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

February 10, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: North Pacific Bank, Ltd.
Listing: Tokyo Stock Exchange / Sapporo Securities Exchange
Securities code: 8524
URL: <https://www.hokuyobank.co.jp/>
Representative: Hironobu Tsuyama President
Inquiries: Hitoshi Nogiwa Managing Executive Officer of Management Planning Department
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	108,876	11.7	17,696	34.6	12,586	25.5
December 31, 2023	97,431	2.0	13,138	(19.7)	10,021	(6.4)

Note: Comprehensive income For the nine months ended December 31, 2024: ¥(25,750) million [-%]
For the nine months ended December 31, 2023: ¥19,635 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	32.87	32.86
December 31, 2023	26.03	26.02

(2) Consolidated financial position

	Total assets	Net assets	Capital Adequacy Ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	13,175,941	416,096	3.1
March 31, 2024	13,244,574	447,520	3.3

Reference: Equity

As of December 31, 2024: ¥411,790 million

As of March 31, 2024: ¥442,652 million

Note: “Capital Adequacy ratio” is calculated by dividing (total equity at the end of the period – stock acquisition rights at the end of the period) by total assets at the end of the period. “Capital Adequacy ratio” herein is not the capital ratio specified by the regulatory notices pertaining to capital adequacy ratio.

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	5.00	—	5.00	10.00
Fiscal year ending March 31, 2025	—	6.50	—		
Fiscal year ending March 31, 2025 (Forecast)			—	9.50	16.00

Note: Revisions to the forecast of cash dividends most recently announced: None

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of Special Accounting Methods for Quarterly Consolidated Financial Statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	399,060,179 shares
As of March 31, 2024	399,060,179 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	16,342,184 shares
As of March 31, 2024	14,316,205 shares

(iii) Average number of shares outstanding during the period

Nine months ended December 31, 2024	382,901,149 shares
Nine months ended December 31, 2023	384,951,476 shares

Financial review of the attached quarterly consolidated financial statements by certified public accountants or an auditing firm: None

* Proper use of earnings forecasts, and other special matters

- Forward-looking statements, such as financial results forecasts, made in this document are based on information currently available to the Bank and certain assumptions deemed reasonable. Actual results, etc. may differ significantly due to various factors.

I . Financial Statements

1. Consolidated Balance Sheets

(¥ millions)

		As of Mar. 31, 2024	As of Dec. 31, 2024
Assets	資産の部		
Cash and due from banks	現金預け金	3,060,635	2,402,770
Call loans and bills bought	コールローン及び買入手形	542	541
Monetary claims bought	買入金銭債権	13,770	7,583
Trading securities	商品有価証券	1,765	1,728
Securities	有価証券	2,385,288	2,643,359
Loans and bills discounted	貸出金	7,487,752	7,791,966
Foreign exchanges	外国為替	5,814	7,627
Lease receivables and investment assets	リース債権及びリース投資資産	58,312	60,407
Other assets	その他資産	119,648	144,132
Property, plant and equipment	有形固定資産	70,623	71,770
Intangible assets	無形固定資産	18,735	16,550
Net defined benefit asset	退職給付に係る資産	1,408	1,522
Deferred tax assets	繰延税金資産	535	598
Customers' liabilities for acceptances and guarantees	支払承諾見返	65,308	72,239
Allowance for loan losses	貸倒引当金	(45,568)	(46,858)
Total assets	資産の部合計	13,244,574	13,175,941
Liabilities	負債の部		
Deposits	預金	10,915,046	10,633,533
Negotiable certificates of deposit	譲渡性預金	177,789	319,299
Cash collateral received for securities lent	債券貸借取引受入担保金	599,643	687,475
Borrowed money	借入金	926,147	919,169
Foreign exchanges	外国為替	335	324
Other liabilities	その他負債	87,533	119,299
Provision for bonuses	賞与引当金	1,470	381
Provision for share awards	株式給付引当金	163	147
Net defined benefit liability	退職給付に係る負債	1,335	1,355
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,010	892
Provision for point card certificates	ポイント引当金	345	302
Reserves under special laws	特別法上の引当金	19	19
Deferred tax liabilities	繰延税金負債	19,107	3,650
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	1,797	1,755
Acceptances and guarantees	支払承諾	65,308	72,239
Total liabilities	負債の部合計	12,797,053	12,759,845
Net assets	純資産の部		
Capital stock	資本金	121,101	121,101
Capital surplus	資本剰余金	74,751	74,753
Retained earnings	利益剰余金	176,889	185,145
Treasury shares	自己株式	(3,921)	(5,151)
Total shareholders' equity	株主資本合計	368,821	375,848
Valuation difference on available-for-sale securities	その他有価証券評価差額金	70,001	32,438
Revaluation reserve for land	土地再評価差額金	3,522	3,427
Remeasurements of defined benefit plans	退職給付に係る調整累計額	307	76
Total accumulated other comprehensive income	その他の包括利益累計額合計	73,831	35,942
Share acquisition rights	新株予約権	28	14
Non-controlling interests	非支配株主持分	4,840	4,291
Total net assets	純資産の部合計	447,520	416,096
Total liabilities and net assets	負債及び純資産の部合計	13,244,574	13,175,941

