Integrated Report 2026

Disclosure [publication]



Make the HOKKAIDO Way

North Pacific Bank

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About the Cover Photograph



Based on our brand slogan of "*Make the HOKKAIDO Way*," the photograph represents how the Group opens up new avenues, and moves along the path of hope toward a bright future for Hokkaido.

Editorial Policy

Editorial Policy of the Integrated Report 2026

Objective of Publication

The Report is published with the objective of stating to all our stakeholders the initiatives towards ongoing value creation, which are unique to the North Pacific Bank Group, and to gain their understanding and empathy.

Referential Guidance

During the creation of the Report we referred to the International Integrated Reporting Framework advocated by the IFRS Foundation and the Ministry of Economy. Trade and Industry's Guidance for Collaborative Value Creation.

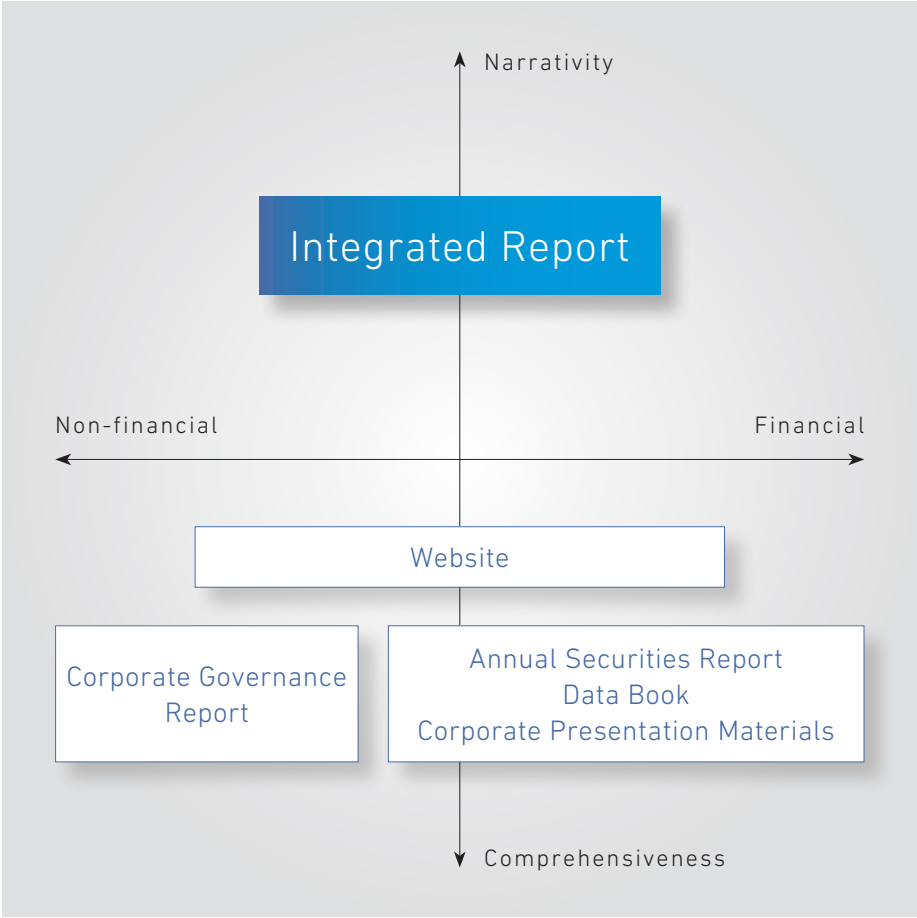
Changes in This Year's Report

This year we have changed to a lateral format electronic edition in order to improve ease of viewing and legibility for our stakeholders.

Highlights

These are shown in the POINT section of the Integrated Report 2026.
(please refer to p.1)

Main Information Disclosure System



This document contains descriptions about our Group's predicted performance and plans, and other matters related to the future. These are descriptions based on the information available at the time of preparing the document, predictions about future impacts upon business performance, and certain premises (assumptions); they are not intended as any assurance of the North Pacific Bank Group's future business performance, and they involve risks and uncertainties.

POINT 1

Our Approach to Value Creation toward Achieving Our Long-Term Vision



North Pacific Bank Group

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History of the North Pacific Bank Group

The Group traces its origins to 1917, when it was established as Hokkaido Mujin, Ltd. It later converted to a mutual bank in 1951 and then to an ordinary bank in 1989.
Here, we present the history of the Group's journey together with Hokkaido.

Toward realizing "Opening Up Hokkaido's Future"

1917 Hokkaido Mujin, Ltd. established

1918 Trade name changed to Otaru Mujin. Ltd.

1944 Trade name changed to Hokuyo Mujin, Ltd.

1900 Hokkaido Takushoku Bank, Ltd. established

1950 Sapporo Bank, Ltd. established

1989 Trade name changed to North Pacific Bank

1998 Absorbed the Hokkaido Takushoku Bank's sales operations

2001
- Sapporo Hokuyo Holdings, Inc. established jointly with Sapporo Bank, Ltd.

2008 Merger

2012
- Merger with Sapporo Hokuyo Holdings, Inc.

2015
- Participation in the TSUBASA Project decided upon

2017
- Centennial 100 anniversary
- Hokkaido Kyoso Partners Co., Ltd. established

2018
- North Pacific Securities Co., Ltd. (formerly Joko Securities) became a wholly-owned subsidiary

2020
- Hokkaido Kyoso Partners Co., Ltd. became a wholly-owned subsidiary

2024
- Shareholder benefits system introduced
- Transitioned to a company with an audit and supervisory committee

2025
- Quarterly dividend system introduced
- Delegated executive officer system introduced
- The new personnel system, Polaris, introduced
- New long-term vision and brand slogan formulated
- Participation in the Sapporo Snow Festival snow sculpture production announced

2026
- CAREER BANK Co., Ltd. became a wholly-owned subsidiary

New Medium-Term Business Plan:
"*Make the HOKKAIDO Way* 1st stage
—Creating a 'Way' That Does Not Yet Exist" launched

Events in Hokkaido and Society

- 1869 Ezochi renamed as Hokkaido
- 1945 End of the Second World War
- 1959 Hokkaido's population exceeded 5 million
- 1968 Centennial of Hokkaido's renaming
- 1972 Sapporo Winter Olympic Games held
- 1989 Consumption tax introduced
- 1990 The bubble economy collapsed
- 2005 Shiretoko Peninsula registered as one of the natural sites on UNESCO's World Heritage List
- 2008 "Pay-off" system fully implemented
- 2011 Great East Japan Earthquake; Global financial crisis following Lehman Brothers collapse
- 2018 Hokkaido Eastern Iburi Earthquake
- 2020 COVID-19 pandemic
- 2023 Chitose City selected as location for the cutting-edge semiconductor base; Five zones in Hokkaido selected as Offshore Wind Promising Zones
- 2024 Negative interest rates lifted
- 2025 First female Prime Minister of Japan took office

The Group's Philosophy Framework

Building on the aspirations embodied in our brand slogan, "Make the HOKKAIDO Way," we explore the future of Hokkaido by providing solutions to a range of challenges through a thoroughly customer-oriented approach.
Under our long-term vision of "Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness," within ten years, we are pursuing the five pillars of the overall strategy, namely the "Hokkaido-based strategy," "full digital transformation (DX) strategy," "loyalty improvement strategy," "non-financial diversification strategy," and "human resources and organizational transformation strategy." We are also implementing the Medium-Tterm Business Plan for the first three years of these initiatives.



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

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

The five pillars of the "Hokkaido based strategy," "full digital transformation (DX) strategy," "loyalty improvement strategy," "Non-financial diversification strategy," and "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–

〔Regarding the brand slogan〕

In December 2025, we unveiled our new brand slogan to clearly articulate the determination and mindset expected of every officer and employee of the Group, thereby enhancing the sense of unity throughout the entire organization, and to express our commitment to creating a brighter future for Hokkaido in partnership with our customers and local communities.

〔Message contained within the slogan〕

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

Message from the President 1/4

Make the HOKKAIDO Way

Hokkaido is entering a time of challenge.
Thinking beyond the boundaries of banking,
we will create a “Way” that does not yet exist
and open up a brighter future for Hokkaido.



President, CEO and CHRO (Representative Director) Hironobu Tsuyama

Message from the President —— 2/4

The first three years of significant growth together with Hokkaido

Hokkaido is rich in renewable energy resources, including solar, wind, and geothermal power, and is also one of Japan's leading agricultural prefectures, supporting the nation's food supply. With its distinctive natural environment, culture, and history, Hokkaido has also established itself as a leading tourism destination. As these strengths gain renewed recognition, new initiatives are advancing across the region in both the public and private sectors, while Hokkaido is also developing as a hub for next-generation industries such as semiconductors and space-related businesses. Hokkaido is attracting growing attention both in Japan and overseas, and we are, of course, keenly aware of this momentum.



Hokkaido has long been said to possess enormous potential, but I do not believe that the region has always had sufficient capacity to fully realize that potential locally. I also feel that the North Pacific Bank Group bears part of the responsibility for this. The Group serves approximately 30,000 corporate customers and around 2.5 million active individual accounts. There are forms of support that only the Group can provide, precisely because we are fully committed to Hokkaido. We will regard businesses beyond the traditional scope of banking as part of our own business domain, forge diverse partnerships, and serve as a catalyst for Hokkaido's growth. As the opening phase of this decade-long journey, we have formulated a three-year strategy starting in FY2026.

Clarifying our goals and aspirations to move forward as one

As we embark on a new phase starting in FY2026, we established in 2025 our long-term vision for Hokkaido over the next ten years, "Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness," together with four missions. The previous Medium-Term Business Plan also called for stronger contributions to Hokkaido, but looking back, I felt that the goal still lacked clarity—little more than saying, "We will climb a high mountain." By defining the goal specifically enough to say, "We will climb THIS mountain," I believed that what the Group should do next would naturally come into focus, and we formulated the new vision and missions.

What the Group values most is the well-being of the people of Hokkaido. Hokkaido is one of Japan's most attractive regions, and we want the people who live here to enjoy an equally high level of happiness. Our long-term vision embodies this aspiration, which is shared by all of our officers, and clearly defines our position as a group focused on Hokkaido and committed to raising both its attractiveness and happiness. To realize this vision, we established an overall strategy comprising five pillars, based on the belief that Hokkaido must fully benefit from the prosperity generated by its growth.

A long-term vision that aspires to make Hokkaido "Japan's No. 1" might appear overly ambitious for a single private-sector company. However, I am firmly convinced that, viewed objectively, Hokkaido has the potential to achieve it. The word "both" in our long-term vision carries two meanings: "both attractiveness and happiness," and "together with the region." If Hokkaido becomes Japan's No. 1 in both attractiveness and happiness, I believe that a portion of the added value generated along this path, where the Group will sometimes lead and sometimes support, will ultimately be reflected in our own higher corporate value.

In December 2025, we adopted the brand slogan "Make the HOKKAIDO Way" to embed the long-term vision throughout the Bank. While Hokkaido has enormous potential, it also confronts many challenges, including population decline and, in particular, the outflow of younger generations. This outflow can be curbed by effectively harnessing local resources and cultivating compelling industries within the region. For the future of Hokkaido and its people, the Group will move forward with a strong determination to "create a 'Way' that does not yet exist."

What is particularly gratifying is that this brand slogan

Message from the President 3/4

originated with our employees. One of our employees proposed to management that we needed a symbolic phrase to unite everyone behind the long-term vision. Since becoming President, I have visited all branches in Hokkaido and repeatedly encouraged employees to voice their opinions to foster a culture in which constructive proposals emerge from the bottom up. Through these efforts, I have strongly felt that many employees view the Group's changes positively and continue to ask themselves, "What can I do for our customers?" I expect the brand slogan to further strengthen their determination and become a driving force behind the realization of the long-term vision by bringing about behavioral changes, including more proposals based on flexible thinking and a greater willingness to take action.

Creating value "for Hokkaido" beyond the boundaries of banking

The first of the five pillars of our overall strategy is the "Hokkaido-based strategy." Recognizing that sustainable growth in corporate value for the Group is impossible without sustainable regional growth, we will proactively address Hokkaido's challenges by going beyond without being constrained by the traditional boundaries of banking, thereby earning even greater support from local communities and customers. To further advance this policy, in April 2026 we established the Hokkaido Growth Business Headquarters, under which we placed the Growth Strategy Planning Department, New Business Creation Department, and Public Finance Community Development Department. The Growth Strategy Planning Department and New Business Creation Department will take on projects in growth fields such as the semiconductor and green transformation (GX)-related industries, as well as projects that help solve social issues. We will at times act as a key player ourselves and lead projects jointly with local companies and municipalities. In this way, we will go beyond simply providing funds and become actively involved in community development from an early stage, leveraging a network that includes Group companies such as Hokkaido Kyoso Partners Co., Ltd.

For individual customers, in an era of 100-year lifespans and inflation, we are fully dedicated to supporting asset building that helps reduce uncertainty about the future and enables the people of Hokkaido to enjoy more prosperous lives. By enhancing our consulting capabilities and promoting long-term, regular, and diversified investment, we will support asset building in line with each customer's life plan. I am fully convinced that increasing our share within Hokkaido through these initiatives and building a financial base that enables us to continuously make the investments and loans needed "for Hokkaido" will underpin the Group's sustainable growth and give us the strength to shape Hokkaido's future.



Strategies for rapidly expanding our market share in Hokkaido as the foundation of our challenge

In a vast region such as Hokkaido, ensuring access to financial services, regardless of location or season, is a vital mission for the Group. We have therefore made "Full digital transformation (DX)" one of the pillars of our overall strategy. By introducing and enhancing customer apps and portal sites, we will expand new points of contact and improve our services. At the same time, we will optimize internal operations through the introduction of AI and the promotion of DX, enabling faster, higher-quality customer service. Resources freed up through DX will be redirected to sophisticated consulting services and solution proposals that can only be delivered face to face, creating more opportunities for customers to feel that "North Pacific Bank is a bank we can rely on."

Under our "Loyalty improvement strategy," we will also strengthen the Group's brand and develop mutually beneficial mechanisms that deliver greater benefits to customers the more they use our services. Across asset building and investment, payments, loans, insurance, and other areas, we will design services that provide greater convenience and economic benefits as customer relationships broaden and deepen, Through these efforts, we will reinforce the idea that extended engagement with North Pacific Bank brings ever-greater rewards. By staying close to customers throughout their life stages and business journeys, and by integrating

Message from the President —— 4/4

financial and non-financial services from a long-term perspective, we will enhance our brand value as a bank of choice for customers.

Under our "Non-Financial diversification strategy," we recognize that Hokkaido's challenges can no longer be solved through conventional banking services alone. We will therefore contribute to resolving the issues faced by customers and communities through new business development beyond the boundaries of banking and collaboration with Group companies. We will provide high-value-added services such as consulting to help companies and local governments solve problems, support for the use of AI, human resource supply, and entry into agriculture, thereby expanding non-interest income. In the agricultural sector, we have begun taking concrete steps toward creating new businesses. For example, we are considering turning "Hokuyo Harvest Village," a support business for new entrants to farming that won the grand prize in the first internal Business Contest, into an internal venture or subsidiary. To address labor shortages, one of Hokkaido's most pressing challenges, CAREER BANK Co., Ltd., a pioneer in Hokkaido's staffing industry, became a consolidated subsidiary in April 2026. I believe these initiatives will both stabilize the Group's earnings structure and create new growth opportunities for Hokkaido's economy, while strongly supporting the realization of our long-term vision of "Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness."

The new personnel system "Polaris" is key to human resource development and strengthening the organization

I believe that the starting point for the four pillars of our overall strategy described above is our people. In that sense, the key to realizing our long-term vision lies in the "Human resources and organizational transformation strategy." Our business model for achieving the long-term vision is designed around employees, based on the belief that higher employee loyalty and engagement will lead to greater customer satisfaction and, ultimately, increased shareholder value.

The new personnel system "Polaris" introduced in July 2025 plays an important role in this business model. It was designed around the concepts of merit-based evaluation, improved fairness of treatment, and autonomy. In light of today's rapid pace of change, we have also made the ability to respond to customers swiftly an important evaluation criterion. This enables the early appointment of employees to key positions based on their expertise and capabilities and supports autonomous career development, encouraging each employee to fully demonstrate and further enhance their abilities.

One of the Group's key strengths is its branch network across Hokkaido and the ability of our people to respond carefully to local issues in each area. Centered on the new personnel system "Polaris," we will develop more employees who can approach their daily work with energy, think for themselves, act quickly, and respond to Hokkaido's diverse needs. By instilling a culture of continuous challenge throughout the Bank, we will contribute to Hokkaido's growth.

Only by achieving Goho Yoshi can the Group be a sustainable organization

My guiding principle is Goho Yoshi—a five-way satisfaction that benefits employees, customers, local communities, shareholders, and the Bank itself. The Group can only be a sustainable organization if we achieve Goho Yoshi. We will firmly capture Hokkaido's growth opportunities, spread the benefits generated from that growth throughout Hokkaido, grow together with local communities, return the resulting value to all stakeholders, and move on to the next stage of growth. Through this virtuous cycle, we will enhance corporate value and work toward realizing our vision of "Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness." As the North Pacific Bank Group takes on these challenges, we hope we can count on your continued high expectations and steadfast support.



Message from the CFO —— 1/4

Through the achievement of the Medium-Term Business Plan, we will provide returns to shareholders in stock price and dividends.



Senior
Managing Director,
CSO and CFO
Kazushi Yoneta

By becoming the engine of Hokkaido's growth we will attain strengthened earning power and stable growth

The new Medium-Term Business Plan started this fiscal year. In 2025 the Group announced its long-term vision of "Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness," and started to move toward attaining this vision by 2035. The next three years are positioned as a phase that represents the beginning of a challenge in anticipation of ten years into the future.

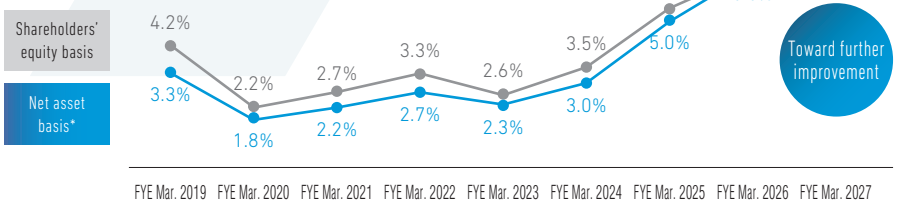
With regard to the previous Medium-Term Business Plan, we not only exceeded the envisaged levels for most of the original targets but achieved them ahead of schedule. In FY2025, profit attributable to owners of parent totaled 25.6 billion yen, exceeding our target of 17 billion yen. In addition, our stock price recorded an increase of around 3.4 times during the previous Medium-Term Business Plan, surpassing the TOPIX and TOPIX Banks Index. However, these results were helped considerably by the external factor of rising interest rates, and we take a measured view of the figures achieved, recognizing that we have only just caught up to the levels we should have reached in the first place. What matters now is how much further we can grow from here.

Based on this review, under the current Medium-Term Business Plan, we have set the numerical targets for FY2028, the plan's final fiscal year, of around 50 billion yen in net profit and around 11% in consolidated ROE. As the Bank's CAPM-based cost of equity is envisaged as being around 8% to 9%, setting a target of 11% in ROE is designed to raise profitability to a level that consistently exceeds the cost of equity and thereby achieve a PBR sustainably above 1.0. In addition to the flourishing of its existing industries such as food, agriculture and tourism, Hokkaido is boosting its presence as a base for the new industries of semiconductors, GX and space. Given these circumstances, our plan is by no means an overly ambitious undertaking. The foundation for improving our ROE is Hokkaido's sustainable and steady growth. We hope to link in this unparalleled opportunity for growth with improving our ROE, and

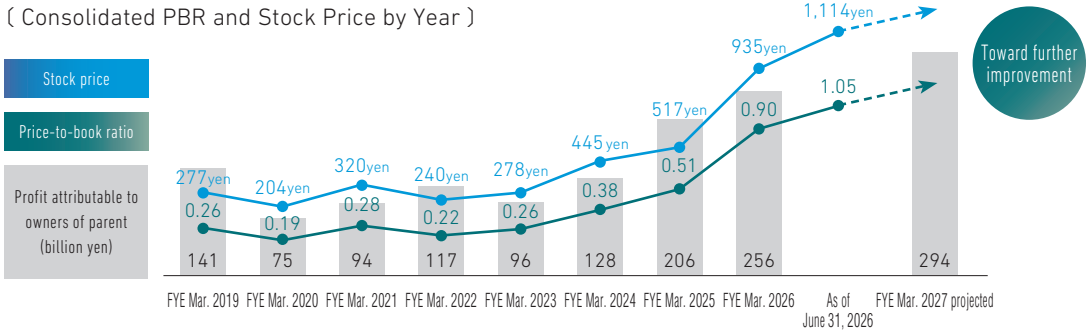
〔 Consolidated ROE by Year 〕

*Calculated by deducting stock acquisition rights and non-controlling interests from net assets.

Cost of Equity
CAPM base: Approx. 8% to 9%
Stock yield : Approx. 7% to 10%



〔 Consolidated PBR and Stock Price by Year 〕



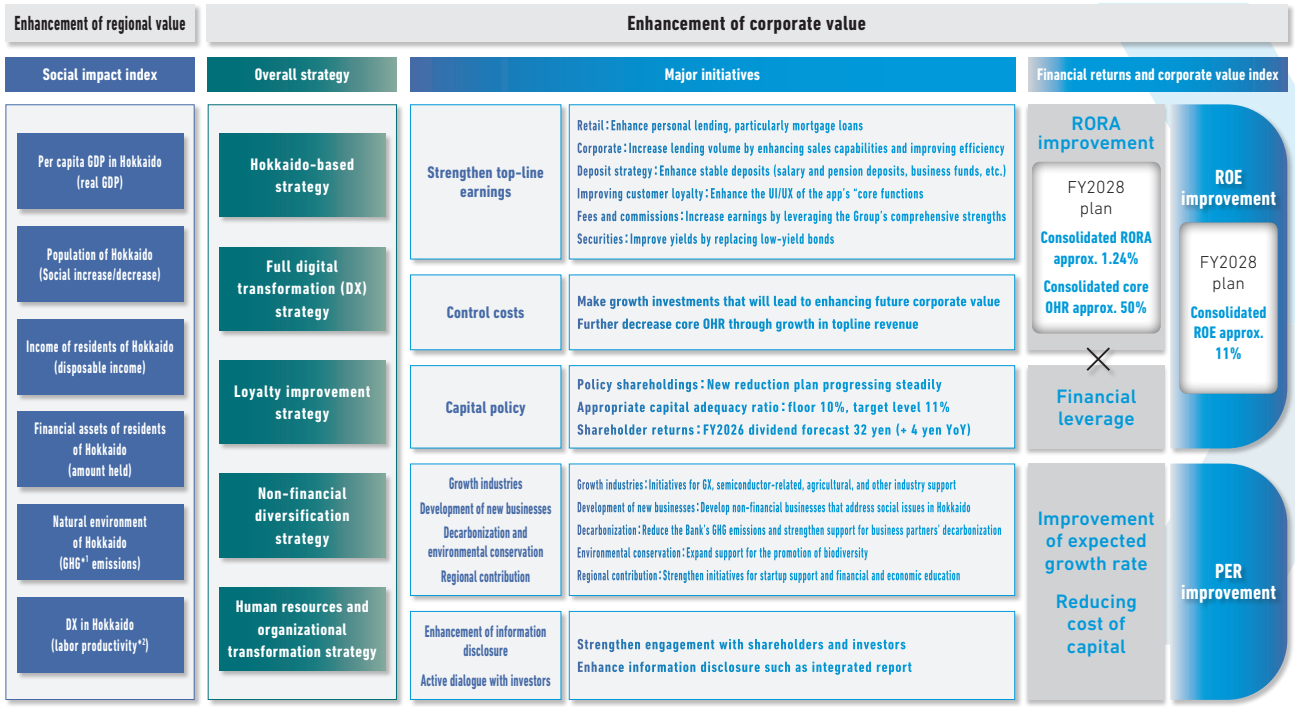
Message from the CFO —— 2/4

achieve enhanced PBR and PER for the Bank.
Nurturing the buds of growth into great fruits requires not only financial support but also multifaceted support and action, including securing human resources and providing management expertise. The story of the Bank proactively taking on these challenges rather than leaving them to others, serving as an engine for Hokkaido's development, and advancing alongside the region is our growth strategy from here. Entering non-financial businesses is key to our business portfolio strategy. In contrast to the financial businesses, where profitability is significantly affected by interest rate movements, we will maximize shareholder and corporate value by strengthening our earning power in areas less susceptible to market fluctuations and enhancing our capital base. Furthermore, we will pursue further growth through reinvesting in Hokkaido. This is the sort of benign cycle that we are aiming to construct.
In April 2026 the Bank established the Hokkaido Business Growth

Intensive investment of management resources in growth areas
Bold development of business in non-financial areas

Division. The division is mainly in charge of Hokkaido-based strategy and non-financial diversification strategy, which are both parts of the five pillars of the overall strategy. Three departments have been placed under the new division: the Growth Strategy Planning Department that is in charge of the GX, semiconductors and sustainability that will drive the economic growth of Hokkaido in the future; the New Business Innovation Department that is in charge of growth and creation in new industries; and the Regional Revitalization Department that is in charge of realizing Hokkaido's strengths in food, agriculture and tourism as well as sustainable regional development and town planning based on support for startups. Each department will implement varied measures aimed at solving customers' issues including investment and lending, as well as the proposal of solutions. Among these, the Bank has resolved to make intensive investments in the following five fields that are perceived as having extremely high growth potential and requirements for support.
The first field is agriculture. When considering the development of Hokkaido, it is imperative to protect the sustainability of agriculture, which is the region's key industry. In addition to the added value of its produce, we will pursue initiatives regarding serious issues such as the increasing amount of abandoned farmland and labor shortages. Currently, we are exploring initiatives to create new pathways for entering farming in the Sapporo area, where there is a large pool of potential workers, as well as initiatives to address the industry's serious labor shortage by supporting new entrants into farming.

〔Logic tree〕



*1 Greenhouse Gas *2 Real GDP ÷ (Number of employed persons × Total hours worked per person)

Message from the CFO 3/4

The second field is another of Hokkaido's most important industries, namely tourism. Leveraging our strengths as a main bank with a branch network spanning Hokkaido and approximately 30,000 main-bank corporate clients (Tokyo Shoko Research (TSR) data as of August 2025), we will promote collaboration among businesses, enhance the attractiveness of tourist destinations, and foster the creation of new businesses. We will also utilize trading-company-like functions where appropriate to help raise the overall level of Hokkaido's tourism industry.

The third field is next-generation semiconductors. Growth in this field has the latent potential to greatly change the industrial structure of Hokkaido, where manufacturing industries have hitherto been regarded as weak. Positioning it as a field of the highest priority, we will provide investment with due consideration for our financial capacity. We will also encourage participation in the supply chain of Hokkaido businesses through the operation of the Hokuyo Semiconductor Network, thereby extending the economic impact of Rapidus Corporation's establishment throughout Hokkaido. Furthermore, we will continue to accumulate knowledge through personnel exchanges, and strive to firmly establish next-generation industries in Hokkaido.

The fourth field is GX. The GX business is enormous in scale and is expected to generate significant long-term benefits throughout Hokkaido. In order to ensure that this potential does not remain unfulfilled, we will be deeply involved in the promotion of business projects and perform a hub function that encourages the participation of the Bank's clients.

The fifth field is community-building. From the perspective of regional revitalization, the Community-Building Promotion Unit of the Bank's Regional revitalization Department will work on solution development and recommendations for each municipality. We will also collaborate in the other four fields mentioned, and comprehensively face up to regional issues.

Elsewhere, as an overall initiative, we are also working toward alleviating labor shortages throughout regions in Hokkaido. As a strategic investment aimed at this goal, this spring we launched a TOB for CAREER BANK Co., Ltd., a major human resource services company. I myself have repeatedly heard companies say that they have work available but are unable to take it on due to labor shortages. The North Pacific Bank Group's Hokkaido Kyoso Partners (HKP) will add to its knowhow the network and knowledge of CAREER BANK and pursue in earnest the resolution of pressing issues. Alongside these investments in non-financial businesses, we are also focusing on developing the human resources needed to carry out these operations. The greatest strength of the Bank is, to be sure, "people." While one facet of the factors in our excellent performance over the previous Medium-Term Business Plan can undoubtedly attributed in large part to changing external factors, I am also proud to say that another factor behind the growth figures is attributable to the strength of our employees. Over the past few years, the Bank has thoroughly reconsidered what it truly means to be "customer-oriented," while our employees have refined their ability to support customers and make effective proposals, driven by a strong desire to "be of service to customers." At times, we have continued to provide substantive support for our customers' growth without focusing on short-term gains. I believe this has helped underpin our growth amid rising interest rates.



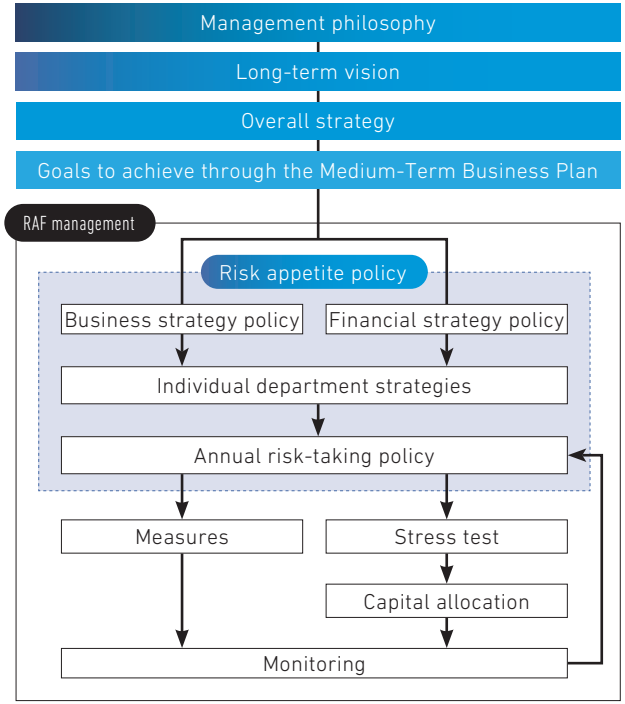
With regard to revenue for services, etc., which is the prime example of revenue in non-financial businesses, I regard it as "an expression of gratitude from customers." Maintaining a customer-oriented approach and genuinely contributing to the growth of Hokkaido is an important upfront investment, and I regard it as central to the Bank's raison d'être. In that sense, the new personnel system, "Polaris," is extremely important,and the costs associated with it are also a form of upfront investmen. However, the evaluation of the system from an ROI perspective is something that I, as the CFO, wish to conduct objectively. I will closely monitor the process of implementation and support appropriate improvements and further development.

A shift from "bearing" risk to "taking" risk Toward the formation of a new risk culture

For a long time the Bank regarded avoiding risk as the prudent course of action. However, in a growth phase, it is also important to take risks within appropriate limits. Currently, we are hammering out a policy in which "the risks requisite for the growth of the Group and Hokkaido as a whole will be eagerly taken, rather than "accumulating capital for its own sake." The fact that the director responsible for the Hokkaido Business Growth Division is also me—the CFO—is an indicator of just how many matters there are

Message from the CFO —— 4/4

〔 Overall Picture of RAF Management at North Pacific Bank 〕



Clarify the boundaries of risk-taking and enable more assertive risk-taking

Purpose of implementing RAF management

- Integration of business and financial strategies with risk management operations
- Enhancing the feasibility of strategies adapted to the competitive environment through appropriate risk-taking
- Sustainable and stable corporate value enhancement and realization of the management philosophy

Future risk taking

- Risk-return assessment using RORA (revenue/risk assets)
- Setting risk limits for each risk-taking method

that the Division's business must approach without fear of risk. We will evaluate risk from both the short-term and long-term perspectives, and balance the Bank's financial soundness with its contribution to Hokkaido's growth. The Bank introduced a risk appetite framework (RAF)* last fiscal year. In order to attain ROE of 11% we perceive the current rule of thumb for RORA as being around 1.24%, and with that as the criterion we are closely studying the effective allocation of risk assets. Management will ultimately determine the Bank's risk appetite by considering how much of its more than 300 billion yen in capital can be allocated to highly profitable assets. Nonetheless, I tell our employees that "Risk is not something to be 'borne' but to be 'taken,' and I want you to take risks proactively." Viewing the RAF as an opportunity to transform mindsets, I want to foster a corporate culture that appropriately embraces challenges.

*A risk appetite framework (RAF) is a management framework that enables appropriate risk control by considering risk-taking in relation to a financial institution's risk, returns, and capital. Amid past financial crises, the significance of risk management has been reaffirmed, creating a growing need to clarify how risk is handled across the organization. Financial institutions have also come to be expected to establish risk management frameworks and clearly define their risk appetite, leading to the growing adoption of RAFs.

Sharing the growth strategy story and communicating Hokkaido's future potential

The challenges the Bank foresees are only possible with a solid foundation of earnings. We are, of course, working to strengthen our capabilities in financial services across both the corporate and retail sectors through the expansion of investments, loans, deposits, and other businesses. With regard to the reduction of policy shareholdings, we held a wide range of discussions during the period of the previous Medium-Term Business Plan and made steady progress; however, due to the impact of share price rises, our consolidated net asset ratio accounted for by policy shareholdings stood at 28.9% on a market value basis. We are committed to executing our plan to reduce this ratio to below 20% by the end of March 2029. The Bank will allocate the proceeds from sales of policy shareholdings to growth investments and shareholder returns, etc. in order to contribute to the improvement of ROE and PBR in addition to restructuring of its securities portfolio.

With regard to our shareholder returns policy, we introduced a quarterly dividend system in FY2025 to enable shareholders to benefit from our financial performance at an earlier stage. Furthermore, in an effort to further enhance the returns made to shareholders, since March 2026, while maintaining the policy of using a total return ratio of 50% as a rule of thumb, we raised the dividend payout ratio from 30% or over to 40% or over. Our policy is to remain focused on earnings growth and return the benefits to shareholders through increased dividends.

The Bank's current consolidated ROE was approximately 6.6% on a shareholder's equity basis (for FY2025). Despite the target set in the new Medium-Term Business Plan being an ROE of 11%, the fact is our PBR has continued to hover around 1.0. I take this seriously as a sign that the market remains unconvinced about the feasibility of the Plan. I believe the only way forward is for each and every employee to take ownership of the initiatives set out in the Plan, execute them with a sense of urgency, and deliver tangible results. We will communicate the progress of the Plan to investors in a careful and timely manner, while helping them gain a tangible sense of our growth. Over the medium to long term, we will steadily return to our stakeholders the fruits of growth generated by growing together with Hokkaido, and I sincerely hope that our stakeholders will continue to place great expectations upon us.

Capital Policy —— 1/3

Aiming to balance both the enhancement of corporate value and a robust financial base, the Bank promotes the maintenance of an appropriate capital adequacy ratio and the stringent control of risk assets. As a part of this, toward the further improvement of capital efficiency and ensuring soundness in its financial structure, the Bank is pursuing a systematic reduction of its policy shareholdings.

Setting Appropriate Capital Levels

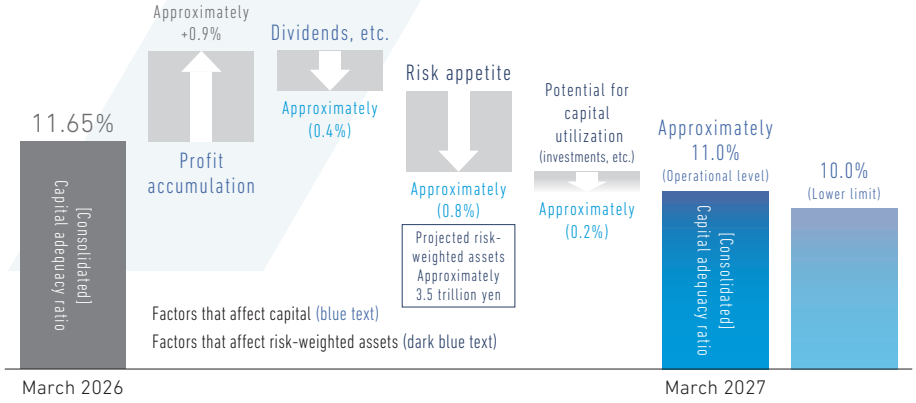
Approach to Capital Policy

- Appropriately control capital through the expansion of financing and investment for local industries based on the "Hokkaido-Rooted Strategy,"strategic investments to support GX and renewable energy projects and the expansion of non-financial businesses, investments to improve services and strengthen competitiveness, and enhanced 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

The reason why we make annual plans rather than setting them as standards within the Medium-Term Business Plan is because there will shortly be major investments in semiconductors and GX in Hokkaido, and it is difficult to forecast the subsequent external environment changes and the risk asset trends of the Bank. Rather than merely building up our own capital without a specific objective, our underlying philosophy is to generate returns while accumulating the requisite risk assets.

