

**Financial Highlights**  
**For the First Quarter of FY 2015**

(April 1, 2015 through June 30, 2015)



THE HOKKOKU BANK, LTD.

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(Note)

All numbers and ratios less down unit have been rounded down.

The amounts, ratios or any other information presented herein have not been audited.

# The Hokkoku Bank, Ltd. and Consolidated Subsidiaries

## Consolidated Balance Sheets

(Millions of yen)

|   | As of March<br>31, 2015 | As of June<br>30, 2015 |
|---|-------------------------|------------------------|
| <b>Assets</b>   |                         |                        |
| Cash and due from banks                               | 544,907                 | 595,483                |
| Monetary claims bought                                | 3,708                   | 3,858                  |
| Trading account securities                            | 833                     | 1,985                  |
| Money held in trust                                   | 15,025                  | 15,070                 |
| Securities  | 1,190,527               | 1,182,809              |
| Loans and bills discounted                            | 2,355,374               | 2,303,750              |
| Foreign exchanges                                     | 3,553                   | 5,354                  |
| Lease receivables and investment assets               | 21,672                  | 21,569                 |
| Other assets  | 14,438                  | 13,692                 |
| Tangible fixed assets                                 | 38,301                  | 37,810                 |
| Intangible fixed assets                               | 8,970                   | 8,844                  |
| Deferred tax assets                                   | —                       | 307                    |
| Customers' liabilities for acceptances and guarantees | 17,071                  | 17,333                 |
| Reserve for possible loan losses                      | △34,594                 | △34,441                |
| <b>Total assets</b>                                   | <b>4,179,790</b>        | <b>4,173,428</b>       |
| <b>Liabilities</b>                                    |                         |                        |
| Deposits  | 3,079,447               | 3,059,003              |
| Negotiable certificates of deposit                    | 62,867                  | 135,112                |
| Call money and bills sold                             | 324,605                 | 280,963                |
| Payables under securities lending transactions        | 374,027                 | 348,532                |
| Borrowed money  | 7,585                   | 7,810                  |
| Foreign exchanges                                     | 118                     | 126                    |
| Other liabilities                                     | 39,283                  | 48,991                 |
| Reserve for bonuses                                   | 801                     | —                      |
| Net defined benefit liability                         | 13,480                  | 13,224                 |
| Reserve for directors' retirement benefits            | 50                      | 47                     |
| Reserve for reimbursement of deposits                 | 258                     | 258                    |
| Reserve for loss on interest repayment                | 126                     | 126                    |
| Reserve for customer service points                   | 282                     | 279                    |
| Deferred tax liabilities                              | 9,816                   | 9,119                  |
| Deferred tax liabilities for land revaluation         | 2,237                   | 2,235                  |
| Acceptances and guarantees                            | 17,071                  | 17,333                 |
| <b>Total liabilities</b>                              | <b>3,932,060</b>        | <b>3,923,165</b>       |

|   |           |           |
|---|-----------|-----------|
| <b>Net Assets</b>                                     |           |           |
| Capital stock   | 26,673    | 26,673    |
| Capital surplus                                       | 11,289    | 11,289    |
| Retained earnings                                     | 148,850   | 153,357   |
| Treasury shares                                       | △3,931    | △3,932    |
| <b>Total shareholders' equity</b>                     | 182,882   | 187,388   |
| Valuation difference on available-for-sale securities | 55,742    | 53,037    |
| Deferred gains or losses on hedges                    | △388      | △322      |
| Revaluation reserve for land                          | 2,879     | 3,169     |
| Remeasurements of defined benefit plans               | △2,915    | △2,789    |
| <b>Total accumulated comprehensive income</b>         | 55,317    | 53,095    |
| Subscription rights to shares                         | 232       | 249       |
| Non-controlling interests                             | 9,297     | 9,529     |
| <b>Total net assets</b>                               | 247,730   | 250,262   |
| <b>Total liabilities and net assets</b>               | 4,179,790 | 4,173,428 |

