

Financial Results Presentation

for the Fiscal Year Ended March 31, 2025

(May 26, 2025)

Note: This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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Overview of Financial Results

Overview of Financial Results

(Billion yen)

Non-consolidated		2024/3	2025/3	Change	% Change
Gross operating profit		28.4	(1.3)	(29.7)	–
	Net interest income	28.4	24.7	(3.7)	(13.0%)
	Net interest income (excluding gains (losses) from cancellation of investment trusts)	24.6	24.9	0.3	0.9%
	Fees and commissions income	4.4	4.8	0.4	8.5%
	Other operating income	(4.4)	(30.9)	(26.5)	–
Expenses		21.8	21.4	(0.4)	(1.5%)
Substantial net business profit		6.6	(22.8)	(29.4)	–
	Core net business profit	11.1	8.2	(2.9)	(25.9%)
	Core net business profit (excluding gains (losses) from cancellation of investment trusts)	7.4	8.4	1.0	13.7%
Provision of general allowance for loan losses (1)		(0.0)	(1.7)	(1.7)	–
Net business profit		6.6	(21.1)	(27.7)	–
	Losses on sale of bonds	(4.5)	(31.1)	(26.6)	–
Unusual profits and losses		(3.2)	(2.9)	0.3	–
	Non-performing loan disposal (2)	3.6	3.2	(0.4)	(11.3%)
	Gains (losses) related to equity securities	(0.4)	(2.2)	(1.8)	–
Ordinary profit		3.4	(24.0)	(27.4)	–
Profit		1.7	(22.4)	(24.1)	–

Costs for loans written-off (1) + (2)	3.6	1.5	(2.1)	(58.5%)
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(Billion yen)

Consolidated	2024/3	2025/3	Change	% Change
Ordinary profit	4.2	(23.6)	(27.8)	—
Profit attributable to owners of parent	2.1	(22.3)	(24.4)	—
Consolidated capital adequacy ratio	11.43%	10.10%	(1.33%)	—

Main Points on Non-consolidated Financial Results

We sold securities with valuation losses and ended the fiscal year with a net loss, but profits related to our main business increased.

● Sale of securities with valuation losses

- Based on domestic and overseas interest rate trends, we accelerated the replacement of securities in our portfolio and sold securities with valuation losses. Recorded a loss on sale of 33.6 billion yen (including losses from cancellation of investment trusts of 0.2 billion yen)

● Valuation losses on securities

2024/3: -33.7 billion yen → 2025/3: -9.7 billion yen*

* Excluding valuation gains on interest rate swaps of 1.6 billion yen

● Profits related to our main business increased

- In line with the Bank of Japan's gradual policy rate hikes, while interest payments on deposits increased ahead, net interest income (excluding gains (losses) from cancellation of investment trusts) increased year on year. This was mainly due to increases in interest on loans and discounts, and interest on deposits with banks.
- Fees and commissions income also increased, resulting in a year-on-year increase in core net business profit (excluding gains (losses) from cancellation of investment trusts).

● Non-performing loan disposal expenses (costs for loans written-off) decreased

- These expenses decreased year on year due to the reversal of provisions that had been accumulated in anticipation of the COVID-19 pandemic and the absence of additional provisions due to large-scale bankruptcies etc.

● Consolidated capital adequacy ratio decreased

- This ratio decreased due to a decrease in equity resulting from the loss recorded.

Main Point on Consolidated Financial Results

Consolidated ordinary profit and profit attributable to owners of parent decreased year on year, primarily due to the same reasons as in the non-consolidated financial results.

Recording of Losses on Sale of Securities

Purpose

In Japan, we returned to a world with interest rates as policy interest rates rose. Judging that the environment for reinvestment in securities had improved, we accelerated the planned improvement of our portfolio and sold securities ahead of schedule.

We will use the risk-taking capacity created by this portfolio replacement for the further growth of our customers and the regional economy.

We believe that this action is an important and positive first step to enhance our sustainability and to continue to fulfill our financial intermediary function in the future as a regional financial institution.

Performance of Sold Securities

Due to rising interest rates in Japan and overseas caused by growing uncertainty about the U.S. tariff policy, we sold super long-term government bonds, foreign bond funds and yen bond bear funds, resulting in final losses on sales of 33.6 billion yen.

(Billion yen)	End of 2024/3		2024/4–2025/3 Sales (Note 1)		End of 2025/3	
	Balance	Evaluation gains (losses)	Sales amount	Losses on sales	Balance	Evaluation gains (losses)
Yen bonds (over 10 years)	63.4	(7.2)	63.4	(10.8)	–	–
Yen bonds (RMBS) (Note 2)	58.6	(3.5)	55.2	(5.7)	–	–
Foreign bond funds, etc.	198.3	(14.0)	194.6	(14.3)	9.9	(0.3)
Yen bond bear funds	63.2	(6.8)	63.2	(0.6)	–	–
Total of major sold securities	383.5	(31.5)	376.4	(31.5)	9.9	(0.3)
Yen bonds asset swaps	–	–	–	–	29.5	(2.1) (Note 3)
Yen bonds (10 years or less)	228.3	(3.6)	14.0	(0.1)	314.1	(8.6)
Equity-related assets	22.7	1.3	25.3	(2.1)	12.5	1.5
Others	1.0	(0)	–	–	12.2	(0.2)
Total	635.5	(33.7)	415.7	(33.6)	378.3	(9.7) (Note 3)

Note 1: Excluding purchases and redemptions

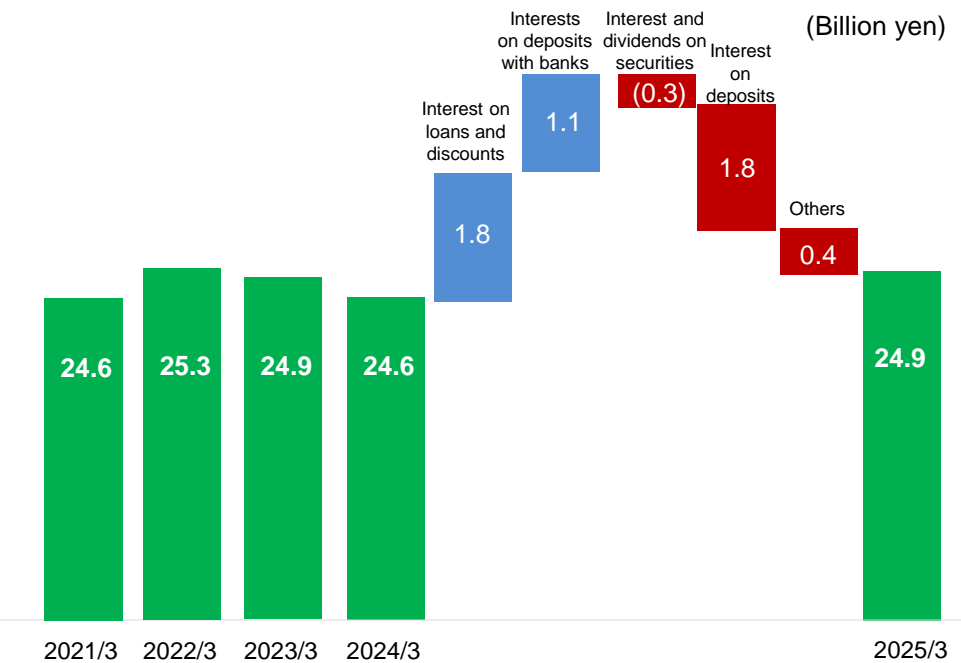
Note 2: Mortgage-backed securities (MBS) issued by the Japan Housing Finance Agency (Residential Mortgage-Backed Securities)

Note 3: Separately, there is a valuation gain of about 1.6 billion yen on interest rate swaps.