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%

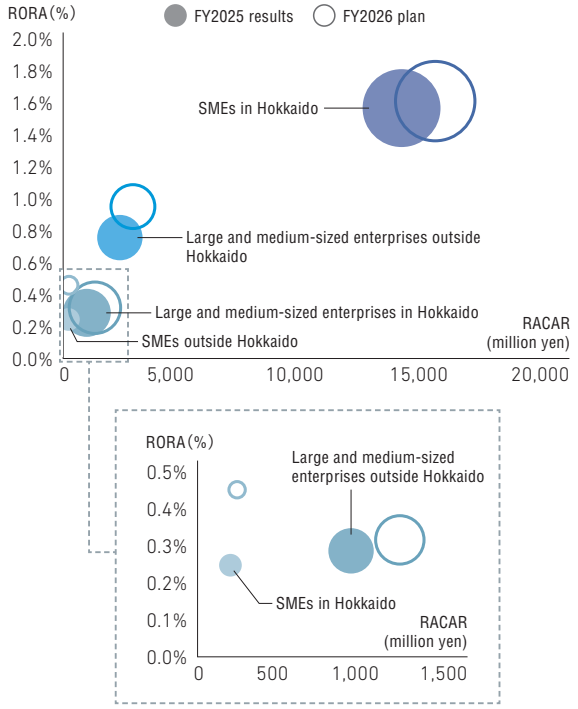
〔Control Level and Lower Limit for the Capital Adequacy Ratio in FY2026 (First Year of the Plan)〕[Based on full implementation of Basel III]



Breakdown of Risk-Weighted Assets and Consolidated RORA

The RORA by borrower category for the lending to corporations, which accounts for around one half of the Bank's interest on loans and discounts, are shown in the graph below.For loans to SMEs in Hokkaido, our main field of business, we plan a RORA of 1.63%, exceeding the previous year's level,through increased volume and the securing of stable deposits. Through regular control of RORA we will continue in the future to strive to achieve appropriate business management.

〔FY2026 RORA plan by borrower category*〕



*RORA = RACAR (= profit on assets + fee income − expenses − credit costs) ÷ RwA (risk-weighted assets)
*Size of circles = RwA

〔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.

Capital Policy —— 2/3

Reduction of Policy Shareholdings

Since our previous reduction plans have been achieved ahead of schedule, we have held dialogue with companies including Hokkaido companies whose shares we hold. Based on the results of these discussions, we formulated a new plan aiming to reduce the ratio of the market value of policy shareholdings to consolidated net assets to below 20% by the end of March 2029,the final year of the plan." With regard to sales profits deriving from the reduction of policy shareholdings, our baseline is the replacement of low-yield bonds and allocation of profits to growth investments and loans. We will thereby achieve the steady attainment of our ROE targets, further improve PBR, and enhance shareholder value.

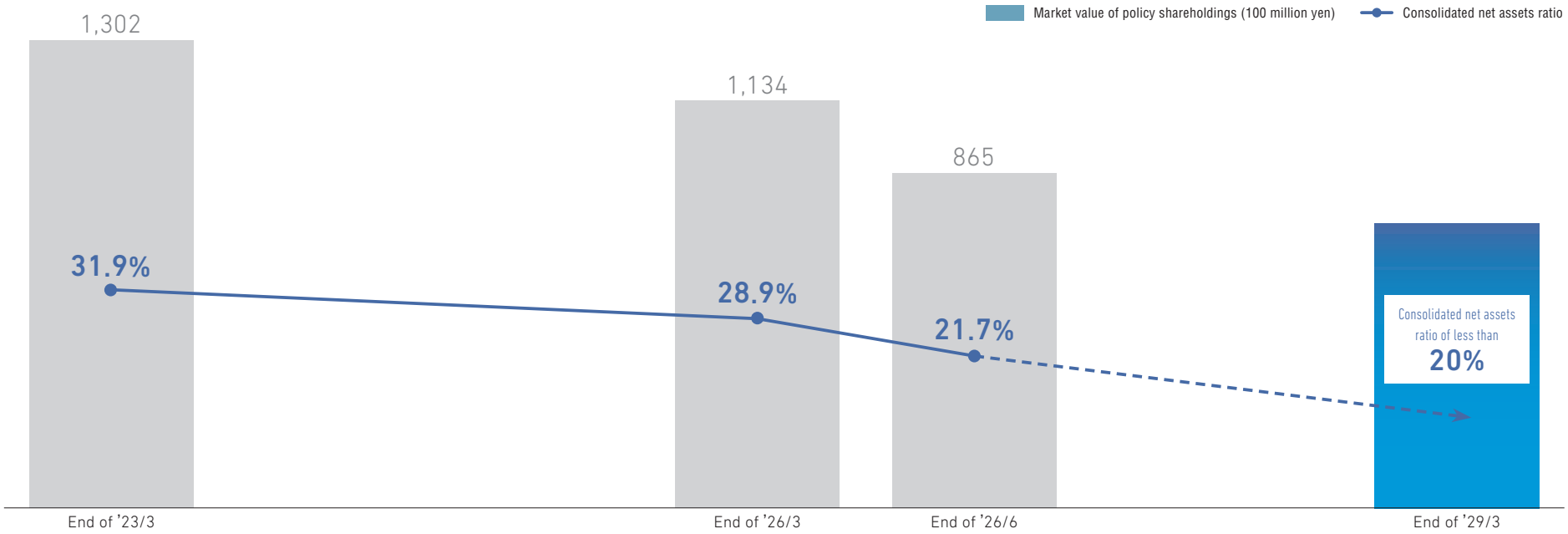
Status of dialogue

Target companies	Positive response	Dialogue to be continued
38 companies	12 companies	26 companies

〔 Performance of the previous reduction plan and the new reduction plan 〕

Previous reduction plan period ('23/4 to '26/3) ➡ Achieved 5 billion yen reduction in book value

New reduction plan period (April 2026 to March 2029)



Capital Policy —— 3/3

The Bank will implement its five pillars of overall strategy, and by raising the profits that are our resources increase returns to everybody.

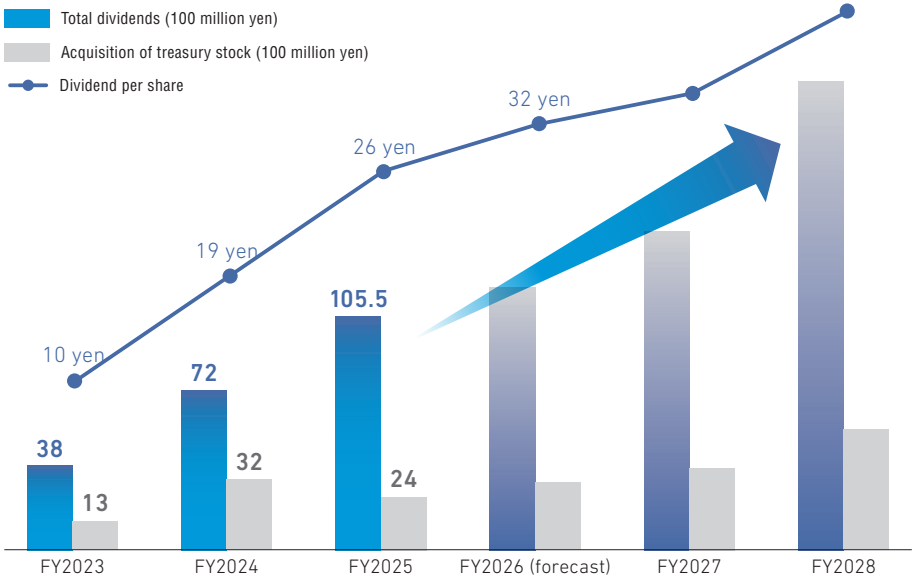
Shareholder Returns Policy

We believe that returning profits to shareholders is a vital responsibility. We plan to achieve a consolidated profit of 50 billion yen in the last year of the Medium Term Business Plan, and we will strive towards attaining this goal and contributing to all of our shareholders.

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)



(Reference) Shareholder Benefit Program

"In order to express our gratitude to our shareholders for their continued support, enhance the investment appeal of the Bank's shares, encourage long-term shareholding, and deliver the allure of Hokkaido through regional revitalization-linked specialties from across the prefecture as shareholder benefits, we have introduced a shareholder benefit program.



See the website for details.
https://www.hokuyobank.co.jp/ir/shareholder/benefits.html

Record date: March 31 of each year

Eligible shareholders: Shareholders who are recorded in the Bank's shareholder registry as of the record date and who hold 1,500 (15 units) or more shares of the Bank's common stock, and have held them for one year or more.

Number of shares held	Continuous holding period	Shareholder benefits
From 1,500 shares to under 2,500 shares	One year or more to under five years	A shareholder benefit equivalent to 2,000 yen (specialties of Hokkaido)
	5 years or more	A shareholder benefit equivalent to 3,000 yen (specialties of Hokkaido)
2,500 shares to under 5,00 shares	One year or more to under five years	Gift catalogue item to the value of 3,000 yen (choose one item from the catalogue)
	5 years or more	Gift catalogue item to the value of 6,000 yen (choose one item from the catalogue)
5,000 shares or more	One year or more to under five years	Gift catalogue item to the value of 6,000 yen (choose one item from the catalogue)
	5 years or more	Gift catalogue item to the value of 9,000 yen (choose one item from the catalogue)

Message from the CBPO 1/2

Maximizing the power of our people through digital technologies, enhancing service quality, and expanding our market share across Hokkaido



Deputy President, CBPO
Hitoshi Masuda

The long-term vision and the Medium-Term Business Plan positioned as the "early market share expansion phase"

The environment surrounding regional banks is at a major turning point, driven by factors such as demographic decline, changes in the interest rate environment, and the entry of cross-industry players. Against the backdrop of these structural changes, we have redefined our long-term vision, missions, and overall strategy, envisioning a future where we act as a "core regional general trading company," driving the growth of both our customers and the Hokkaido economy in an integrated manner.

To achieve our major goal of "Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness" over the next ten years, we must first establish an even more solid business foundation as the platform for future growth.

Based on this recognition, we have clearly positioned the Medium-Term Business Plan to be accomplished over the next three years as an "early market share expansion phase." The individual strategies linked to the five pillars of our overall strategy are those we will prioritize during these first three years. As the Hokkaido economy moves toward its next stage of growth, we will devote ourselves to building an unwavering foundation from which to drive that growth.

A structure for proactive governance and faster management

To ensure that the proactive strategies set out in the Medium-Term Business Plan are implemented both reliably and swiftly, we renewed our management structure beginning in FY2025.

First, we introduced a "delegated executive officer system," under which substantial authority for business execution is delegated to executive officers. The Board of Directors focuses on monitoring, setting direction, and supervision, while execution is entrusted to management closer to frontline operations. Through this structure, we aim to further accelerate the speed at which we develop and implement proposals in response to changes in the external environment and customer needs.

Second, we have combined a business division structure with block-based management, shifting the basis for performance and accountability from individual branches to regional areas. Each block has dedicated personnel driving sales, while Head Office functions and branches work on an equal footing to formulate and execute area strategies. By also conducting evaluations and recognizing performance on an area basis, we are organically linking the agility of Head Office and branches in response to regional needs and strengthening our sales capabilities across Hokkaido as a whole. Increasing the speed at which we think, act, and change—this is the essence of our proactive governance, which will serve as a key driver of market share expansion and, ultimately, the enhancement of corporate value over the medium to long term.

Delivering CX that exceeds expectations through the integration of digital technology and people

We have positioned the thorough advancement of digitalization and the strengthening of our people at the core of our growth strategy. Rather than pursuing cost reductions alone, we will clearly define the respective roles of digital technologies, including AI, and people, and enhance the quality of our products, services, and people. Through these efforts, we aim to deliver CX that exceeds expectations while strengthening our earning power over the medium to long term.

Administrative work and procedures that can be handled digitally will be completed online through services such as the app and corporate portal, while the human resources freed up through digitalization will be redirected to high-value-added activities that only people can perform, such as consulting and face-to-face support.

In the retail sector, we will establish a dedicated function specializing in improvements to the app's UX/UI and customer support, and pursue "convenience unconstrained by time or place" by introducing functions and point-based services comparable to those offered by megabanks

Message from the CBPO 2/2

and online banks. By FY2028, we aim to reach 1.2 million registered users and a monthly active user (MAU) ratio of 80%. Through everyday use, we will seek to strengthen the app's position as customers' primary settlement account, while maintaining physical branches as places where customers can readily seek advice when needed. By integrating digital and face-to-face channels, we will provide a sense of reassurance and comprehensive service capabilities that online-only banks cannot offer. In addition, through the establishment of the Wealth Management Department and stronger collaboration between the Bank and North Pacific Securities, we will respond to a broad range of customer needs and support asset building and management in anticipation of the 100-year life, thereby contributing to higher financial income and greater peace of mind for people in Hokkaido.

In the corporate sector, we are also developing a corporate portal that allows customers to complete various procedures and inquiries online. This will expand the time available for dialogue with companies and business owners and for proposal activities, enabling us to improve both the quantity and quality of customer engagement. In addition, our data science-backed marketing office precisely identifies priority customers and themes. Through this framework, even relatively inexperienced corporate relationship managers will be able to provide solutions of a consistently high standard regardless of region. Furthermore, as we expand graduate recruitment and roughly half of our corporate relationship managers are expected to be replaced by younger employees over the next five years or so, we will accelerate the development of next-generation human resources into professionals through practical training led by top-performing corporate bankers and a fair evaluation system under Polaris. Together with the strong solutions we provide in collaboration with Hokkaido Kyoso Partners (HKP) in areas such as business succession, human resources, and management improvement, we are strengthening a framework focused on solving the challenges faced by regional companies.

Over more than 100 years, the Group has built deep relationships of trust with customers in the region—an invaluable intangible asset. We will harness the power of digital technology and data to reinforce these relationships and consistently respond to customer needs in ways that are both reliable and exceed expectations. Through these initiatives, we aim to establish our position as the bank of choice in the region and further enhance corporate value and capital efficiency.

Leveraging the Group's comprehensive strengths to become a bank highly regarded by customers

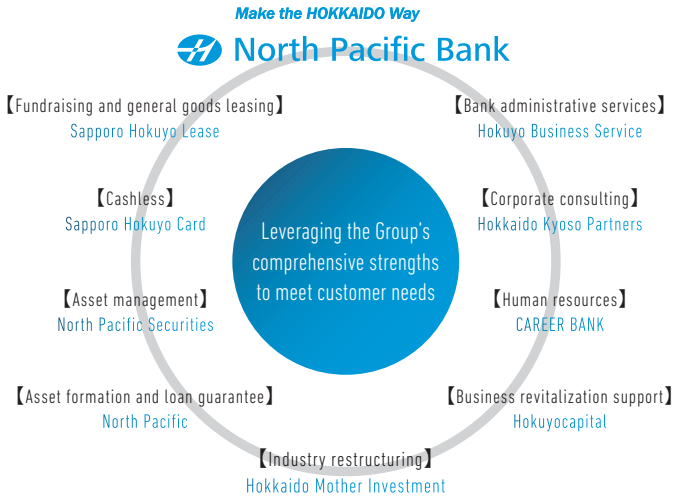
The foundation of our business lies in the deposits entrusted to us by our customers. Building stable deposits rooted in the region, such as corporate settlement accounts and individual salary and pension accounts, is the cornerstone of trust supporting the Group. Our broad customer base, built through the history of three-bank integration, rests on a strong foundation comprising relationships as the main bank for approximately 30,000 corporate customers and around seven trillion yen in individual deposits. This foundation is further reinforced by our branch and ATM network, digital channels, and group-wide solutions—a multi-layered structure that represents one of our greatest strengths.

To further strengthen this structure, we will continue enhancing our digital initiatives while also expanding physical customer touchpoints along people's everyday routines, including the development of streamlined branches, mobile branches, weekend service locations, and ATMs in subway stations and convenience stores. Through these efforts, we will rebuild the image of the North Pacific Bank as a bank that customers can use anytime, anywhere, and with confidence, while further strengthening brand recognition.

We will support the growth and business succession of companies in Hokkaido through the Bank itself and the Group's comprehensive strengths. For individual customers, we will continue to provide lifelong asset-building support tailored to each age group while pursuing greater convenience. Through these efforts, we aim to build lasting relationships in which we continue to be chosen as the primary settlement bank by both corporate and individual customers, thereby achieving substantial growth in market share.

Our goal is to remain the go-to partner that customers think of first whenever they have a need—a trusted presence they can always rely on. With this commitment, we will work together across the Bank to execute the Medium-Term Business Plan, aiming to become a bank that is highly regarded by more customers every day. As we work toward achieving our long-term vision, we will steadily build a story of sustainable growth together with the people of Hokkaido.

〔North Pacific Group〕



Message from the Chairperson of the Board of Directors 1/2



External Director
Toshiaki Kobe

Discussion and evaluation of the formulation of the long-term vision and new Medium-Term Business Plan

The Bank's long-term vision was formulated based on the recognition that, despite Hokkaido's standing as one of Japan's most attractive regions, its attractiveness does not necessarily translate into greater happiness for its residents. In formulating the vision, management and the external directors held multiple discussions from a broad range of perspectives, also taking into account the results of an employee survey.

The new Medium-Term Business Plan was formulated by clarifying the Bank's mission based on this long-term vision and establishing five strategic pillars for its realization. The plan was formulated in the same manner as the long-term vision, with particular emphasis on frontline perspectives gathered through an employee survey. The aim was to ensure that the plan would not be exclusively for management, but would be fully embraced by all employees as their own, thereby strengthening execution.

The new Medium-Term Business Plan is ambitious and challenging across a wide range of areas. Under the Hokkaido-based strategy, the Bank has set out initiatives that go beyond the conventional boundaries of banking, including proactive participation in community-building in collaboration not only within the Group but also with local governments, universities, and other stakeholders. Under the full digital transformation (DX) strategy, the Bank has set the ambitious goal of achieving Japan's top UI/UX and support system for the core functions of its app. Under the non-financial diversification strategy, the Bank also seeks to address Hokkaido's structural challenges head-on by viewing industries not as isolated entities but as an interconnected ecosystem, supporting the revitalization of entire industry groups and creating new businesses. Overall, I regard this as a highly substantive plan that presents a concrete picture of the Bank's future vision.

At the same time, it is also true that the Bank's current resources, particularly its human resources, are not necessarily sufficient to fully execute the Plan. I therefore believe it is essential, in parallel with implementing the Plan, to (1) firmly embed the new "Polaris" new personnel system and further enhance training programs to strengthen the capabilities of each employee; (2) strengthen mid-career recruitment to proactively secure professionals with specialized expertise; and (3) create additional workforce capacity through digitalization and optimize the allocation of human resources. While key KPIs have been established for each strategy, I also believe that, in order to maximize results with limited resources, it will be important to clearly prioritize among those KPIs.

Evaluation of Initiatives to Enhance the Effectiveness of the Board of Directors in FY2025

The Bank conducts an annual questionnaire survey of all directors to assess the effectiveness of the Board of Directors. In FY2025, the evaluation score on a five-point scale increased by 0.4 points year-on-year and by 0.7 points compared with FY2023. I view these results as indicating that our ongoing efforts to enhance the effectiveness of the Board are yielding results to a certain extent.

Specific initiatives to enhance effectiveness include: enhancement of pre-meeting briefings; exchanges of views among external directors following these briefings; questionnaires conducted after Board meetings; reviews by the CEO, CFO, Chairman, and Secretariat; consideration of agenda items for the next Board meeting by the same members; and meetings between the Chairman and the Board Secretariat immediately before Board meetings. In particular, at the pre-meeting briefings, the general managers of relevant departments directly explain the background leading up to its submission and the issues involved. This approach has contributed significantly to a deeper understanding of the matters to be discussed.

Message from the Chairperson of the Board of Directors 2/2



As Chairman, I am committed to actively raising at Board meetings the issues and concerns expressed by External Directors during the pre-meeting briefings and to encouraging open and vigorous discussion. As a result, I believe that discussions have become more candid and constructive compared with the previous year.

One area for further improvement is to expand, as necessary, opportunities for External Directors to attend important meetings other than Board meetings as observers. Directly observing the deliberation process of critical matters not only deepens directors' comprehension of agenda items but also serves as a vital foundation for exercising effective oversight and proposing constructive adjustments at Board meetings.

Recognition of Issues Concerning a Culture of Excessive Deference and Risk-Taking

As I noted in the 2025 Integrated Report, it is undeniable that excessive deference to superiors has long existed as part of the Bank's corporate culture. I recognize that fundamentally transforming this culture over a short period is no easy task. Nevertheless, I feel that openness within the organization is steadily improving, with a certain level of psychological safety secured primarily within the head office, leading to an increasing number of occasions where diverse and open opinions are freely expressed.

One issue currently recognized by the Board is so-called micromanagement by senior management. Two years ago, we introduced the delegated executive officer system to delegate authority, but concerns have been raised that senior management continues to be overly involved in operational details. Candid discussions have taken place between senior management and the delegated executive officers, resulting in a shared recognition of the issue. The Board will continue to monitor the situation closely to ensure that the system functions in accordance with its original purpose.

With regard to our approach to risk-taking, the Board has repeatedly discussed whether the Bank may be taking an overly cautious approach to lending to companies with relatively low credit ratings. This was partly due to the fact that the Bank's management policies had not been sufficiently communicated to branches. However, through training and practical experience, efforts are gradually moving forward to enhance employees' ability to assess the business potential of customers and thereby take a more proactive approach.

With respect to securities investments, given the increasing volatility in financial markets, we need to further enhance both investment diversification and our risk management framework. As long-term interest rates rose sharply, our high degree of reliance on JGBs meant that we were unable to allocate sufficient gains from the sale of policy shareholdings to growth investments. This is an area on which we need to reflect seriously. Going forward, I believe we need to further strengthen the profitability of our securities investment operations, including by considering the use of external professionals with specialized expertise.

Key Priorities for the Bank Going Forward

There are two areas that I consider particularly important for the Bank going forward.

The first is to ensure that the economic benefits generated by national projects, including next-generation semiconductors and GX, spread throughout Hokkaido. To achieve this, accurate information gathering and business matching that leverages the Bank's branch network will be important. The relevant departments are already actively engaged in these efforts, but even deeper involvement and a heightened sense of commitment will be required going forward. I believe the Bank is expected to serve as a coordinator that connects businesses and communities across the region.

The second is to provide continuous management support to SMEs in the established industries that have long supported Hokkaido's economy. The Bank's future is inextricably linked with that of these SMEs. If allocating resources to the strategies set out in the new Medium-Term Business Plan were to weaken the capability of our branches on the front line to serve customers, it would defeat the very purpose of the Plan. It is essential to strengthen our framework for standing alongside customers and providing hands-on support in addressing their management challenges, including cash flow and financing needs. I believe it is our mission to contribute to strengthening Hokkaido's economy as a whole by actively drawing on the capabilities of our branches, group companies with specialized expertise, and external knowledge and expertise.

Value Creation Process

The North Pacific Bank Group is strengthening its business base and governance under the long-term vision, and supporting regional peace of mind and vitality through a sustainable value creation process.

Input

Financial capital
- Stable financial base

Natural capital
- Abundant nature of Hokkaido

Social and relationship capital
- Largest customer base in Hokkaido
- Collaboration with regional partners

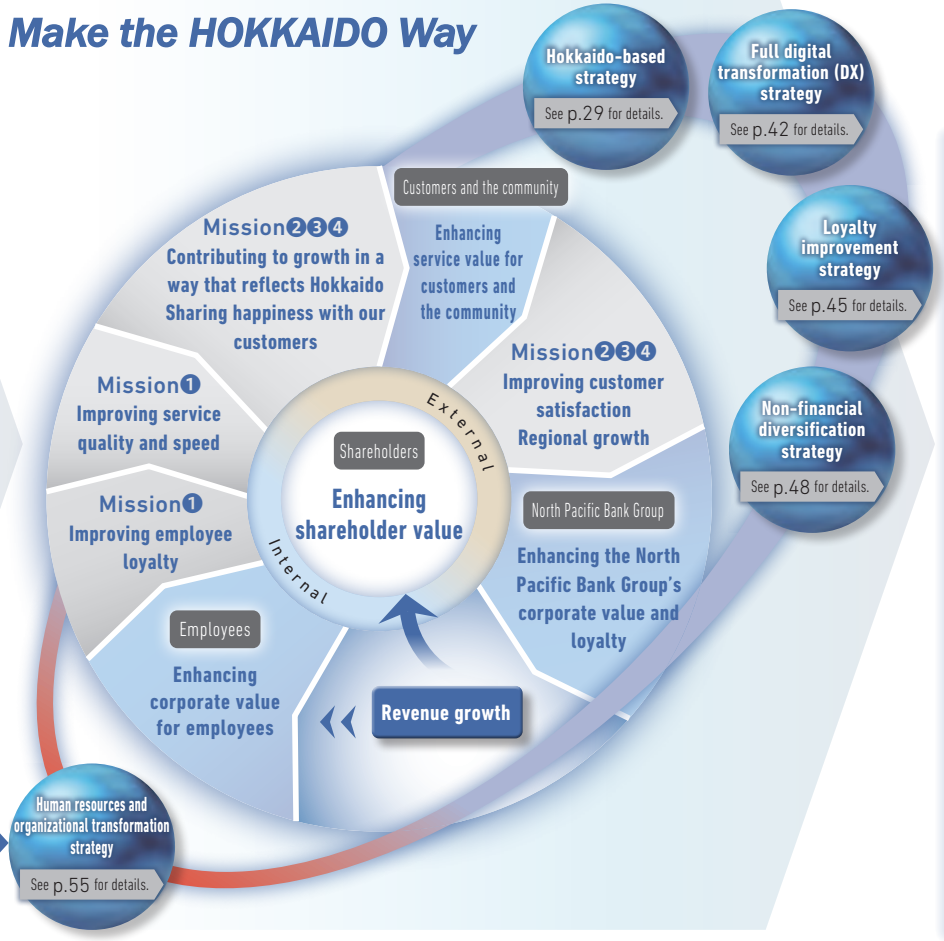
Intellectual capital
- Group's comprehensive strength
- Provision of growth industry support tailored to Hokkaido

Human capital
- Diverse human resources
- Organizational culture

Business model/business activities

[Brand slogan]

Make the HOKKAIDO Way



Outcomes

Enhancing corporate value

FY2028 → FY2035

Improving economic value

Main financial metrics

- Profit attributable to owners of parent
  Approximately **50** billion yen
- Consolidated ROE
  Approximately **11**%
- Consolidated RORA
  Approximately **1.24**%

Improving social value

Social impact index

- Per capita real GDP in Hokkaido
- Disposable income of residents of Hokkaido
- Financial assets held by residents of Hokkaido
- Labor productivity in Hokkaido
  130%
- Population of Hokkaido (Social increase/decrease)
  Increase

See p.24 for details.

The North Pacific Bank Group's Vision for the Future

Management philosophy

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

Realizing our long-term vision

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

Mission

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

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

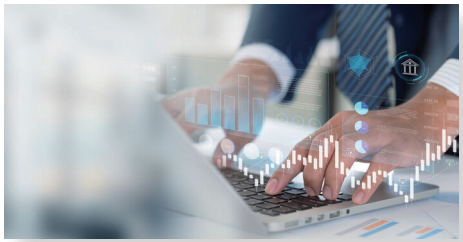
❸Dedicate our full management resources to realizing Hokkaido's potential

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

Capital for Value Creation

Toward the realization of a sustainable society and improving corporate value, the Bank makes strategic use of diverse capital.

The five types of capital are financial capital that supports a sound management base, the human capital and intellectual capital that are the sources of competitiveness, social and relationship capital that deepens relations of trust with society, and natural capital that improves the sustainability of corporate activities. We will aim to mutually circulate and combine these five types of capital and, in addition to creating new value through our business activities, make the optimal allocation of limited resources to maximize medium-to-long-term growth and social impact.



	Financial capital	Natural capital	Social and relationship capital	Intellectual capital	Human capital
Content of capital	Stable Financial Base Amount of funds (non-consolidated) *1 **11.1** trillion yen Consolidated capital adequacy ratio *1 **11.65**% [Based on the full implementation of Basel III]	Abundant Nature of Hokkaido A bountiful environment to generate Hokkaido's potential	Largest Customer Base in Hokkaido Collaboration with Regional Partners Deposit share in Hokkaido **37.7**%*4 Loan share in Hokkaido **39.7**%*4 Number of main-bank client companies (companies in Hokkaido)*5 Around **30,000** companies Branch offices/overseas offices*1 **172** branches/ **2** locations	Leveraging the Group's Comprehensive Strengths to Support Growth Industries Tailored to Hokkaido Consolidated subsidiaries*1 **6** companies (*CAREER BANK Co., Ltd became a wholly owned subsidiary in July 2026, and there are now seven subsidiaries as of the time of publication of this report) Amount invested in growth areas/new businesses*3 **600** million yen (expected)	Diverse, challenge-driven human resources and an organizational culture ranked No. 1 in employee satisfaction Total employees (consolidated)*1 **2,828** Engagement score*2 **68** Amount invested in human resources*3 **4.3** billion yen(expected)
Initiatives to maintain and strengthen capital	Risk asset control based on profitability and soundness Expansion of deposit share through digitization of customer contact points	Investment and loans to encourage both the protection and use of nature	Provision of Hokkaido-based services Loyalty improvement measures Strengthening collaboration with regional partners	Expansion of non-financial business through group collaboration (Hokkaido Kyoso Partners and CAREER BANK) Acquisition of knowhow on renewable energy/GX project support, and leading the promotion of these initiatives	Personnel system "Polaris" Evaluation system design to raise merit-based evaluation, improved fairness of treatment and enhanced autonomy
Strategies using capital	Hokkaido-based strategy Corporate sector and individual sector See p.29 for details. Full digital transformation (DX) strategy See p.42 for details. Loyalty improvement strategy See p.45 for details.	Hokkaido-based strategy Concentrated investment in growth industries See p.36 for details. Non-financial diversification strategy Initiatives toward climate change/initiatives toward nature positive See p.51 for details.	Hokkaido-based strategy Corporate sector and individual sector See p.29 for details. Full digital transformation (DX) strategy See p.42 for details. Loyalty improvement strategy See p.45 for details. Non-financial diversification strategy See p.50 for details.	Hokkaido-based strategy Concentrated investment in growth industries See p.35 for details. Non-financial diversification strategy See p.48 for details.	Human Resources and Organizational Transformation Strategy See p.55 for details.

*1 As of the end of March 2026 *2 FY2025 *3 Three-year aggregate from FY2026 to FY2028 *4 As of the end of March 2025 (excluding Japan Post Bank; estimated by the Bank based on publicly available external sources) *5 As of August 2025 (Tokyo Shoko Research "Main Bank Survey (2025)")

Business Model for Achieving the Long-Term Vision and Five Pillars of Overall Strategy

Under the vision of "Making Hokkaido Japan's No.1 in Both Attractiveness and Happiness" we at the North Pacific Bank Group are pursuing our Medium-Term Business Plan from FY2026 based on the axis of our five pillars of overall strategy.

Based on our long-term vision of "Making Hokkaido Japan's No.1 in Both Attractiveness and Happiness," announced in August 2025, we are looking ahead to the next 10 years as the financial group closest to the region. By addressing the diverse issues facing Hokkaido and contributing to their resolution and to sustainable growth, we aim to realize a virtuous cycle of generating earnings and returning value to society. The four missions for realizing the long-term vision incorporate the values that the Group places importance on: "human capital," which is the starting point for everything; Hokkaido's "rich natural environment," which forms the foundation of the region;the "realization of the region's potential"; and "sharing happiness with the people of Hokkaido."
The overall strategy for the realization of this vision consists of the five pillars of the "Hokkaido-based strategy,""full digital transformation (DX) strategy,""loyalty improvement strategy,""non-financial diversification strategy," and the "human resources and organizational transformation strategy." The Medium-Term Business Plan launched in April 2026 is positioned as the first stage in order to achieve the overall strategy.



Long-term vision and mission

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

We:

1. Aim to become the No. 1 regional bank group for 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

【New Medium Term Business Plan (April 2026–March 2029)】
Full scale launch of the overall strategy for realizing the vision

Five pillars of overall strategy

Hokkaido-based strategy	Full digital transformation (DX) strategy	Loyalty improvement strategy	Non-financial diversification strategy	Human resources and organizational transformation strategy
2 3	2 4	2 4	2 3	1
See p.29 for details.	See p.42 for details.	See p.45 for details.	See p.48 for details.	See p.55 for details.

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

Target Metrics for Economic Value and Social Value

With regard to key performance indicators (KPIs) formulated in order to assure the effectiveness of value creation, the Bank conducts in parallel the deepening of quantitative progress management and qualitative initiatives, thereby building up credible value.



To address social issues and create new value, we assess the outcomes of strategically investing in and utilizing the five forms of capital—not only from a financial perspective but also from the perspective of non-financial "social value" indicators.
Through this multifaceted assessment, we aim to make visible the extent of our contribution to enhancing Hokkaido's attractiveness and happiness.

Improving Economic Value (ROE)

Numerical targets aimed for by realizing our overall strategy through the new Medium-Term Business Plan period

Metrics	FY2025 actual	FY2028 target	Future policy
Profit attributable to owners of parent	25.6 billion yen	Around 50 billion yen	Expansion of all service shares among companies and individuals in Hokkaido Improvement of customer loyalty, etc. through provision of convenient and profitable services Expansion of non-finance business that contribute to addressing social issues in Hokkaido
Consolidated ROE	6.6 %	Around 11 %	
Consolidated RORA*2	0.78 %	Around 1.24 %	Improvements through appropriate risk taking based on risk appetite framework (RAF) management
Consolidated core OHR	62.2 %	Around 50 %	Strengthening top line revenue and investment in fields and human resources with potential for growth in the future. Appropriate cost control through operational efficiency enabled by DX/AI

*1 Net asset basis and shareholders' equity basis
*2 Profit attributable to owners of parent ÷ consolidated risk-weighted assets (fully implemented basis)

Improving Social Value

Requisite metrics for improving the attractiveness and happiness of Hokkaido cited in the long-term vision

Metrics	FY2035 target
Per capita GDP (real GDP)	130 %
Population of Hokkaido (net migration)* *The net change calculated by subtracting the total number of people moving to other prefectures from the total number of people moving in from other prefectures.	Increase
Income of Hokkaido residents (disposable income)	130 %
Financial assets held by Hokkaido residents (amount held)	130 %
Digital transformation in Hokkaido (labor productivity)* *Real GDP ÷ (number of employed persons × total hours worked per person)	130 %

(Compared with FY2025)

Metrics	FY2030 target
Hokkaido's natural environment (GHG* emissions) *Greenhouse Gas	48 % reduction

(Compared with FY2013)

Materiality 1/2

Our Group has identified sustainability-related materiality to help realize our long-term vision and to address these challenges in Hokkaido. From an ESG perspective, we have identified the issues to which we should give the highest priority and established the targets we aim to achieve. Through these initiatives, we will help resolve the challenges faced by our customers and local communities, thereby contributing to the sustainable growth of Hokkaido.