## Consolidated Statements of Income

(Millions of yen)

|                                      | For the three<br>Months ended June<br>30, 2014 | For the three<br>Months ended June<br>30, 2015 |
|--------------------------------------|--|--|
| <b>Ordinary income</b>               | 17,974   | 22,485   |
| Interest income                      | 10,621   | 12,275   |
| Interest on loans and discounts      | 7,649  | 7,346  |
| Interest and dividends on securities | 2,923  | 4,825  |
| Fees and commissions                 | 2,584  | 2,377  |
| Other operating income               | 3,367  | 5,163  |
| Other income                         | 1,400  | 2,668  |
| <b>Ordinary expenses</b>             | 11,042   | 13,019   |
| Interest expense                     | 342  | 459  |
| Interest on deposits                 | 203  | 182  |
| Fees and commissions                 | 705  | 718  |
| Other operating expenses             | 2,170  | 4,111  |
| General and administrative expenses  | 7,649  | 7,596  |
| Other expenses                       | 174  | 133  |
| <b>Ordinary profit</b>               | 6,931  | 9,466  |

|  |       |       |
|--|-------|-------|
| <b>Extraordinary income</b>                              | 1     | 0     |
| <b>Extraordinary losses</b>                              | 437   | 234   |
| <b>Income before income taxes</b>                        | 6,495 | 9,231 |
| <b>Income taxes</b>                                      | 2,354 | 3,059 |
| Current  | 1,158 | 2,929 |
| Deferred   | 1,196 | 130   |
| <b>Profits</b>   | 4,141 | 6,171 |
| <b>Profits attributable to non-controlling interests</b> | 211   | 157   |
| <b>Profits attributable to owners of parent</b>          | 3,929 | 6,014 |

## Consolidated Statements of Comprehensive Income

(Millions of yen)

|  | For the three<br>Months ended June<br>30, 2014 | For the three<br>Months ended June<br>30, 2015 |
|--|--|--|
| <b>Profits</b>   | 4,141  | 6,171  |
| <b>Other comprehensive income</b>                              | 5,320  | △2,482   |
| Valuation difference on available-for-sale securities          | 5,158  | △2,674   |
| Deferred gains or losses on hedges                             | 20   | 66   |
| Remeasurements of defined benefit plans, net of tax            | 141  | 125  |
| <b>Comprehensive income</b>                                    | 9,461  | 3,689  |
| Comprehensive income attributable to owners of parent          | 9,044  | 3,446  |
| Comprehensive income attributable to non-controlling interests | 417  | 242  |

## Financial Highlights (consolidated)

### Consolidated Operating Results

(Millions of yen)

|   | For the three<br>Months ended<br>June 30,<br>2014 (B) | For the three<br>Months ended<br>June 30,<br>2015 (A) | (A) – (B) |
|---|---|---|-----------|
| Ordinary income                             | 17,974  | 22,485  | 4,511     |
| Ordinary profit                             | 6,931   | 9,466   | 2,535     |
| Profits attributable to owners of<br>parent | 3,929   | 6,014   | 2,085     |
| Earnings per share-basic (yen)              | 12.51   | 19.76   | 7.25      |
| Earnings per share-diluted(yen)             | 12.48   | 19.71   | 7.23      |

(%)

|   | As of March<br>31, 2015 (B) | As of June<br>30, 2015 (A) | (A) – (B) |
|---|-----------------------------|----------------------------|-----------|
| Net assets(except for subscription right<br>to share and non-controlling interests) ratio | 5.6                         | 5.7                        | 0.1       |

### Projections for the year ending March 31, 2016

(Millions of yen)

|   | For the three<br>Months ended<br>June 30, 2015 | For the six months<br>ending September<br>30, 2015 | For the year<br>ending March<br>31, 2016 |
|---|--|--|--|
| Ordinary income                             | 22,485   | 40,000   | 63,500                                   |
| Ordinary profit                             | 9,466  | 10,800   | 16,500                                   |
| Profits attributable to owners of<br>parent | 6,014  | 7,500  | 10,000                                   |
| Earnings per share-basic (yen)              | 19.76  | 24.65  | 32.86                                    |

## Soundness of Assets (non-consolidated)

Disclosed Assets Based on the Financial Reconstruction Law (non-consolidated)

(Billions of yen)

|                               | As of June<br>30, 2014 (B) | As of June<br>30, 2015 (A) | (A) – (B) |
|-------------------------------|----------------------------|----------------------------|-----------|
| Bankrupt or De facto Bankrupt | 39                         | 26                         | △13       |
| Doubtful                      | 62                         | 61                         | △1        |
| Special Attention             | 1                          | 1                          | 0         |
| Subtotal (C)                  | 104                        | 89                         | △15       |
| Normal assets                 | 2,372                      | 2,354                      | △18       |
| Total (D)                     | 2,477                      | 2,443                      | △34       |

|               |      |      |       |
|---------------|------|------|-------|
| (C) / (D) (%) | 4.20 | 3.67 | △0.53 |
|---------------|------|------|-------|