Net Interest Income, Fees and Commissions Income, and Core Net Business Profit (Excluding Gains (Losses) from Cancellation of Investment Trusts)



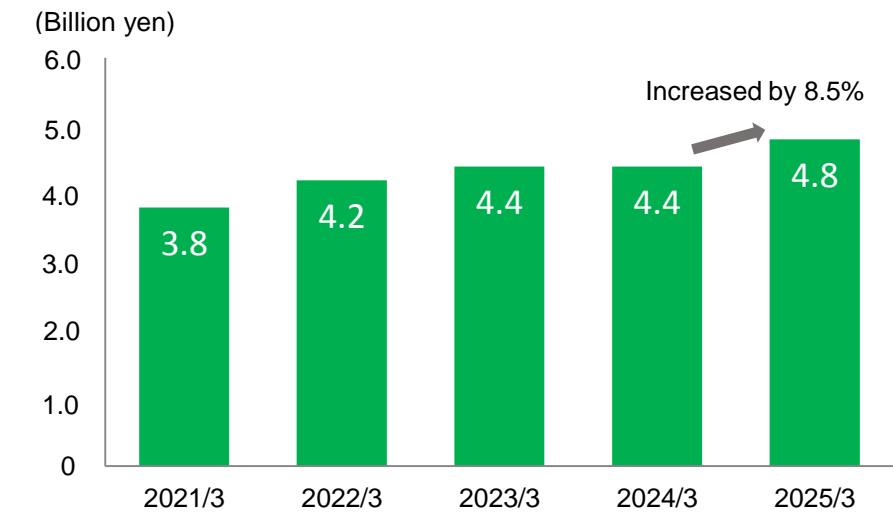
Reasons for Increase(Decrease) in Net Interest Income



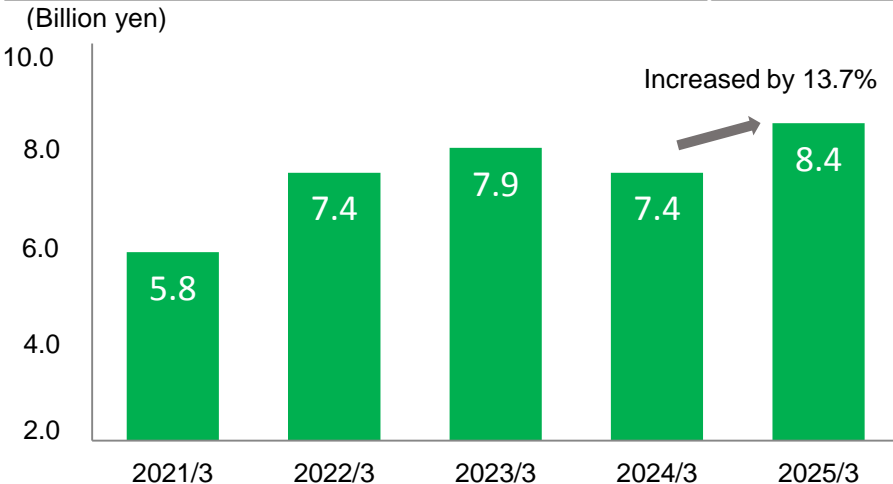
(Billion yen)		2024/3	2025/3	Change	% Change
Interest income		24.7	27.3	2.6	10.2%
Interest on loans and discounts		20.8	22.6	1.8	8.7%
Interest and dividends on securities		3.0	2.7	(0.3)	(10.0%)
Interest on deposits with banks		0.7	1.8	1.1	130.0%
Others		0	0	0	—
Interest expenses		0	2.3	2.3	—
Interest on deposits		0	1.8	1.8	—
Others		0	0.4	0.4	—
Net interest income		24.6	24.9	0.3	0.9%

* Interest and dividends on securities: excluding gains (losses) from cancellation of investment trusts

Fees and Commissions Income

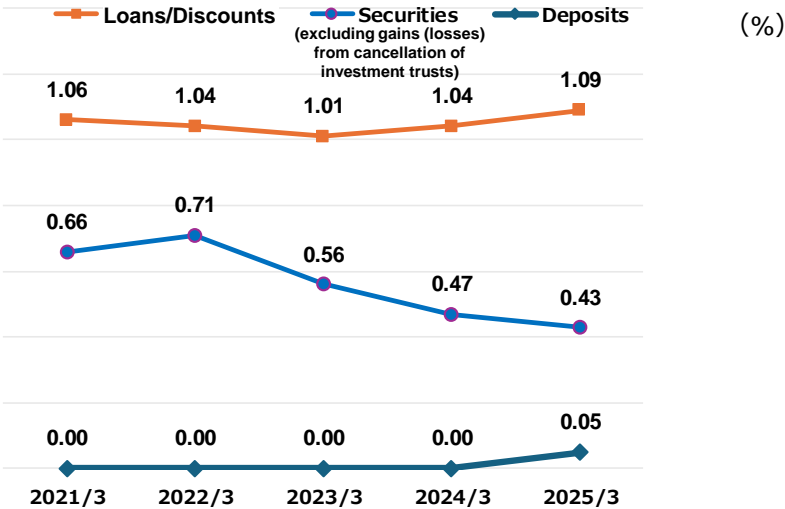


Core Net Business Profit (Excluding Gains (Losses) from Cancellation of Investment Trusts)