Materiality and Overall Strategy

Long-term vision Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness

Overall strategy

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

Related Materiality

- Support for strengthening the brand power of food and tourism, which are growth drivers in Hokkaido
- Support for sustainable growth of regional companies
- Realization of a decarbonized society
- Contribution to Hokkaido's nature-positive
- Realization of a workplace where employees feel motivated
- Promotion of diversity

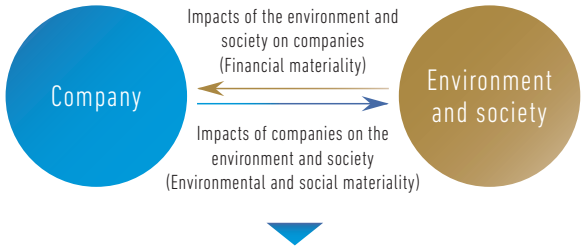
Materiality 2/2

Materiality	Key Initiatives	Quantitative and Qualitative Targets
Support for strengthening the brand power of food and tourism, which are growth drivers in Hokkaido	• Expand the sales channels for food-related businesses and provide business opportunities • Support for growth industries (agriculture, tourism, startups, etc.) • Participate in community-building	• Create an ecosystem that supports growth • Contribute to regional revitalization and enhancing Hokkaido's attractiveness
Support for sustainable growth of regional companies	• Support customers' core businesses • Improving service quality (maximizing customer engagement and the quality of proposals)	Loan share in Hokkaido (FY2028) **41.4%**
Realization of a decarbonized society	• Promote sustainable finance • Support customers' migration to a decarbonized society	Cumulative sustainable finance executed (FY2030) **2** trillion yen
Contribution to Hokkaido's nature-positive	• Implement initiatives for Hokkaido biodiversity conservation and restoration • Expand the business types subject to scenario analysis	Support for activities to protect Hokkaido's abundant natural environment
Realization of a workplace where employees feel motivated	• Improve the perceived fairness of treatment • Provide opportunities for autonomous career choices and growth • Improve employee engagement	Engagement score (FY2028) **77**
Promotion of diversity	• Promote health and productivity management • Conducting human rights due diligence (HRDD)	Recognition as a Certified Health and Productivity Management Outstanding Organization **White 500** Certification

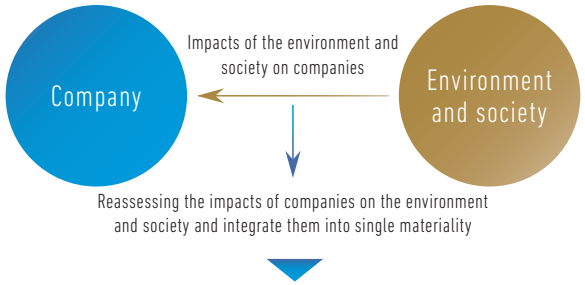
Updating materiality

Our Group is currently updating its materiality assessment. In FY2025, we identified double materiality by analyzing the impacts that companies have on the environment and society from the perspectives of risks and opportunities. Under the Sustainability Standards Board of Japan (SSBJ) Standards, however, companies are required to analyze the impacts of environmental and social factors on companies from the perspectives of risks and opportunities, identify them as single materiality, and disclose the results.
Accordingly, we will organize both the impacts of environmental and social factors on companies and vice versa, integrate them with our existing materiality, and identify the material issues that our Group should address.

〔 Double materiality 〕



〔 Single materiality 〕



Toward a New Materiality Framework for Our Group

POINT 2

The Medium- to Long-Term Strategy for Value Creation



Initiative Strategy for Value Creation

028 Review of the Previous Medium-Term Business Plan and an Overview of the New Medium-Term Business Plan
029 Hokkaido-based Strategy
038 Special Feature 01: The Potential of Hokkaido
Growth Industries in Hokkaido
GX／Semiconductors
042 Full Digital Transformation (DX) Strategy
045 Loyalty Improvement Strategy
048 Non-Financial Diversification Strategy
055 Human Resources and Organizational Transformation Strategy
058 Special Feature 02: Head Office Reorganization
Purpose/Organization Chart
Interview with the General Manager
061 Special Feature 03: Looking Back on One Year of the Polaris New Personnel System

New Medium-Term Business Plan

Review of the Previous Medium-Term Business Plan and Overview of the New Medium-Term Business Plan

We explain our new growth strategy for sustainably enhancing corporate value, built on the lessons learned from our review of the previous Medium-Term Business Plan. In a business environment marked by growing uncertainty, this section outlines how the Group will leverage its unique strengths to open up the future and drive its next transformation.

In March 2020, we established our current management philosophy: "Taking a thorough customer-oriented approach, striving to solve diverse challenges, and exploring the future of Hokkaido." While the first part of this philosophy—"Taking a thorough customer-oriented approach"—has become firmly embedded among our employees, we recognized the need to further strengthen our efforts embodied in the latter part: "striving to solve diverse challenges, and exploring the future of Hokkaido." This recognition marked the starting point for the formulation of our new Medium-Term Business Plan. Based on this approach, in August 2025 we formulated our long-term vision, "Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness," together with four missions and five pillars of overall strategy designed to realize that vision.
The long-term vision and overall strategy are intended to be realized over a 10-year period, while the new Medium-Term Business Plan, "Make the HOKKAIDO Way 1st Stage — Creating a 'Way' That Does Not Yet Exist," launched in April 2026, sets out the initiatives to be undertaken during the first three years.

Previous Medium-Term Business Plan

Status of Achievement of Financial Metrics

As the environment surrounding us has changed significantly since the plan was formulated, it is difficult to assess performance based solely on the headline figures. Nevertheless, we largely achieved the targets set out in the plan.

Stock price performance

During the previous Medium-Term Business Plan period, the Bank's stock price increased 3.4-fold, outperforming both TOPIX and the TOPIX Banks Index.

Plan items	Plan for FY2025	Results for FY2025
Profit attributable to owners of parent	Approx. 17 billion yen	25.6 billion yen
Consolidated ROE	Approx. 4%	6.6%
Consolidated core OHR	Approx. 70%	62.2%
Consolidated capital adequacy ratio*	Approx. 14%	13.18%

* Basel III finalization (transitional period) basis

New Medium-Term Business Plan

The first three years toward "Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness," as we work with our customers and local communities to build a brighter future for Hokkaido.

Full-scale launch of the overall strategy for realizing the vision

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

Plan items	Plan for FY2028
Profit attributable to owners of parent	Approx. 50 billion yen
Consolidated ROE*1	Approx. 11%
Consolidated core OHR	Approx. 50%
Consolidated RORA*2	Approx. 1.24%

Interest rate scenarios*3
January 2027 0.75% → 1.00%
January 2028 1.00% → 1.25%

*1 Net asset basis and shareholders' equity basis
*2 Profit attributable to owners of parent ÷ consolidated risk weighted assets (based on full implementation).
*3 As of the time the plan was formulated

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

Subsequent Medium-Term Business Plan

By steadily taking one sure step after another, we will realize our long-term vision.



April 2023 — April 2026 — April 2029 — 2035

New Medium-Term Business Plan

Hokkaido-based Strategy 1/9

As a Hokkaido-based financial group, we will work together with local communities to create sustainable growth unique to Hokkaido by leveraging our solid customer base and network, further integrating digital services with our physical locations, and supporting tourism, agriculture, green transformation (GX), and startups.

Our Strategic story

Maintaining our clear positioning as a "Hokkaido-based" financial group, 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.

Strategic targets

Our key KPIs are shown on the right. We will increase our deposit and loan shares in Hokkaido and further expand the number of customers for which we serve as the main bank, one of our key streng ths.In addition, we will proactively undertake regional collaboration projects with a broader geographic perspective, including collaboration with regional partners and community building.

〔 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

See p.30 for details.

Concentrated investment in growth industries
〈Prioritiy areas〉

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

See p.35 for details.
See p.36 for details.

Hokkaido-based strategy × non-financial diversification strategy

Strengthen collaboration with regional partners
〈Build a partnership foundation〉

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

See p.37 for details.

Hokkaido-based strategy × non-financial diversification strategy

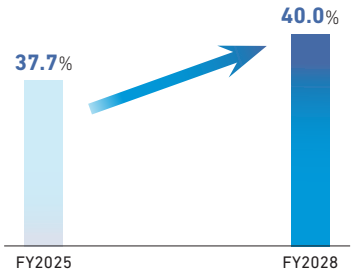
Active participation in community building
〈Promote in coordination with the strategies listed on the left〉

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

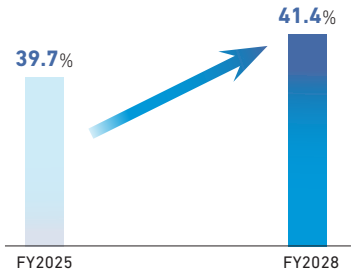
See p.37 for details.

〔 Key KPIs 〕

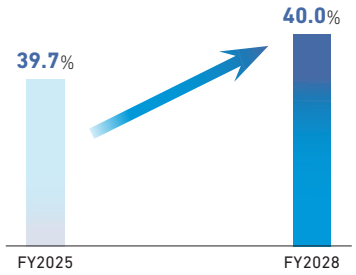
Share of deposits in Hokkaido



Share of loans in Hokkaido



Main bank ratio



Number of area-wide regional collaboration projects

FY2028

3 projects

New Medium-Term Business Plan

Hokkaido-based Strategy —— 2/9 [Individual Sector : Hokkaido-based Strategy × Full Digital Transformation (DX) Strategy × Human Resources and Organizational Transformation Strategy]

Amid population decline and digitalization, the Bank aims to provide financial services that support each customer throughout their life. By combining highly convenient digital channels with face-to-face consultation backed by strong expertise, we will provide optimal value tailored to each stage of life, from asset building to inheritance, and contribute to the well-being of local communities.

Overview of strategy for individual customers

Individual deposits account for slightly more than 60% of the Bank's total deposits. Under the new Medium-Term Business Plan, we plan to increase individual deposits by 4.6% over three years, from the current 7.04 trillion yen to 7.37 trillion yen in the final fiscal year of the plan.
We also consider strengthening touchpoints with individual customers to be an important initiative. While leveraging and reorganizing our advantageous physical locations tailored to regional characteristics and their environments, we will develop unique services that integrate digital and physical channels, including digitally enabled branches and mobile branches. We plan to maintain our branch and ATM network, one of our key strengths, as an important infrastructure for securing deposits and supporting the adoption of digital services.

1 **Digitalization**
(convenience + utilization of physical locations)

×

2 **Loyalty enhancement services**
(Customer benefits + sense of exclusivity)

×

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

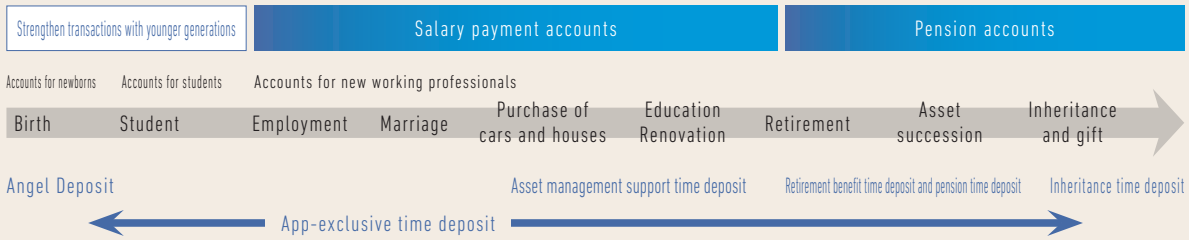
▼

➤ Acquisition of deposit accounts
➤ Expansion of market share

Acquisition of deposit accounts

Starting with enhanced app convenience and transaction-based benefits, we will work to acquire more primary accounts, including accounts used for salary payments, and expand transactions with younger customers. We will also provide products and services tailored to each customer's needs and life events, thereby building long-term customer relationships and increasing stable deposits.

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



Initiatives 「Hokuyo Angel Account Opening Campaign」
(This campaign has ended. Campaign period: April 1 (Wed.) to June 30 (Tue.), 2026.)

We conducted a campaign under which customers who newly opened an ordinary deposit account for a child aged 0 to 3 at a Bank branch received a cash gift of 1,000 yen. The campaign was designed to encourage children to maintain a long-term relationship with the Bank, while also allowing the passbook to serve as a keepsake commemorating the birth of a new family member and as a record of the child's growth.

Benefit ① (automatic entry)
1,000 yen cash gift for all eligible customers

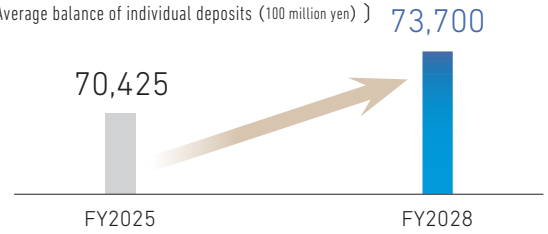
Benefit ② (available upon request)
"Memorial Passbook" service

Your child's birth information* will be printed in the transaction details section of the passbook.
*Five types of information can be printed: "YEAR" (year of birth), "BIRTHDAY" (month and day of birth), "TIME" (time of birth), "WEIGHT" (birth weight), and "HEIGHT" (height at birth).

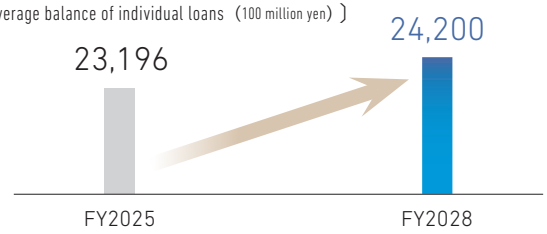


Targets

[Average balance of individual deposits (100 million yen)]



[Average balance of individual loans (100 million yen)]



New Medium-Term Business Plan

Hokkaido-based Strategy —— 3/9 [Individual Sector : Hokkaido-based Strategy × Full Digital Transformation (DX) Strategy × Human Resources and Organizational Transformation Strategy]

1 Digitalization
(convenience + utilization of physical locations)

Digital and face-to-face services (remote channels)

The Bank aims to deliver a differentiated customer experience by combining our locally rooted physical locations with digital channels in a mutually complementary manner. We position our branch and ATM network and mobile service locations not only as places for conducting transactions, but also as gateways to digital services, and seek to promote continued use of these services through attentive support from our employees. On the digital front, we strive for greater convenience and advanced services accessible anytime, anywhere. By integrating these services with our physical locations, we aim to enhance both our brand value and profitability. Under the new Medium-Term Business Plan, we will, in principle, maintain these locations as important customer touchpoints while simultaneously strengthening our deposit base and promoting the adoption of digital services.

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

Development of mobile store vehicles

Mobile store vehicles (conceptual image)



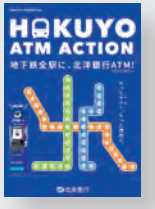
Deposits and withdrawals handled via ATMs; consultation services are the main focus

◎Physical branches offer various digital services, including in-person app operation support by bank employees; mobile store vehicles will also incorporate advertising services as part of the package

TOPIC Launch Hokuyo “ATM Touchpoint Expansion Project”

● 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)



● 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” (freeduring 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.).

AEON AEON MALL イオンスーパーセンター MaxValu BIG まいばすけっと Etc.

*Some stores do not have ATMs.



*Image

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

Channel

	Now	Future plans
Face-to-face	In-store branches	Development of mobile stores and streamlined branches
Remote	Apps	Addition of app features
	ATMs	Increase in ATM installations

North Pacific Bank app

See p.43 for details.

The North Pacific Bank app is a smartphone app provided by North Pacific Bank for individual customers. This app allows customers to easily and securely check balances, make transfers, send money, and manage other daily banking transactions anytime, anywhere from their smartphone. We plan to introduce new functions based on customer feedback collected through comments, surveys, and interviews, prioritizing features that address the most urgent needs.

[Main functions]

Check balance	Check transaction details	Transfer funds and send money
Personal loans	Term deposits	Find branches and ATMs
Pay bills	Link JCB debit card	Switch to paperless account
Open an ordinary deposit account	Apply for a debit card	Open an investment trust account and conduct transactions

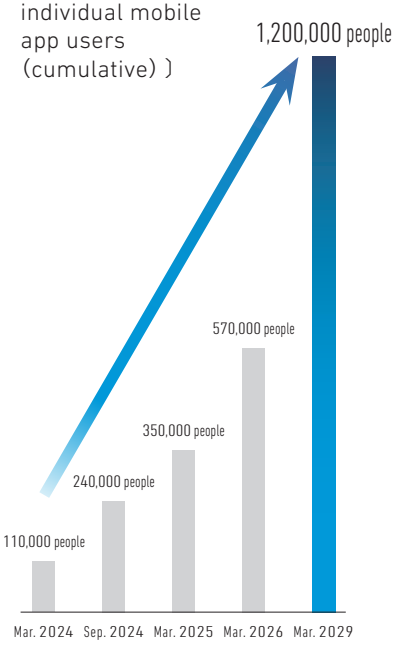
POINT ➢1 Banking anytime, anywhere

POINT ➢2 No-fee transfers between North Pacific Bank accounts

POINT ➢3 Easy login with full security measures in place



[Number of individual mobile app users (cumulative)]



New Medium-Term Business Plan

Hokkaido-based Strategy

4/9 [Individual Sector : Hokkaido-based Strategy × Full Digital Transformation (DX) Strategy × Human Resources and Organizational Transformation Strategy]

2 Loyalty enhancement services
(customer benefits + sense of exclusivity)

Development of loyalty enhancement services

The Bank is expanding services aimed at enhancing loyalty in order to deepen our medium- to long-term relationships with each customer. Through a tiered program that provides preferential benefits based on customers' transaction status, we offer tangible everyday benefits, while providing high-net-worth customers with a more exclusive service experience, including dedicated relationship managers and sophisticated solution proposals.
We are also optimizing the customer journey, from account opening and asset building to loans and payments, and enhancing convenience and customer satisfaction by offering integrated retail transactions that combine multiple products and services. Through these initiatives, we aim to remain the financial group of choice for our customers.

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

Enhancement of Head Office support for knowledge development

To help branch employees deliver high-quality proposals as financial professionals, we are strengthening head office support for their skill development. By leveraging time saved through administrative digitalization, we continuously offer structured training in areas like asset building and business succession, alongside study sessions on the latest market trends.
In addition, the Bank and its subsidiary, North Pacific Securities, work together to provide a framework for connecting customers in Hokkaido with the professionals best suited to their asset levels and life stages.
Through these initiatives, we aim to enhance branch employees' proposal capabilities, meet increasingly diverse customer needs with care, and contribute to the sustainable growth of local communities while maximizing the Group's overall value.

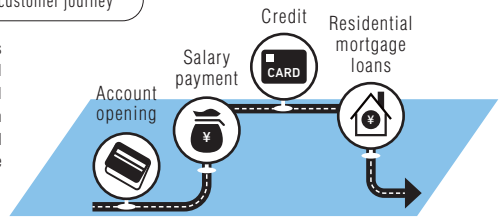
Strengthen customer relationships by offering benefits and a sense of exclusivity, optimizing customer journeys, and proposing integrated retail transactions.
See p.45 for details.

Under consideration
Tiered program (customer benefits)
See p.46 for details.

Under consideration
Offer a sense of exclusivity to high-net-worth individuals
See p.46 for details.

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

* Life consulting plaza (LCP): a one-stop service for consultations on loans and wealth management

Expansion of market share in the mortgage market

Online-only mortgage applications
↓
Free up human and time resources
↓
Strengthening sales to home builders
Expertise in diverse personal consultations

Evolution of asset building transactions

Regional expansion of LCP & weekend operations
Enabling face-to-face teams to focus on upper-mass segment sales
↓
NISA promotion: centered on Operations Dept. and centralized web consultation hub

Evolution of the bank-securities collaboration business model

Evolution from "referral-only" to "hybrid referral & brokerage" model
↓
Upper mass segment*: focus on securities; brokerage upper-affluent & above: referral to Wealth Management Dept.
Optimizing sales efficiency through WM screening

Strengthening headquarters support infrastructure
(System infrastructure development)
(Market-driven product development)
(Knowledge transfer from top performing sales personnel)

Strengthening headquarters support infrastructure
(Expanding advertising & strategic promotions)
(Systematizing administrative procedures)
(App-based public bond transactions)

Strengthening headquarters support infrastructure
(Launch of Wealth Management Department)
(Phased reassignment of securities sales personnel)
(Unified Bank Securities System integration)

*The upper mass segment refers to a segment of general consumers who have a certain level of income and financial assets and have needs related to asset building and investment.

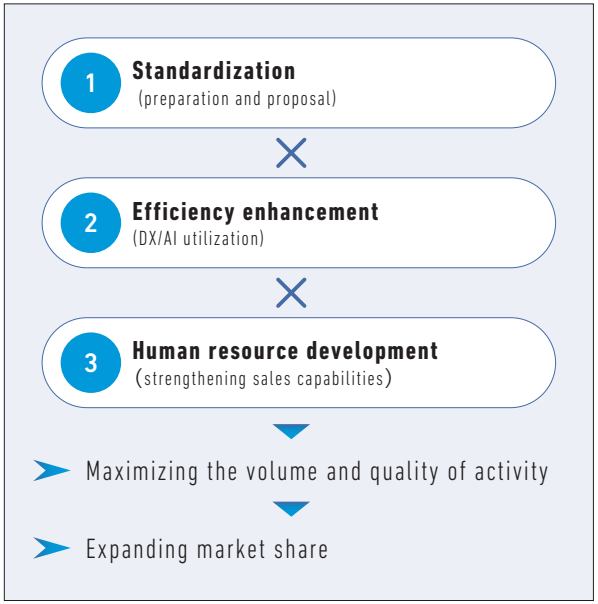
New Medium-Term Business Plan

Hokkaido-based Strategy —— 5/9 [Corporate Sector : Hokkaido-based Strategy × Full Digital Transformation (DX) Strategy × Human Resources and Organizational Transformation Strategy]

To protect local industries and drive new growth, we strengthen hands-on support that goes beyond simply providing financing.
Through advanced solutions for addressing management issues, support for DX and GX, business succession, and business matching, we will continue to help local companies sustainably enhance their corporate value and contribute to revitalizing the regional economy.

Expand market share

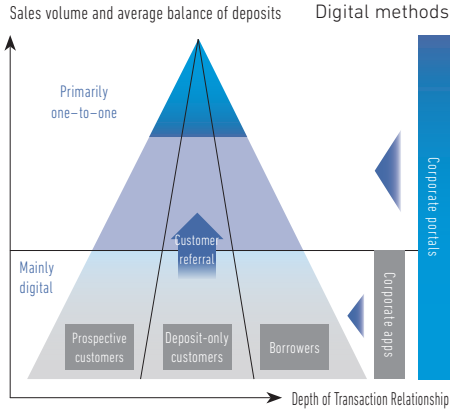
Our core strategy is to clearly define customer segments and maximize both sales activity volume and the quality of proposals through greater efficiency enabled by DX and AI and through human resource development aimed at strengthening sales capabilities, thereby expanding our market share.
We will divide customer segments into those primarily served face-to-face and those primarily served through digital and other non-face-to-face channels, while also using a hybrid sales approach for some customers to maintain sufficient sales activity volume. In utilizing DX and AI, we will introduce non-face-to-face channels such as a corporate customer portal and corporate apps to improve sales efficiency and strengthen digital transactions.



1 Standardization (preparation and proposal)

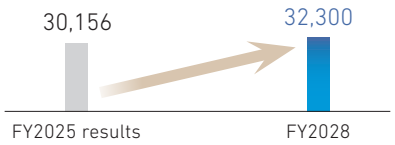
Clarifying customer segments and sales approach

We clearly define customer segments according to each customer's needs and preferred ways of using our services. We promote a hybrid sales approach that combines face-to-face interactions at branches with non-face-to-face channels such as online and telephone services.
By selecting the optimal customer touchpoints for each individual, we strive to deliver faster, more attentive consulting. At the same time, we aim to provide long-term value and deepen relationships through deposit transactions, business support, and other services.



Target

(Average balance of corporate deposits (100 million yen))



(Average balance of corporate loans (100 million yen))



2 Efficiency enhancement (DX/AI utilization)

DX/AI utilization

We are utilizing DX/AI to enhance our transaction infrastructure centered on non-face-to-face channels and digital payments. By comprehensively designing functions such as deposits, payments, and foreign exchange, we aim to build long-term relationships that support the growth of our corporate customers.

Utilization of a corporate portal

DX/AI utilization (corporate portal, etc.)

◎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

◎Also advance DX for settlement, account opening, contracts, and various procedures for corporate apps and internet banking, such as transaction lending and other non-face-to-face loan products

DX/AI utilization × strengthening deposit transactions

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

New Medium-Term Business Plan

Hokkaido-based Strategy —— 6/9 [Corporate Sector : Hokkaido-based Strategy × Full Digital Transformation (DX) Strategy × Human Resources and Organizational Transformation Strategy]

3 Human resource development
(strengthening sales capabilities)

Strengthening sales capabilities

The Bank is focusing on human resource development as a key driver of stronger sales capabilities. Through training and other programs designed to sharpen data utilization and problem-solving skills, we develop professionals who can effectively leverage DX and AI. In addition, we will use the time freed up through efficiency gains from DX and AI to engage more closely with customers, maximizing both sales activity volume and the quality of proposals to expand our market share in the region and achieve sustainable growth.

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	Relationship skills		Problem-solving proposal skills
Standardizing "preparation and proposal" by utilizing on site data to implement efficient face to face sales and improve activity volume and productivity	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	Learn high performing knowledge from role models within the Company (senior employees) to improve preparation skills and proposal capabilities	Accumulate knowledge on advanced financial services to enhance the depth of proposal capabilities
■Data Management Lab. -branch managers and deputy section managers ■Biz Sol Lab. -branch managers and deputy branch managers	■Biz Leap Lab. -young professionals and managers (Communication and presentation training)	■Biz Starter Lab. -young professionals ■Biz Booster Lab. -mid level	■Special training by product Loans / Various solutions / Deposits and settlement / DX／GX

the human resources strategy. See p.55 for details.

Practical training by senior employees

The Corporate Business Promotion Department held "Biz Starter Lab.," a hands-on training program for 101 employees in their second or third year with the Bank who are on the corporate banking track, to help them become productive members of the workforce at an early stage. In this program, experienced senior employees with strong track records at branches serve as coaches and directly pass on practical business development skills.
Participants take an in-depth look at the business backgrounds of the customers they are responsible for and, drawing on the coaches' extensive experience, work together to develop specific proposals aimed at resolving the customers' underlying issues. At times, Deputy President Masuda also joins as a special coach, providing direct guidance on key points to keep in mind during customer visits and on effective dialogue techniques from the customer's perspective. The training program has thus become an energetic forum where management and frontline employees come together as one.
Following the training, participants put their skills into practice by making customer proposals, which received a great deal of positive feedback. Examples included, "Quickly led to a solution through an introduction to Hokkaido Kyoso Partners," and "The customer thanked me for taking the time to understand their company before making the proposal." We will continue the program for the next generation of employees in FY2026, creating a virtuous cycle in which learning leads to further learning.



New Medium-Term Business Plan

Hokkaido-based Strategy —— 7/9 [Concentrated Investment in Growth Industries : Hokkaido-based Strategy × Full Digital Transformation (DX) Strategy × Human Resources and Organizational Transformation Strategy]

The Bank seizes the opportunities presented by GX and the semiconductor industry, while providing integrated support in tourism, agriculture, and startups, areas where Hokkaido has particular strengths.
As part of the infrastructure supporting the regional economy, we will fully unlock Hokkaido's immense potential and boldly take on the challenge of realizing a sustainable future for the region.

GX-related

Through financing and investment and by leveraging our hub function, we will help bring large-scale projects to fruition and build resilient supply chains. Through advanced decarbonization initiatives, we will lead efforts to create prosperous local communities and achieve sustainable industrial revitalization.

KPI GX-related financing: approx. 650 billion yen by FY2030

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

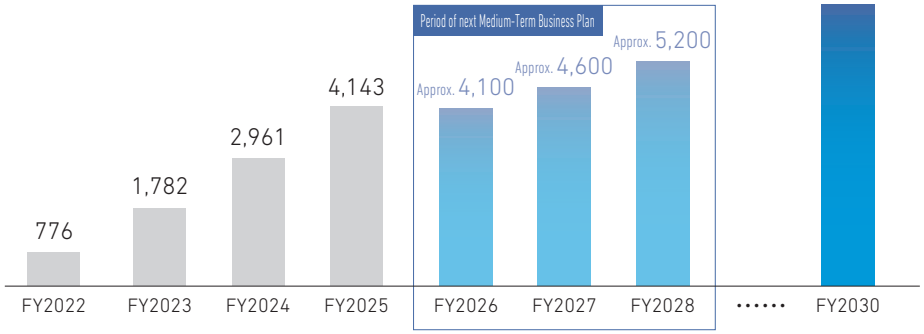
Regional revitalization

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

Approx. 650 billion yen by FY2030

[GX-related financinrg: Results and plans (cumulative basis) (100 million yen)]



Semiconductor-related

We will comprehensively promote advanced community-building by the clustering of new industries, the participation of local companies in supply chains, and the development of next-generation human resources. By supporting coordinated infrastructure development across the region, we will build a foundation for the sustainable growth of Hokkaido's economy.

KPI Semiconductor-related financing: approx. 300 billion yen by FY2030

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

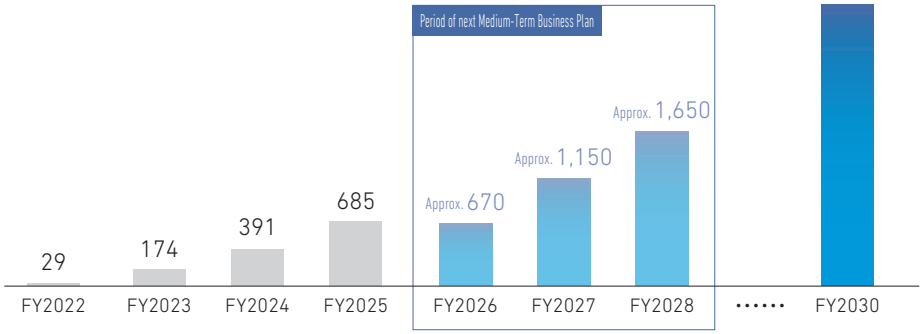
Supply chain development

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

Approx. 300 billion yen by FY2030

[Semiconductor-related financinrg: Results and plans (cumulative basis) (100 million yen)]



*Excluding direct loans to Rapidus Corporation.

New Medium-Term Business Plan

Hokkaido-based Strategy —— 8/9 [Concentrated Investment in Growth Industries : Hokkaido-based Strategy × Full Digital Transformation (DX) Strategy × Human Resources and Organizational Transformation Strategy]

Support for the tourism industry

In the tourism industry, one of Hokkaido's key strengths, we will establish a new regional trading company and undertake a range of initiatives to promote tourism. We will also invest through funds to further enhance the appeal of Hokkaido's tourism resources, thereby attracting more visitors to Hokkaido and increasing tourism-related spending within the region.

Establishment of a regional trading company — 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**
  - Launch a crowdfunding business by leveraging our relationships with local governments, with the aim of protecting Hokkaido's tourism resources and enhancing 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

Support for agricultural industry

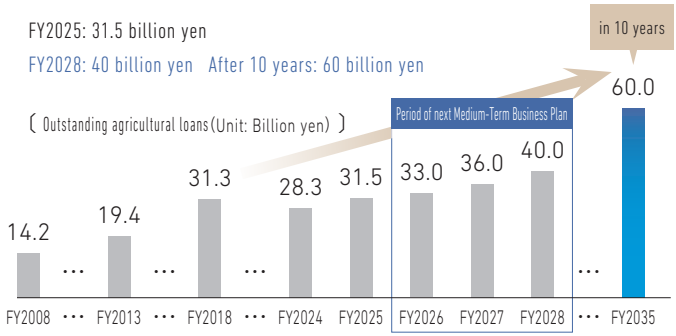
In the agricultural industry, we will assign specialized personnel to address the challenges and needs of farmers in Hokkaido, while also providing financial support and expanding our agricultural lending.

KPI Agricultural loan balances: 40 billion yen in FY2028

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



Foster leaders and entry into agriculture See p.50 for details.

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

Support for startups

In our startup support initiatives, which have primarily focused on companies in Hokkaido, we have assigned dedicated personnel to Tokyo, where many startups are concentrated, and have been actively expanding our support to startups outside Hokkaido as well. In Hokkaido, we also plan to establish a new hub and build an ecosystem centered around it, in order to further promote the growth of startups in the region.

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

Hokkaido is attracting growing nationwide attention in the space industry, supported by assets such as rocket launch sites and a concentration of related industries.
On February 17, 2026, we invested in the Frontier Innovations No.1 Investment Limited Partnership (the "Fund"), established by Frontier Innovations Inc. Through our investment in the Fund, we will contribute to fostering innovation in deep-tech fields, including space, and to the sustainable growth of Hokkaido's economy.

*For details, please see the Bank's press release.
https://www.hokuyobank.co.jp/announcement/pdf/20260217_076313.pdf

New Medium-Term Business Plan

Hokkaido-based Strategy —— 9/9 [Collaboration with Local Partners and Active Participation in Community-Building : Hokkaido-based Strategy × Full Digital Transformation (DX) Strategy × Human Resources and Organizational Transformation Strategy]

As a core player in the ecosystem the Bank is building together with diverse regional stakeholders, it will take on the challenge of realizing sustainable community-building. We will lead efforts to address regional challenges based on government plans and local resources, and have newly established the Community-building Promotion Office, a dedicated function tasked with strongly advancing this strategy. By strengthening our organizational framework, we will accelerate transformation and contribute to creating new value in Hokkaido and the development of local communities.

Realizing sustainable community-building by strengthening Hokkaido-based strategy

As a bank deeply rooted in Hokkaido, we begin by listening to the history and background of each community and carefully understanding the unique story of each one. Through dialogue with businesses and residents, we create and nurture the "work" each community needs, while supporting the aspirations and challenges of the "people" who gather there through finance, information, and networks. We believe that these steady efforts to create a virtuous cycle of employment and local livelihoods are the essence of sustainable community building and constitute our mission.

*1 Regional Economy and Society Analyzing System provided by the Cabinet Secretariat and the Ministry of Economy, Trade and Industry
*2 An analytical method that classifies industries within a region into "inbound" industries that attract demand from other regions; "local" industries based on local production for local consumption; and "outbound" industries that target markets outside the region, and analyzes their added value to identify the characteristics of each regional industry and potential growth industries.

Active participation in community-building × Strengthen collaboration among the Group, local governments, and regional 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

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)

■ 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

Formation of a regional ecosystem



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,*1 ILO industry analysis,*2 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

The Potential of Hokkaido

In addition to the development of industries regarded as Hokkaido's strengths, such as food and tourism, new growth opportunities have emerged through the launch of pilot lines for next-generation semiconductor production, tangible progress in green transformation (GX), and increased investment in the space industry. Food, tourism, and renewable energy are already among the best in Japan, and we believe it is important to leverage these strengths to achieve growth that is uniquely Hokkaido.

Food

Based on its strengths of a rich natural environment and high-quality agricultural and marine products, the Hokkaido food industry is highly evaluated in Japan and overseas. It aims to strengthen the Hokkaido brand, diversify export destinations and items, enhance added value, promote the sixth industrialization (the diversification of primary producers into processing and distribution), and advance processing technologies. Through these efforts, it seeks to build a framework that supports the regional economy and employment, including through collaboration with the tourism sector.

Agricultural Output — #1 in Japan

1.4 trillion yen

#1 Hokkaido
#2 Kagoshima
#3 Ibaraki

*MAFF, "Agricultural Output and Agricultural Income Produced by Prefecture,"2024 Statistics of Agricultural Income Produced

Marine Fishery and Aquaculture Output — #1 in Japan

0.3 trillion yen

#1 Hokkaido
#2 Nagasaki
#3 Ehime

*MAFF, "2024 Fishery Output by Sea Region and by Prefecture (Output of Marine Fishery and Aquaculture)"

GX

Hokkaido is aiming to create a benign cycle for the environment and economy by making the most of its abundant natural resources and pursuing efforts to develop renewable energy centers and attract green industries.
Using the special zones system and taxation and funding support, Hokkaido will promote the attraction of GX & DX industries throughout Hokkaido, as well as the development of renewable energy centers. While simultaneously contributing to regional economic independence, the creation of employment and energy security, it will act to achieve a carbon-neutral society.

Potential for the Introduction of Renewable Energy

Solar power	#1 in Japan
Wind power	#1 in Japan
Small- and medium-scale hydropower	#1 in Japan
Geothermal power	#2 in Japan

*Created by processing content acquired from the Renewable Energy Information Provision System (REPOS) (2021 estimates). Calculated according to installed capacity (MW).

Semiconductors

With the aim of creating a center for next-generation semiconductor production, Hokkaido is promoting integrated production, research and human resources development. In addition to creating an industry-academia-government network using the research power of universities in collaboration with the cities of Sapporo and Chitose, a cluster of digital industries centering on the Hokkaido Digital Park is being pursued. By attracting companies and supporting the participation of Hokkaido-based companies, it aims to contribute to the revitalization of the local economy and Japan's industrial competitiveness.

