across a wide range of fields while meeting local needs.

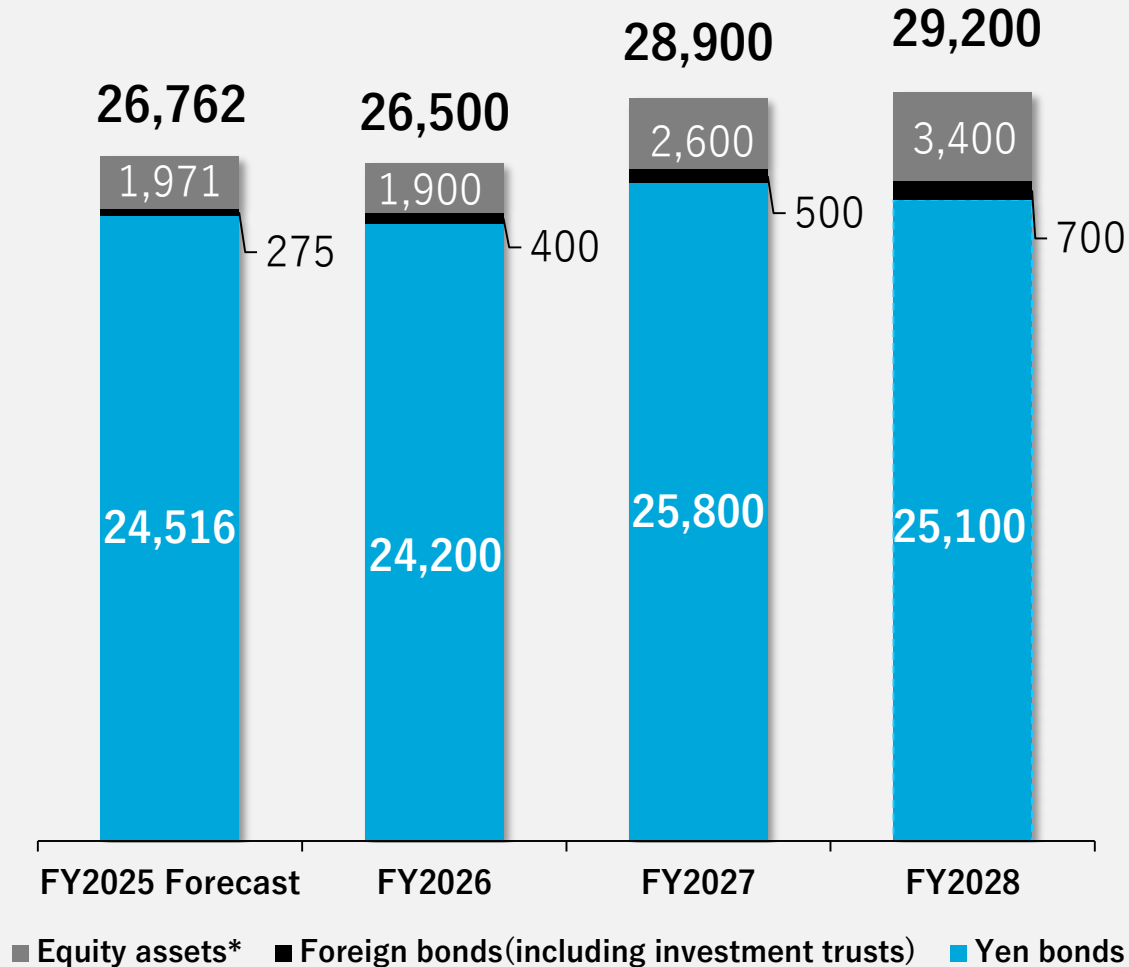
# Enhance the competitiveness of existing Group businesses while expanding into new business domains rooted in solving Hokkaido's challenges