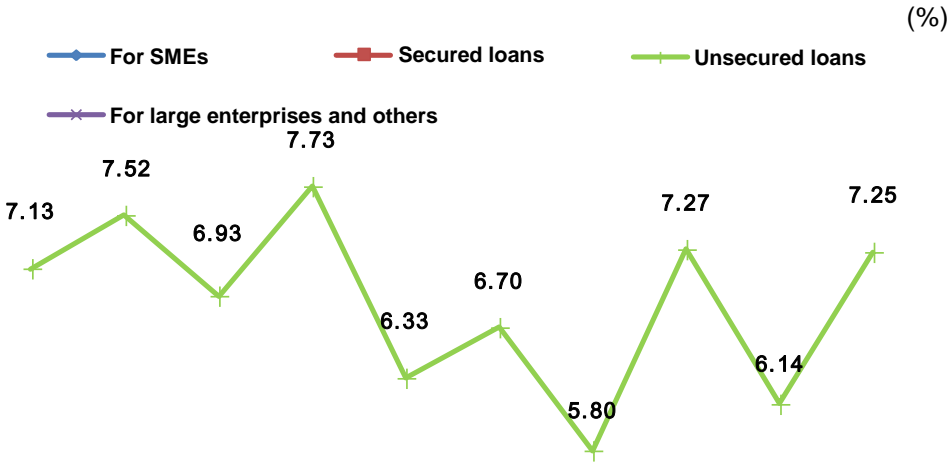


Trends in Yields

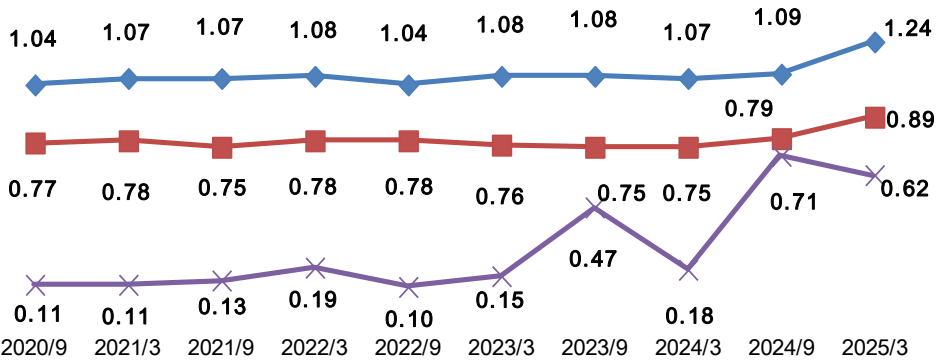
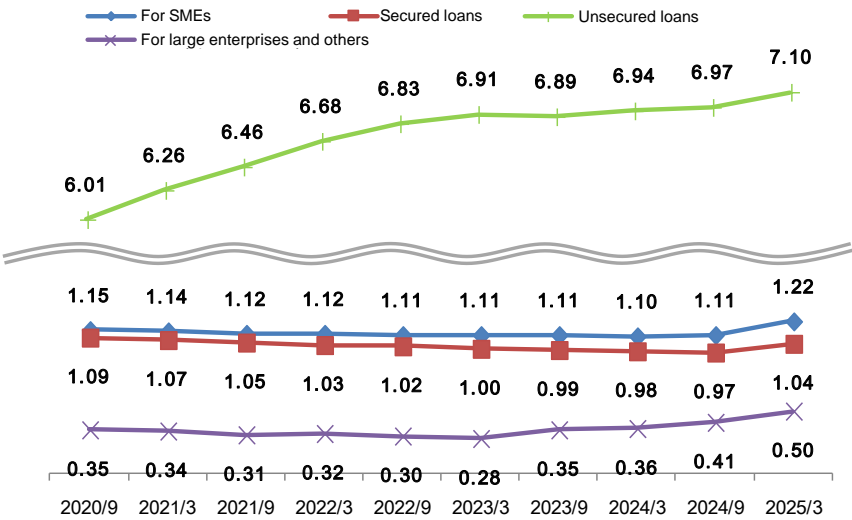
Trends in Yields on Loans/Discounts, Deposits, and Securities