Number of Semiconductor and Electronic Device Companies in Hokkaido (including related companies)

157 companies

#1 Sapporo City
#2 Chitose City
#3 Hakodate City

*Hokkaido Promotion Council for Developing Semiconductor Human Resources, Hokkaido Bureau of Economy, Trade and Industry, METI, "Hokkaido Semiconductor & Electronic Device Companies Supply Chain Map" (July 2026 edition)

Tourism

Hokkaido's tourism industry uses its rich natural environment and diverse local resources to attract many tourists from within Japan and overseas. It is promoting the development of distinctive tourist destinations, including adventure tourism, as well as human resource development and the enhancement of the enhancement of the environment for accommodating tourists.
Through these efforts, it seeks to promote sustainable, high-value-added tourism while supporting the regional economy and employment.

Total Number of Overnight Guests — #3 in Japan

45 million

#1 Tokyo
#2 Osaka
#3 Hokkaido

*Japan Tourism Agency, MLIT, "Total number of overnight guests by prefecture (Jan-Dec 2025, preliminary figures)," Overnight Travel Statistics Survey



Space

Centering on the Taiki Town Hokkaido Spaceport, Hokkaido is gaining attention as a growth center for the space industry such as rocket and satellite-related enterprises. It promotes startup support and the securement of huma resources, as well as support for the acquisition of domestic and overseas demand, and cultivating the space industry into a new pillar of the region. While collaborating with other industries, it is aiming to contribute to the attraction of cutting-edge technology, new employment and the improvement of the local brand.

Rocket launch site — #2 in Japan

The only private sector-led rocket development center in Japan

ONE location

#1 Kagoshima (Minamitane Town, Kimotsuki Town)
#2 Hokkaido (Taiki Town), Wakayama (Kushimoto Town)

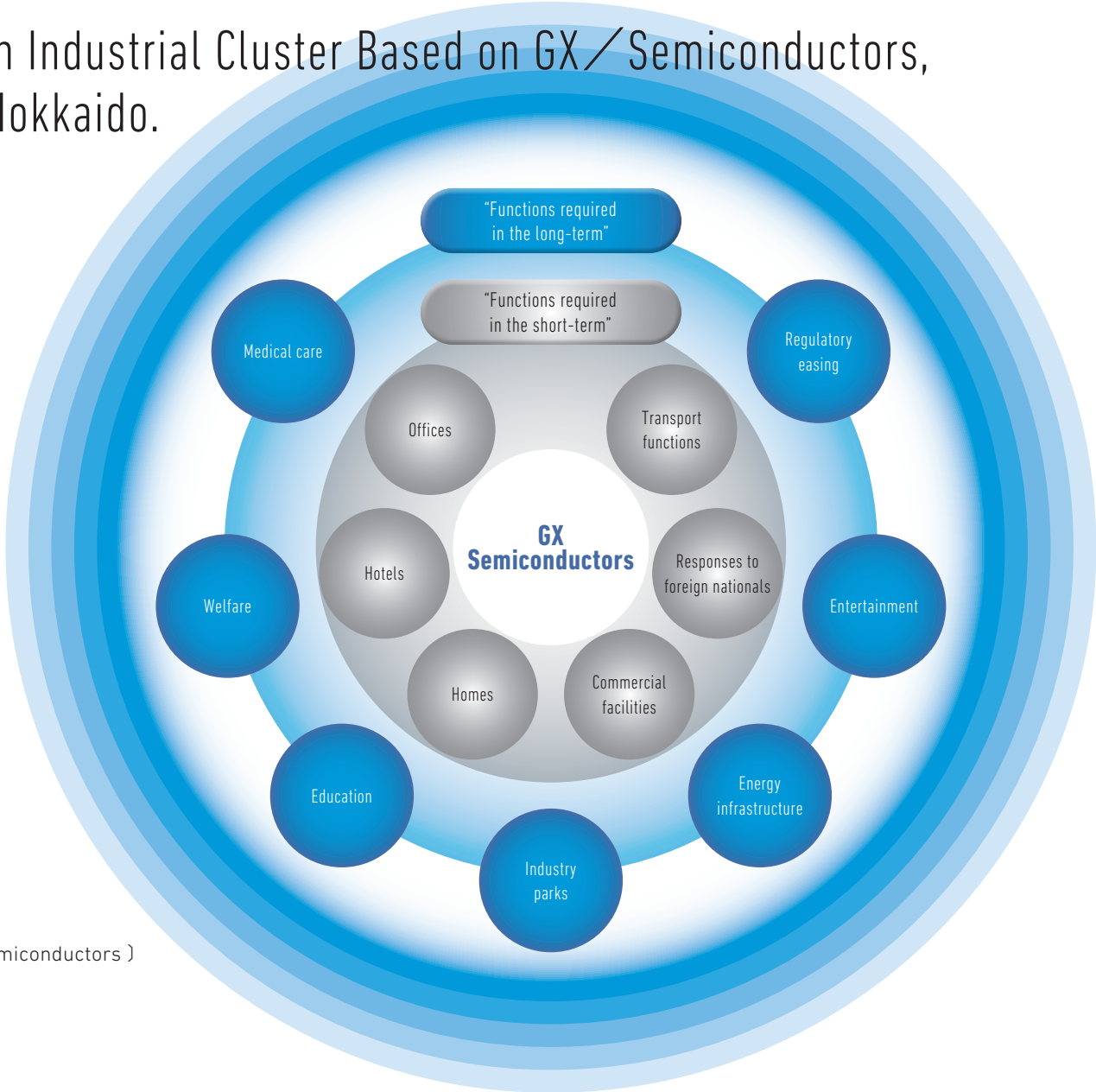
We Are Committed to Achieving an Industrial Cluster Based on GX／Semiconductors, and Bringing New Momentum to Hokkaido.

We will create new "jobs" in the region, attract and retain "people" through new approaches, and build new "communities" that reflect each region's characteristics.

GX/semiconductors are included in the 17 strategic fields designated by the Government of Japan, and trillion-yen-scale investments are expected in Hokkaido. However, such investments are only the beginning.

It will take a long time for the GX/semiconductor sectors to become established in Hokkaido and for a robust industrial cluster to be formed.

In order to generate ripple effects that expand outward in concentric circles over time, we will identify the requisite elements, collaborate with the necessary partners and steadily pursue initiatives.



〔 Expansion of "Community Building" Centered on GX / Semiconductors 〕

Hokkaido's GX Potential x Maximizing Ripple Effects

In addition to its long-standing strengths in food and tourism, Hokkaido is expected to realize the immense GX potential of its abundant natural resources.
We are committed to creating a sustainable Hokkaido by bringing together its "abundant natural resources" and "GX potential" in a way that delivers both environmental sustainability and economic growth.

Challenges in Expanding Renewable Energy

Generate	Store	Transmit	Use
Shortage of specialist human resources Shortage of work vessels Supply chain creation Etc.	Infrastructure development High costs Early social implementation Etc.	Early development Framework for grid expansion Financing structure Etc.	Securement/creation of demand Support measures for consumers Attraction of related industries Etc.

Through addressing Hokkaido's challenges and unlocking its potential, we will seek to maximize the ripple effects.

North Pacific Bank's Initiatives to Address Challenges

Offshore Wind Human Resource Development Program

- A plan to **develop the next-generation human resources** needed by the offshore wind power industry and local communities
- Support will be given for the costs of holding lectures through Hakodate City's **Corporate Hometown Tax Program**
- The lectures will take place at Hokkaido University; in addition to acquiring a wide range of knowledge, many **opportunities for students to encounter offshore wind power companies will be created.**
- This initiative contributes to **developing/securing human resources** in the offshore wind power industry.



The First Green Bond in Hokkaido

- The Bank concluded an agreement with **Iwata Chizaki Inc.** for the **first green bond in Hokkaido.**
- The bond will be allotted to **investment in self-elevating platform (SEP) vessels** used in the construction work for offshore wind power generation projects
- Japan faces a critical shortage of SEPs, and this will **accelerate offshore wind development** and **supply chain formation in Hokkaido.**



Business Development Support through Investments and Loans

- The Bank **invested in H2 Hokkaido Co., Ltd.,** established in March 2026 to conduct R&D on hydrogen combustion and hydrogen utilization equipment.
- This investment will contribute to **the widespread adoption of hydrogen use and the development of a hydrogen supply chain.**
- The Bank also extended loans for grid-scale battery storage projects and data centers.



to be continued

Cutting-edge Semiconductor Project

With the announcement by Rapidus Corporation of its pilot/operation verification of 2nm node transistors, the investment of a total of 417.6 billion yen by the government and 32 private companies including the North Pacific Bank, and the unveiling of the project for a national R&D center in Chitose City, Hokkaido's semiconductor industry cluster is steadily moving towards a new stage. In order to connect the major trend of "local to global" with the future, the Bank will attempt to maximize this effect through various initiatives and take on the challenge of accelerating community-building efforts.

Economic impact on Hokkaido from Rapidus' establishment
Up to 18.8 trillion yen



Accelerate Community Building Efforts through the Clustering of the Semiconductor Industry

Investment of 5.0 Billion yen Investment in Rapidus

Investment in Rapidus and Our 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

FY2026
PDK release

FY2027
Start mass production of 2nm generation

FY2028
Start mass production of advanced packages

FY2029
Achieve positive operating cash flow

FY2030
Investment in R&D and mass production of 1.4nm generation (Continued in FY2025 and beyond)

Major Initiatives of North Pacific Bank

Community Revitalization of the Chitose City area
➤ Promotion of utilization of unused land in Chitose City Industrial Park

Work Supply chain development
➤ Enhancing order processing within Hokuyo Semiconductor Network

People Development of semiconductor talent
➤ Collaboration with semiconductor related companies and utilization of human resource development facilities

National project for clustering

Establishment of an R&D hub for cutting edge semiconductors

01 AIST Group (The National Institute of Advanced Industrial Science and Technology, AIST Solutions)
➤ In FY2029, the AIST Group 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.

02 Leading-edge Semiconductor Technology Center (LSTC)
➤ In FY2028, LSTC plans to establish a research center for cutting edge semiconductors, focusing on back-end process technology development, at Chitose Institute of Science and Technology.

AIST SOLUTIONS 産総研グループ　LSTC

Source of developments at Rapidus:
Compiled by North Pacific Bank based on the Ministry of Economy, Trade and Industry's website
Source of economic impact: Press release issued by the Agency for New Industry Cluster of Hokkaido (November 21, 2023)
Note: The conditions and figures are based on assumptions, and simulation results may vary significantly depending on the underlying assumptions, estimates, and their combinations.
Cumulative total over 14 years from FY2023.

New Medium-Term Business Plan

Full Digital Transformation (DX) Strategy —— 1/3

We will enhance our banking functions and develop an app and support framework with an outstanding UI/UX*. At the same time, by optimizing operational processes through DX and AI, we will create greater time and staff capacity, enabling us to further enhance the quality of customer services.

*User Interface:The overall elements of an app or website that customers see and interact with, including screen design and the layout of buttons.
*User Experience:The overall experience customers have when using a service, including its ease of use, ease of understanding, sense of security, and overall satisfaction.

Our strategic story

Recognizing the accelerating evolution of DX and AI, we will strengthen initiatives to position them as the foundation of our future services. By improving operational efficiency through digital technologies and combining our unique customer base and physical branch network with digital capabilities, we will establish a distinctive position differentiated from online banks and deliver value tailored to the needs of each customer.

〔 Individual strategies with priority 〕

App renewal and enhanced support system

- Japan's top UI/UX and support system
- Fee discounts
- 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

See p.33 for details.

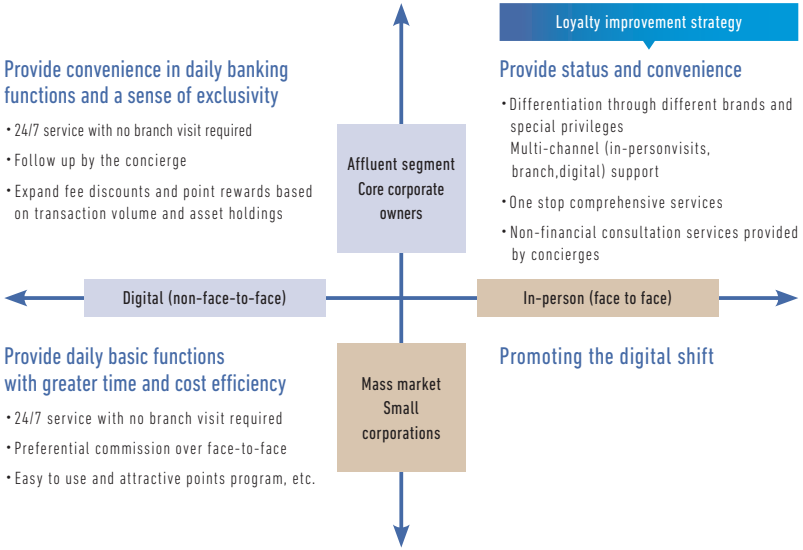
Operational efficiency through DX/AI

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

*Robotic Process Automation:A business process automation technology in which software robots perform routine PC-based tasks in place of humans.

〔 Direction of channel transactions 〕

Expand non-face to face channels for mass market transactions in anticipation of advancements in DX/AI and ensure customer convenience through 24/7 support and preferential treatment in transactions.Dedicated professional assigned to high-net-worth individuals, providing comprehensive one stop services

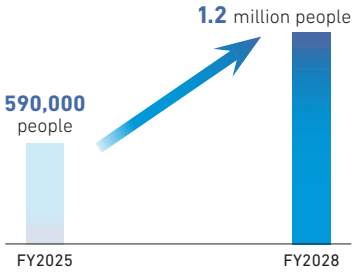


Strategic targets

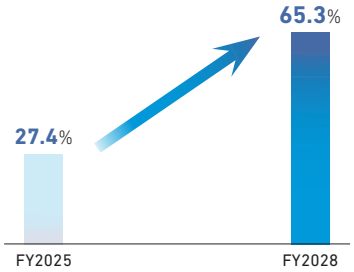
Our key KPIs are shown on the right. In particular, we aim to more than double the number of app users during the three-year Medium-Term Business Plan period to at least 1.2 million, with the goal of having app users account for more than half of all active accounts.

〔 KPIs 〕

Number of app users



App usage rate among younger generations



Number of companies using the corporate portal

FY2028

50,000 companies

Number of companies using the corporate app

FY2028

20,000 companies

New Medium-Term Business Plan

Full Digital Transformation (DX) Strategy —— 2/3

Expansion of app functions and support system

We will continue to enhance basic banking functions that are currently unavailable, while introducing new functions to quickly develop an app that surpasses those offered by leading megabanks and online banks.
To become the app of choice for our customers, further enhancing its UI/UX is also essential. Although the North Pacific Bank app received the Special Award (Regional App Award) at the App Ape Award 2025, we will continue to improve the clarity of its screen design and ease of operation by incorporating feedback from both employees and customers, with the goal of achieving Japan's top UI/UX among banking apps. We will also strengthen our support structure so that users from the younger generations to the elderly will find the app easy to use.

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) Money transfer reservation and transaction limit increase
(2) Various administrative procedures via the app
(3) Goal-oriented savings
(4) Family-linked services etc.

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



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
- Comprehensive app guide for beginners

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

Enhancement of support system

- Expand inquiry handling capacity to accommodate the increase in inquiries and FAQs resulting from enhanced functionality
- Comprehensive app guide for beginners

POINT Establish the best support system in Japan

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

The Special Award (Regional App Award) recognizes regional apps that have achieved outstanding growth in user adoption and customer reviews among apps widely supported in their respective prefectures. This marks the first time that a company headquartered in Hokkaido has received an App Ape Award.



Reasons for Receiving the Special Award (Regional App Award)

- Achieved the highest app store rating among regional apps supported in their respective prefectures.
- Recorded the highest growth rate in monthly active users (MAU) from January to November 2025 among apps provided by regional banks within the regional app category.
- Widely recognized and valued as an app rooted in Hokkaido.

〔 Reference 〕
App Store Ratings
(as of June 2026)

App Store ★4.7/5 18,000 ratings
Google Play ★4.5/5 3,750 ratings

	Implemented	Future plans
Function enhancements	・Switch to paperless account ・Open ordinary deposit account ・Transfer funds and send money ・Pay bills ・Borrow and repay personal loans ・Open term deposit accounts and make deposits ・Open an investment trust account and conduct transactions ・Check a debit card application and usage status	・Receive free transfer fees for transfers to other banks ・Money transfer reservation and transaction limit increase ・Various types of registration ・Designated purpose deposits ・Family account linking, etc.
UI／UX	・Passbook mode ・Improve the screen layout and user flow	・Improve the interface and usability for older customers ・Continuously review and improve the app
Others	・Branch visit reservations (via the website) ・Check free benefits for the primary account ・Announcements	・Enhance the call center support structure ・Update the app guide for first-time users

New Medium-Term Business Plan

Full Digital Transformation (DX) Strategy 3/3

[Reference] TSUBASA Alliance Introduction Video
https://youtu.be/WzYPOfn-SFc

Operational efficiency through DX/AI

We will prioritize improving operational efficiency through DX and AI.
AI is already being utilized in head office operations and business promotion activities, and we will further expand its applications by introducing new tools and technologies.
Regarding operational efficiency through DX, we will expand channel for businesses that do not require branch visits, review the residential mortgage loan processing workflow to streamline LP, and gradually introduce remote processing of inheritance acceptance procedures. In addition to these efficiency initiatives, our newly established Payment Strategy Department, a dedicated department for promoting cashless payments, is leading payment initiatives that address the cashless payment needs of local governments and universities.
We will also promote collaboration in cooperation in non-competitive areas. In addition to strengthening cooperation within the TSUBASA Alliance to realize the Joint Administrative Center Initiative, we will collaborate with other regional financial institutions wherever possible to implement initiatives that create mutual benefits, including cost reductions and greater 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 opening (through the corporate portal via the website)
- Enhance the convenience of North Pacific Business Direct while strengthening security to provide customers with peace of mind FY2026–

Payment initiatives FY2026–

- Establish Payment Strategy Department, a dedicated **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 Loan Plaza 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–

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

- Establishment of the TSUBASA Joint Administrative Center
- Maximize the TSUBASA alliance synergy effects (quantify the impact of the initiative)
- Implement joint tax and public fund collection operations with other financial institutions

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

Strengthen TSUBASA alliance

We have a nationwide network stretching from Hokkaido to Okinawa that maintains the uniqueness of each bank. By combining the insight and know-how of each bank, we are working to create new value for the region.

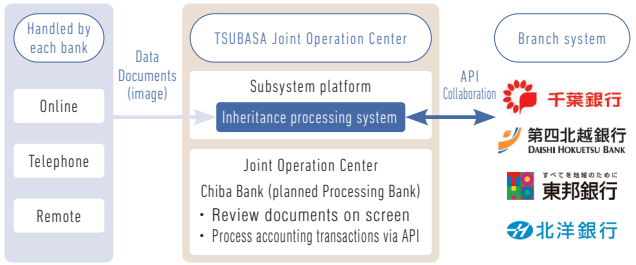
TSUBASA ALLIANCE

〔 Participating Banks in the TSUBASA Alliance 〕

千葉銀行 / 第四北越銀行 / 中国銀行 / 伊予銀行 / 東邦銀行
北洋銀行 / 武蔵野銀行 / 滋賀銀行 / 琉球銀行 / 群馬銀行

Decision to Establish TSUBASA Joint Operation Center Co., Ltd. and Develop a Joint Inheritance Processing System: TSUBASA Alliance Initiative

Together with The Chiba Bank, Ltd., Daishi Hokuetsu Bank, Ltd., The Toho Bank, Ltd., and Hitachi, Ltd., we have decided to establish TSUBASA Joint Operation Center Co., Ltd., a joint venture company for the shared management of back-office operations. The new company is scheduled to be established in July 2026 and commence operations in April 2027, with the release of the inheritance processing system scheduled for the 1st half of FY2027.



New Medium-Term Business Plan

Loyalty Improvement Strategy —— 1/3

Through point services, a tiered membership program, premium integrated services for high-net-worth customers, hands-on consulting, and brand strengthening, we aim to expand our base of loyal customers and heavy users, enhance customer loyalty, differentiate ourselves from other banks, increase convenience and customer benefits, and achieve sustainable growth together with the region.

Our strategic story

The Bank has established the Customer Loyalty Enhancement Office to plan and develop initiatives for enhancing customer loyalty. We 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.

〔 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
Sliver	Gold	Platinum

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

Hokkaido-based strategy × loyalty improvement strategy

Provide a customer journey process 〈Ideal phased product model development〉

Quantification of contributions by product	Identification of the optimal customer journey
Optimal product recommendations for each customer	

Branding of the North Pacific Bank Group 〈Promoting branding internally and externally〉

Enhanced sponsor support	
Character business development	Concept branch development

Strategic targets

Our key KPIs are shown on the right. We have established KPIs including the number of members enrolled in the tiered program, which will be introduced as a service offering greater convenience and customer value, the ratio of active app users, the number of corporate owner relationships deepened and the number of succession consultation contracts under our high-net-worth individual business. Through these initiatives, we will work toward achieving our targets.

〔 Key KPIs 〕

App MAU rate



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

Number of Tiered members

FY2028

500,000 people

Number of corporate owner relationships deepened

FY2028

800 individuals

Number of succession consultation contracts (cumulative)

FY2028

1,220

New Medium-Term Business Plan

Loyalty Improvement Strategy 2/3

Differentiation through point rewards, etc.

By expanding customer benefits, including points and preferential fee programs, for each tier based on customers' transaction relationships, we will provide incentives for customers to maintain long-term, substantial transactions, thereby achieving both the expansion of transactions and the development of our customer base.

Tiered program

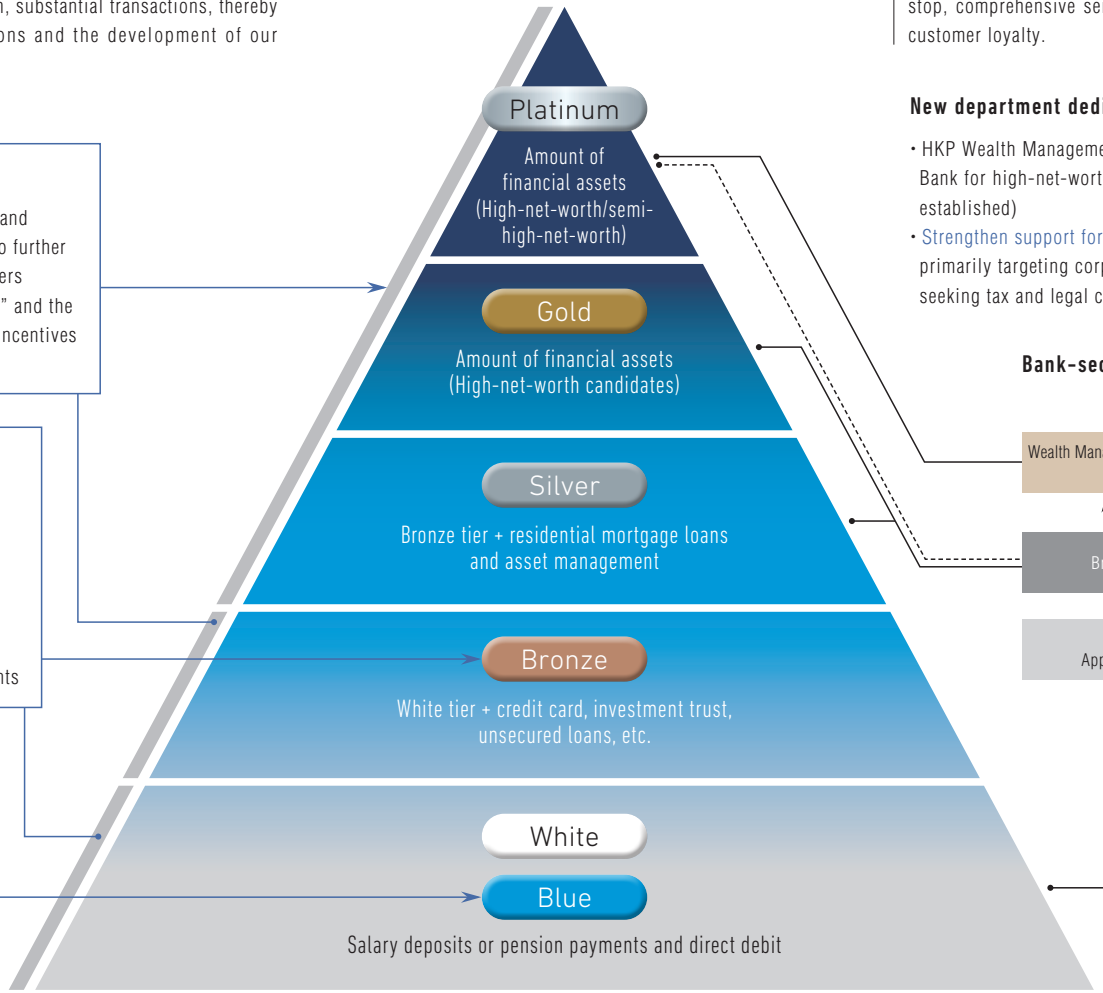
- Enhance benefits such as expanding points and various commission discounts at each tier to further expand transactions with main-bank customers
- Achieve both the "expansion of transactions" and the development of our customer base through incentives for long term, substantial transactions

Point services

- Award points for key transactions for main-bank relationship, 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

Younger generation tier "Blue"

- Grant special benefits to the younger generation (aged 15 to 25) to broaden their transaction base
- Expand relationships with younger customers to make them our main banking customers in the future



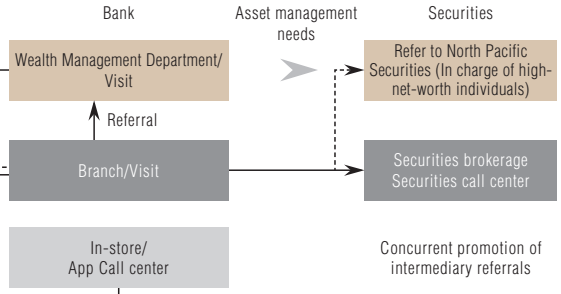
Offer a sense of exclusivity to high-net-worth individuals

For high-net-worth individuals, dedicated relationship managers from the Wealth Management Department are assigned as personal concierges, providing one-stop, comprehensive services tailored to their diverse needs, thereby enhancing customer loyalty.

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 Departmen**t 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

Bank-securities collaboration



Enhance loyalty of high-net-worth individuals

- Assign dedicated concierge specialists to provide one-stop, comprehensive services, including non-financial services
- Introduce exclusive app features for asset management and related services as part of the benefits offered under the tiered membership program.

See p.43 for details on the app.

New Medium-Term Business Plan

Loyalty Improvement Strategy —— 3/3

Inner and Outer Branding Strategies

We regard strengthening the Group's brand as one of the key strategies for enhancing customer loyalty. Guided by our brand slogan, "Make the HOKKAIDO Way," we are promoting internal branding initiatives across the Group. In addition, as part of our external branding initiatives, we will further communicate the value and appeal of the Group to our stakeholders by increasing the visibility of our mascot characters, "Hokku and Friends," supporting sports teams, and participating in the Sapporo Snow Festival.

FY2025 | FY2026 (1st year of Medium-Term Business Plan) | FY2027 (2nd year of Medium-Term Business Plan) | FY2027 (3rd year of Medium-Term Business Plan)

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

Employee questionnaire

- Empathy and conviction: Internal communications and training initiatives
- Actions and practices: Initiatives to create our own "Way"
- Renewed awareness and understanding: Create a forum for sharing achievements

Fostering a personal sense of ownership of the North Pacific Bank Group brand

Actions and practices within and outside the Group in daily operations



North Pacific Bank Group Brand Slogan

Make the HOKKAIDO Way

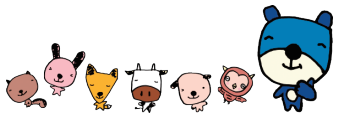
We will create the "Way" that does not yet exist

Establish brand image aligned with the long-term vision

See p.5 for details.

External

Increase exposure of mascot character "Hokku and Friends"



See p.86 for details.



Enhance sponsor support for sports teams

Loyalty program



Sapporo Snow Festival Snow Sculpture Production Project



Multi-faceted expansion of concept branches

New Medium-Term Business Plan

Non-Financial Diversification Strategy —— 1/7

To unlock Hokkaido's potential, the Bank will go beyond the scope of financial services by leveraging the synergies between our financial and non-financial businesses and pursuing a wide range of initiatives through continuous innovation and new challenges. In particular, we will help address social issues in Hokkaido by supporting solutions to labor shortages at companies in Hokkaido, promoting regional revitalization through industry restructuring, and creating new businesses led by the Bank.

Our strategic story

In non-financial business areas that contribute to unlocking Hokkaido's potential and addressing regional challenges, 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.
The four individual strategies shown on the right are the priority initiatives during the Medium-Term Business Plan period. Three of these, excluding the non-financial business for solving local issues, are also closely related to the strategies described above.

〔Individual strategies with priority〕

Hokkaido-based strategy × non-financial diversification strategy

Acquire expertise and take initiative in advancing renewable energy/ GX project support
〈Establish a regional core position〉

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

See p.35 for details.

Non-financial business for solving regional issues (regions and companies)
〈Support regional value enhancement〉

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

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

Strengthen TSUBASA alliance
〈Implement measures leveraging wide-area collaboration〉

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

*Application Programming Interface:An interface that enables different software programs and systems to communicate with each other.

See p.44 for details.

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	

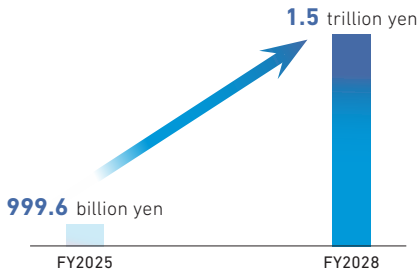
See p.37 for details.

Strategic targets

Our key KPIs are shown on the right. Among these initiatives, we have raised our cumulative sustainable finance target for FY2030 to 2 trillion yen. During the current Medium-Term Business Plan period, we aim to increase the cumulative amount to 1.5 trillion yen, thereby putting us firmly on track to achieve our final target.

〔KPIs〕

Cumulative amount of sustainable finance executed



Number of human resource matches

FY2028
224 cases

Number of new businesses

FY2028
6 cases

New Medium-Term Business Plan

Non-Financial Diversification Strategy 2/7

As a new approach to our Group's non-financial business aimed at addressing the significant social challenge of labor shortages among companies in Hokkaido, we conducted a tender offer (TOB) for Career Bank Co., Ltd. and made it a consolidated subsidiary. By welcoming the company into our Group, we expect to generate synergies, including providing one-stop solutions for human resource challenges and enhancing customer loyalty. Through these synergies, we believe we can help ensure a smooth and sustainable supply of labor across the region and thereby support the growth of companies in Hokkaido.

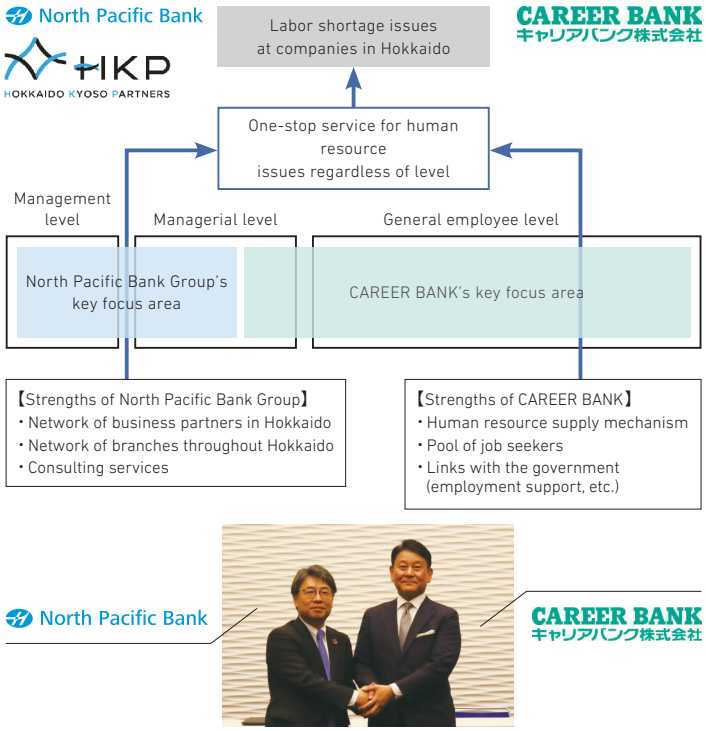
Hokkaido Kyoso Partners is also engaged in the temporary staffing and recruitment business. By combining the complementary strengths of both companies in serving different segments of the talent market, we will provide one-stop solutions that meet the diverse human resource needs of our customers.

Initiatives to support human resources

TOB Results for Career Bank Co., Ltd. announced on April 21, 2026	
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)
Number of shares purchased	852,487 shares
Number of shares owned	876,487 shares (shareholding ratio: 88.26%)

* CAREER BANK became a wholly owned subsidiary on July 16, 2026.

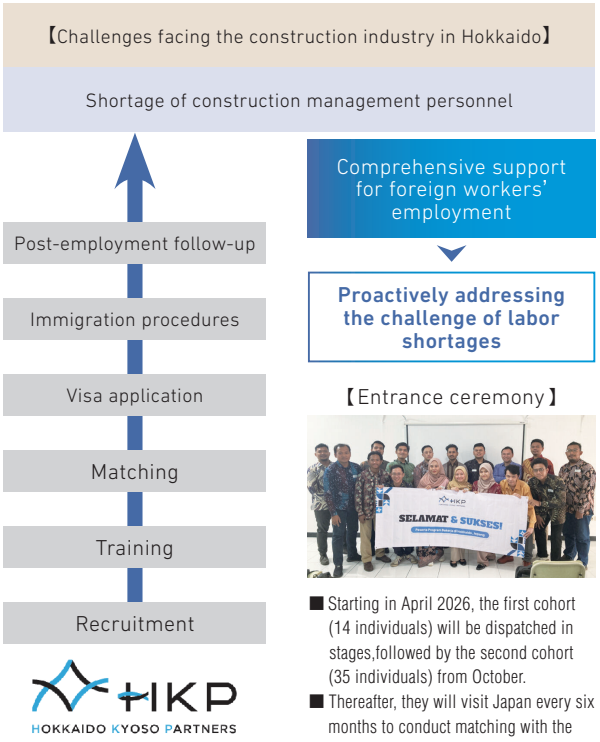
〔Temporary staffing and recruitment business [North Pacific Bank x CAREER]〕



HKP's Overseas staffing business [HKP]

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

〔Flow image〕



■ Starting in April 2026, the first cohort (14 individuals) will be dispatched in stages,followed by the second cohort (35 individuals) from October.

■ Thereafter, they will visit Japan every six months to conduct matching with the assigned companies

New Medium-Term Business Plan

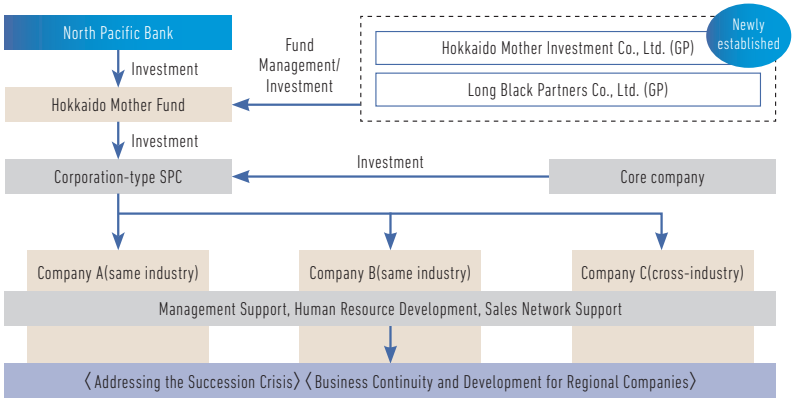
Non-Financial Diversification Strategy 3/7

Establishment of Hokkaido Mother Investment Co., Ltd., a specialized investment subsidiary

Strengthen competitiveness and promote growth through industry restructuring, aiming to resolve regional issues

(Industrial cluster revitalization support)

- 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.



TOPIC

Establishment of MOE NORTH Care The One to Facilitate Restructuring of the Nursing Care Industry and First Investment by the Hokkaido Mother Fund

As an initiative utilizing the Hokkaido Mother Fund, the Bank established MOE NORTH Care The One Co., Ltd. (the "holding company"), jointly with MOE Holdings Co., Ltd., with the objective of facilitating the restructuring of the nursing care industry. In addition, as the first investment by the Hokkaido Mother Fund, the holding company acquired all shares of TM Life Support Co., Ltd. in Obihiro City effective July 1, 2026.