2. Consolidated Statements of Income and Comprehensive Income

(1) Consolidated Statements of Income

(¥ millions)

		Nine months ended Dec. 31,	
		2023	2024
Ordinary income	経常収益	97,431	108,876
Interest income	資金運用収益	53,317	62,483
Of which, interest on loans and discounts	うち貸出金利息	43,384	48,197
Of which, interest and dividends on securities	うち有価証券利息配当金	8,738	10,593
Fees and commissions	役務取引等収益	20,879	22,589
Other ordinary income	その他業務収益	18,603	18,869
Other income	その他経常収益	4,630	4,933
Ordinary expenses	経常費用	84,293	91,179
Interest expenses	資金調達費用	918	4,852
Of which, interest on deposits	うち預金利息	132	3,592
Fees and commissions payments	役務取引等費用	10,045	10,236
Other ordinary expenses	その他業務費用	17,924	21,578
General and administrative expenses	営業経費	50,206	51,008
Other expenses	その他経常費用	5,198	3,503
Ordinary profit	経常利益	13,138	17,696
Extraordinary income	特別利益	129	9
Gain on disposal of non-current assets	固定資産処分益	129	9
Extraordinary losses	特別損失	354	394
Loss on disposal of non-current assets	固定資産処分損	337	197
Impairment losses	減損損失	17	196
Profit before income taxes	税金等調整前四半期純利益	12,912	17,311
Income taxes – current	法人税、住民税及び事業税	4,151	3,826
Income taxes – deferred	法人税等調整額	(1,181)	996
Total income taxes	法人税等合計	2,970	4,823
Profit	四半期純利益	9,941	12,488
Loss attributable to non-controlling interests	非支配株主に帰属する四半期純損失(△)	(80)	(98)
Profit attributable to owners of parent	親会社株主に帰属する四半期純利益	10,021	12,586

(2) Consolidated Statements of Comprehensive Income

(¥ millions)

		Nine months ended Dec. 31,	
		2023	2024
Profit	四半期純利益	9,941	12,488
Other comprehensive income	その他の包括利益	9,693	(38,238)
Valuation difference on available-for-sale securities	その他有価証券評価差額金	9,410	(38,008)
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	283	(230)
Comprehensive income	四半期包括利益	19,635	(25,750)
Comprehensive income attributable to owners of parent	親会社株主に係る四半期包括利益	19,396	(25,206)
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	238	(544)

II. Digest of financial results for Nine months ended December 31, 2024

1. Summary (Non-Consolidated)

	Nine months ended Dec.31,		Increase/ (Decrease)	(¥ millions)
	2023	2024		Fiscal year ending Mar.31, 2025 (Forecasts)
Ordinary income	78,417	89,084	10,667	119,800
Core gross profit	61,013	68,393	7,380	90,700
Net interest income	53,737	59,225	5,488	
Net fees and commissions	7,034	7,978	944	
Net other operating income (excluding gains (losses) on bonds)	240	1,188	948	
Expenses (excluding non-recurring losses)	46,786	48,055	1,269	65,000
Core operating profit	14,227	20,337	6,110	25,600
Excluding gains (losses) on cancellation of investment trusts	13,565	20,337	6,772	
Credit cost	3,841	1,394	(2,447)	2,000
Gains (losses) on securities	1,880	(2,990)	(4,870)	
Bonds, etc	(1,181)	(5,805)	(4,624)	
Stocks, etc	3,062	2,814	(248)	
Net other non-recurring income (loss)	872	1,367	495	
Ordinary profit	13,139	17,319	4,180	23,500
Extraordinary income (losses)	(224)	(384)	(160)	
Income before income taxes	12,915	16,934	4,019	
Income taxes	2,334	4,225	1,891	
Net income	10,580	12,708	2,128	18,200
Net operating profit	13,045	14,532	1,487	
Operating profit	13,992	15,591	1,599	