## Continued Operations to Diversify Yen-Bond-Heavy Portfolios

### Average Balance by Securities Asset Class

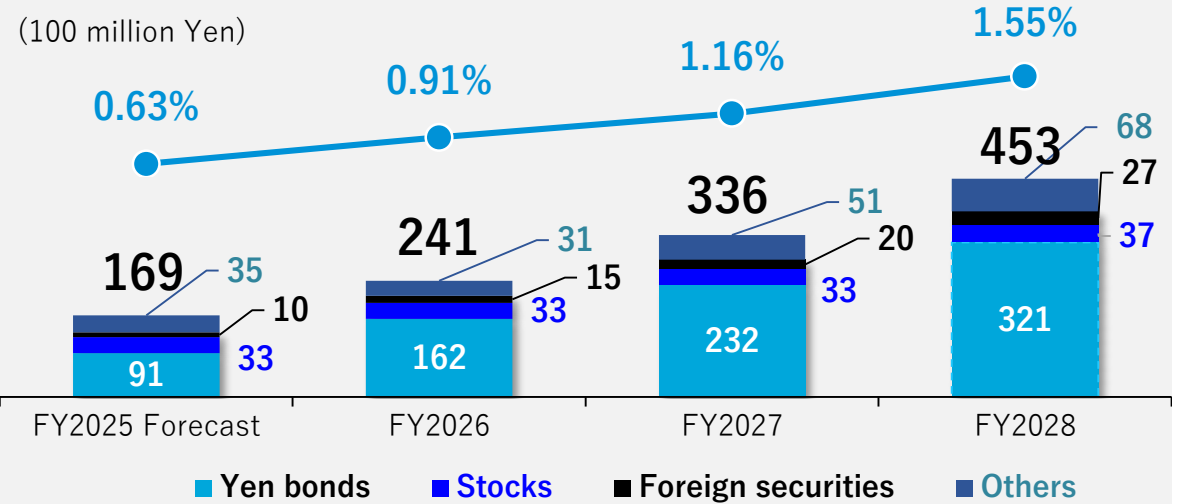
(100 million Yen)



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

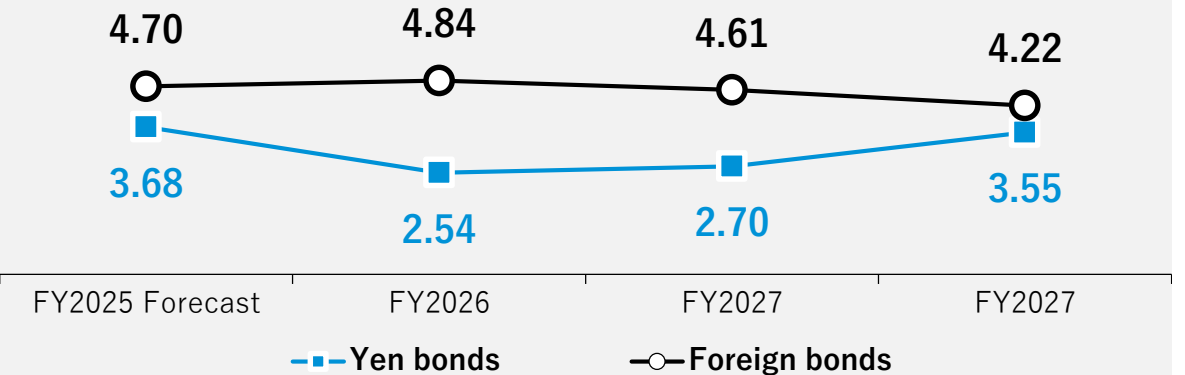
### Dividends/yields on securities

(100 million Yen)