Background to the Establishment: The Bank and MOE Holdings entered into a Comprehensive Partnership Agreement for Regional Revitalization in October 2025 and have since worked together on initiatives including the development of a sustainable regional nursing care system and management support for local nursing care providers. In Hokkaido, while demand for nursing care is increasing as the population ages, the business environment for nursing care providers is becoming increasingly severe due to labor shortages, rising costs, and other pressures. In light of these circumstances, the Group and MOE Holdings will further deepen their initiatives under the Comprehensive Partnership Agreement and, through the holding company, promote the restructuring of the nursing care industry and the maintenance and development of regional infrastructure.

For further details on this initiative, please refer to the Bank's press release.
https://www.hokuyobank.co.jp/newsrelease/pdf/20260713_076714.pdf

New business development for solving social challenges

Business plans originating from our internal Business Idea Contests are steadily advancing from the concept stage to commercialization. Going forward, we will continue to explore new business opportunities.

(New business development)

Agriculture

Cultivating the next generation of farmers: enhancing the vitality and appeal of Hokkaido's agriculture

- Build a new pathway to farming (training, welcoming, and deploying) in the Sapporo metropolitan area, where there are many prospective farmers
- Contribute to the sustainable development of Hokkaido's agriculture by training, welcoming, and deploying the next generation of farmers



Marriage counseling agency

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

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 services, we also implement business process optimization support, strategic evaluation of AI tool implementation, and training and advertising production for our own banking group

FY2025 HOKUYO Create a Future



Under the three themes of "New Business Creation," "Human Resources Development," and "Organizational Culture Transformation," we held the second Business Idea Contest. The contest is designed to foster a mindset of creating new value by encouraging employees to go beyond the boundaries of their daily responsibilities and turn their ideas into reality.In FY2025, we received a total of 100 submissions, including 30 entries in the New Business Creation category, in which participants sought to commercialize their own business ideas, and 70 entries in the Idea category, which encouraged free and creative thinking. At the final presentation round, in addition to our directors and officers, the President of Hokkaido Kyoso Partners served as a judge. The contest featured lively discussions and rigorous questioning, with presenters passionately pitching their ideas.

New Medium-Term Business Plan

Non-Financial Diversification Strategy —— 4/7 [Climate Change Initiatives]

Our Group recognizes climate change as one of its key management issues, and will strengthen initiatives within the Bank as well as support for customers toward decarbonization in Hokkaido.

For details on climate change-related risks and opportunities, please visit our website.
https://www.hokuyobank.co.jp/about/csr/environment.html

Formulation of the Transition Plan

In March 2026, the Hokuyo Bank Group formulated its Transition Plan, which sets out a concrete roadmap for the transition to a decarbonized society. Based on this plan, we will fulfill our responsibilities as a regional financial institution by supporting our customers through financial and non-financial solutions, as well as through engagement, thereby contributing to the realization of a sustainable regional society.

■For details on the Transition Plan, please visit our website.
https://www.hokuyobank.co.jp/about/csr/transition-plan.html



Execution strategy

Solutions for customers

Financial support
- Utilization of existing sustainable finance products
- Development of products that do not require external assessments to lower the barriers for SMEs

Non-financial support
- Support of GHG emissions measurement by expanding bottom-up assessment coverage
- Provision of optimal decarbonization consulting tailored to each customer's stage

3 Provision of Carbon Offsets

Initiatives within the Bank
- Upgrade to energy-efficient equipment
- Switch to renewable energy
- Utilization of forestry credits

Engagement strategy

Engagement with customers
- Utilization of engagement materials to support primarily customers with high GHG emissions, from emissions visualization through emissions reduction

2 Engagement with the Food Sector
- Development of a model case with livestock producers and expand it across the industry

Collaboration between the Bank and local communities
- Expansion of the Bank's tripartite collaboration framework (local governments, consulting firms, and the Bank) across Hokkaido
- Collaboration with shinkin banks
- Utilization of the Hokkaido Growth Support open platform

Metrics and targets

1 GHG Emissions Reduction Target Scope 3: Achieve net zero by FY2050

Targets for all sectors
- Sustainable finance amount
- Number of decarbonization consulting proposals

Target for the food sector
- Expansion of the model case across the industry

4 Reduction of the Bank's GHG Emissions (Scope1・2)
- Net zero by FY2030

1 GHG Emissions Reduction Target
2 Engagement with the Food Sector
3 Provision of Carbon Offsets

→ **Scope 3: Net zero by FY2050**

4 Reduction of the Bank's GHG Emissions

→ **Scopes 1 & 2: Net zero by FY2030**

New Medium-Term Business Plan

Non-Financial Diversification Strategy —— 5/7 [Climate Change Initiatives]

Scope 3: Net zero by 2050

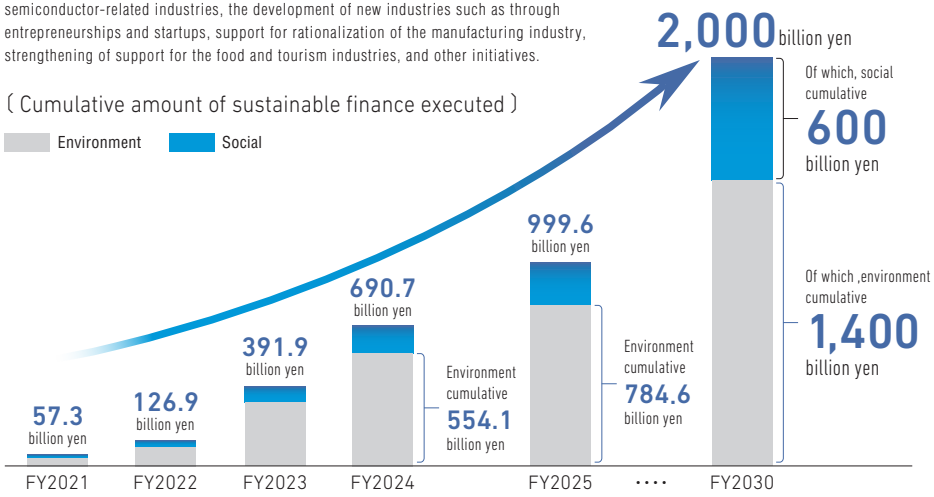
We are aware of the high expectations placed on financial institutions for initiatives for Scope 3 emissions. Category 15 (financed emissions) accounts for the majority of GHG emissions at financial institutions; therefore, we have begun calculating estimates for corporate borrowers while referencing the measurement method outlined in the PCAF* Standard (the figures include 80.4% of loans to general business corporations). See “Data” (p.89) for the Bank’s figures by Scope 3 category.

*Partnership for Carbon Accounting Financials: an international initiative for developing methods to measure and disclose greenhouse gas emissions in investment and financing portfolios

1 GHG Emissions Reduction Target

In FY2021, we set a cumulative execution target of 500.0 billion yen through FY2030 as part of our environmental investment and financing to address climate change and support the transition to a decarbonized society. In FY2024, we achieved that target ahead of schedule with a cumulative total of 554.1 billion yen. Having added investment and financing that contribute to addressing social issues* in Hokkaido to our previous environmental investment and financing, we renamed the scheme sustainable finance, and have raised our new target to 2,000 billion yen. As of the end of FY2025, the cumulative amount of sustainable finance executed reached 999.6 billion yen. We will continue to address environmental and social challenges facing the region through ESG investment and financing.

*Investment and financing that contribute to addressing social issues include support to semiconductor-related industries, the development of new industries such as through entrepreneurships and startups, support for rationalization of the manufacturing industry, strengthening of support for the food and tourism industries, and other initiatives.



2 Engagement with the Food Sector

Based on the analysis conducted as part of our Transition Plan, we identified the food sector as one of the sectors with high GHG emissions and therefore considered specific measures to reduce its emissions.
Within the food sector, we focused on the livestock industry, where progress in measuring and visualizing GHG emissions has been limited. We supported customers in measuring and visualizing their Scope 1 and 2 GHG emissions and developing roadmaps for future emissions reductions. Going forward, through support for implementing the planned initiatives and engagement aimed at promoting decarbonized management, we will support customers' pioneering initiatives while expanding these initiatives to other businesses in the same industry, thereby helping address industry-wide challenges.

https://www.hokuyobank.co.jp/newsrelease/pdf/20260306_076361.pdf


北洋銀行
News Release
農業分野の脱炭素経営に向けた取り組みを支援しました
North Pacific Bank

3 Provision of Carbon Offsets

Offering the Hokuyo J-Credit Deposit

We started offering deposits that utilize J-Credit to provide a carbon offset equivalent to 5 t-CO_2 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.

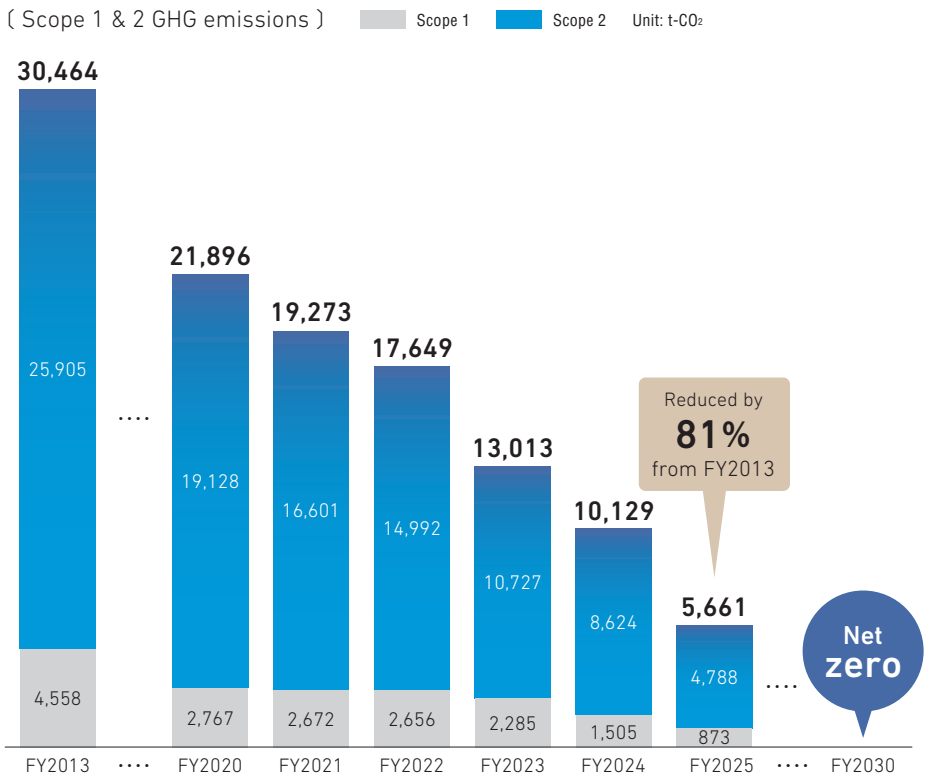
New Medium-Term Business Plan

Non-Financial Diversification Strategy —— 6/7 [Climate Change Initiatives]

Scopes 1 & 2: Net zero by FY2030

4 Reduction of the Bank's GHG Emissions

To further promote decarbonization across the region, our Group has set a target of achieving net-zero GHG emissions (Scopes 1 and 2) by FY2030. In FY2025, through measures including upgrades to energy-efficient equipment and the introduction of carbon-free electricity and gas, we reduced our GHG emissions by 81% compared with FY2013. We will continue our efforts toward achieving effectively zero Scope 1 and 2 GHG emissions.



Examples of the Bank's Initiatives

[Promoting Energy Conservation] The new Nemuro Branch uses environmentally friendly building materials and has obtained Nearly ZEB certification, which is granted to buildings that reduce energy consumption by 75% or more (the new branch has achieved an 89% reduction in energy consumption).

[Nemuro Branch (Opened in February 2025; Nearly ZEB Certified)]

Solar panels — Clean and virtually inexhaustible energy

Solar power generation does not emit carbon dioxide or other air pollutants that contribute to global warming.
It is also economically advantageous and, depending on how it is used, can substantially reduce utility costs.



Asphalt pavement

Using low-carbon asphalt mixtures that contribute to reducing GHG emissions

Window frames

Using low-E double glazing

Two types (thermal insulation and solar heat reduction) are used as appropriate depending on window orientation, surrounding conditions, and the local climate, helping create a more comfortable indoor environment.

Insulation — Improving the thermal insulation of the roof and walls with high-performance glass wool

High-performance glass wool is manufactured with fibers approximately 4–5 micrometers in diameter, thinner than those of ordinary glass wool, and contains approximately four times as many fibers. As a result, the air pockets are approximately one-quarter the size, creating more stable trapped-air spaces and providing superior thermal insulation.

New Medium-Term Business Plan

Non-Financial Diversification Strategy —— 7/7 [nature-positive initiatives]

To realize one of the missions of our new Medium-Term Business Plan—"Lead growth unique to Hokkaido by promoting the sustainable use of Hokkaido's rich natural environment while preserving it"—we will strengthen our support for biodiversity in Hokkaido.

See the website for the details of our nature positive initiatives.
https://www.hokuyobank.co.jp/about/csr/naturepositive.html

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

To help realize a nature-positive society, Japan's Ministry of the Environment designates areas where biodiversity is being conserved through private sector efforts as Nationally Certified Sustainably Managed Natural Sites.
As the forestland owned by the Bank provides a rich natural environment that supports rare flora and fauna, we are pursuing its registration as a Nationally Certified Sustainably Managed Natural Site. In addition, by providing expertise to customers who own forestland and facilitating business matching with environmental consulting firms, we will contribute to enhancing biodiversity across Hokkaido.

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

The Bank's forestland


Stream in the upper area of the property


Cambaroides japonicus (rare species)


Parakaliella affinis (rare species)


Euhadra brandtii sapporo (rare species)


Epiophlebia superstes (rare species)

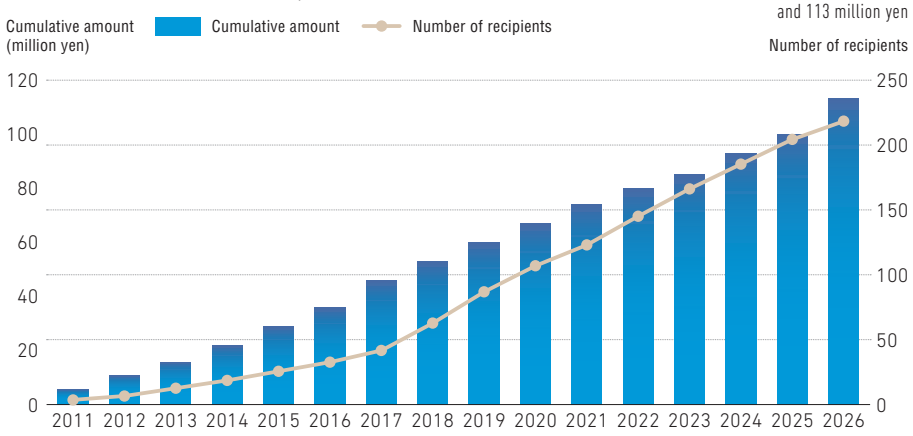
Utilization of Hokku Nature Positive Fund

Through its grant program, the Bank provides broad support to organizations engaged in protecting Hokkaido's rare species and improving their habitats. To date, the program has provided a total of 218 grants and donations amounting to 113.6 million yen.
In FY2026, in addition to continuing to support existing conservation activities, we renamed the program the "Hokku Nature Positive Fund" and introduced a new grant category to strengthen support for initiatives that not only halt biodiversity loss but also restore nature. As a financial institution rooted in Hokkaido, we will continue to support initiatives that contribute to a nature-positive Hokkaido and promote the sustainable development of local communities.

Contributing to a nature-positive Hokkaido through initiatives such as environmental improvement and environmental education

Hokku Nature Positive Fund:
218 cumulative recipients
and 113 million yen

[Total number of Fund recipients and cumulative amount]



New Medium-Term Business Plan

Human Resources and Organizational Transformation Strategy 1/3

We believe that the quality of our employees, who deliver services to our customers, is our greatest competitive differentiator. With this belief in mind, we are steadily securing talented personnel, enhancing the quality of our human resources, and strengthening our organization to support the other four pillars of overall strategy aimed at realizing our long-term vision of “Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness.”

Our strategic story

Hokkaido, the primary business base of our Group, is experiencing a decline in both population and the number of businesses ahead of other regions in Japan. At the same time, however, it is entering a period of significant industrial transformation, driven not only by the further development of its strengths in food, agriculture, and tourism, but also by next-generation semiconductor projects, advances in GX, and increased investment in the space industry. We regard these changes as opportunities. Our mission is to unlock Hokkaido's potential through proactive challenges. To achieve our management philosophy and long-term vision, we are committed to securing autonomous talent who embrace challenges without fear of failure and continue to innovate, while fostering an environment where they can maximize their potential.

In addition, we believe that face-to-face consulting is the cornerstone of our Group as a regional financial institution. With this belief in mind, and on the premise that digitalization and the use of AI will reduce administrative workloads, we have established the Hokuyo Human Resources Policy, which defines the vision for our organization and employees. Through the implementation of this policy, we will enhance the engagement of every employee while striving to become the “No. 1 regional bank group in employee satisfaction.” In doing so, we aim to create a virtuous cycle in which higher-quality and faster services drive the growth of our customers and local communities, ultimately enhancing the corporate value of our Group.

(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 career advancement and reskilling
- Expansion of reskilling opportunities
- Career development through the utilization of open recruitment system

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

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

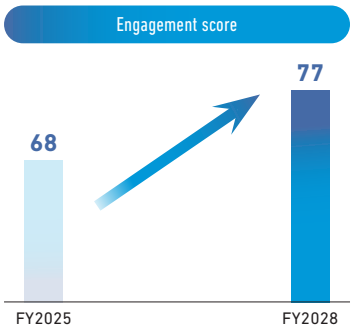
Active recruitment and development of human resources
- Strengthening of recruitment through collaboration with business headquarters
- Diversification of recruitment methods(alumni referrals)

Review and enhancement of health management initiatives
- Utilization of DX/AI to increase efficiency and reduce working hours
- Leveling of operations by reassigning personnel

Strategic target

To establish the new personnel system Polaris, introduced in July 2025, and to develop and secure human resources and strengthen the organization that support the four pillars of overall strategy, we have established the key KPIs shown on the right.

(KPIs)



Annual number of open recruitment

FY2028

100 persons

Number of participants in the recruitment selection process

FY2028

1,800 per year

Number of paid leave taken per employee

FY2028

16 days

New Medium-Term Business Plan

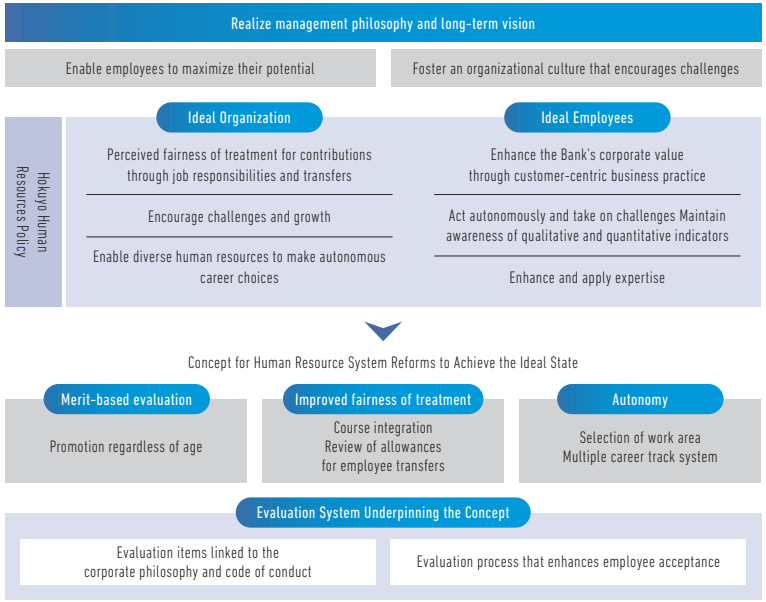
Human Resources and Organizational Transformation Strategy 2/3

Establishment of the new personnel system "Polaris"

Overview of Polaris

We launched the new personnel system Polaris to put the Hokuyo Human Resources Policy into practice, transform our corporate culture into one in which employees can maximize their potential and take on challenges without fear of failure, and ultimately realize our management philosophy and long-term vision.
Polaris is built around three concepts: "merit-based evaluation," "improved fairness of treatment," and "autonomy." The system is designed to enable employees to feel genuinely glad that they work for the Bank and to take pride and confidence in working for it. It incorporates extensive employee feedback, including the results of an employee questionnaire and interviews, as well as discussions conducted through the "Human Resources System Reform Open Project," in which 55 volunteer employees participated across different age groups, positions, and departments.

(Overall framework of Polaris)



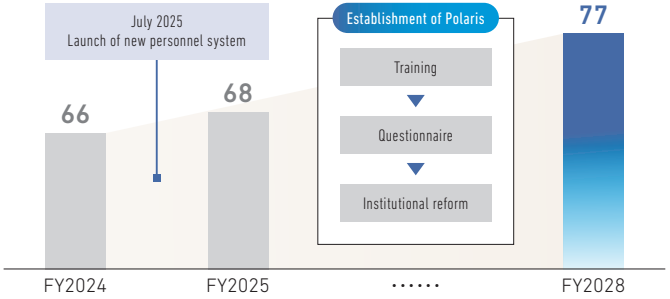
(Key measures)

■ 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)



Strengthening organizational structure in new business and digital fields/ Active recruitment and development of human resources

Active recruitment of human resources

To realize our management philosophy and long-term vision, we believe it is essential to secure high-quality human resources on a stable basis amid the declining working-age population in the region.
Based on future workforce simulations, the Bank has identified the "Corporate" and "Head Office Planning" functions as areas where personnel shortages are highly likely to emerge over the medium to long term. We are therefore strengthening recruitment initiatives, including shifting new graduate recruitment to a course-based hiring system, introducing a referral recruitment system, and expanding our alumni network for former employees of the Bank. Under the new Medium-Term Business Plan, we will seek to maintain and enhance both the quantity and quality of our human resources by increasing the number of applicants in the recruitment process to 1,800 annually through initiatives such as implementing year-round recruitment and strengthening recruitment communications.

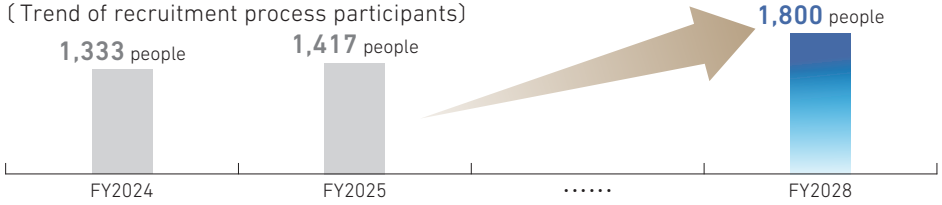
(Key measures)

■ 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 Human Resource Business Partners (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 midcareer hires

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

(Trend of recruitment process participants)



New Medium-Term Business Plan

Human Resources and Organizational Transformation Strategy 3/3

Promotion of career advancement and reskilling/Promotion of autonomous activities such as cross-organizational projects

The Bank believes that enabling each employee to take ownership of their career and continue to grow leads to higher-quality customer service and the sustainable development of its organization. To this end, we have established a system under which employees annually indicate their preferred future career field and share with their supervisors and the human resources department a "My Career Sheet," which sets out their career goals for the next 10 years and specific action plans for achieving them. In addition, we clarify the skills and experience required for each career field and provide opportunities such as reskilling programs and hands-on experience in Head Office operations through the Polaris Challenge Program, an internal open-recruitment program. We provide particularly extensive support to employees seeking to move from branch counter operations into other career fields.

At the same time, we are expanding cross-organizational projects open to employees regardless of their department or experience, including the New Human Resources System Project, New Graduate Recruitment Team, Career Autonomy Project, and Sapporo Snow Festival Snow Sculpture Production Project. By encouraging employees to take on challenges autonomously and promoting greater communication, we are working to foster a culture in which positive challenges inspire further challenges throughout the organization.

(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)

Visualization of career prospects

Participation in self-development and open-enrollment training programs

Utilization of the open recruitment system

Career realization

(Annual number of open recruitments)

End of FY2028 100 persons



Review and enhancement of health and productivity management initiatives

The Bank promotes health and productivity management based on the belief that creating an organization where every employee can find fulfillment in their work, stay healthy, and perform to their full potential leads to improvements in the quality and speed of its services. With the President serving as the chief officer responsible for these efforts, we have established the "Hokuyo Bank Group Health and Productivity Management Promotion Framework" and formulated the "Hokuyo Bank Group Health and Productivity Management Declaration." Through these initiatives, we work in coordination with the entire Hokuyo Bank Group and the Hokuyo Bank Health Insurance Society to encourage employees to maintain and improve their health.

KPI Obtain White 500 certification during the New Medium-Term Business Plan period

Improve the working environment (system/BPR)

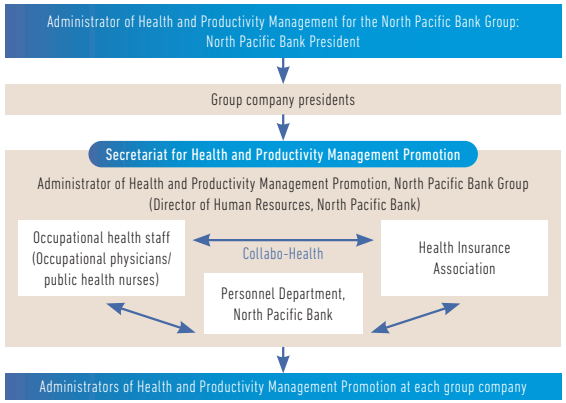
Maintain physical and mental health (Enhanced support and follow up)

→ Increased engagement → Maximize productivity

(Hokuyo Bank Group Health and Productivity Management Declaration)

To put into practice our management philosophy of "Taking a thorough customer-oriented approach, striving to solve diverse challenges, and exploring the future of Hokkaido," we believe that nothing is more important than the physical and mental well-being of our employees and their families. We will strive to create an organization where every employee finds fulfillment in their work, stays healthy, and performs to their full potential, thereby contributing, as a regional financial institution, to the sustainable growth of Hokkaido's economy.

(North Pacific Bank Group Health and Productivity Management Promotion System) As of the end of March, 2026



(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

Specific initiatives

- Enhance caregiving and childcare leave programs
- Improve health awareness and health literacy through seminars
- Provide regular health checkups (for employees and their spouses) and post-check follow-ups
- Promote comprehensive medical checkups, brain checkups, and women's cancer screenings (with cost subsidies)
- Conduct stress checks and improve the workplace environment based on the results
- Improve our mental health consultation program (individual care provided by occupational physicians, public health nurses, and external counselors), etc.
- Establish a caregiving consultation service ・Promote physical activity ・Implement a mentoring program

➢ Health and Productivity Management Seminars

Based on the belief that the physical and mental well-being of our employees and their families is of utmost importance, we promote health and productivity management throughout the Group. In FY2025, the Hokuyo Bank Group jointly held three Health and Productivity Management Seminars on holidays to help employees improve their health.

➢ Walking campaign

As part of our efforts to support employees in improving their health through regular exercise, we conduct a walking campaign. In October 2025, we held a collaborative event commemorating the 10th anniversary of the TSUBASA Alliance. Initiatives such as offering attractive prizes to participants with the highest average step counts provided an opportunity to raise employees' health awareness.We also participate in local running events and undertake other initiatives that combine health promotion with contributions to local communities.



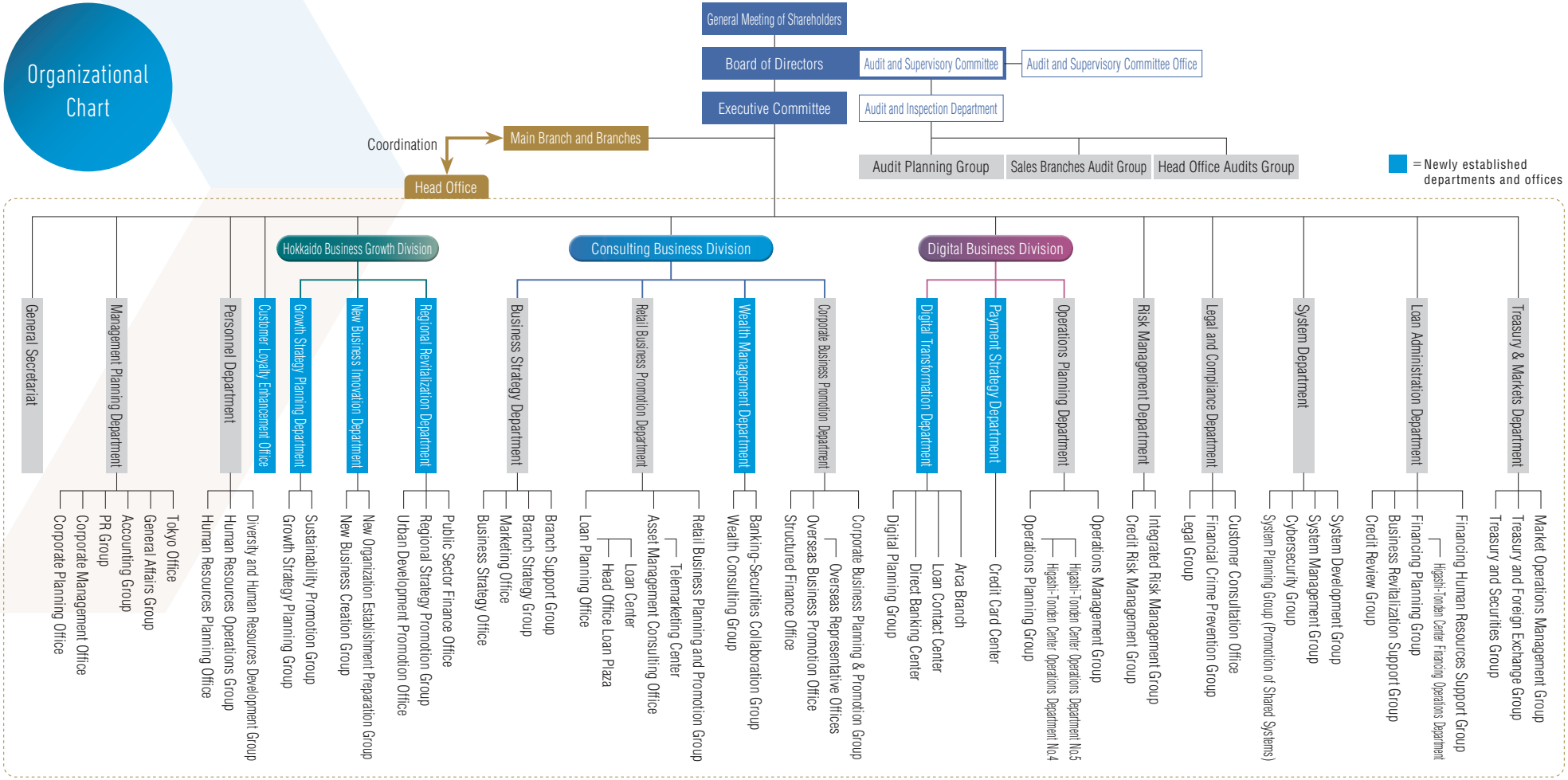
Employees participating in the Hokkaido Marathon

Head Office Reorganization —— 1/3 [Purpose/Organization Chart]

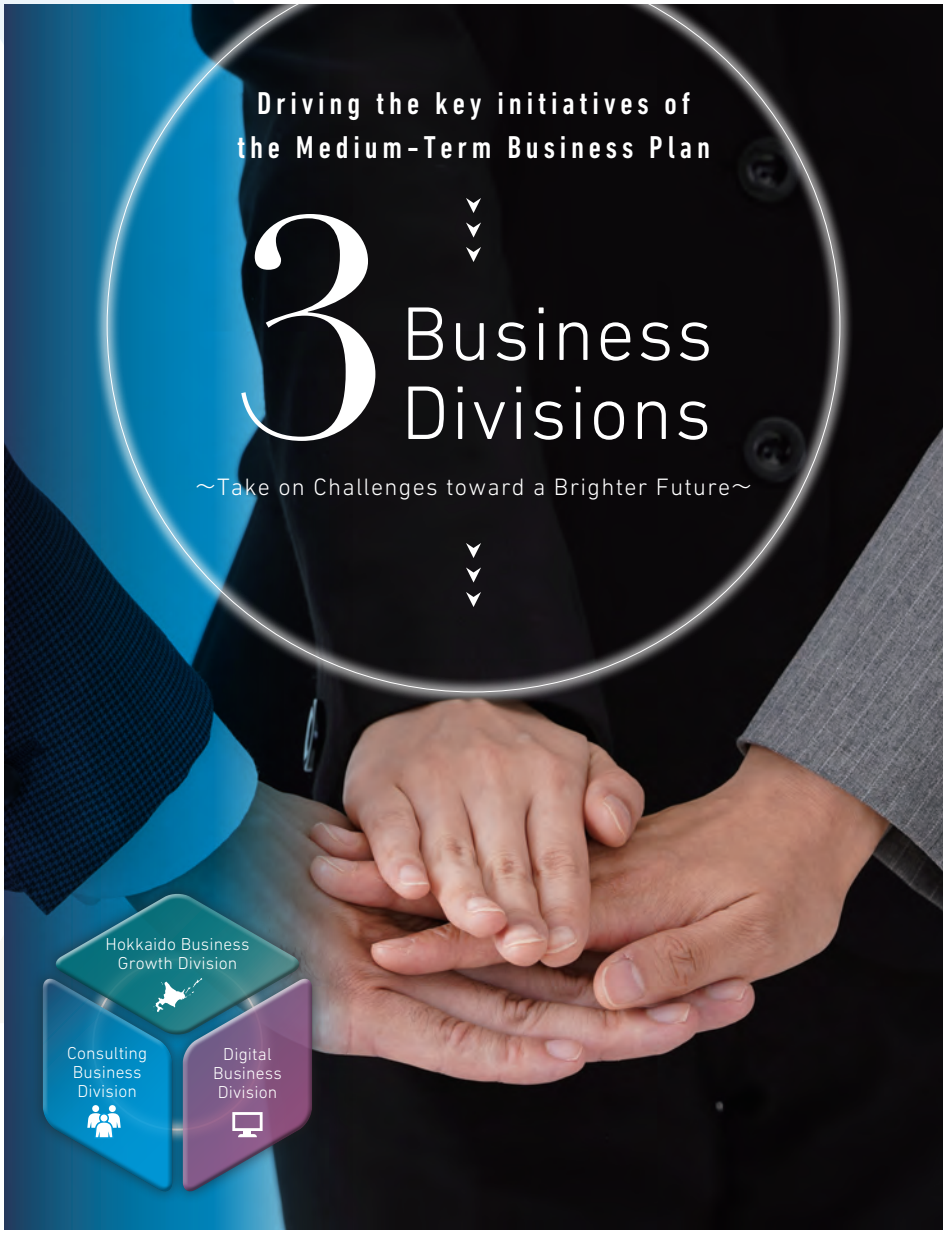
New organization to achieve the five pillars of the overall strategy and the new Medium-Term Business Plan

As part of efforts to optimize the overall strategy to achieve both our long-term vision and mission of "Making Hokkaido Japan's No.1 in Both Attractiveness and Happiness" and the new Medium-Term Business Plan, we realigned our head office organization as from April 1, 2026. One key point of the reorganization is the newly established Hokkaido Business Growth Division, under which three new departments have been created: the Growth Strategy Planning Department, the New Business Innovation Department, and the Public Finance and Regional Revitalization Department. Through initiatives in new growth fields and the promotion of non-financial diversification, the division will create new businesses.

Organizational Chart



Head Office Reorganization —— 2/3 [Interview with the General Manager]



Hokkaido Business Growth Division



Executive Officer
Kazumasa Shimizu

From "Preserving" the Past to "Creating" the Future

The mission of the newly established Hokkaido Business Growth Division is to mobilize all the resources of the Hokuyo Bank Group to help elevate Hokkaido to No. 1 in Japan.