Trends in Interest Rates on Newly Originated Loans

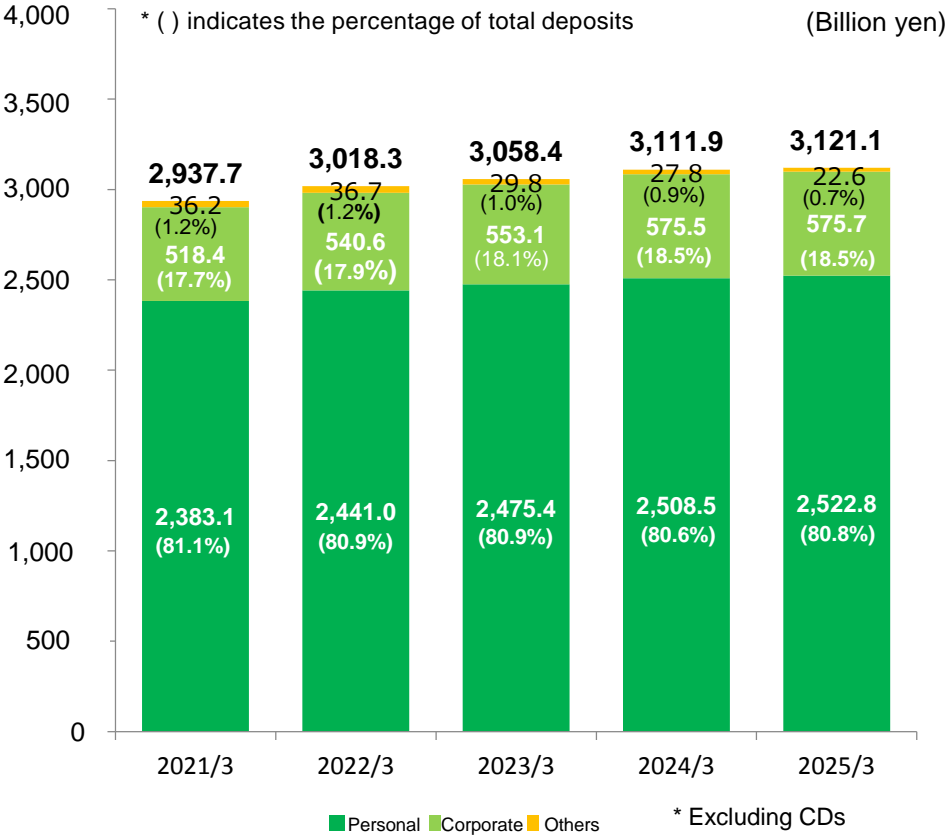


Trends in Yields on Loans by Sector

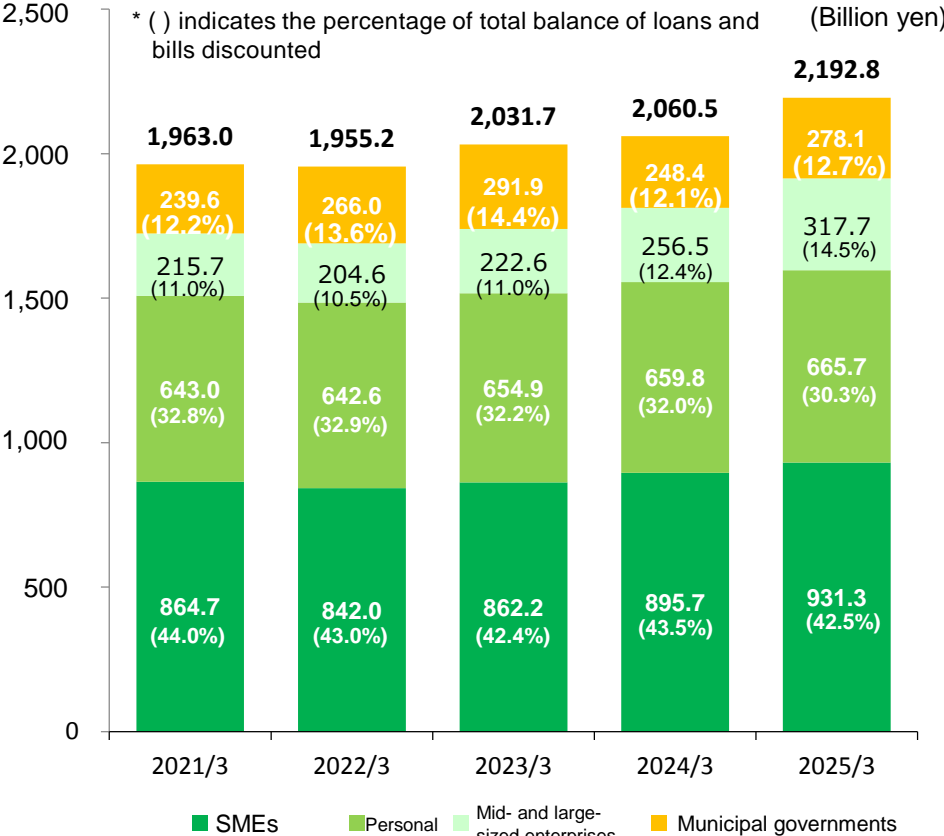


Deposits and Loans and Bills Discounted

Trends in Balance of Deposits



Trends in Balance of Loans and Bills Discounted



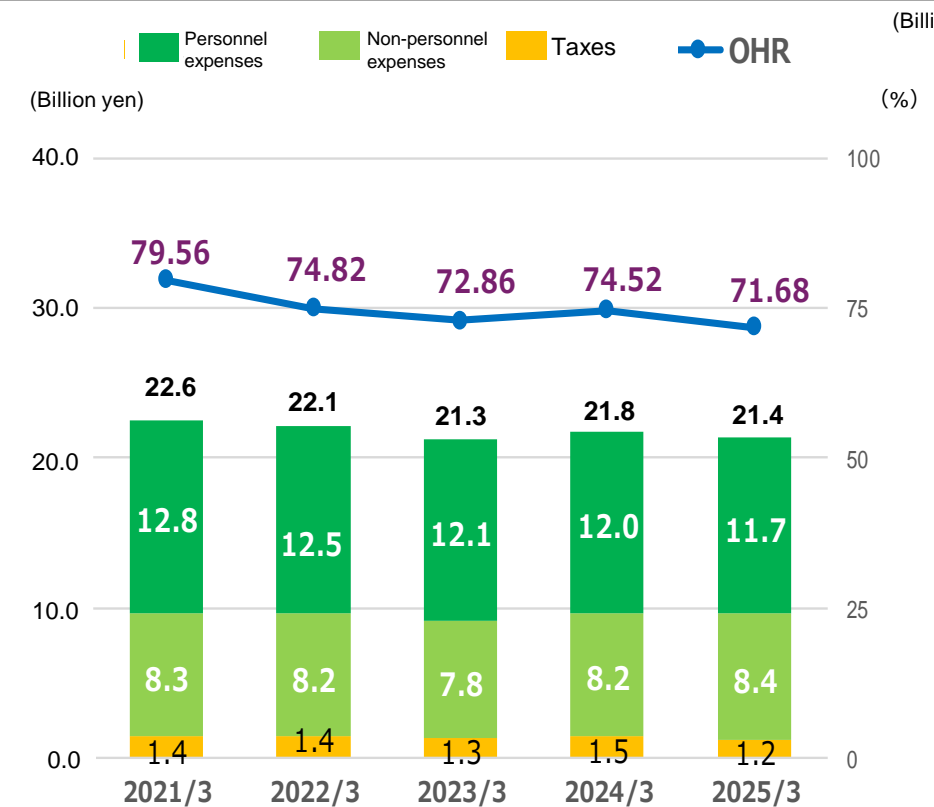
(Billion yen)	2024/3	2025/3	Change	%Change
Deposits	3,111.9	3,121.1	9.2	0.2%
Personal	2,508.5	2,522.8	14.3	0.5%
Corporate	575.5	575.7	0.2	0.0%
Others	27.9	22.6	(5.3)	(18.9%)

(Billion yen)	2024/3	2025/3	Change	%Change
Loans and bills discounted	2,060.5	2,192.8	132.3	6.4%
SMEs	895.7	931.3	35.6	4.0%
Personal	659.8	665.7	5.9	0.9%
Mid- and large-sized enterprises	256.5	317.7	61.2	23.8%
Local governments	248.4	278.1	29.7	11.9%

	2021/3	2025/3	Change
Loans-to-deposit ratio	66.8%	70.2%	3.4%

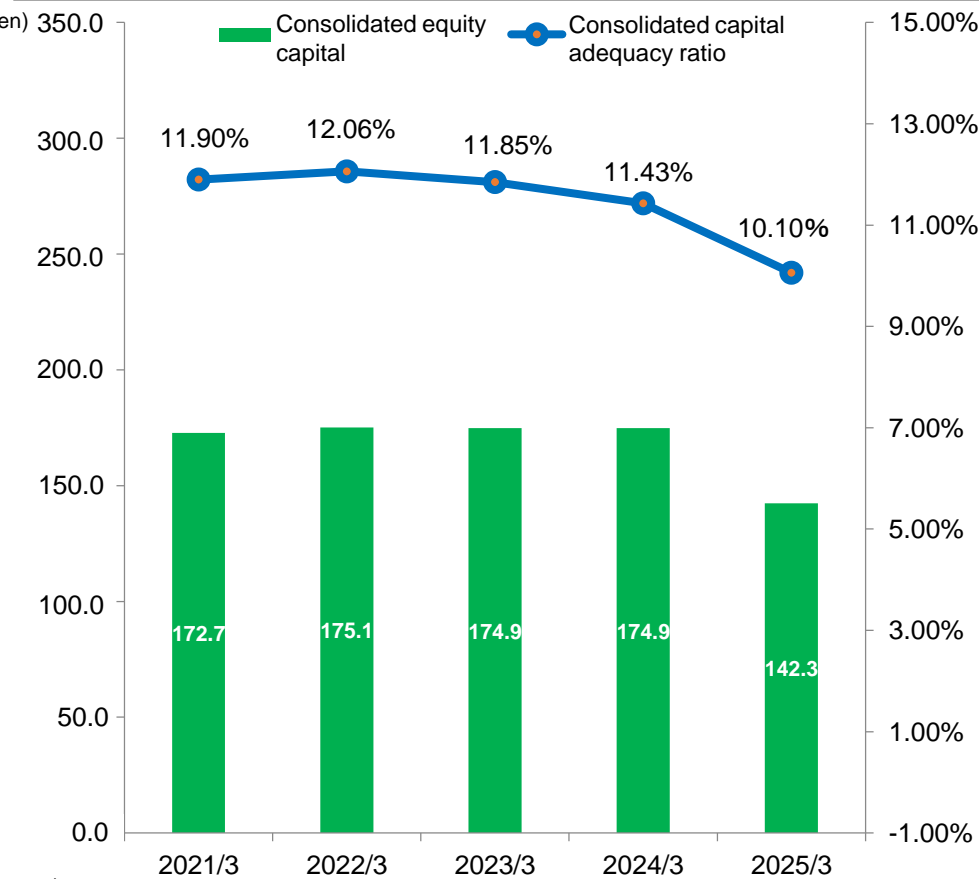
Expenses and Equity Capital

Trends in Expenses and Overhead Ratio (OHR)