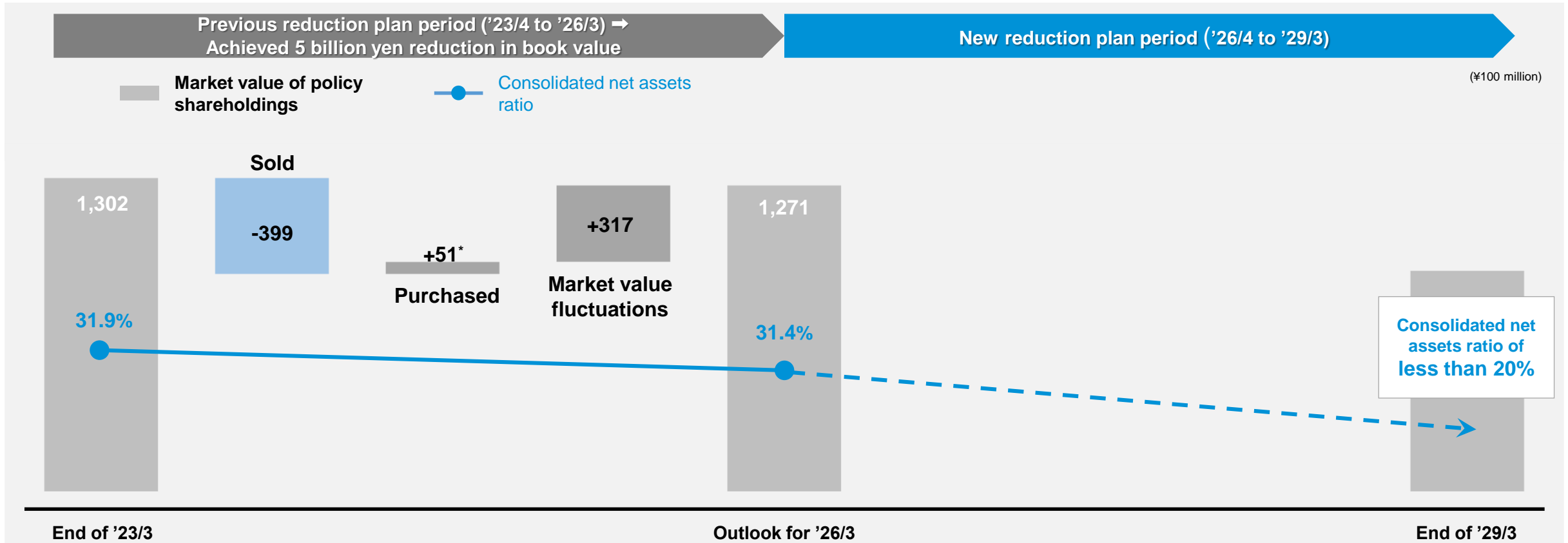
### Bond duration (years)

(year)



# Capital Policy

**Formulated a new reduction plan, aiming for a “consolidated net asset ratio of less than 20% (market value basis) by the end of March 2029”**



- Conducted dialogue with all listed companies regarding reduction (FY2025)
- Based on the results of the dialogue, **formulated a reduction plan to achieve a consolidated net asset ratio of less than 20% during the new Medium-Term Business Plan period**
- Gains from share sales will be used to rebuild the securities portfolio and in growth investment that contributes to improving ROE and PBR as well as for shareholder returns

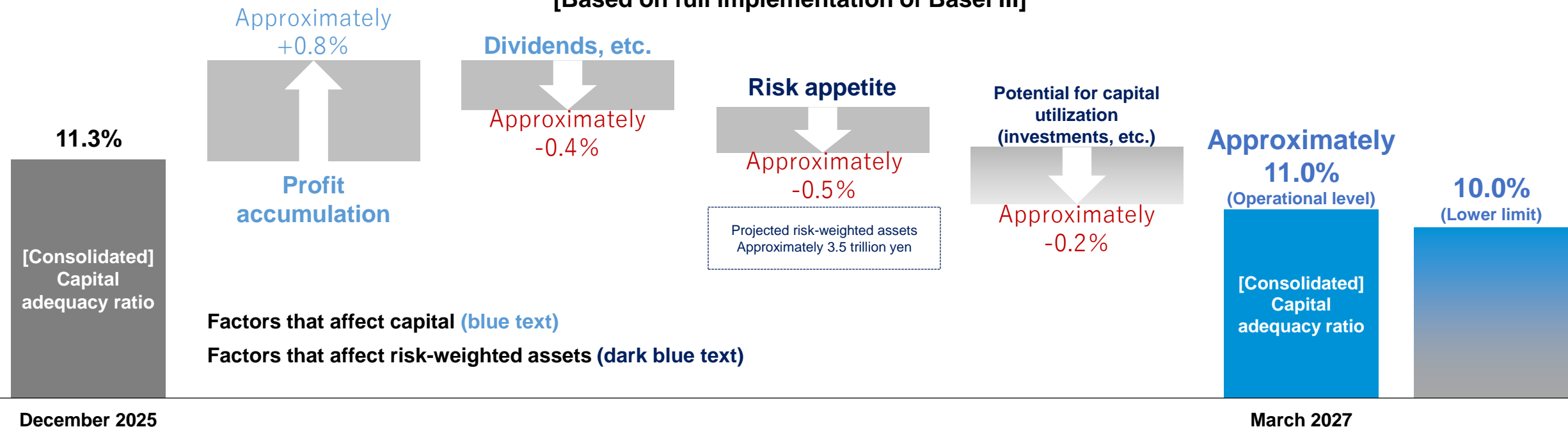
[Results of dialogue]

Target companies	Positive response	Continue dialogue
45 companies	23 companies	22 companies