Until now, with pride in our No. 1 market share in Hokkaido, we have been committed to "preserving" the current state of the region. However, we must ask ourselves whether, from such an inward-looking perspective, we have truly thought through what is needed to ensure the region's long-term sustainability.

Population decline and changes in the industrial structure no longer allow us simply to continue along the same path as before. It is no coincidence that Hokkaido is now at the center of national initiatives such as Rapidus and GX. Hokkaido is indispensable both as a supply base for Japan as a whole and as an engine of future growth. This is why we must move beyond the conventional, passive role of a "bank" and transform ourselves into a proactive organization dedicated to community-building.

A "Hub" of the Regional Economic Ecosystem

The Hokkaido Growth Business Division will serve as the "hub" of an ecosystem that connects the Group's efforts in creating "work," developing "people," and building "communities." Our specialist departments will work together to support the region's capacity to generate economic value from every angle, from the creation of new industries and ESG initiatives to the development of non-financial business areas. Our role goes beyond simply providing financing. We will respect the history of each community, engage in dialogue with its people, and work together to shape a "sustainable story" best suited to the local area. This is our vision of a new form of financial services.

Building the Future Together with Our Investors

Over the three years of the Medium-Term Business Plan, we will fundamentally transform the way we think. By ensuring that every officer and employee shares the common purpose of "building the future of Hokkaido" and evolves into someone who thinks and acts independently, we will achieve clear differentiation from our competitors. We will discard the restrictive word "however," and use digital technologies and AI as tools to carve out the time needed for the future. Beyond that lies a vibrant Hokkaido that naturally attracts people, goods, and capital, along with our unwavering value and presence.

"Hokkaido's growth is our growth." With this conviction firmly in mind, we will move forward with unwavering determination. We invite you to look forward to the transformation now underway across the Hokuyo Bank Group.

Head Office Reorganization —— 3/3 [Interview with the General Manager]

Consulting Business Division



Managing Executive Officer
Toshiyuki Satonaka

Creating the Local Region's Future Together

Our division performs the role of concretely shaping the long-term vision of "Making Hokkaido Japan's No. 1 in Both Attractiveness and Happiness" from the finance frontline. We believe that increasing our rate as the main bank for loans to SMEs, and individual and corporate deposits in Hokkaido is not merely a question of expanding our share but boosting the "blood circulation" that supports Hokkaido's economy. In particular, steadily accepting the highly stable , sticky deposits linked to wages, pensions and settlement transactions is not only a way to stay close to the daily lives of customers and provide them with peace of mind, but also a source of the very strength that enables funds to circulate within the region. Guided by the conviction that "accepting deposits means helping to build both our customers' future and the region's growth," the entire division will work together as one to pursue these efforts.

As a Core Division of the Growth Strategy Centered on Data and Digital Functions

Our division serves as the core of the growth strategy for achieving the "rapid expansion of share" cited by the Bank over the next three years. By carefully ascertaining both the apparent and latent needs of customers, and conducting high-quality and speedy data-based marketing, we are building up a base consisting of a wide range of customers. By combining the convenience of digital channels with the trustworthy relationships only possible with face-to-face dealings we will attempt to balance the speed of an online bank with the peace of mind of a visible presence. In addition, we have also established a framework for providing one-stop proposals that cover not only asset formation and management, loans, and corporate financing, but also non-financial areas such as M&A, business succession, and human resources placement. In collaboration with our newly established Wealth Management Division, we will provide optimal solutions from medium- to long-term perspectives to wealthy customers, including corporate owners.

A Resolve to Open Up a New "Way" As a Familiar and Trustworthy Presence

Going forward, we will position the further improvement of customer satisfaction, human resource development, the full utilization of the Group's collective strengths, and the enhancement of brand power as key pillars of our division's operations. By expanding touchpoints through a mutual fee-free ATM partnership with AEON Bank, and the boosting of collaborations with professional sports teams we will heighten our presence as "the familiar and trustworthy North Pacific Bank." We will go beyond the provision of financial services and address head-on the issues facing each and every person living in Hokkaido and the region as a whole. With the resolve "to create a 'way' that does not yet exist," we will open up new avenues. Believing in a bright future for Hokkaido and making it a reality hand in hand with our customers—this is the source of power in our division.

Digital Business Division



General Manager
Kaname Yamashita

Full DX Strategy: A Key Pillar for Realizing Our Vision

I have built my career mainly in sales branches and the Retail Division at the head office, and I have a strong desire to make the daily lives of people in Hokkaido more convenient and comfortable. I believe that our full digital transformation (DX) strategy is a key pillar for achieving the Bank's long-term vision of "Making Hokkaido Japan's No.1 in both attractiveness and happiness." By combining the "digital" and the "real" we will bring greater peace of mind and convenience to the whole of Hokkaido.

Initiatives toward the Environment and Social Issues in Hokkaido

Along with its natural environment the greatest strengths of Hokkaido are its primary industries, tourism and energy sectors, which are based on that environment. Toward achieving the target to "lead growth unique to Hokkaido by promoting the sustainable use of Hokkaido's rich natural environment while preserving it," I want to use digital functions to protect and extend these strengths. First of all, we will pursue the digitization of transactions, internal approval processes, and contracts, reduce the environmental burdens associated with economic activities, such as paper use and travel, and thereby supporting that growth.

Initiatives to Achieve User-Friendly Financial Services

In order to redress the disparity in asset formation, it is essential to establish mechanisms that anyone can use with ease and understand easily. Toward achieving our goal of "sharing happiness with the people of Hokkaido through asset formation support," and in order that everybody can obtain high-quality services no matter where they are in Hokkaido, we will reduce disparities in access to financial services through digitalization. In addition to establishing a system that enables customers to open an account via smartphone and seamlessly access investment, insurance, and loan services, we have designed a customer experience in which fees and risks are presented clearly, allowing customers to choose our services with confidence. Through these initiatives, we will continue working to realize financial services that everyone finds convenient and easy to use.

However, pursuing a full DX strategy does not mean reducing the number of branches or staff. It is the peace of mind brought about by dealing with people in charge who you know by sight that is the strength of the Bank. Our securities, card and lease services are all provided by group companies, and we are putting to even better use our strength of physical branches. By combining convenience and speed comparable to online services with the peace of mind that only human interaction can provide, the North Pacific Bank Group will continue to deliver unique value to everyone in Hokkaido and differentiate itself from other financial service providers.

Embedding the new personnel system "Polaris" to become the No. 1 regional bank group in employee satisfaction

The concept of Polaris consists of merit-based evaluation, improved fairness of treatment, and autonomy. Through the transformation toward a challenge-based corporate culture, and by raising employee engagement to the top class among the finance sector, we aim to achieve our management philosophy and long-term vision.

One Year since the Launch of "Polaris"

Merit-based evaluation

The core of Polaris is a personnel management centered on merit-based evaluation regardless of employees' ages, etc., and the key to it is the conduct-based personnel rating system. In addition to key items in human resources strategy such as "challenge" and "speed," by incorporating evaluation criteria such as "customer-orientation" and "human resources development," we directly link the day-to-day conduct of employees to our management philosophy and long-term vision. Furthermore, by setting "specialized criteria" for each career field, we also evaluate how effectively employees are developing and demonstrating the expertise expected under the Hokuyo Human Resources Policy.

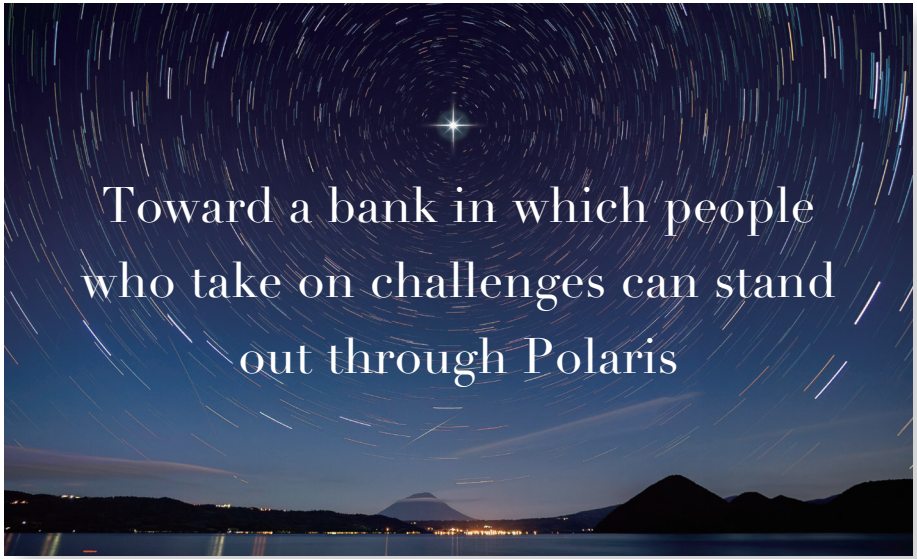
In FY2025, in order to promote understanding of the new evaluation criteria and feedback methods, the Bank implemented evaluator and evaluatee training for a total of 5,761 employees. In the future, through the implementation of evaluation meetings transcending the employee affiliation framework, the Bank will promote working toward the same goal and discussion among evaluators, and by repeatedly implementing evaluator and evaluatee training, improve satisfaction with evaluations, benefits and compensation.

Improved fairness of treatment

With the launch of Polaris, we integrated the general career and regional general career tracks, and erased the difference in salary that was based only on the possibility of transfers requiring relocation. Moreover, in order to reflect in benefits and compensation the contributions made by employees who accept transfers requiring relocation, we introduced measures including a one-time relocation allowance of up to 500,000 yen and relocation-related allowances of up to 130,000 yen per month for employees working away from their home base. As a result, the score for "feeling satisfied about salary" in our FY2025 engagement survey reached 63, a six-point rise over the previous fiscal year.

With regard to transfers requiring relocation, in order to support the realization of the career plans and life plans independently thought up by employees, we clearly announced a policy of reducing undesired transfers requiring relocation over the medium to long term. We respond flexibly to employees' needs by respecting, as far as possible, their annually stated preferences regarding transfers requiring relocation when making transfer and placement decisions.

Furthermore, with regard to bonuses, in addition to direct contributions to performance, we also reflect contributions such as covering work for other employees when they take childrearing/care leave, and taking charge of nurturing new employees, thereby improving the level of satisfaction with benefits and compensation.



Autonomy

In order to enhance employee satisfaction and improved service quality and speed, we believe it is important for employees to thoroughly consider their own career plans, set goals, and take autonomous action to achieve them.

The "Open Application Challenge Program" is a mechanism through which employees can apply on their own initiative for positions they are interested in, without requiring a recommendation from their supervisors. During FY2025 we implemented appointment solicitations for a total of five positions, namely the manager of a new branch, a deputy-director of regional branches, and people to take charge of new projects arising from a business ideas contest. In order to further encourage the active taking on of challenges by employees and their career autonomy, we plan to increase the annual number of appointment solicitations to 100 over the course of the new Medium-Term Business Plan.

Furthermore, 171 employees participated in the "Polaris Challenge Program," an open application program through which employees who wish can gain short-term experience in head office operations of their choice. We have also improved career change training for those wishing to move to another career field, and are supporting them as they take on the challenge of pursuing their desired careers.

Looking Back on One Year of the Polaris New Personnel System 2/2

New Developments since the Launch of "Polaris"

● Revision of leave-related system (April 2026)

In order to put in place an environment in which employees can work while maintaining good mental and physical health, the Bank revised its leave-related system so that anybody can acquire leave when it is necessary.
In addition to raising the maximum number of days for annual paid leave to 24 days, we newly established an hourly paid leave system and raised the upper limit on carryover leave for non-workplace-related illness or injury. We also revised the special leave system, and newly established leave for infertility treatment and pre-menstrual syndrome (PMS), undergoing health checkups and diagnosis, reinspection after diagnosis, and vaccinations.
By taking measures such as altering systems for the reassignment of employees and part-time staff, and preparing an environment in which it is actually easy to obtain leave, we aim to increase the average number of annual paid leave days taken to 16 or more.

● Establishment of the "H-Grow+" autonomous learning support system (July 2026)

We established the "H-Grow+" autonomous learning support system, which lightens the economic burdens of learning, in July 2026. In addition to learning more about the business that employees are currently in charge of, through learning about changes in field of work they wish for, and promoting the local understanding required as employees of a regional financial institution, we will develop human resources with the expertise needed to help realize the potential of Hokkaido.

Autonomous learning support system "H-Grow+" (Support limit: 200,000 yen per-person annually)	• Expenses for acquiring qualifications, participating in correspondence courses • Video learning service, online lectures, learning app usage fees • Book purchase fees • Deepening local understanding (participation in local events, etc.), local contribution expenses

Polaris in the Future

Under the human resources and organizational transformation strategy, the three years of the New Medium-Term Business Plan are positioned as the phase for embedding Polaris and developing and securing human resources to realize the long-term vision.
Through opportunities for head office general training and individual interviews, we will work to embed the principles of Polaris throughout the organization. At the same time, we will implement annual surveys of all employees, maintain ongoing dialogue with them, verify the effectiveness of the system, and ascertain and address any related issues.

Employee interview about personnel system reform



Participants in the Open Application Challenge Program

Head Office position Employee M

I used the Polaris Open Application Challenge Program to move from a sales branch, and am now working as a member of the agricultural staff at the Hokuyo Harvest Village, which is a new project arising from the business ideas contest. This is the sixth year since I joined the Bank, and I was anxious about being in charge of a new project. However, since the launch of Polaris, I have seen more and more colleagues take on challenges they want to pursue, regardless of seniority, such as participating in short-term trainee programs. Seeing this encouraged me to take the plunge and apply for the program. When I successfully passed the screening and left my branch, I was deeply impressed that the branch manager cited my move as a good example of autonomously taking on challenges.
I am currently learning about agriculture while growing asparagus and tomatoes. I go between the office and the fields, and it's a hugely different work environment from what I've been used to. As it is an unprecedented initiative, and I'm often carrying out my job while sharing opinions with the other team members and feel extremely fulfilled. I will make the most of my asset of having proper agricultural work experience, and work hard toward becoming the Bank's leading employee in the area of agriculture.



Field Changers

Branch Employee S

After joining the Bank I was mainly in charge of making proposals to private customers about asset management, but when Polaris started, I moved to corporate loan work. I'd been interested in this area for some time but was never quite able to take the first step towards it. After this framework for announcing the career fields you are interested in was developed, I decided to take the leap and change my field. Although I was somewhat anxious about taking on the challenge of work that was different from what I had done hitherto, the branch manager dealt with me sincerely, increased the chances for me to go and visit corporate customers, and provided me with encouragement. I am really happy to be able to put into words what I want to do, and that my opinions are noticed.
While it's still the same bank, the way work is pursued and the workplace atmosphere is much different, and I feel a great sense of fulfillment about learning something new each day. I hope to continue to learn enthusiastically, and by experiencing all sorts of work become able to respond to the needs of a wide range of corporate customers.

POINT 3

The Management Foundations Supporting Value Creation

Strengthening the Management Base

064 Risk Management and Compliance
Message from the CRO
070 Corporate Governance
080 Message from an External Director Serving as an Audit and Supervisory Committee Member
083 Stakeholder Engagement

Data Section

087 10 Years of Financial Data
089 Non-Financial Data



Risk Management and Compliance —— 1/6 [Message from the CRO, Risk Management]

To appropriately manage the various risks that may arise across the Group, we have established an integrated risk management policy and framework. Centered on the Risk and Compliance Committee, we identify, assess, and monitor risks on an integrated basis, and continuously work to optimize risk management and strengthen governance by formulating and implementing the necessary measures.

Message from the CRO



Creating Value through Compliance and Appropriate Risk-Taking

In an operating environment in which uncertainty is increasing, the quality of risk management is a vital element that can sway corporate value. As CRO, what I emphasize is not merely avoiding risks, but accurately assessing risks, taking the right ones, and linking them to sustainable growth together with the region.

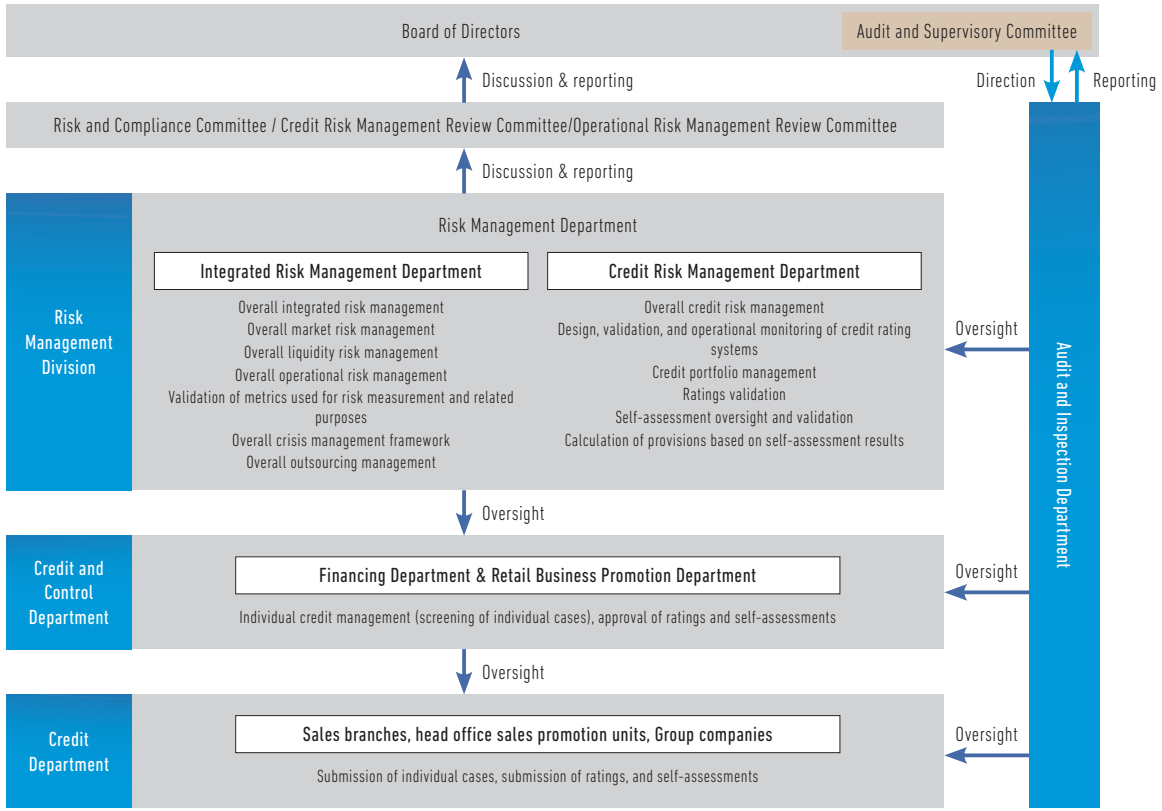
The North Pacific Bank Group regards compliance and the prevention of harassment as among its highest priorities and is committed to fostering a corporate culture that respects the dignity and individuality of every employee. By encouraging mutual respect, we are creating a workplace where employees feel comfortable speaking up and seeking advice whenever necessary. At the same time, we continue to strengthen conduct risk management and anti-money laundering measures, while striking an appropriate balance between rigorous compliance and customer-centered service. Our goal is to be an organization that inspires confidence, where customers and employees alike can say, “With North Pacific Bank, I have peace of mind.”

By continuing to identify and assess risks from both quantitative and qualitative perspectives, and by optimizing risk controls in alignment with our management strategy, we will strengthen our financial soundness and earning power, enhance society's trust, and create medium- to long-term value. We hope you will continue to look to the Group as we move forward with our communities and continue taking on the challenges of the future to create medium- to long-term value.

Risk Management

Risk management system

We have established rules and regulations for our risk management system, including the Integrated Risk Management Policy and Integrated Risk Management Regulations, and have set up the Risk and Compliance Committee to oversee group-wide risk, with the aim of centralizing risk management and further strengthening our system.The Risk and Compliance Committee generally meets at least once a month. In addition, we have also established a Risk Management Department within the Bank to oversee the risk management system and provide overall risk management for all group companies.



Risk Management and Compliance —— 2/6 [Risk Management]

Integrated Risk Management

The Group comprehensively identifies various risks that are becoming increasingly diverse and complex, and manages them by risk category, such as credit risk and market risk. In addition, we manage risks by taking an integrated view of the risks assessed for each risk category, and compare the amount of risk against its financial strength (integrated risk management). Specifically, we allocate capital in advance to each category (credit risk, market risk, and operational risk) within the scope of our capital, and monitor whether the quantified amount of each risk remains within the allocated capital. When allocating capital, we secure a buffer, or an amount of capital withheld from allocation, to prepare for unmeasured risks and new businesses. We also conduct stress tests to assess the impact of risk events that have not been fully identified, and evaluate and verify our capital adequacy.

Conduct risk

Credit risk
The risk of incurring losses due to a decrease in or loss of the value of assets due to deterioration in the financial condition of credit counterparties.

Market risk
The risk of incurring losses due to a decrease in the value of assets held resulting from fluctuations in interest rates, securities prices, foreign exchange rates, and other factors.

Liquidity risk

Funding liquidity risk
The risk of incurring losses due to difficulties in securing necessary funding as a result of unexpected cash outflows, or being forced to raise funds at higher-than-normal interest rates.

Market liquidity risk
The risk of incurring losses due to the inability to conduct transactions in the market as a result of market disruptions, or being forced to conduct transactions at prices significantly less favorable than normal.

Operational risk
The risk of losses arising from inadequate business processes, the activities of directors and employees, or systems, or from external events.

The Bank's Initiatives on Conduct Risk

In recent years, the environment surrounding financial institutions has been changing, with assessments increasingly drawing from a broader range of perspectives—extending beyond regulatory trends to encompass customer-oriented business conduct and the soundness of corporate culture. The Bank recognizes that merely complying with laws, regulations, and internal rules does not mean meeting the expectations and demands of customers and society. In Japan and overseas, instances have emerged that can significantly damage trust, even without necessarily violating laws or regulations, through practices such as inappropriate sales to customers or the presentation of fees or cancellation terms that may be disadvantageous to them.

Based on this understanding, we consider the management of conduct by directors and employees to be essential as a foundation for sound risk-taking.

Accordingly, from FY2025, we have explicitly incorporated conduct risk into our integrated risk management framework and are working to establish a management system for such risk.

We define conduct risk as "the risk of damage to corporate value due to conduct that breaches social norms, conduct that violates business practices or market practices, conduct that lacks the perspective of users, or similar conduct."

We will continue working to establish a management system for identifying, assessing, mitigating, and monitoring conduct risk, while also raising the awareness of each director and employee through training and awareness-raising activities.

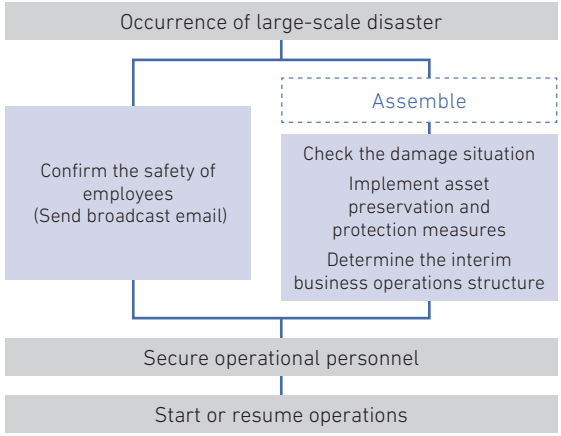
Business Continuity Planning Response in the Event of Large-Scale Disasters and System Failures

In the event of a disaster or other unforeseen event, it is our responsibility as a regional financial institution to minimize that impact and continue operations or resume operations as soon as possible. The Group has established Crisis Management Regulations and is committed to ensuring that the group companies can work together to respond to crises.

Under the Bank's business continuity plan, we prepared emergency response procedures and related manuals, and we conduct regular training to ensure continuation of key operations in the event of risk scenarios such as a new influenza outbreak or major earthquake directly beneath Sapporo. Our basic policy is as follows:

1. Prevent the spread of confusion in the payment systems (prevent impact on payment systems).
2. Maintain the lifestyles and economic activities of citizens in affected areas (prevent impact on customers).
3. Mitigate risks to financial institution management (prevent impact on management).

(Initial Process)



Risk Management and Compliance —— 3/6 [Compliance]

We expend every effort to let all employees know that compliance is at the core of everything we do, consistent with one of the items in our Code of Conduct: "Acting with integrity and a firm awareness of compliance and our social responsibilities."

In FY2025 we made our basic policy "to improve our ability to respond to issues autonomously so as to prevent issues and achieve the soonest possible resolution," and started measures with the twin points of "building compliance awareness in daily operations" and "improving response skills." In FY2026 we cited "always being aware of the correct stance as a member of the North Pacific Bank Group" as our basic policy, and will continue with initiatives towards this.

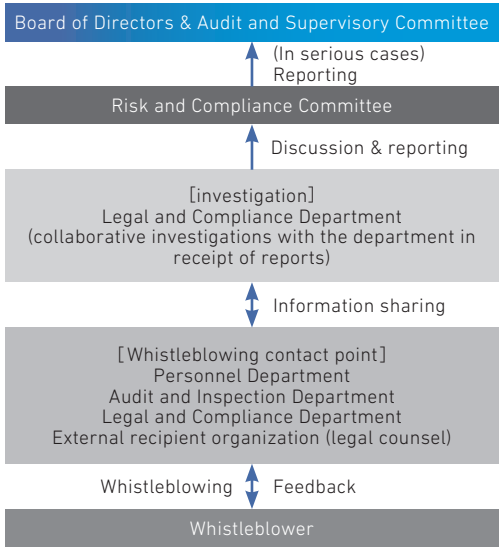
Compliance Framework

The Risk and Compliance Committee discusses the state of our compliance and strives to improve it.
The Bank has established the Legal and Compliance Department as the coordinating department, and it conducts training aimed at directors and employees, and the coordinated management of compliance throughout the entire Group.



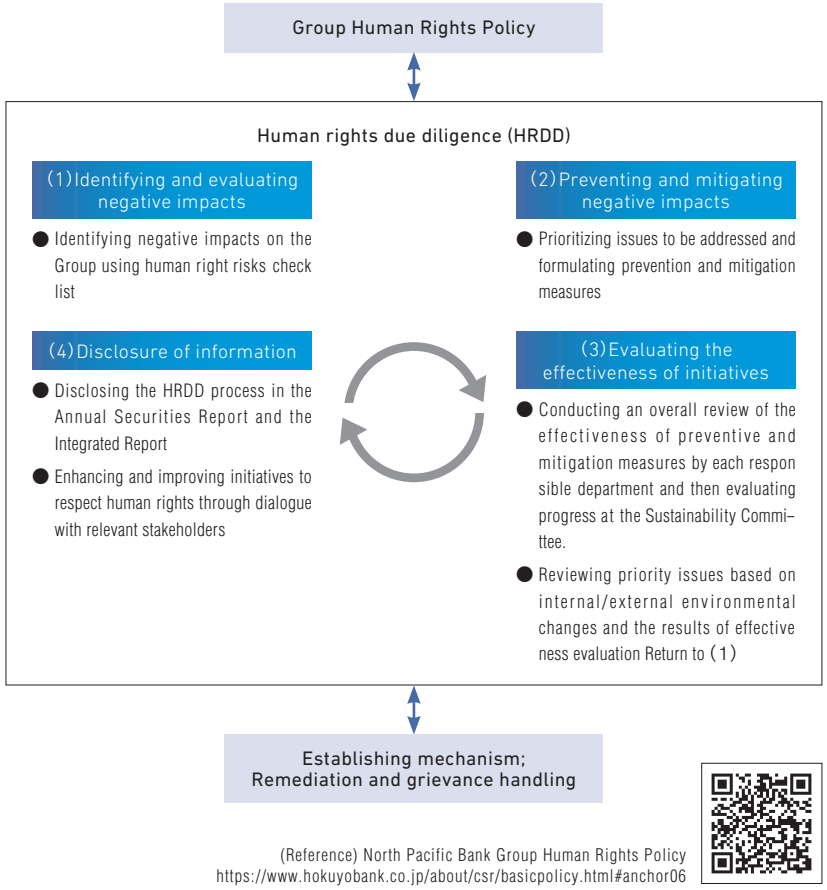
Internal Whistleblower System

The North Pacific Bank Group has established an internal whistleblower system in order to swiftly ascertain and correct violations of the law or internal regulations and harassment, and to maintain a healthy corporate atmosphere and high level of compliance.
The Bank has established a whistleblowing system that enables directors and employees of the Bank and its subsidiaries who become aware of a suspected legal or compliance violation to report it directly to the Legal and Compliance Department by mail, telephone, e-mail, or in person, anonymously if they wish. Alternatively, reports may be made to an independent external reporting channel, with a legal counsel serving as the point of contact.
The Bank also prohibits any unfair treatment resulting from whistleblowing, and strives for an even more solid stance of observing the law using the internal whistleblower system.



Human Rights Due Diligence (HRDD)

In order to fulfill our responsibility to respect human rights through responses to human rights due diligence, the North Pacific Bank Group established its Human Rights Policy in October 2025.
The North Pacific Bank Group conducts human rights due diligence by identifying negative impacts, prioritizing issues to be addressed, implementing preventive and mitigation measures, evaluating the effectiveness of its initiatives, and publicly disclosing its responses.



(Reference) North Pacific Bank Group Human Rights Policy
https://www.hokuyobank.co.jp/about/csr/basicpolicy.html#anchor06

Risk Management and Compliance —— 4/6 [Cybersecurity]

Amid growing cyber risks, we regard the protection of customers' assets and information, as well as the provision of stable financial services, as one of the most important themes in our operations. We have stipulated a basic policy regarding cybersecurity, established a Group-wide Computer Security Incident Response Team (CSIRT*), and strengthened collaboration with external professional organizations and related bodies.

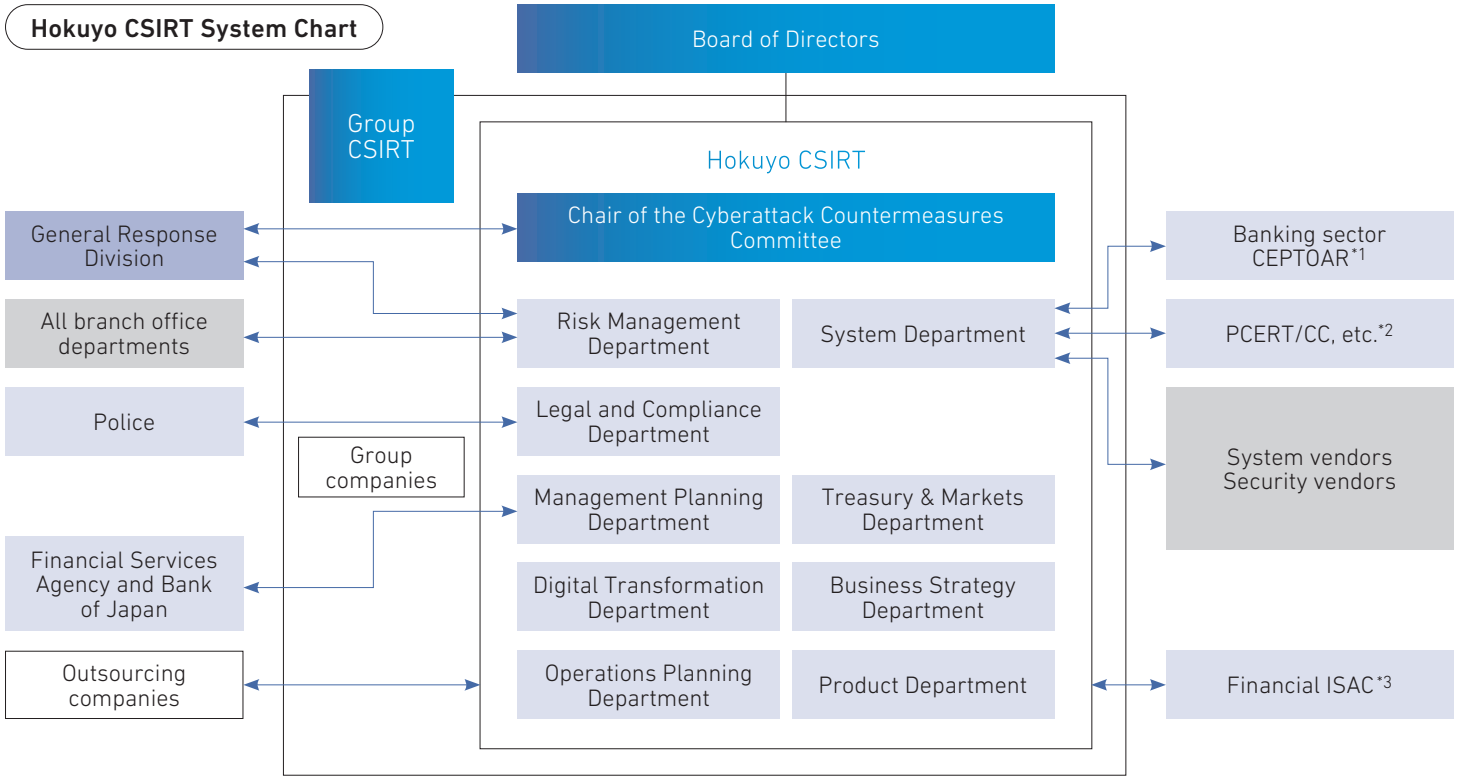
*Computer Security Incident Response Team:A specialized team that responds to security incidents

The Bank recognizes that ensuring stable financial services—by preventing customer impact from cybersecurity incidents,including incidents at outsourced service providers, and by responding promptly to incidents—is a key management issue. Therefore, we position cybersecurity initiatives as an important management priority, and are pushing ahead with the development of a cybersecurity management framework pursuant to the Financial Services Agency's Guidelines on Cybersecurity for the Financial Sector.

Together with our group companies, the Bank formed a Computer Security Incident Response Team (CSIRT), which collaborates with various external organizations, and is developing a management framework that enables the swift recovery of services in the event of a cyber incident.

In recent years, there has been a dramatic increase in phishing attacks targeting regional banks, and phishing sites impersonating our bank have appeared. In response, we have taken the measures shown in the chart to the right.