(Note) OHR (based on gross operating profit) (%)
= Expenses ÷ gross operating profit (excluding gains (losses) from cancellation of investment trusts)

Trends in Equity Capital and Capital Adequacy Ratio

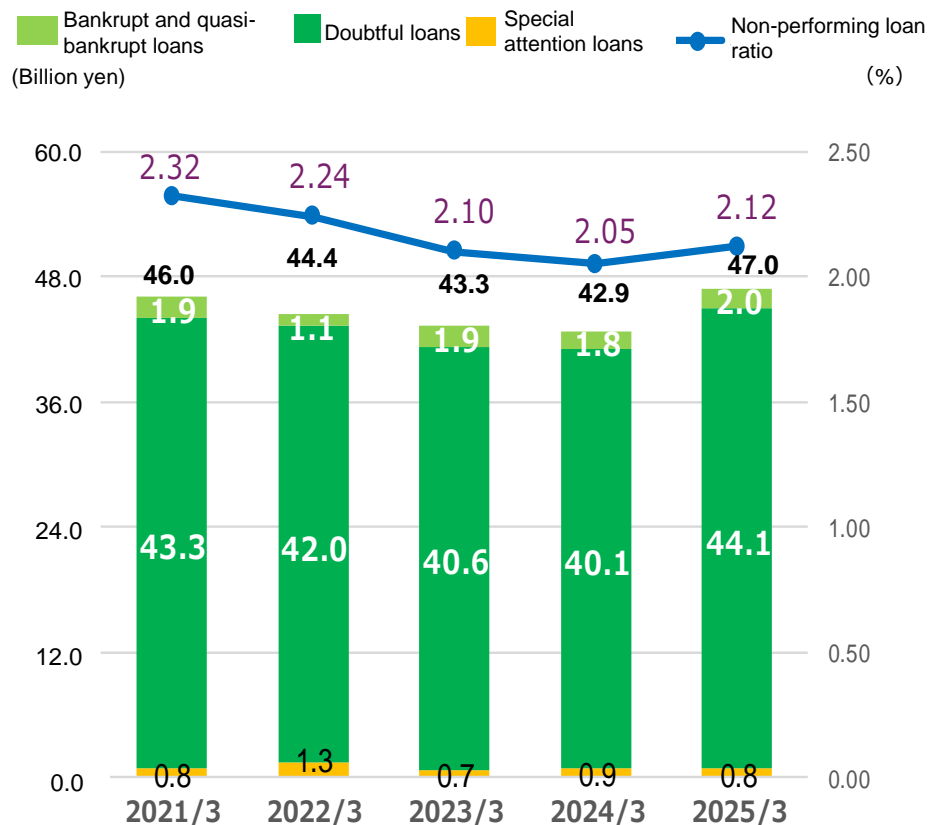


	(Billion yen)	2024/3	2025/3	Change	%Change
Total expenses		21.8	21.4	(0.4)	(1.5%)
Personnel expenses		12.0	11.7	(0.3)	(2.5%)
Non-personnel expenses		8.2	8.4	0.2	2.3%
Taxes		1.5	1.2	(0.3)	(14.3%)

	(Billion yen)	2024/3	2025/3	Change
Equity capital (consolidated)		174.9	142.3	(32.6)
Capital adequacy ratio (consolidated)		11.43%	10.10%	(1.33%)

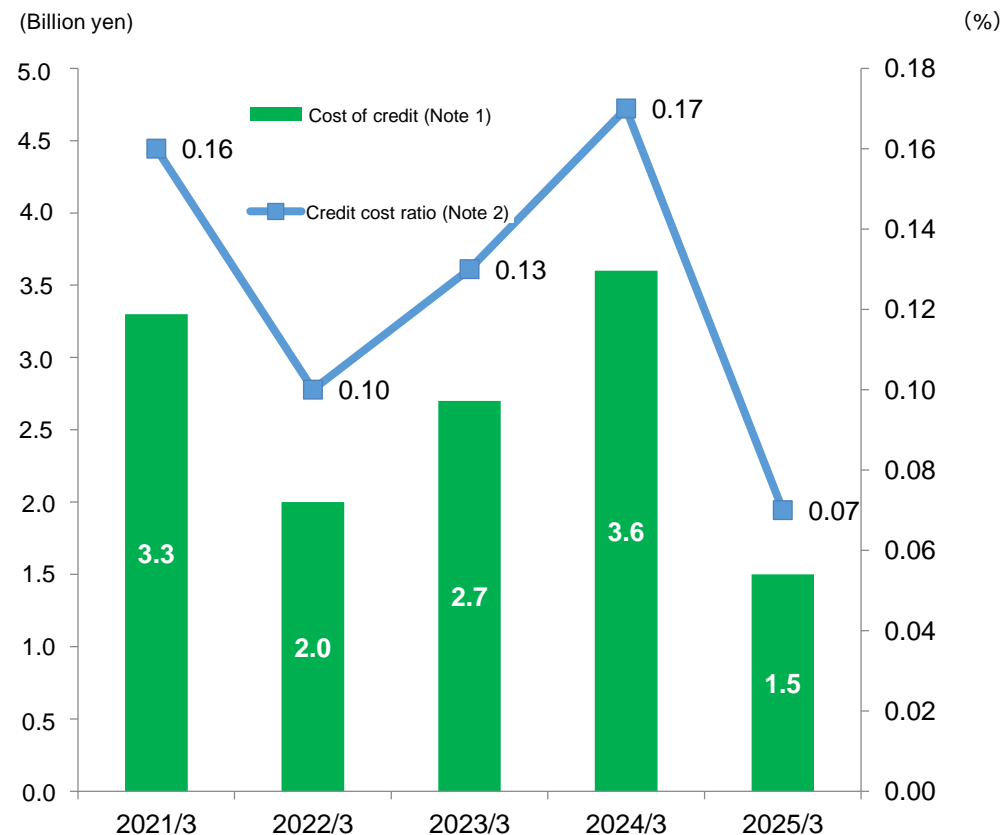
TOCHIGI BANK

**Loans Based on the Banking Act and Financial Reconstruction Act:
Balance at the Fiscal Year-end**



(Billion yen)	2024/3	2025/3	Change	%Change
Total loans based on the Banking Act and Financial Reconstruction Act	42.9	47.0	4.1	9.5%
Bankrupt and quasi-bankrupt loans	1.8	2.0	0.2	13.0%
Doubtful loans	40.1	44.1	4.0	9.9%
Special attention loans	0.9	0.8	(0.1)	(16.2%)