Core gross profit = Net interest income + Net fees and commissions + Net other operating income(excluding gains (losses) on bonds)

Core operating profit = Core gross profit - Expenses(excluding non-recurring losses)

2. Deposits and NCDs (Non-Consolidated)

【Average Balance】

(¥ billions)

	Nine months ended Dec.31,		Increase/ (Decrease)	Six months ended Sep. 30,2024 (B)	(A)－(B)
	2023	2024(A)			
Deposits and NCDs	10,835.4	10,929.6	94.1	10,954.2	(24.6)
Corporate	3,061.9	3,052.0	(9.8)	3,065.9	(13.9)
Individual	6,872.0	6,984.0	112.0	6,975.9	8.0
Public sectors and financial institutions	901.5	893.5	(8.0)	912.3	(18.7)

【Outstanding Balance】

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2024 (B)	(A)－(B)
	2023	2024(A)			
Deposits and NCDs	10,880.0	10,968.3	88.2	10,905.8	62.4
Deposit assets	256.4	300.6	44.2	284.6	15.9
Safe custody of public bonds	113.0	140.6	27.5	129.1	11.4
Investment trusts	143.3	159.9	16.6	155.5	4.4
Total	11,136.4	11,268.9	132.4	11,190.5	78.3

3. Loans and bills discounted (Non-Consolidated)

【Average Balance】

(¥ billions)

	Nine months ended Dec.31,		Increase/ (Decrease)	Six months ended Sep. 30,2024 (B)	(A)－(B)
	2023	2024(A)			
Loans and bills discounted	7,761.7	7,570.7	(190.9)	7,493.6	77.0
Enterprises	3,024.4	3,130.4	105.9	3,037.2	93.1
Individuals	2,164.8	2,251.0	86.1	2,241.5	9.4
Public sectors	2,572.4	2,189.3	(383.1)	2,214.8	(25.5)

Public sector loans include loans to government and land development public corporations.

【Outstanding Balance】

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2024 (B)	(A)－(B)
	2023	2024(A)			
SMEs, etc	4,300.2	4,388.0	87.8	4,304.7	83.3
Loans and bills discounted	7,710.6	7,858.8	148.1	7,590.0	268.7
In Hokkaido	5,833.0	6,029.5	196.4	5,836.0	193.5

4. Securities (Non-Consolidated)

【Outstanding Balance】

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2024 (B)	(A)－(B)
	2023	2024(A)			
Securities	2,117.7	2,642.5	524.8	2,597.7	44.8

5. Unrealized Gains (Losses) on Securities (Non-Consolidated)

(¥ billions)

	As of Sep.30, 2024			As of Dec.31, 2024			
	Net (B)	Unrealized gains	Unrealized losses	Net (A)	(A)－(B)	Unrealized gains	Unrealized losses
Unrealized gains (losses) on securities	72.8	134.9	62.0	41.0	(31.8)	121.1	80.0
Stocks	127.8	127.8	0	111.9	(15.9)	112.9	1.0
Bonds	(57.8)	0.8	58.7	(75.5)	(17.7)	0.3	75.8
Others	2.9	6.1	3.2	4.6	1.7	7.7	3.0
Nikkei stock average (¥)				37,919			
New 10-year Japanese government bond yield (%)				0.855%			
				39,894			
				1.090%			

6. Claims based on the Banking Act and the Act on Emergency Measures for Revitalizing Financial Functions (Non-Consolidated)

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2024(B)	(A)－(B)
	2023	2024(A)			
Bankrupt and quasi-bankrupt claims	39.2	38.8	(0.4)	35.4	3.3
Doubtful claims	35.4	44.0	8.6	46.8	(2.7)
Substandard claims	13.8	10.3	(3.4)	10.6	(0.2)
Loans overdue for more than 3 months	0.1	0.3	0.1	0.5	(0.1)
Restructured loans	13.7	10.0	(3.6)	10.0	(0)
Total (a)	88.5	93.2	4.7	92.9	0.3
After partial direct write-offs (b) *	65.3	71.3	5.9	72.6	(1.2)
Normal claims	7,789.2	7,925.5	136.3	7,657.8	267.6
Total claims (c)	7,877.7	8,018.8	141.0	7,750.7	268.0
After partial direct write-offs (d) *	7,854.6	7,996.8	142.2	7,730.4	266.3
< Percentage of total claims >					
(a) / (c)	1.12	1.16	0.04	1.19	(0.03)
(b) / (d) *	0.83	0.89	0.06	0.93	(0.04)

* Partial direct write-offs have not been implemented. The figures as they would appear after partial direct write-offs are shown for reference.

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