Hokuyo CSIRT System Chart



*1 Capability for Engineering of Protection, Technical Operation, Analysis and Response: An information-sharing and analysis function and its organizational framework for critical infrastructure operators and other entities *2 Japan Computer Emergency Response Team Coordination Center: An organization that receives reports of computer security incidents in Japan, including intrusions and denial-of-service (DDoS) attacks occurring over the internet, supports incident response, monitors incident trends, analyzes attack techniques, and develops and provides advice on measures to prevent recurrence. *3 Financial Information Sharing and Analysis Center: A cybersecurity coordination organization for Japan's financial industry

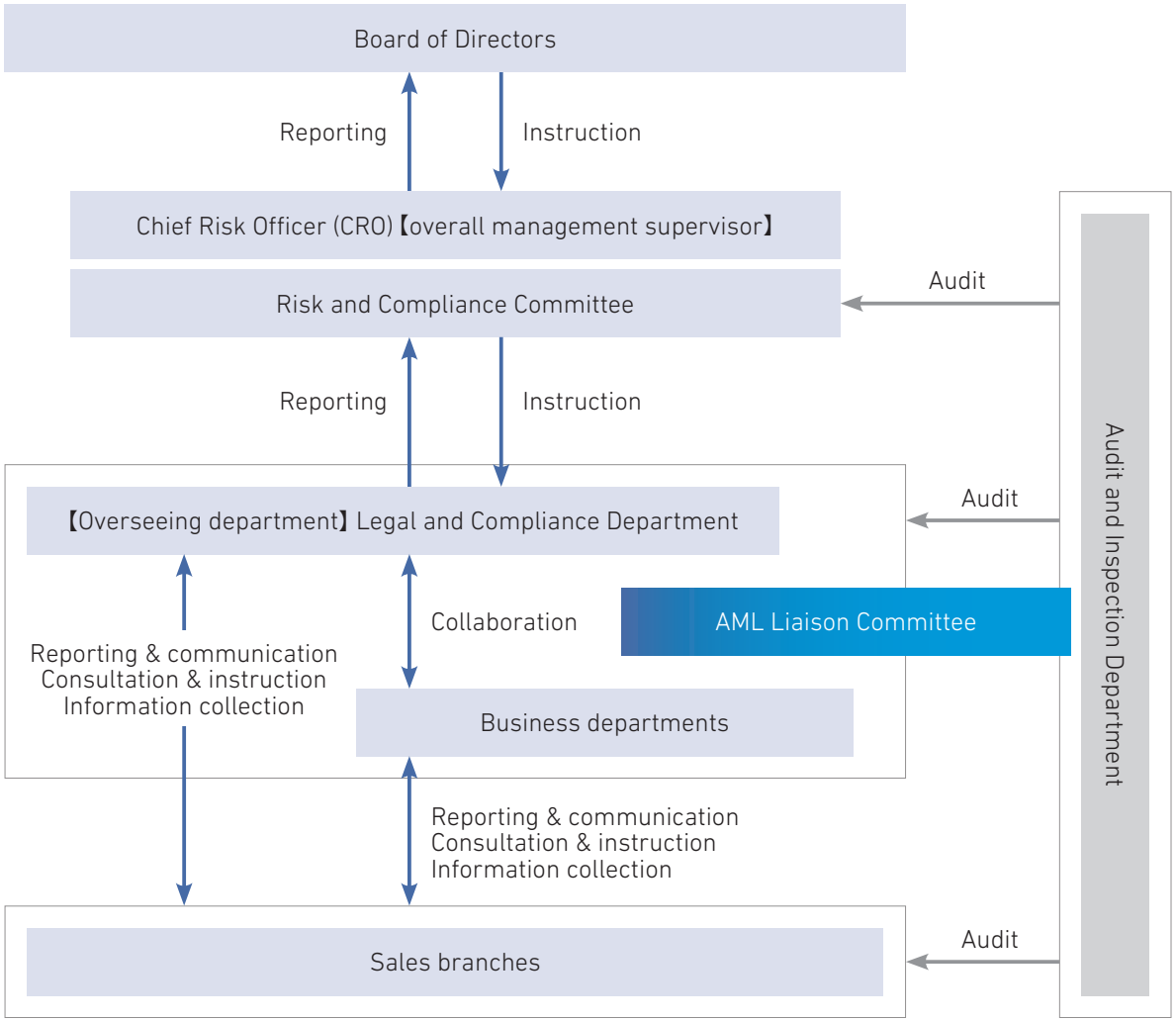
(Trends and countermeasures)

Trend	Main countermeasures
Relentless repeated attacks **Diversified attack methods**	**▼ Mitigate and prevent damage** ● Strengthen authentication for identity verification ● Immediately shut down discovered phishing sites ● Strengthen warnings on our website ● Immediately collaborate with head office response team

Risk Management and Compliance —— 5/6 [Financial Crime]

Based on our social responsibility and public mission as a financial institution, the Bank positions measures against financial crime such as money laundering, terrorist financing and economic sanction violations as a vital management issue. Under a basic policy and related regulations, the responsible department works closely with the sales, management, and audit departments to optimize the Group-wide management framework, with the aim of maintaining a sound financial system and securing the trust of customers and society

AML/CFT Management Framework



〔 Challenges and countermeasures 〕

Challenge	Main measures
Ongoing Customer Information Management	● Using sales branches and Seven Bank ATMs etc., to update customer information (addresses, occupations and purpose of transactions, etc.) ● Sharing and spreading awareness of initiatives to continuously check and manage customer information in collaboration with regional financial institutions
Enhancing AML/CFT Measures	● Enhancing verification methods for AML/CFT and economic sanctions compliance based on input from external experts
Enhanced Prevention of Fraud and Unauthorized Use	● Enhancing transaction monitoring for the prompt detection of suspicious transactions, and strengthening AI-powered fraudulent transaction detection ● Collecting information on the latest fraud schemes and implementing swift countermeasures through expanded collaboration with local newspapers and external specialist organizations



Risk Management and Compliance —— 6/6 [Internal Audit]

The Audit and Inspection Department positioned independently of the departments subject to audit evaluates the effectiveness of the internal control structure of each department. By supporting improvements, the department contributes to the Bank's achievement of its Medium-Term Business Plan, which is designed to realize the long-term vision and overall strategy.

Initiative for Enhancing Internal Audits

To allocate its limited audit resources effectively and efficiently, the Audit and Inspection Department evaluates the risk awareness of each department and conducts risk assessments for each sales branch, department, and business area. Based on these results, it determines the audit targets, frequency, and scope for sales branches, head office departments, and themes as part of its risk-based auditing.
In line with the vision set out in the Medium-Term Audit Plan for 2026–2028—"Contributing to the realization of the North Pacific Bank Group's long-term vision and overall strategy through the enhancement of internal audits "—we are pursuing the following initiatives in FY2026: 1) enhancing the quality of internal audits; 2) fostering Group-wide understanding of internal audits; and 3) leveraging AI, technology, and data.

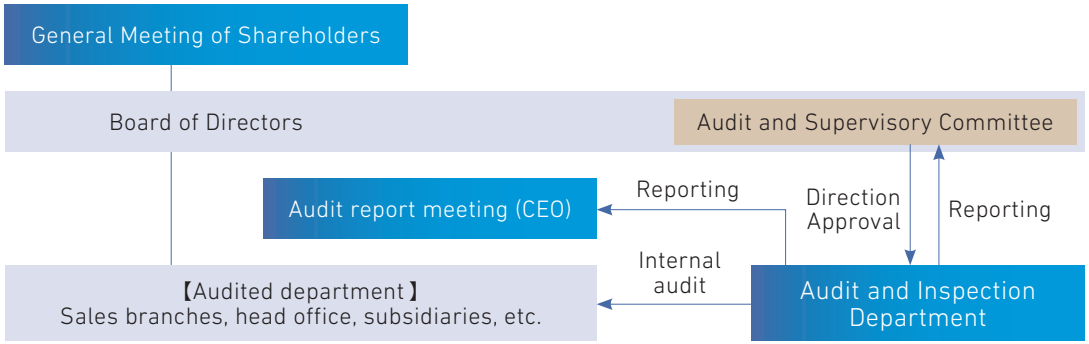
Purpose of Internal Audits

By evaluating the effectiveness of the internal control structure and supporting improvements, internal audits are intended to contribute to attaining the Bank's business plans.

Structure of Internal Audits

The Bank has established an Internal Audit and Inspection Department positioned independently of the departments subject to audit to conduct internal audits of the head office, sales branches, subsidiaries based on audit policies and plans approved by the Audit and Supervisory Committee. Audit results are regularly reported to the Audit and Supervisory Committee as well as the Audit Report Meeting, which is comprised of internal directors, including the CEO, and general managers of relevant departments.

〔 Internal Audit System Chart 〕



Audits of sales branches

A team of 11 auditors performs audits on sales branches both inside and outside Hokkaido. The types and results of the audits of sales branches in FY2025 are shown below.

Audit type	Audit contents	Results
Comprehensive audit	Verification of overall internal control system	**53 locations**
Audit to prevent scandals, etc.	Identification of warning signs of fraud or scandals	**86 locations**
Administrative audit	Verification of compliance of various administrative tasks	**86 locations**

To ensure effective auditing of sales branches, which are spread across a wide area, we work to enhance the accuracy of risk assessments, perform off-site monitoring, and utilize technology. It should be noted that from FY2026 administrative audits will be condensed into the monitoring and administrative guidance implemented by the second line.*

*Three lines model : An approach that organizes risk management and control responsibilities into three lines: the first line (frontline operations), the second line (control functions such as risk management and compliance), and the third line (internal audit). It aims to strengthen risk management and governance across the organization by clearly defining the respective roles of frontline operations, control functions, and internal audit.

Audits of the head office

A team of 18 auditors conducts specialized audits based on cross-organizational operations and risks, including theme-based audits, audits of individual head office departments and subsidiaries, system audits, asset evaluations, and audits of internal controls related to financial reporting. The results of the audits of the head office in FY2025 are shown below.

Audit type	Results
Theme-based audit	**10 themes**
Audit of head office departments	**7 office departments**
Subsidiary audit	**3 companies**
Other specialized audit	**22 audits**

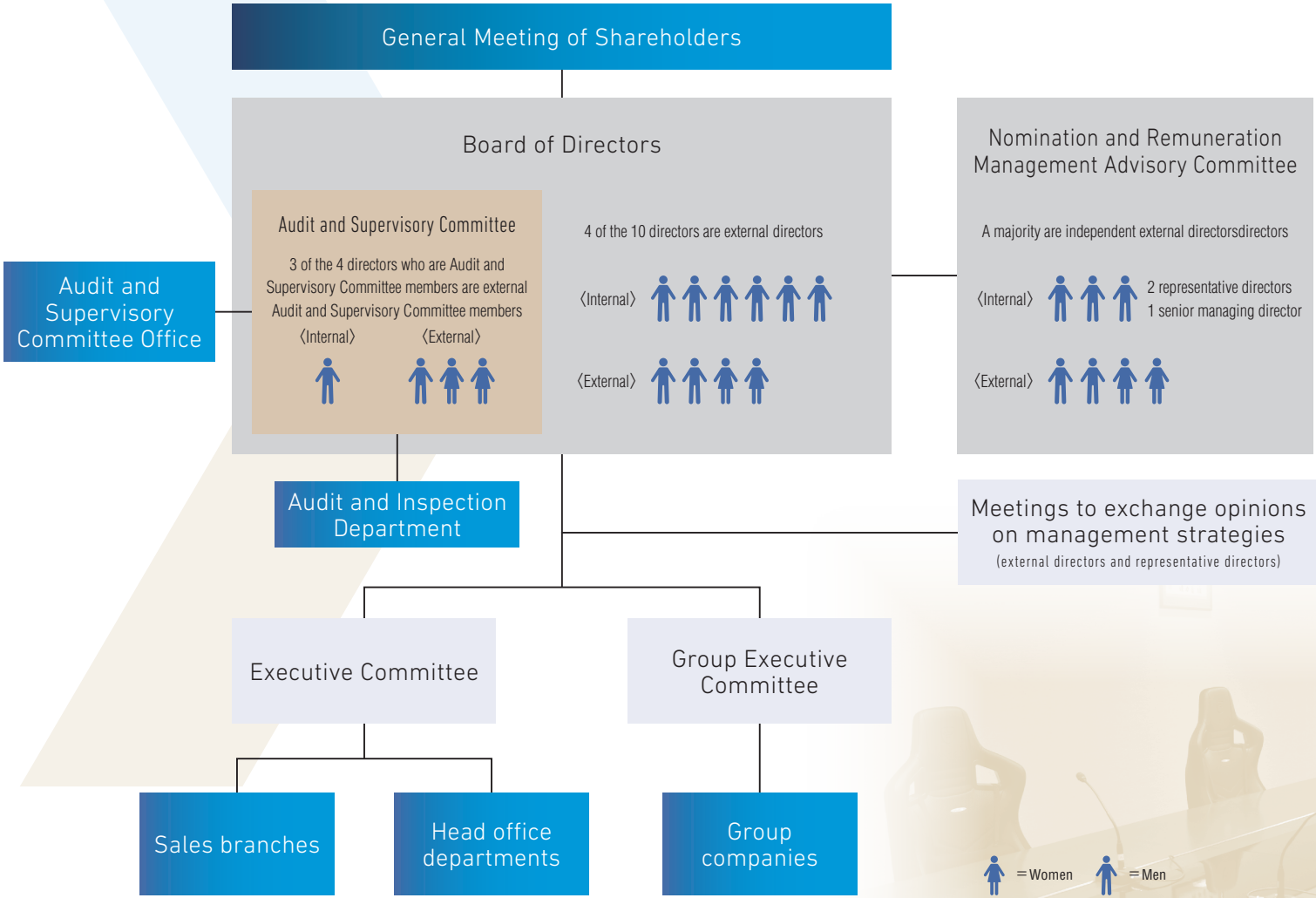
To ensure that the maintenance and enhancement of audit quality for increasingly diverse and complex head office operations, we assess the skills of the auditors and work to develop their capabilities.

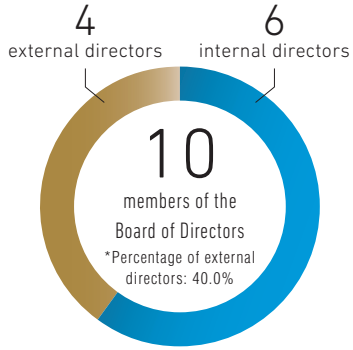
Corporate Governance —— 1/10 [Basic Approach]

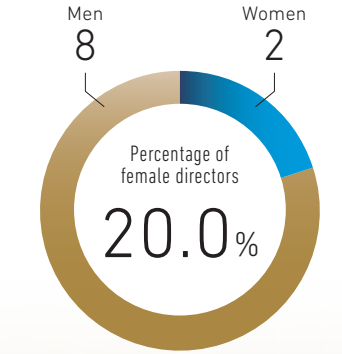
Inspired by the Management Philosophy of the North Pacific Bank Group, we at North Pacific Bank pursue sustainable growth and improved corporate value in the medium and long term. Our basic approach to achieving those goals is to earn and retain the trust of our shareholders, clients (customers), workforce, local communities, and other stakeholders, and to pursue effective corporate governance.

See the Bank's website for details on corporate governance
https://www.hokuyobank.co.jp/about/company/governance.html

Corporate Governance System Chart (as of June 25, 2026)









Corporate Governance —— 2/10 [Basic Approach]

Under a framework in which we are a company that has established an Audit and Supervisory Committee, we appropriately appoint a Board of Directors, Executive Committee, and other committees, and separate and link supervision and execution where necessary.
By mutually complementing each other these committees will strengthen our corporate governance structure and deepen discussion toward improving corporate value.



Overview of Committees and Main Activities

Board of Directors
(14 meetings in FY2025)

The Board of Directors comprises 10 directors, six of whom are directors who are not Audit and Supervisory Committee members (one of whom is an external director), and four of whom are directors who are Audit and Supervisory Committee members (three of whom are external directors). The primary responsibilities of the Board of Directors are to make important decisions (including management strategies and plans), and to effectively supervise corporate management and the directors.

〈Main agenda items〉
1. Matters relating to the formulation of the new long-term vision, mission, and overall strategy
2. Matters relating to the formulation of the Medium-Term Business Plan
3. Report on current state towards improving corporate value (PBR of 1.0x) and matters relating to the consideration of future initiatives
4. Matters relating to changes in policy on shareholder returns
5. Matters relating to the adoption of non-financial metrics in performance-linked stock compensation, and the remuneration system for delegated executive officers
6. Matters relating to the establishment of and revisions to regulations arising from the adoption of a delegated executive officer system
7. Matters relating to reducing policy shareholdings
8. Matters relating to the evaluation of the effectiveness of the Board of Directors
9. Matters relating to reviews of the skills that the Board of Directors should hold
10. Matters relating to the results of activities about dialogue with shareholders (IR/SR)

Audit and Supervisory Committee
(14 meetings in FY2025)

The Audit and Supervisory Committee comprises four directors who are Audit and Supervisory Committee Members (three of whom are external directors). The primary responsibility of the Audit and Supervisory Committee is to serve as an independent body that conducts highly effective audits of directors' execution of duties, thereby enhancing the transparency and reliability of management.

〈Main agenda items〉
1. Matters relating to the formulation of audit policies and audit plans
2. Matters relating to the preparation of audit reports
3. Matters relating to the appropriateness of audit methods and results of the Accounting Auditor
4. Matters relating to the appointment, dismissal, or non-reappointment of the Accounting Auditor
5. Key Audit Matters (KAM)* discussions with the Financial Auditor

*Key Audit Matters

Nomination and Remuneration Management Advisory Committee
(Six meetings in FY2025)

The Nomination and Remuneration Management Advisory Committee comprises three internal directors, of whom two are representative directors, and four external directors, and deliberates on matters including the determination of individual remuneration for directors (who are not Audit and Supervisory Committee members) and discusses and reports to the Board of Directors on matters such as the appointment of directors.

〈Main agenda items〉
1. Matters relating to partial revision of the director election process
2. Contents of proposals regarding appointment of directors (including Audit and Supervisory Committee Members) to be submitted by the Board of Directors to the General Meeting of Shareholders
3. Matters relating to the review of the skills matrix
4. Amount and details of individual remuneration, etc. received by directors
5. Matters relating to the adoption of non-financial indicators in performance-linked stock compensation
6. Matters relating to the appointment of delegated executive officers and their remuneration system

Executive Committee
(43 meetings in FY2025 (including written resolutions))

The Executive Committee, which comprises executive directors and executive officers, makes resolutions on important matters not on the agenda of the Board of Directors, and discusses matters on the agenda and matters required by the chairman in an effort to stimulate discussion for swift decision-making.

〈Main agenda items〉
1. Matters relating to the draft long-term vision
2. Matters relating to revision of the personnel system
3. Matters relating to changes in regulations and scope of authority according to the adoption of a delegated executive officer system
4. Matters related to the Group's branding
5. Matters relating to the new Medium-Term Business Plan
6. Matters relating to branch plans

Corporate Governance —— 3/10 [Evaluation of the Effectiveness of the Board of Directors]

Since FY2015, the Bank has conducted an annual evaluation of the effectiveness of the Board of Directors for the purpose of improving the functions of the Board of Directors and further ensuring its effectiveness.

Evaluation methods

1. Questionnaire

<Target> All directors
Questionnaire items
(25 questions in total)

A. The composition of the Board of Directors
B. Management strategy/business strategy
C. Corporate ethics and risk management
D. Performance monitoring and the evaluation and remuneration of management
E. Dialogue with shareholders

2. Interviews

Analysis of results by a third party
(*Approximately once every three years)

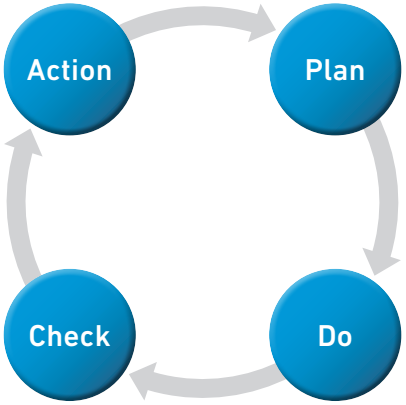
Based on the questionnaire results, a third party conducts individual interviews, focusing primarily on key issues.

3. Deliberation by the Board of Directors based on 1 and 2 on the left.

(1) The results of 1 and 2 are compiled and analyzed, then deliberated by the Board of Directors to identify issues.

(2) Measures to address the identified issues are proposed primarily by the Chairperson, CEO, and CSO, and are deliberated by the Board of Directors.

〔 Implementation Cycle 〕



Analyze questionnaire results and identify issues
Formulate measures to improve effectiveness

Select key agenda items primarily by the Chairperson, CEO, and CSO and prepare the agenda schedule (Updated monthly)

Evaluate the effectiveness of the Board of Directors
Conduct questionnaires after Board of Directors meetings

Deliberate based on the agenda schedule

Evaluation results, issues and efforts to improve effectiveness

FY2024

Evaluation

In June 2024, the Bank transitioned to a company with an audit and supervisory committee and has worked to strengthen its supervisory function and accelerate business execution. It also implemented measures to address the issues identified in the previous fiscal year, and confirmed that the effectiveness of the Board of Directors has improved. In particular, agenda setting and deliberation scheduling involving the Chairperson of the Board of Directors, who is an External Director, enabled the Board of Directors to clarify the priority of matters for deliberation. In addition, clarifying what should be discussed and by when has helped deepen discussions on the issues raised in the previous fiscal year.

Issues

- Launch of the succession plan and confirmation of its progress
- Confirmation of whether the introduction of a delegated executive officer system has accelerated decision-making and business execution
- Discussion of the human resources strategy based on the management strategy and confirmation of whether the new personnel system is aligned with the management strategy
- Confirmation of the effectiveness of Risk Appetite Framework (RAF) through operational processes and the formulation of the risk appetite policy, and the Business plan

FY2025

Initiatives

- Reporting to the Board of Directors on the operational progress of the succession plan after its launch
- Free discussion between Internal Directors and Executive Officers on the delegated executive officer system and formulation of improvement measures, and reporting of the discussion to the Board of Directors
- Reporting to the Board of Directors on the incorporation into the new Medium-Term Business Plan of measures to address issues that emerged after the introduction of the new personnel system
- Reporting to the Board of Directors on the operational status of RAF and recognized issues concerning its effectiveness

Evaluation and issues

The Bank conducted a questionnaire using the same questions as in FY2024 and confirmed that the effectiveness of the Board of Directors has improved overall as a result of its efforts to implement measures to address the issues identified in the previous fiscal year.
In particular, the allocation of time and the quality of deliberations on medium- to long-term management strategy and individual business strategies improved, and the Board of Directors was proactively involved in these discussions. Among the issues identified through the questionnaire, we recognized the need to continue strengthening monitoring and supervision by the Board of Directors with respect to the issues considered most important: “human resource development and the improvement of the internal environment,” “appropriate delegation of decision-making authority,” and “initiatives that take into account capital profitability and stock price.” Although progress has been made on these initiatives, their importance requires continued monitoring and supervision by the Board of Directors.

FY2026

Future initiatives

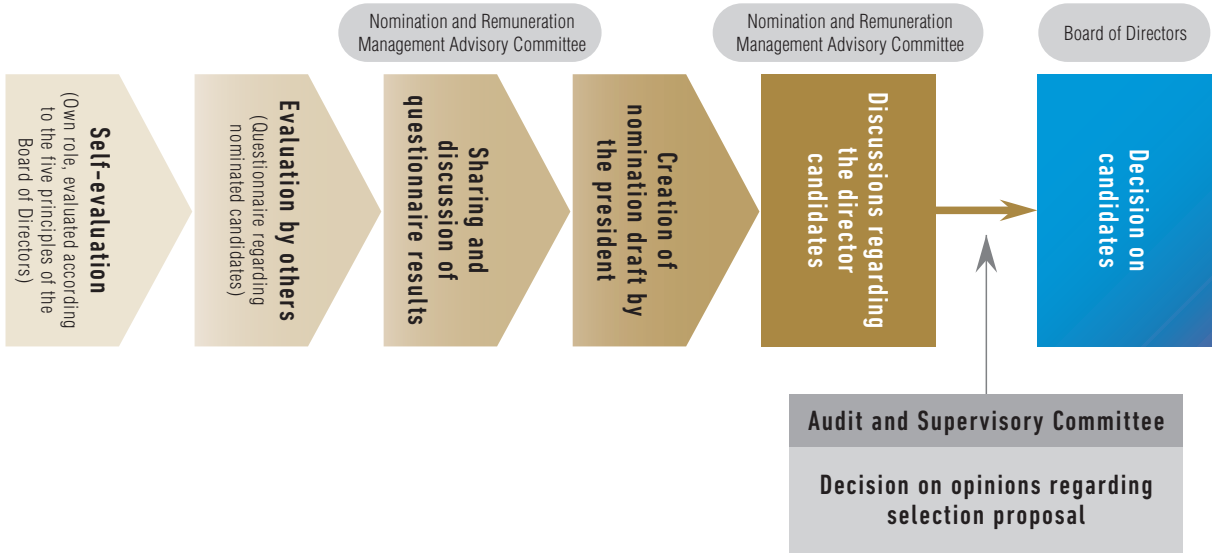
- Human resource development and improvement of the internal environment: confirmation of the alignment of the new personnel system “Polaris” with the Business plan
- Appropriate delegation of decision-making authority: confirmation of the acceleration of decision-making and business execution through monitoring of the delegated executive officer system
- Initiatives that take into account capital profitability and stock price: confirmation of the effectiveness of RAF, etc.

Corporate Governance —— 4/10 [Selectionn of Directors]

Director candidates are selected in accordance with the "Criteria for the Selection of Director Candidates." In order to effectively execute its role and responsibilities, the Bank's Board of Directors maintains an appropriate number of members. Moreover, since it is considered important to secure a balance between knowledge, experience and capability, and diversity aspects including gender and internationality (including expertise in international business operations), the Board consists of a certain number of internal directors familiar with the Bank's work and several external directors with differing professional insight and backgrounds.

Process for the selection of directors

The procedures for selecting director candidates and appointing or dismissing senior management are as shown on the right.
It should be noted that in the event that a representative director or executive director is involved in fraud or serious legal violations, or it is deemed that they are unable to appropriately perform their role and responsibilities, their dismissal will be decided upon by the Board of Directors following discussion by the Nomination and Remuneration Management Advisory Committee.



Director candidates (excluding directors who are Audit and Supervisory Committee members)

Candidates are selected and decided upon with consideration to recommendations from directors including external directors, the roles and responsibilities required of directors according to the Bank's management issues, and their degree of contribution to the Bank's performance.

*For an explanation of the selection and nomination of individual director candidates, please see the "Notification of the Convening of the General Meeting of Shareholders" on the Bank's website.

[Website URL]
https://www.hokuyobank.co.jp/ir/shareholder/meeting.html

	Selection Criteria
Director candidates (excluding directors who are Audit and Supervisory Committee members)	With regard to internal directors, those who have a high level of knowledge about the Bank's work and abundant experience, and can be expected to contribute to the continuous growth and medium- to long-term growth of corporate value. With regard to external directors, those who have a high level of knowledge and abundant experience in corporate management and professional fields, and can be expected to contribute to constructive discussions at meetings of the Board of Directors and other bodies, as well as to the supervision of management, from a standpoint independent of management.
Director candidates who are Audit and Supervisory Committee members	With regard to internal directors, those who have a high level of knowledge about the Bank's work and abundant experience, and can be expected to contribute to securing sound management through the execution of highly effective auditing. With regard to external directors, those who have a high level of knowledge and abundant experience in corporate management and professional fields, and can be expected to contribute to the securing of sound management through the execution of highly effective auditing from an objective perspective.

Corporate Governance —— 5/10 [Skills Matrix]

The North Pacific Bank Group believes it is important for the Board of Directors to possess diverse knowledge, experience, and skill in order to realize the long-term vision centered on its management philosophy. Therefore, the Group will systematically organize the elements necessary in order to promote its management strategy and the elements required to support the foundation of bank management, and has been developing a skills matrix that emphasizes the ability to address social issues and create new value.

Based on the new long-term vision and mission announced in August 2025 as well as the five pillars of the overall strategy, the Group changed the "Consulting" skill to "Marketing and Branding" and "New Business Development and Innovation," and conducted a review on the skills matrix.

The Board of Directors will further strengthen its management oversight function and will establish a structure that is capable of responding flexibly and swiftly to the changing business environment, with the aim of sustainably enhancing corporate value.



Skills review process

1. Current skills are classified into two categories: A Skills supporting bank management itself and B Skills tied to the long-term vision and mission, and the overall strategy.

2. The B skills will be linked to the five pillars of the overall strategy that support the realization of the long-term vision and mission, skills suited to achieving each strategy will be checked, and where there are inadequacies, new skills will be reviewed.

Long-term vision and mission

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

Mission: We:

- 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

Overall strategy

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

Skills that the Board of Directors should hold

B: SX & GX | Regional development | IT & DX | Marketing and branding | New business development and innovation | Human capital

A: Corporate management and governance | Legal compliance and risk management | Market operations | Financial accounting

Corporate Governance —— 6/10 [Skills Matrix]

➤ The reasons for selecting the key areas of expertise and knowledge in the skills matrix are as follows.

Skill category		Reasons for selection
A Skills supporting the foundation of bank management	Corporate management and governance	The North Pacific Bank Group is actively engaged in the management of group companies and in addressing sustainability and ESG issues. These efforts require advanced and specialized knowledge, experience, and capabilities, including expertise in network building. In addition, to maintain sound and transparent management structure, expertise in corporate governance and practical experience are essential.
	Legal compliance and risk management	The Group considers rigorous compliance and risk management to be fundamental to its management. Legal knowledge and experience in risk assessment and response are essential to sustainable corporate growth.
	Market operations	The Group values knowledge and experience in market operations to respond to fluctuations in financial markets and secure stable earnings. A proven track record in asset management and risk management is essential.
	Financial accounting	The Group values knowledge and practical experience in financial accounting to maintain a sound financial position and enhance the quality of management decision-making.
B Skills driving its long-term vision, mission, and strategies	SX・GX	The Group aims to reduce its environmental impact and build sustainable business models. These efforts require knowledge, experience, and capabilities related to new businesses, sustainable loans, fund investments.
	Regional development	The Group regards revitalizing the regional economy as a cornerstone of its management. Experience in collaborating with local governments and businesses and in addressing regional issues is a key capability directly linked to the delivery of community-based financial services.
	IT・DX	The Group is focusing on its capabilities in IT and DX to enhance the sophistication and efficiency of its financial services. What is important is knowledge, experience, and capabilities that support product development to improve the convenience of its services and the formation of alliances to enhance productivity.
	Marketing and branding (new)	The Group places importance on the capability to develop and execute marketing strategies to expand its customer base and enhance its brand value. Experience in market analysis and promotion contributes to strengthening its competitiveness.
	New business development and innovation (new)	The Group values the capability to create new businesses beyond the scope of its existing businesses and drive innovation to achieve sustainable growth. Experience in collaborating with startups and launching new businesses is essential.
	Human capital	The Group regards the effective utilization and development of diverse talent and organizational culture reform as a foundation for enhancing corporate value. Expertise and practical experience in human resources management, including talent development, compensation and salaries, employee benefits, and the promotion of diversity and inclusion, are essential.

Corporate Governance —— 7/10 [Skills Matrix]

The skills matrix summarizing the key experience and expertise of each Director as of June 25, 2026, is as follows.

Skills Matrix for Directors and Audit and Supervisory Committee Members

The key areas in which Directors and Audit and Supervisory Committee Members have expertise and experience are highlighted in the same color, with ● indicating areas in which particularly significant contributions are expected.

Note: The matrix does not represent all areas of expertise and experience possessed by each individual.

Areas in which expertise and experience can be demonstrated			Mitsuharu Yasuda	Hironobu Tsuyama	Hitoshi Masuda	Kazushi Yoneta	Akira Yamada	Toshiaki Kobe	Shiro Kurio	Sakuyo Tahara	Koh Hashimoto	Hiroko Aoyama
			Director and Chairman	President (Representative Director)	Deputy President (Representative Director)	Senior Managing Director	Managing Director	External Director	Director, and Audit and Supervisory Committee Member	External Director Audit and Supervisory Committee Member	External Director Audit and Supervisory Committee Member	External Director Audit and Supervisory Committee Member
			Male	Male	Male	Male	Male	Male	Male	Female	Male	Female
	A Skills supporting the foundation of bank management	Corporate management and governance		●	●				●			
		Legal compliance and risk management					●	●	●			
		Market operations				●						
		Financial accounting				●						●
	B Skills driving its long-term vision, mission, and strategies	SX・GX				●						
		Regional development	●		●	●					●	
		IT・DX				●						
		Marketing and branding		●	●							
		New business development and innovation				●						
		Human capital		●						●		

Qualification criteria

Those holding a national, public, or private-sector qualification relevant to a particular skill are deemed to possess that skill.

Professional experience criteria

Those with relevant practical experience, including experience gained at other companies, are deemed to possess the skill. Only practical experience in work related to the relevant skill within the past ten years is taken into account.

For noteworthy information regarding the experience and track record of each Director and Audit & Supervisory Committee Member, please refer to the Securities Report.
https://www.hokuyobank.co.jp/ir/library/h_image/report/202603_yuhou.pdf

Corporate Governance —— 8/10 [Succession Plan]

The Bank believes that, in order to continuously improve corporate value, it is essential to systematically develop future management talent and ensure a smooth generational transition. Accordingly, the Bank has formulated a succession plan.

Succession Plan for Chief Officers (CxOs)

Amid changes in the management environment, the Bank recognizes the need for next-generation management personnel to demonstrate "leadership to drive reforms." At the same time, as the Board of Directors is increasingly expected to "contribute to enhancing corporate value" through "management decision-making" and "appropriate risk-taking," the Bank has formulated a succession plan and an implementation roadmap.

Roadmap

Phase 1 (July 2024 onward)
Identifying skills and qualities required of management personnel and creating a human resources development plan

Deciding on the succession plan (December 2024 onward)

Phase 2
Ascertaining and evaluating human resources, and selecting and securing candidates for management personnel development

Phase 3
Implementing the human resources development plan, and establishing a supportive development environment

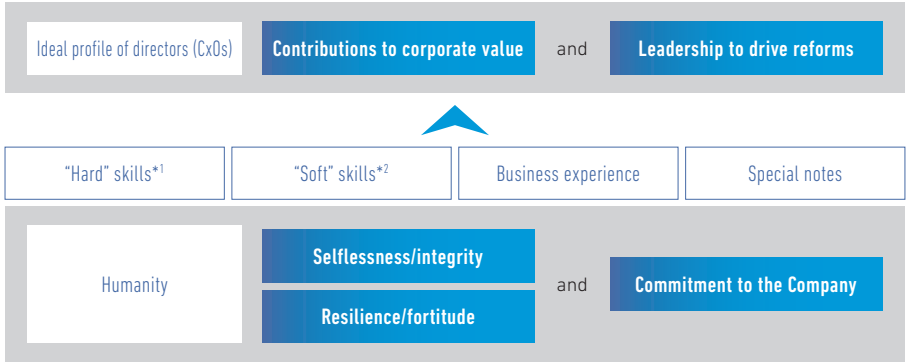
Board of Directors monitoring
Implemented in April 2026

Phase 4
Evaluating results, and reviewing related measures

Outline of the Succession Plan

(Defining Requirements for CxO Personnel)

Identifying the requirements for CxO personnel through the interviews with all directors and the discussions by the Nomination and Remuneration Management Advisory Committee.



*1 "Hard" skills: knowledge required as a corporate manager; minimum knowledge required as a leader in the banking industry; minimum knowledge required as a director of a listed company; skills individually required for each CxO. and minimum hard skills. Specialized knowledge does not necessarily need to be included as a requirement.
*2 "Soft" skills: a broad perspective as a corporate manager, management-level thinking ability, decisiveness and perseverance, and communication skills to mobilize the organization

Human Resources Development Plan

Evaluations are made through regular reviews of the human resources pool, management personnel development training to pool members, and assessments of their performance and skills through tough assignments. Furthermore, with regard to external directors, the Bank also checks the development status of future management personnel through interviews with them and implements a fair and transparent evaluation process.



Corporate Governance —— 9/10 [Officer Remuneration System]

The remuneration of directors is intended both to secure and retain the human resources appropriate to service as directors, and function as an incentive that heightens their will to contribute and passion regarding improvements to performance and corporate value over the short- and medium- to long-term performance. The Bank has a basic policy under which the remuneration levels are appropriate to reward roles, responsibilities and results.

Outline of Remuneration

The remuneration of directors consists of their base remuneration as fixed remuneration, as well as bonuses and performance-linked share-based remuneration as incentives for improving performance. The annual limit for directors' remuneration is 310 million yen (30 million yen for external directors), and the annual limit for remuneration of Audit and Supervisory Committee members is 100 million yen. The limit on remuneration sums for performance-linked share-based remuneration covering directors (excluding external directors) is 300 million yen for each consecutive three-fiscal-year period. Base remuneration is decided upon by the Nomination and Remuneration Management Advisory Committee of which a majority of members are independent external directors, in line with the roles demanded of each director and with reference to external survey data on remuneration for directors.

(Amount of remuneration paid in FY2025)

Officer Category	No. of directors	Total amount of remuneration, etc. (millions of yen)	Total of remuneration etc. by type (millions of yen)			
			Fixed remuneration	Base remuneration		(Of which: Non-monetary remuneration)
			Base remuneration	Bonuses	Performance-linked type	
Directors(excluding Audit and Supervisory Committee members and external directors)	5	254	188	—	66	66
Directors who are Audit and Supervisory Committee members(excluding external directors)	2	39	39	—	—	—
External directors	4	43	43	—	—	—

Base remuneration

Consists of "basic wages" and "other extra amounts" according to roles and responsibilities in the execution of work corresponding to rank

Bonuses

Paid subject to approval at the General Meeting of Shareholders only when a dividend is paid to shareholders

Performance-linked share-based remuneration

- To clarify the linkage between director remuneration and the Bank's performance and shareholder value, and to heighten awareness of contributions to improving the Bank's medium- to long-term business performance and corporate value
- "Fixed points" and "performance-linked points" are calculated according to share-based standard amounts, performance-linked metrics, and performance-inked coefficients corresponding to rank, and individually allotted

Evaluation axis

The performance metrics selected as the base for calculations this fiscal year are "profit attributable to owners of parent" (45% weighting), "non-consolidated ordinary profit" (45% weighting), "number of cases of support for customer sustainability" and "the Group's Scope 1.2 reductions" (combined weighting of 5%) and "employee engagement score" (5% weighting). The results for these metrics are as shown on the right.