Cost of Credit



(Note 1) Cost of credit = Costs for loans written-off

(Note 2) Credit cost ratio = Cost of credit ÷ Average loan balance

(Billion yen)	2024/3	2025/3	Change	%Change
Cost of credit	3.6	1.5	(2.1)	(58.5%)
Credit cost ratio	0.17%	0.07%	(0.10%)	

Financial Results Forecast

(Billion yen)

Non-consolidated	2025/3	2026/3	Change	% Change
Gross operating profit	(1.3)	30.0	31.3	—
Net interest income	24.7	25.8	1.1	4.4%
Fees and commissions income	4.8	4.8	0	(0.8%)
Other operating income	(30.9)	(0.6)	30.3	—
Expenses	21.4	22.4	1.0	4.5%
Substantial net business profit	(22.8)	7.5	30.3	—
Core net business profit	8.2	8.5	0.3	3.1%
Core net business profit (excluding gains (losses) from cancellation of investment trusts)	8.4	8.5	0.1	0.5%
Net business profit	(21.1)	7.5	28.6	—
Gains (losses) on sale of bonds	(31.1)	(1.0)	30.1	—
Ordinary profit	(24.0)	7.7	31.7	—
Profit	(22.4)	5.6	28.0	—

Costs for loans written-off	1.5	2.0	0.5	24.1%
Gains (losses) on sale of securities (including gains (losses) from cancellation of investment trusts)	(33.6)	(1.0)	32.6	—

(Billion yen)

Consolidated	2025/3	2026/3	Change	% Change
Ordinary profit	(23.6)	8.3	31.9	—
Profit attributable to owners of parent	(22.3)	5.8	28.1	—
Consolidated capital adequacy ratio	10.10%	Upper 9% range	—	—

Main Points on Non-consolidated Financial Results

The securities portfolio has improved due to significant losses on sales of securities in the fiscal year ended March 31, 2025.

Our profitability and risk endurance have improved. We forecast an increase in revenue and profit by further promoting support for our main business with a focus on loans.

- Net interest income and other income related to our main business increased

- We expect net interest income to increase by 1.1 billion yen due to the effect of higher interest rates on loans to individuals and SMEs, as well as an increase in the outstanding balance, while interest on deposits is expected to increase.

- We expect core net business profit to increase by 0.3 billion yen as well.

- Considering uncertainties in the financial and economic environment

- The impact of the high tariff policy of the U.S. is expected to affect a wide range of industries in Japan as well as in other countries around the world, and the outlook is uncertain.

- Against these uncertain conditions, we will continue to support our customers for core business but expect to increase the costs for loans written-off from the fiscal year ended March 31, 2025, in response to increased costs from unforeseen bankruptcies and other events.

In addition, we budget for losses on sale of bonds in order to flexibly prepare for fluctuations in domestic and overseas interest rates.

- Consolidated capital adequacy ratio

- The ratio is expected to be in the upper 9% range in 2026/3 due to the decrease in equity capital resulting from the loss recorded in 2025/3. (Target at the time of the Medium-term Management Plan formulation: 11% range)

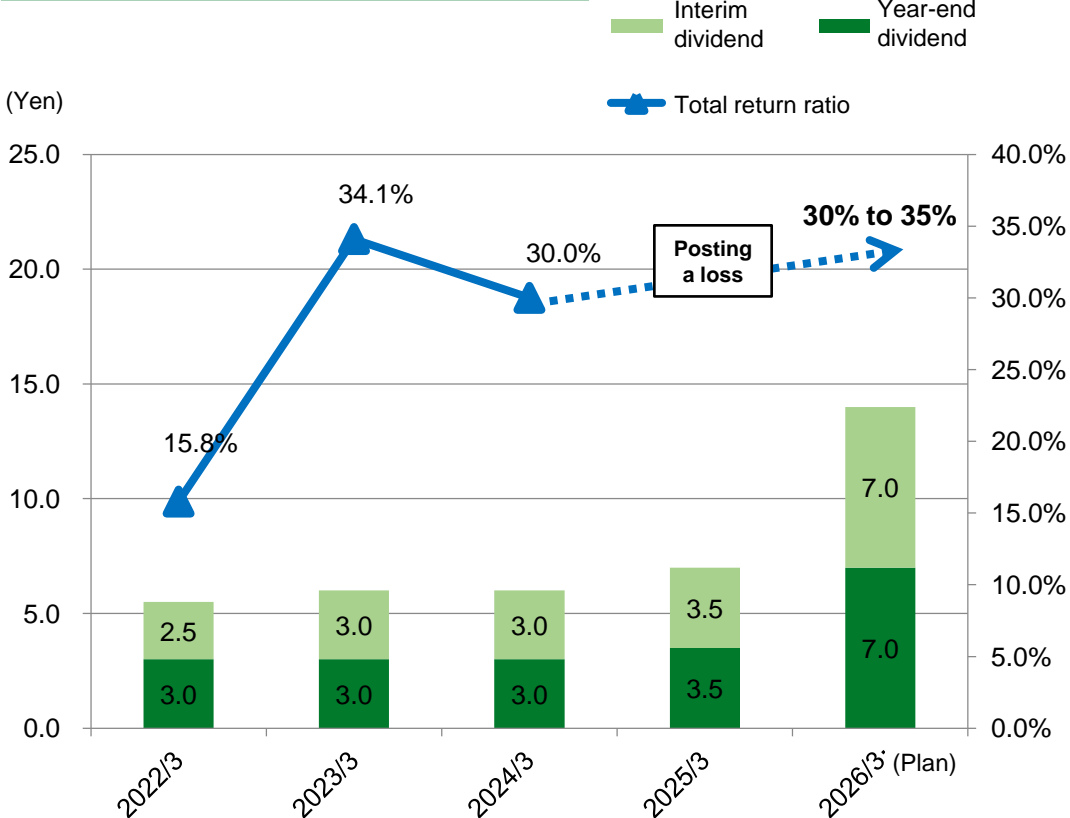
Main Point of Consolidated Forecast

Mainly for the same reasons as in the non-consolidated financial results, we forecast an increase in both revenue and profit in the consolidated financial results.

Dividends and Total Return Ratio

Although we recorded a loss for the year ended March 31, 2025 due to losses on sales of securities, we will maintain the year-end dividend at 3.50 yen per share and an annual dividend of 7.00 yen per share. We plan to pay an annual dividend of 14.00 yen per share for the year ending March 31, 2026. We will consider further expansion of shareholder return measures as business performance recovers, taking into account market conditions and the total return ratio.

Shareholder Returns



Shareholder returns policy

We target a total return ratio of 30% to 35%. This ratio indicates total returns, consisting of dividends and purchase of treasury shares, as a percentage of profit attributable to owners of parent (announced on May 12, 2022).