\* Investment of 5 billion yen in Rapibus Corporation

For the first year of the Medium-Term Business Plan, the (consolidated) capital adequacy ratio is set at an operational level of approximately 11.0%, and a lower limit of 10.0%

Capital adequacy ratio operational and minimum level in FY2026 (first year of the Medium-Term Business Plan)  
 [Based on full implementation of Basel III]



## Approach to capital policy

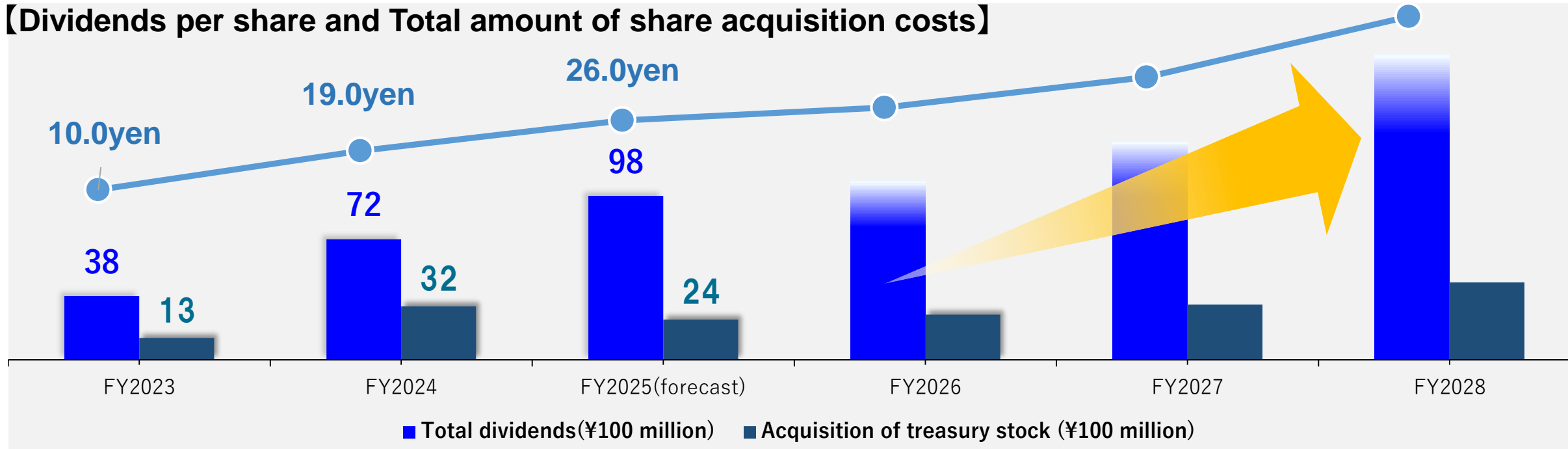
- Appropriate control of capital through **expansion of investments and loans to local industries** based on the “Hokkaido-based strategy,” **strategic investments** to support GX and renewable energy projects, **investments to improve services and strengthen competitiveness**, and **enhancement of shareholder returns**
- While considering investments for the future, such as human resource development and reskilling support under the “human resources and organizational transformation strategy,” we **review annually** the appropriate level of capital adequacy ratio and confirm its soundness, taking into account our performance outlook, the status of assets and liabilities, and trends in the external environment

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

### Shareholder return policy

- **Dividend payout ratio shall be 40% or higher** while maintaining a stable annual dividend of 10 yen per share
- **Quarterly dividend** ~ Record dates (dividend record dates for the first and third quarters) to be announced based on resolution by the Board of Directors
- 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**

【Dividends per share and Total amount of share acquisition costs】



# Organization

Audit and Inspection Department  
 General Secretariat  
 Management Planning Department  
 Personnel Department  
 Customer Loyalty Enhancement Office

Risk Management Department  
 Legal and Compliance Department  
 System Department  
 Loan Administration Department  
 Treasury & Markets Department

Items in blue indicate departments and offices that have been reorganized in accordance with the overall strategy and this Mid-Term Management Plan.

Hokkaido Business Growth Division  
 Growth Strategy Planning Department  
 New Business Innovation Department  
 Regional Revitalization Department

Consulting Business Division  
 Business Strategy Department  
 Retail Business Promotion Department  
 Wealth Management Department  
 Corporate Business Promotion Department

Digital Business Division  
 Digital Transformation Department  
 Payment Strategy Department  
 Operations Planning Department

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North Pacific Bank, Ltd.

Materials for the 28th Information Meeting

June 4, 2026

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

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