		Target	実績
Financial metrics*1	Profit attributable to owners of parent	24,300 million yen	25,601 million yen
	Non-consolidated ordinary profit	33,600 million yen	35,940 million yen
Non-financial metrics*2	Number of cases of support for customer sustainability	2,250 —	2,849 Target attained
	Employee engagement score	77	68

*1 In the event that the consolidated ROE over the term for payment (profit attributable to owners of parent ÷{(opening balance equity + ending balance equity) ÷2}) is less than the highest of either the "planned value for each fiscal year during the Medium-Term Business Plan" or "the planned value based on the profit plan announced at the opening of each fiscal year," the performance-linked coefficient for each performance-linked metric will be limited to 1.0.

*2 In the event that the targets for the Group's Scope 1.2 reductions are not met over the term of the payment, the performance-linked coefficient for the number of cases of support for customer sustainability will be zero.

Corporate Governance —— 10/10 [Directors and Officers]

As if June 25, 2026

Directors



Director and Chairman

Mitsuharu Yasuda

| Male |

June 2014 Director and General Manager, Management Planning Department
June 2016 Managing Director
Apr. 2018 Director and Presiden
Apr. 2024 Director and Chairman (present position)



Director and President, CEO, and CHRO

Hironobu Tsuyama

| Male |

June 2021 Managing Executive Officer and Branch Manager, Obihiro-Chuo Branch, Obihiro-Nishi Branch, and Obihiro-Minami Branch
June 2023 Managing Director
Apr. 2024 Director and President (present position)



Director and Deputy President, and CBPO

Hitoshi Masuda

| Male |

Apr. 2019 Managing Executive Officer and Branch Manager, Obihiro-Chuo Branch
June 2021 Managing Director and Head Office Manager
June 2022 Senior Managing Director and Head Office Manager
June 2024 Director and Deputy President (present position)



Senior Managing Director, CSO, and CFO

Kazushi Yoneta

| Male |

June 2021 Managing Executive Officer and General Manager, Corporate Solutions Department, and General Manager, Corporate Business Promotion Department
Apr. 2022 Managing Executive Officer and Branch Manager, Hakodate-Chuo Branch, and Branch Manager, Suehirocho Branch
June 2023 Director and General Manager, Branch Support Department
June 2024 Managing Director
June 2026 Senior Managing Director (present position)



Managing Director, and CRO

Akira Yamada

| Male |

Apr. 2020 Managing Executive Officer and Branch Manager, Hakodate-Chuo Branch and Suehirocho Branch
Apr. 2022 Managing Executive Officer and General Manager, Corporate Business Promotion Department, and General Manager, Corporate Solutions Department
June 2022 Director and General Manager, Corporate Business Promotion Department, and General Manager, Corporate Solutions Department
June 2024 Managing Director (present position)



Director, and Audit and Supervisory Committee Member (Standing)

Shiro Kurio

| Male |

June 2021 Managing Executive Officer and General Manager, Personnel Department
Apr. 2023 Managing Executive Officer and General Manager, Audit and Inspection Department
June 2025 Director, and Audit and Supervisory Committee Member (Standing)

External Directors



External Director (Chairperson of the Board of Directors)

Toshiaki Kobe

| Male |

Oct. 2006 Established Kobe Law Office
Oct. 2014 Office name changed to Kobe Manji and Fukuda Law Office Representative Partner (present position)
June 2018 External Director, Nippon Grande Co., Ltd. (present position)
June 2023 External Director, the Bank (present position)



External Director Audit and Supervisory Committee Member

Sakuyo Tahara

| Female |

Apr. 2006 Instructor for Employment Coordination, Employment Security Department, Hokkaido Labour Bureau, Ministry of Health, Labour and Welfare
Apr. 2008 Registered as a public consultant on social and labor insurance Established HOKUOH Labor Legal Affairs Office (present position)
June 2023 External Director, the Bank
June 2024 External Director, and Audit and Supervisory Committee Member, the Bank (present position)



External Director Audit and Supervisory Committee Member

Koh Hashimoto

| Male |

Apr.1992 Joined Hokkaido Regional Development Bureau
Apr.2019 Executive Officer, Deputy General Manager of General Planning Division, Hokkaido RailwayCompany (seconded)
July 2020 General Manager of Construction Department, Hokkaido Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism
July 2021 Director-General, Hokkaido Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism
July 2022 Director-General, Hokkaido Bureau, Ministry of Land, Infrastructure, Transport andTourism (retired in July 2024)
Dec. 2024 Advisor, Hokkaido Development Engineering Center
May 2025 Chairman, Hokkaido Development Engineering Center (present position)
June 2026 External Director, the Bank (present position)



External Director Audit and Supervisory Committee Member

Hiroko Aoyama

| Female |

Oct. 2001 Joined the Sapporo Office, Deloitte Touche Tohmatsu LLC
July 2005 Registered as a certified public accountant
Nov.2010 Shizuoka Office, Deloitte Tohmatsu Tax Co.
Oct. 2011 Head, Sapporo Office, Deloitte Tohmatsu Tax Co. (retired in June 2013)
July 2013 Sapporo Office, Deloitte Touche Tohmatsu LLC (retired in September 2022)
Oct. 2022 Established Hiroko Aoyama Certified Public Accountant Office (present position)
June2026 External Director, the Bank (present position)

Executive Officers and Operating Officers

*Information in parentheses indicates responsibilities, departments under supervision, and assigned blocks.

Senior Managing Executive Officer Kenichi Mizumoto (Head Office)
Managing Executive Officer Masahiro Miyahara (Personnel Department)
Managing Executive Officer Kou Nakayasu (Audit and Inspection Department)
Executive Officer and CIO* Kiyoshi Fukuchi (System Department)
Executive Officer Yoshiaki Setoda (Tokachi)
Executive Officer Daisuke Fukushima (Hakodate)
Executive Officer Kazumasa Shimizu (Hokkaido Business Growth Division)
*CIO: Chief Information Officer

Senior Operating Officer Toshihiro Kodama (Management Planning Department)
Operating Officer Kazuya Kawase (Tokyo)
Operating Officer Masahito Imaki (Personnel Department)
Operating Officer Ryuji Nozawa (Risk Management Department)
Operating Officer Munenori Gondaira (Regional Revitalization Department)
Operating Officer Mitsuhiro Kishinami (Tomakomai)

Senior Managing Executive Officer Takuji Nogiwa (Management Planning Department)
Managing Executive Officer Toshiyuki Satonaka (Consulting Business Division)
Executive Officer Hirotaka Yoshino (Audit and Supervisory Committee Office)
Executive Officer Takayuki Kawamura (Retail Business Promotion Department)
Executive Officer Tsuyoshi Honma (Kushiro)
Executive Officer Ryo Okamoto (Corporate Business Promotion Department)
Executive Officer Nobuhiro Kowatari (Asahikawa)

Senior Operating Officer Toshiya Ishikawa (Management Planning Department)
Operating Officer Daisuke Nakachi (Growth Strategy Planning Department)
Operating Officer Yuzou Koshida (Personnel Department)
Operating Officer Motohiko Tanaka (Head Office)
Operating Officer Ryuji Takahara (Shiribeshi)
Operating Officer Nobuyuki Akahonai (Okhotsk)

Message from an External Director Serving as an Audit and Supervisory Committee Member



*External Directors serving as Audit and Supervisory Committee Members as of the end of March 2026

Please tell us about the process leading up to the formulation of the long-term vision and the new Medium-Term Business Plan.

Tahara The process of formulating the new Medium-Term Business Plan was highly significant in two respects.

First, rather than simply "setting objectives," the plan was formulated through discussions based on objective data regarding how those objectives could be achieved and what value would be created for Hokkaido.

Recently, multiple cases of financial window-dressing and fraudulent accounting or misconduct by well-known corporations have been reported.

A key factor behind such incidents is a corporate culture vulnerable to wrongdoing, where employees face excessive targets without clear guidance on the execution process or the underlying purpose of their work.

From a governance perspective, therefore, I believe it is commendable that each employee can understand both the process for achieving the new Medium-Term Business Plan and its significance, and can carry out their day-to-day work without wavering from a customer-oriented approach.

Second, it was an unprecedented and innovative initiative for the President himself to explain the Medium-Term Business Plan in a video, with many employees, including those of group companies, participating and sharing their views in real time using a smartphone application.

For employees working at the Bank branches, as well as employees of group companies, this provided an opportunity to understand the Medium-Term Business Plan as something that concerns them personally, rather than passively receiving a plan determined by top management.

Nishita For a regional bank to achieve sustainable growth, it is crucial for management itself to present customers, the community, and shareholders with a value creation story—a clear and concrete path to growth. This also helps employees better understand and accept management's direction, enhances motivation, and strengthens the organization's execution capability. Based on this view, I have expressed my opinions candidly and asked questions at Board meetings and management strategy sessions.

Having been involved in regional financial administration, I highly value the process leading to the formulation of the new Medium-term Business Plan (the "Plan"). First, the CxOs themselves discussed and examined the long-term vision, missions, and overall strategy with the value creation story in mind; individual departments then developed specific strategies, including major KPIs, to realize the overall strategy; and explanations and messages were communicated to employees at each stage of the process. I also believe it was beneficial in fostering a sense of unity throughout the organization that the missions and brand slogan, as well as the long-term vision, were formulated while listening to employees' views.

The overall strategy and individual strategies are seamlessly interconnected. In implementing the Plan, I therefore encourage the CxOs, Executive Officers, and department heads to share information more actively than ever, strengthen the organization's execution capability through initiatives that enhance employee motivation, including performance evaluation, and take on the initiatives set out in the Plan.

The Plan includes numerous priority initiatives for realizing the overall strategy. It will therefore be important to maximize teamwork across departmental boundaries and for the CxOs, Executive Officers, and Board of Directors to properly operate the iterative review and improvement cycle and take the necessary corrective measures.

Message from an External Director Serving as an Audit and Supervisory Committee Member

One year after the introduction of a delegated executive officer system and the new personnel system "Polaris," how do you evaluate these initiatives, and what challenges remain?

Tahara When the delegated executive officer system was first introduced, there appeared to be insufficient sharing and understanding of the roles and missions expected of delegated executive officers. Since then, however, internal directors and delegated executive officers have exchanged views and developed a shared understanding of the issues involved.

Newly introduced systems often give rise to unforeseen challenges. I therefore hope that internal communication will continue and that the business will be advanced through the dual engines of speedy execution and coordination among the respective sections.

Polaris is still a new personnel system. Until it becomes firmly established, it remains essential to closely monitor employee situations and ensure that no one is left behind.

For long-serving employees, a shift from a familiar system to a new one can create uncertainty because it requires them to reconsider how they work and how they view their careers.



Polaris must not be perceived as a system denying the way employees have lived or worked up to now. Appropriate follow-up is therefore essential to support employees in reflecting on their individual career objectives.

In addition, many office professionals and contract employees working at branches may have had to prioritize family responsibilities over their own preferences and have sought an optimal balance between the time and physical demands of work. Recognizing the dilemma faced by employees who hesitate to take on new challenges despite their desire to do so, it is essential to build an environment where they can readily demonstrate their capabilities and establish a framework that encourages each individual to step up—starting wherever they can.

Taniguchi The new personnel system Polaris reduces ambiguity in performance evaluation criteria and is designed so that performance evaluations are appropriately reflected in promotions and compensation. I believe that sufficient communication between evaluators and evaluatees regarding evaluations will enhance employees' satisfaction with their evaluations and affect their motivation.

I understand that Polaris was introduced to create a personnel system under which employees can work more proactively and with a greater sense of acceptance. Even after its introduction, I hope that the Bank will continue to actively monitor employees' opinions and feelings and operate the system in a way that enhances their motivation.

I believe the delegated executive officer system is still at the stage of trial and error in determining how best to operate it after its introduction.

I understand that there are still cases where customers do not view delegated executive officers in the same way as internal directors. I hope the system will mature to a stage where customers recognize that delegated executive officers have substantial decision-making authority delegated by internal directors and play a role in managing the Bank comparable to that of internal directors.

As an Audit and Supervisory Committee Member, how do you evaluate the Bank's initiatives over the past year?



Taniguchi As interest rates have entered an upward phase, their impact on the Bank's financial position and operating results has become increasingly significant, necessitating approaches distinct from conventional practices. Operating as a financial institution, the Bank has faced the dual imperative of securing a stable level of investment returns from securities while proactively managing unrealized losses on bonds amid a rising interest rate environment.

The market also increasingly called for action on policy shareholdings. Against this backdrop, I believe the Bank was able to respond in a more favorable direction over the past year by taking earlier and more proactive action regarding both unrealized losses on bonds and policy shareholdings.

I also believe that the Bank has determined and implemented concrete measures to develop the human resources who will lead future management. On the other hand, given the current personnel composition characterized by a large senior cohort

Message from an External Director Serving as an Audit and Supervisory Committee Member 3/3

and a thin middle layer, and the recent sharp in new hires, I see the development of younger employees, including new hires, as an important issue going forward.

Management appears to share this recognition and is responding by experimenting with development methods that raise younger employees' motivation and allow them to feel their own growth, including the introduction of new forms of training.

Nishita In the first year after the Audit and Supervisory Committee was established, the specific focus of interviews and the examination of minutes and materials lacked clarity at times, leaving room for improvement in the quality of audits. In the second year, therefore, in order to enhance the quality of the Committee's audits and strengthen coordination with the Audit and Inspection Department, we established specific "audit focus points" for priority audit items and conducted audits accordingly.

We designated five priority audit items and conducted audits accordingly: formulation of the new Medium-Term Business Plan; management using the risk appetite framework; operation of the delegated executive officer system; strengthening of the group governance framework; and operation of the new personnel system. Our audits found no material issues in business execution. While there are matters requiring improvement or action in each area, I believe that a reasonable level of progress has been achieved overall.

I believe systematic and planned development of human resources will be imperative to realize the long-term vision and overall strategy. To this end, the Audit and Supervisory Committee must continue to closely monitor these strategic initiatives moving forward.

From your standpoint of supervising business execution, how do you evaluate the Bank's corporate governance?

Tahara It is often observed that corporate misconduct occurs in companies where top management remains unchanged for extended periods.

I believe the Bank's strengths include the effective functioning of its Nomination and Remuneration Management Advisory Committee, in which external directors constitute a majority, as well as a succession plan for developing the next generation of management personnel.

Particularly noteworthy is that external directors are given opportunities throughout the year to exchange views with delegated executive officers. This enables us to understand each officer's thinking and make nomination decisions with confidence.

An inherent information gap inevitably exists between internal and external directors. This can easily result in officer nominations becoming a mere formality, but the Bank has devised mechanisms to ensure that the nomination process has real substance in this respect, which I view positively.

Taniguchi As part of the Bank's corporate culture, once an overarching organizational direction is established, employees appear to align themselves with it and move decisively as an organization. Although this is a significant strength, it can occasionally carry the risk of tipping into excess.

In formulating the long-term vision, I understand that ample time was devoted to exchanges of views among directors, and employee surveys were also actively incorporated, helping to make the vision something that employees across the organization could regard as their own. I hope that internal directors, delegated executive officers, and other members of management will continue to actively exchange views among themselves while listening closely to employees as they manage the Bank.

Nishita Since transitioning to a company with an Audit and Supervisory Committee in June 2024, the Bank has energetically worked to establish the fundamental framework for business management with the aim of enhancing corporate value and achieving sustainable growth. This has included developing a succession plan, introducing the delegated executive officer system and the new personnel system Polaris, and formulating the long-term vision, overall strategy, and Medium-Term Business Plan. In light of these efforts, I believe that governance by the CxOs and the Board of Directors has functioned effectively. Going forward, it will be important to enhance the effectiveness of these systems and plans by operating the framework smoothly and appropriately, with the CxOs and the Board properly operating the iterative review and improvement cycle.

In addition, to enhance corporate value across the Group as a whole, we must strengthen group-wide governance, including governance of subsidiaries, an area that has not necessarily been sufficient to date. In doing so, I believe it will be important to establish a governance framework that strikes an optimal balance between proactive initiatives and defensive oversight.



Stakeholder Engagement —— 1/4

By talking with stakeholders such as shareholders and investors, the Bank conducts enthusiastic dialogue to achieve sustainable growth and improve corporate value.

Communication with Shareholders and Investors

(Main Activities in FY2025)

Activity	Number of times implemented/ number of participants	Respondents
Announcement of financial results and the Medium-term Business plan	Four times	President
The 170th Ordinary General Meeting Of Shareholders	Once/ 162 people	All directors
Large IR aimed at institutional investors (hybrid: in-person and online)	Twice/ 190 people in total	President
Small IR aimed at institutional investors (Online)	Twice/ 36 people in total	Management Planning Department Directors in-charge
Company presentations for individual investors (In person)	Once/ 666 people	President
Individual dialogues with institutional investors (In person/online)	55 times	General Manager, Management Planning Department IR manager
Individual dialogues with the proxy voting departments of institutional investors (In person/online)	12 times	General Manager, Management Planning Department IR/SR managers

Main topics/areas of interest

- The current state of and future prospects for Hokkaido
- Impact of interest rate rises
- Deposits strategy
- Reviews of group management
- Overhead ratios and future expenditure control
- Future policy on strategic shareholdings
- Possibilities of semiconductors and GX, and the Bank's initiatives
- Views on integration with other banks
- Securities investment policy
- Shareholder returns policy
- TSUBASA Alliance

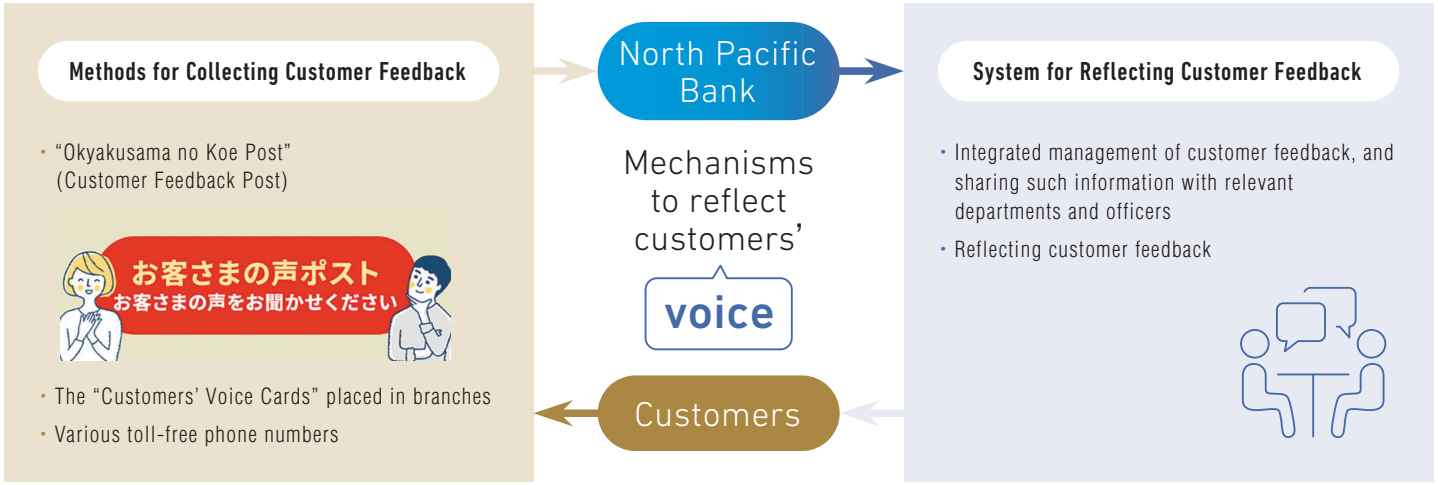
Main Items Improved and Implemented in Light of Dialogue

- Explanation of overall strategy towards the long-term vision
- Disclosures regarding the impact of interest rate rises
- Subject-specific RORA plans and performance disclosure
- Disclosure of capital allocation for a single fiscal year
- Disclosure of target ROE levels
- Review of plan to reduce policy shareholdings, review of content to be disclosed
- Review of skills matrix
- Expansion of items for disclosure (deposits-related, securities investment-related, regional contributions, governance-related, sustainability-related, human capital-related metrics and initiatives, GX, semiconductor trends, etc.)
- Review of content and means of disclosure of Integrated Reports
- Improvements to the shareholder returns policy (review of eligibility criteria for shareholder benefits system, improvement of content of benefits)

Stakeholder Engagement 2/4

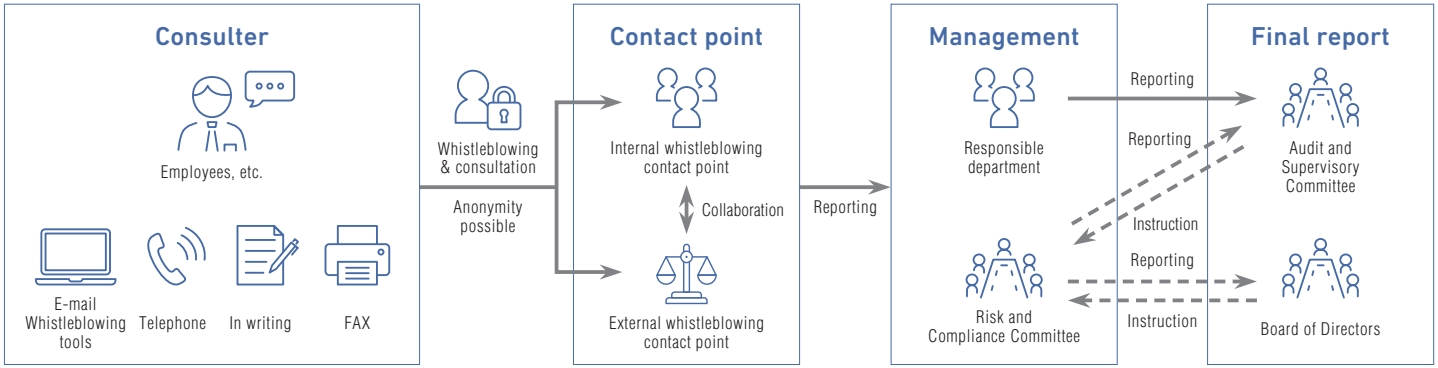
Communication with Customers

To reflect customer feedback in our products and services and ensure that our operations are conducted from a customer-first perspective, we collect customers' opinions and requests through "Customers' Voice Post Boxes" and "Customers' Voice Cards" available at our branch counters and online. We are committed to a customer-first approach and continuously strive to improve the quality of our services in order that customers are both satisfied and impressed. Moreover, we regularly conduct customer surveys to continuously improve the customer service skills required in the financial services industry.



Communication with Employees

In addition to aiming to improve employee engagement, the Bank has established mechanisms for employees to report organizational or individual legal violations, as well as procedures for appropriately handling consultations and whistleblowing reports. By establishing fully anonymous whistleblowing channels and an internal whistleblowing system, the Bank strengthens its compliance framework while promoting the early detection and correction of misconduct and other compliance violations.



Stakeholder Engagement 3/4

Communication with the Community

For the sake of “exploring the future of Hokkaido,” the Bank supports local communities by sponsoring, participating in, and organizing community events that foster interaction with local residents, as well as by holding healthcare and welfare seminars and making charitable donations.

The Bank’s website also carries details of our various initiatives.
https://www.hokuyobank.co.jp/about/csr/culture.html

Classical Concerts Presented by North Pacific Bank

In order to enable the people of Hokkaido to enjoy quality classical music, since 2012 the Bank has hosted classical music concerts performed by the Sapporo Symphony Orchestra. Performances were hosted in the cities of Sapporo and Kitami during FY2025, with a total of around 40,000 customers invited free of charge.





Supporting Scholarship Programs

The Bank supports the single-parent household scholarship program conducted by the Hokkaido Single Parents and Children's Welfare Association, and the Sapporo City Single Parents and Children's Welfare Association. We are committed to helping financially disadvantaged high school students pursue their dreams without giving up on their education.



Bank-wide Joint Community Cleanup Activities

To express our appreciation to local communities and our customers, employees across all branches participated in a bank-wide community cleanup on the Bank’s anniversary. Hokku also joined the cleanup activities around Odori Park.







Food Drives

In order to provide support for households living in poverty and children who cannot enjoy adequate meals, we conducted food drives by collecting surplus food from our employees. The collected food was provided to households, welfare facilities and children’s cafeterias via the Food Bank Ikor Sapporo NPO.



Stakeholder Engagement 4/4

TOPIC

Mascot characters: Hokku and Friends

Debuted on July 1, 2002



The characters were created by an illustrator from Hokkaido. Centered on Hokku the bear, they are characterized by their relaxed designs featuring seven animals(bear, rabbit, cow, owl, dog, squirrel, fox). In line with the Bank's policy of using original characters, the design was selected by employee vote from among 32 candidates.

Since their debut in 2002, Hokku and Friends have appeared on passbook designs and on cash and debit cards. They have also been featured on customer promotional items, in-branch materials, posters, and other media, becoming a much-loved and indispensable presence for both employees and customers of Hokuyo Bank.

In recent years, as part of our branding efforts, we have expanded opportunities for the characters to appear as an important icon representing the Bank's image, including at financial education seminars for students from kindergarten through university, sporting events, and events at shopping malls. Through these activities, we aim to make Hokku and Friends familiar and appealing to people of all generations, including young children.

During the summer festival season, the characters join our employees in dancing through the streets at local festivals, helping to enliven the community.

Since FY2025, the characters have also participated in Yuru Verse (formerly the Yuru-Chara Grand Prix) as part of efforts to raise awareness of the characters themselves. Last year, they ranked 93rd out of 299 characters. Going forward, we aim to steadily improve their ranking and awareness, particularly across Hokkaido.

〔 Examples of character use 〕

Passbook



Cash card



Sticker



Consadole U13 seminar



Character profiles



Hokku

A bear who grew up strong and healthy in the forests of Hokkaido, cherishing above all the clear blue sky and the friends sharing life beneath it.



Rabirin

A little strong-willed rabbit who can never say no when someone asks for help. Dependable and big-sisterly, a natural standout who earns everyone's trust.



Mogyu

Very laid-back and always does things at his own pace. Often thinking about food while daydreaming alone. Also fond of flowers.



Moriho

A cheerful show-off who loves being the center of attention. Talkative and fond of anything lively, but actually gets lonely quite easily.



Kowanta

A hard worker who tries even harder when praised. Also known to come out with unexpectedly funny remarks despite the serious-looking face.



Mariris

Serious, dependable, and kind. Sometimes surprises everyone with bold remarks without even realizing it.



Kitakon

Thoughtful and attentive, always keeping a careful eye on everyone. Also tends to panic over the smallest things.

DATA 1/4

10 Years of Financial Data

Summary of Consolidated Results

(Unit: million yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Ordinary income	147,972	143,611	138,362	138,035	135,620	124,461	126,734	133,114	150,637	235,927
Interest income	78,229	76,218	70,644	67,699	66,697	68,710	69,400	71,559	86,527	118,491
Fees and commissions	29,594	28,898	29,290	29,079	27,900	27,723	27,154	27,838	30,311	31,531
Other ordinary income	32,480	29,696	31,675	36,207	32,595	24,813	24,603	25,301	25,570	28,792
Other income	7,667	8,798	6,752	5,049	8,425	3,214	5,575	8,415	8,227	57,111
Ordinary expenses	126,575	128,467	118,558	125,308	119,852	105,214	109,422	114,509	122,567	198,395
Interest expenses	3,471	4,083	2,834	2,094	1,912	885	1,615	1,075	8,706	25,379
Fees and commissions payments	10,420	10,767	10,694	10,889	11,285	11,474	11,355	12,436	12,060	13,518
Other ordinary expenses	33,954	31,733	28,985	26,741	28,174	20,880	21,121	25,650	26,926	80,165
General and administrative expenses	76,200	74,488	71,452	70,109	68,345	64,038	67,398	67,063	68,337	72,661
Other expenses	2,529	7,394	4,591	15,473	10,134	7,935	7,931	8,282	6,536	6,669
Ordinary profit	21,396	15,143	19,804	12,726	15,767	19,247	17,312	18,605	28,070	37,532
Profit before income taxes	22,841	15,087	19,931	13,652	14,708	18,241	15,810	18,288	27,541	37,112
Income taxes - current	1,787	1,188	3,990	5,995	6,863	6,643	6,604	6,113	6,885	9,479
Income taxes - deferred	4,011	715	1,498	(32)	(1,900)	(323)	(38)	(696)	121	1,989
Profit(loss) attributable to non-controlling interests	337	(503)	300	124	322	165	(403)	41	(74)	42
Profit attributable to owners of parent	16,704	13,686	14,141	7,564	9,422	11,756	9,647	12,830	20,608	25,601

Figures for FY2021 and thereafter are based on the new accounting standards for recording net sales and cost of sales for installment sales transactions.

DATA 2/4

Summary of Consolidated Balance Sheet

(Unit: million yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Total assets	**9,093,714**	**9,500,510**	**9,759,776**	**9,988,041**	**11,858,207**	**13,543,823**	**12,520,974**	**13,244,574**	**13,446,736**	**13,271,307**
Securities	1,729,586	1,489,802	1,265,106	1,297,414	1,505,246	1,483,991	1,588,951	2,385,288	2,598,690	2,545,544
Loans and bills discounted	6,052,348	6,251,728	6,518,080	6,659,161	7,367,433	7,361,881	7,703,573	7,487,752	7,856,186	8,036,470
Total liabilities	**8,685,102**	**9,069,565**	**9,338,715**	**9,578,564**	**11,417,570**	**13,122,751**	**12,113,649**	**12,797,053**	**13,062,325**	**12,879,681**
Deposits	8,086,989	8,344,356	8,596,305	8,855,838	9,900,963	10,563,784	10,828,182	10,915,046	11,096,231	11,124,817
Total net assets	**408,611**	**430,945**	**421,061**	**409,476**	**440,636**	**421,072**	**407,324**	**447,520**	**384,411**	**391,626**
Shareholders' equity	317,725	326,854	336,044	341,101	346,792	354,817	359,943	368,821	380,690	391,803
Retained earnings included in shareholders' equity	124,280	133,386	143,718	148,186	154,102	162,019	167,891	176,889	193,187	198,855
Accumulated other comprehensive income	84,802	97,960	79,253	64,619	89,179	61,951	43,382	73,831	△224	△4,312
Non-controlling interests	5,981	6,001	5,657	3,672	4,580	4,266	3,970	4,840	3,931	4,121

Other Metrics

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Consolidated capital adequacy ratio (%)	13.54	13.29	12.89	12.61	12.41	12.53	11.78	14.42	13.00	13.18
Consolidated return on equity (ROE) (%)	4.24	3.30	3.36	1.84	2.23	2.75	2.35	3.03	5.00	6.66
Consolidated net assets per share (BPS) (yen)	1,009.07	1,064.76	1,049.01	1,042.48	1,122.97	1,072.55	1,047.18	1,150.51	1,010.42	1,035.74
Consolidated earnings per share (EPS) (yen)	41.87	34.30	35.80	19.39	24.25	30.26	25.03	33.33	53.92	68.05
Dividend payout ratio (%)	26.65	30.53	28.99	46.88	44.07	35.07	36.68	30.03	36.12	41.94
Number of shares issued (thousand shares)	399,060 common shares	399,060 common shares	399,060 common shares	399,060 common shares	399,060 common shares	399,060 common shares	399,060 common shares	399,060 common shares	399,060 common shares	378,060 common shares
Non-consolidated core OHR (%)	80.62	82.17	81.98	80.59	80.41	73.65	77.20	75.61	68.91	62.41

DATA 3/4

| Non-Financial Data | Sustainability Metrics

Environmental

		FY2021	FY2022	FY2023	FY2024	FY2025
GHG emissions (t-CO_2)		21,229	605,594	10,554,695	8,802,265	10,243,435
Scope1		2,672	2,656	2,285	1,505	873
Scope2		16,601	14,992	10,727	8,624	4,788
Scope3		1,956	587,946	10,541,653	8,792,136	10,237,774
Category 1	Purchased goods and services	—	—	—	—	46,790
Category 2	Capital goods	—	—	—	15,487	22,484
Category 3	Fuel- and energy-related activities not included in Scopes 1 & 2	—	—	—	2,469	2,351
Category 4	Upstream transportation and distribution	—	—	—	2,570	1,444
Category 5	Waste generated in operations*	—	—	24	18	32
Category 6	Business travel	462	418	896	400	403
Category 7	Employee commuting	1,494	1,425	1,432	914	919
Category 15	Investments	—	586,103	10,539,301	8,770,278	10,163,351
	Business loans	—	586,103	10,539,301	8,770,278	8,715,152
	Listed equity and corporate bonds	—	—	—	—	1,448,198

*Since FY2024, GHG emissions have been calculated using the “C-Turtle FE” GHG emissions visualization platform.

【 Breakdown of Scope 3, Category 15 】

Industry	Emissions*1 (Unit: t-CO_2)	Carbon intensity*2 (Unit: t-CO_2 /million yen)
Farming	212,107	8.95
Paper and Forestry Products	263,048	3.57
Processed Foods and Processed Meat	520,488	3.50
Beverages	39,980	1.04
Metals and Mining	370,291	5.34
Chemistry	227,310	2.86
Oil and Gas	352,628	1.64
Coal	2,509	2.33
Construction Materials	522,818	16.95
Capital Goods	2,489,454	2.85
Automobiles and Parts	53,100	0.49
Power Utilities	777,798	13.50
Real Estate Management and Development	106,185	0.67
Trucking Services	478,385	3.13
Rail Transport	17,243	1.20
Marine Transport	103,228	7.08
Passenger Air Transport	168,434	11.09
Air Cargo	1,925	2.43
Other	3,456,411	1.60
Total	10,163,351	—

*1 The total amount of emissions multiplied by the Bank's loans as a percentage of the borrower's total amount of financing, rounded down to the nearest whole number.
*2 Emissions per million yen of sales by the borrower

DATA 4/4

Non-Financial Data | Sustainability Metrics

Social (Human Capital)

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees (non-consolidated)	2,695	2,542	2,442	2,371	2,377	2,391
Percentage of female employees	41.3%	41.8%	41.1%	41.8%	42.8%	43.7%
Percentage of female managers (Section manager or higher)*1	18.4%	19.9%	20.8%	23.1%	24.8%	25.6%
Percentage of female employees in assistant manager positions or higher	29.2%	30.6%	31.2%	32.7%	33.5%	34.0%
Number of new employees hired	67	61	64	67	87	130
Average continuous years of service	18.25	18.75	19.17	19.42	19.41	19.16
Men	19.58	19.83	20.08	20.25	20.50	20.08
Women	16.08	16.83	17.67	18.00	17.75	17.75
Percentage of employees taking childcare leave*2						
Men	91.9%	100.0%	102.6%	102.0%	100.0%	100.0%
Women	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of annual paid leave taken	41.6%	43.0%	44.1%	56.1%	56.6%	61.3%
Average number of days of paid leave taken	7.8	8.2	8.4	10.7	10.7	10.9
Training cost per employee (thousand yen)	—	—	26	60.1	79.1	84.1
Training hours per employee	—	—	7	14.2	40.3	44.9
Stress check rate	99.0%	98.0%	95.7%	87.2%	88.8%	95.2%

*1 Calculated by dividing the number of women in managerial positions at section manager level or above by the total number of employees in such positions.
*2 For male workers, the number of male workers who took childcare leave or leave for childcare purposes during the fiscal year divided by the number of male workers whose spouses gave birth during the same year.

Governance

	As of July 1, 2021	As of July 1, 2022	As of July 1, 2023	As of July 1, 2024	As of July 1, 2025	As of July 1, 2026
Number of directors	11	10	10	10	11	10
Percentage of external directors	36%	40%	40%	40%	36%	40%
Percentage of female directors	18%	20%	20%	20%	18%	20%

External Certifications and Ratings

Awards & Certifications

Platinum Eruboshi Certification
(First among companies in Hokkaido)

Platinum Kurumin Certification
(First among financial institutions in Hokkaido)

Health Outstanding Organization
(Large Enterprise Category)

CDP

DX Certification

Food and Nutrition Education
Practice Excellent Corporation

Sports Yell Company

Participation in Initiatives

Corporate Outline (as of March 31, 2026)

Established	August 20,1917
Headquarters	7, Odori Nishi 3-chome, Chuo-ku, Sapporo
Principal balance	Capital 121.1 billion yen
	Deposits 11,175.7 billion yen
	Loans 8,112.3 billion yen
Assets	13,233.9 billion yen
Shares issued	378,060,179 common shares
Stock Listings	Tokyo Stock Exchange Prime Market
	Sapporo Securities Exchange
Branches	172
Employees	2,391



Make the HOKKAIDO Way

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