The 11th Medium-term Management Plan

—Progress status—

The 11th Medium-term Management Plan (Overview)

Theme

Realize the Provision of New Value

Term of the plan: from April 2023 to March 2026

Basic strategy 1: Strengthening profitability

—Evolution (deepening) of regional financial business and reinforcement of earnings structure—

- Delivery of “highly specialized solutions” face to face directly and indirectly
- Deeper risk-taking and consulting capabilities starting with business feasibility assessments
- Total support for life design
- Promotion of DX
- Creation of demand by resolving regional issues

Basic strategy 2: Strengthening the system

—Promotion of structural reforms and reinforcement of management base for the future—

- Revamp of the sales system/branch system depending on area characteristics
- Enhancement of sustainability promotion system —Creation of new businesses and services—
- Sophistication of risk management
- Reinforcement of the Group governance
- Enhancement of capital strategy and shareholder returns policy



Basic strategy 3: Strengthening investment in human capital

—Foundation of sustainable management—

- Improvement of internal environment
- Cultivation of the “Tochigin mindset”
- Enhancement of human resource development
- Cultivation of a new organizational culture/climate

Targets for Management Indicators (in Final Fiscal Year of the Plan)

Core net business profit (excluding gains (losses) from cancellation of investment trusts)	Profit attributable to owners of parent	ROE (consolidated, based on shareholders' equity)	OHR (based on gross operating profit)	Capital adequacy ratio (consolidated)
¥8.5 billion or more	¥5.5 billion or more	3.0% or higher	72% level	11% level

The 11th Medium-term Management Plan (Result)

Progress on Management Targets (March 2025)

		2024/3 Result	2025/3 Result	11th Medium-term Management Plan Target	11th Medium-term Management Plan Landing Forecast
Profitability indicators	Core net business profit (excluding gains (losses) from cancellation of investment trusts)	¥7.4 billion	¥8.4 billion	¥8.5 billion or more	¥8.5 billion
	Profit attributable to owners of parent	¥2.1 billion	(¥22.3 billion)	¥5.5 billion or more	¥5.8 billion
Efficiency indicators	ROE (consolidated, based on shareholders' equity)	1.2%	(13.69%)	3.0% or more	Around 3.7%
	OHR (based on gross operating profit (excluding gains (losses) on the sale of bonds and from cancellation of investment trusts))	74.52%	71.68%	72%台	72% level
Soundness indicator	Capital adequacy ratio (consolidated)	11.43%	10.10%	11%台	Upper 9% range

Basic Strategies: Main Initiatives in Fiscal 2024

Basic strategy 1: Strengthening profitability
—Evolution (deepening) of regional financial business and reinforcement of earnings structure—

- Non-face-to-face:** Expand app and web service functions, promote cashless, and promote Toshin Direct
- Direct face-to-face:** Serve high-net-worth individuals/business owners and expand corporate employee sales
- Indirect face-to-face:** Promote sales through direct center and solution sales through the web by specialized personnel at Head Office

Basic strategy 2: Strengthening the system
—Promotion of structural reforms and reinforcement of management base for the future—

- Expand downsized branch offices, eliminate and consolidate branch offices
- Create new business ideas
- Reinforce cybersecurity
- Securities investment strategies (market risk management)
- Ensure thorough customer-oriented business operations
- Prevent money laundering

Basic strategy 3: Strengthening investment in human capital
—Foundation of sustainable management—

Development of internal environment: Implement health and productivity management, introduce secondary job system, promote advancement of women, enhance engagement, etc.
Development of human resources: Visualize skills, develop specialists, expand training and self-improvement contents, etc.

Growth Investment and Strategic Personnel Assignment

Growth Investment

Invest ¥8.0 billion or more in total (for 3 years)

Investment results (2024/3 to 2025/3) (Million yen)			
Item	2026/3 Target	2025/3 Result	Remarks
DX and systems	3,230	1,650	Introduction of OA systems and smartphones Banking applications, electronic contracting services, property custody management systems, RPA, transaction filtering systems
Branch offices	3,440	1,790	Reconstruction, elimination and consolidation of branch offices
New Businesses, Group companies, and equity	1,200	1,100	Equity: C & C Fund: ¥100 m Other funds: ¥1,000 m
Human capital	370	570	Human resource development (training cost) Base-pay increase
Total	8,240	5,120	Achievement: 62.1%

DX and systems: Progress as planned on investment related to DX
Branch offices: Generally progress in line with the plan
New businesses and equity: Equity investments are planned at 1,000 million yen over 3 years, and results have exceeded the plan.

Strategic Personnel Assignment

Reassign 150 personnel in total (for 3 years)

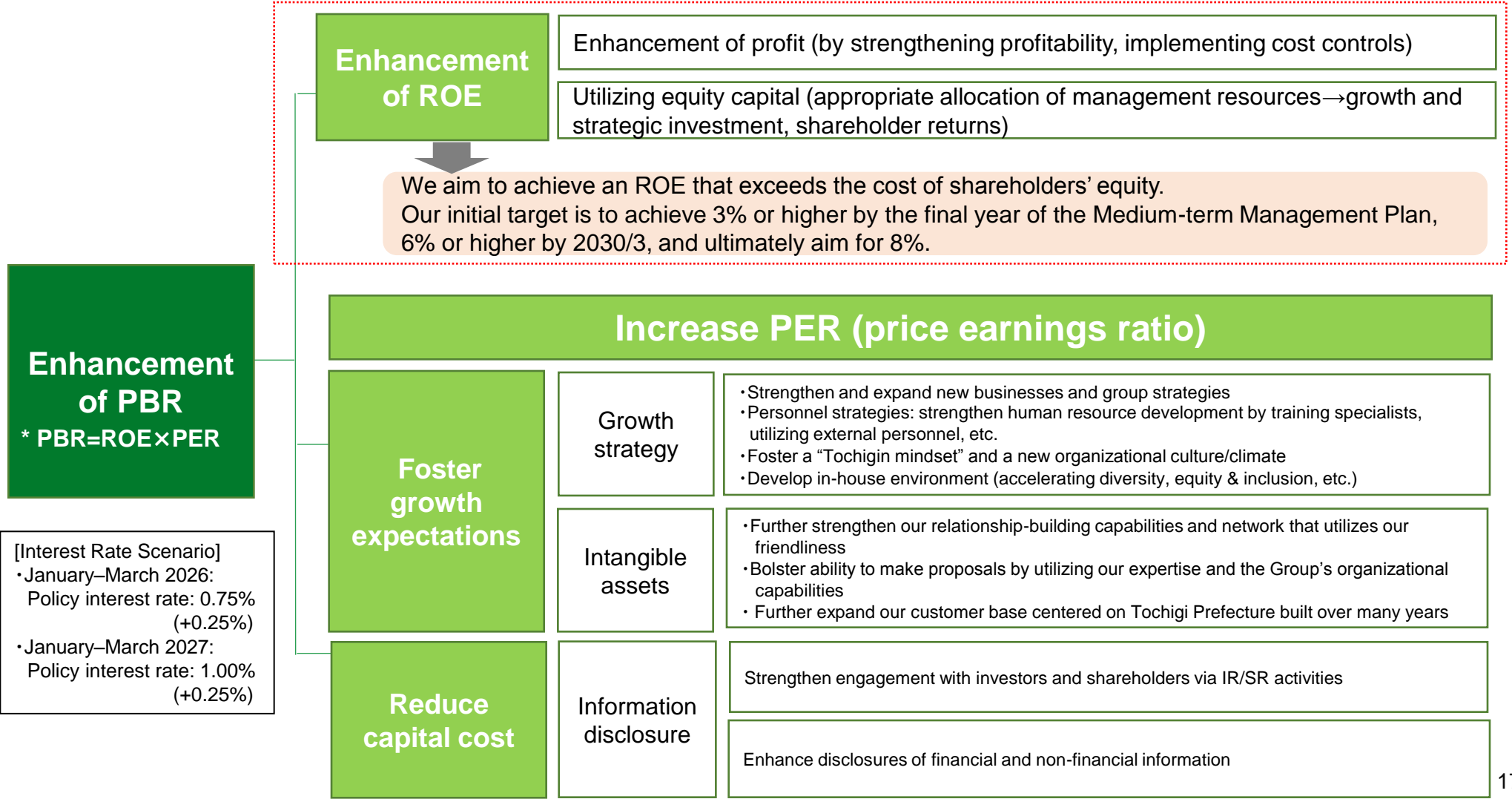
Reassignment results (2024/3 to 2025/3) (Persons)			
Item	2026/3 Target	2025/3 Result	Remarks
Corporate Business Division (increase in personnel)	20	11	Strengthen consulting support system
External relations in general (reassignment)	30	36	Strengthen sales force
Area head office system	30	7	Establish Saitama Area Head Office (starting in October, 2024)
Customers Centers	40	2	Establish Tochigin Investment Trust Support Center
DX/IT sections, Group companies, new business fields, etc.	40	40	Review of Group companies' personnel: 9 persons Middle Office personnel assignment: 18 persons Credit Examination Section: 3 persons
Total	150	96	Achievement: 64.0%

