

April 28, 2021

The Hokkoku Bank, Ltd.

Revision of Business Plan Announcements

We, The Hokkoku Bank, Ltd., will cease the practice of publishing our Medium-Term Business Plan every 3 years. Alternatively, our Medium - Long Term Business Strategy will be published annually, providing an update and our rationale for the strategy.

Introduction of Medium - Long Term Business Strategy

In the spirit of our corporate philosophy, *Trust — a bridge to a fruitful regional future: Enrich interaction and growth in the region*, we aim to continue contributing new value to the region by introducing new business models.

In March 2018, we initiated our Medium-Term Business Plan, "Communication × Collaboration × Innovation 2021." Subsequently, in November 2019, we revised and published our current Medium-Term Business Plan "Communication × Collaboration × Innovation 2024" in light of changes in the business environment surrounding our Bank and the lightning speed evolution of IT technologies.

We have implemented our Long-Term Business Strategy that looks at 10 years into the future to take a long-term management directions and facilitate the implementation of our strategies in a flexible and expeditious manner notwithstanding drastic changes of our business environment. We believe our newly established Medium - Long Term Business Strategies will be agile to cater to the frequent change of business environment.

Going forward, we will review and publish our medium - long term strategies and policies each fiscal year.

In October 2021, we will transform into a holding company structure. We will expand our business domains to grow with the region as a next generation's *integrated regional company*.

Forecast for Medium-Long Term Levels

	FY 2020 (Actual)	FY 2025	FY 2030
Ordinary profit (consolidated)	¥ 12.8billion	¥ 16billion	¥ 21billion
Profit (consolidated)	¥ 6.7billion	¥ 10billion	¥ 13billion
Income from new business (consolidated) (including bank cards, leasing and consultation services)	¥ 3.9billion	¥ 7.5billion	¥ 11billion
O H R (consolidated)* ₁	70.7%	65.0%	Higher 50%range
R O E (consolidated)* ₂	2.5%	3.5%	4.5%

*1 OHR: Over head ratio

*2 ROE: Return on equity

Expansion of business lines

- Expansion of business lines through new companies
- Expansion of customer base by strengthening current businesses

Robust credit risk management and support systems

- Effective risk management through excellent business prospective understanding and strengthened business relations
- Management improvement by strengthening consulting function

Maximize group synergy

- Improving quality of services offered to the region (swift decision-making and efficient business operations)
- Improvement of management efficiency by maximizing group synergy

Strengthen human resource development

- Mobilization of human resources throughout group and educate next-generation leaders (development of highly talented workforce that can respond to the increasingly diversified and sophisticated needs)