Corporate Business Division and area head office system: We plan to increase the number of personnel in line with the sequential expansion of the area system based on the results in the Saitama area.
Customers Centers: Due to a change in operational policy (initially we planned to gather personal liaisons from branch offices but changed to provide follow-up by phone). We increased the number of personnel to accommodate business expansion.

Efforts to Enhance Corporate Value

Efforts to Increase PBR

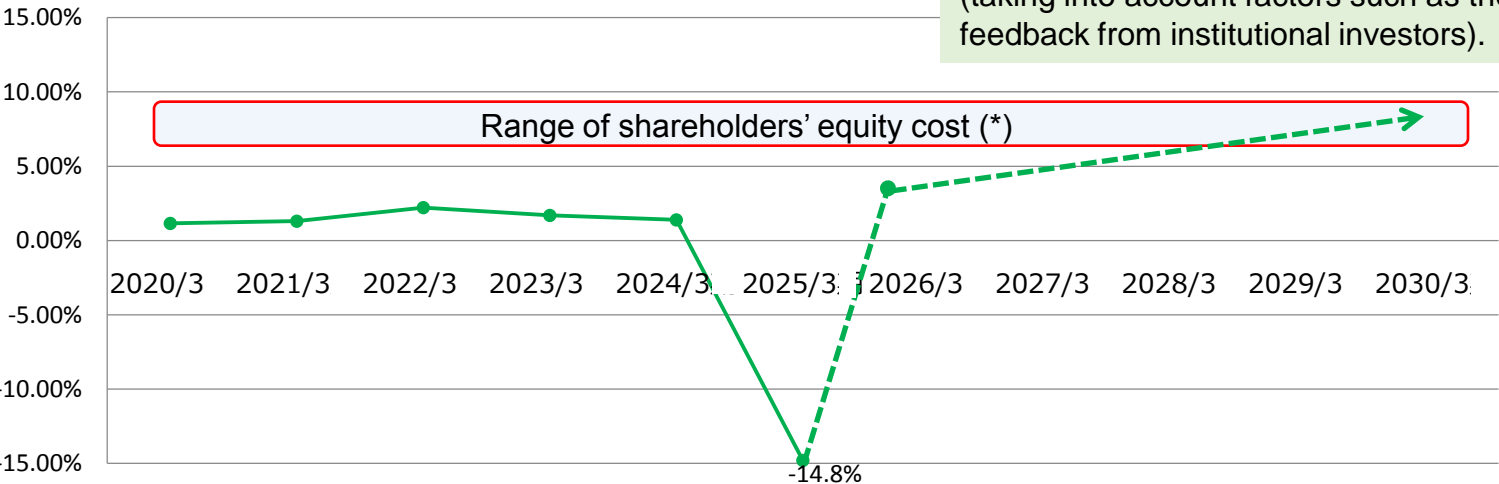
In order to increase our price book-value ratio (PBR), we are implementing initiatives for enhancing management effectiveness (as measured by ROE: return on equity) and corporate growth expectations for the Bank (as measured by PER: price earnings ratio).



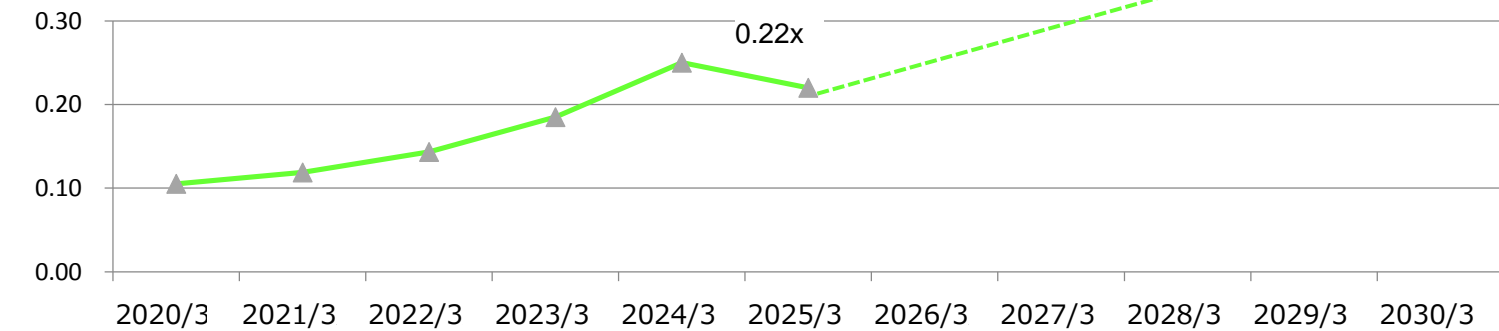
Increase of PBR

ROE is currently below the capital cost, and PBR remains below 1x.
We aim to achieve ROE that exceeds the shareholders' equity cost to increase PBR

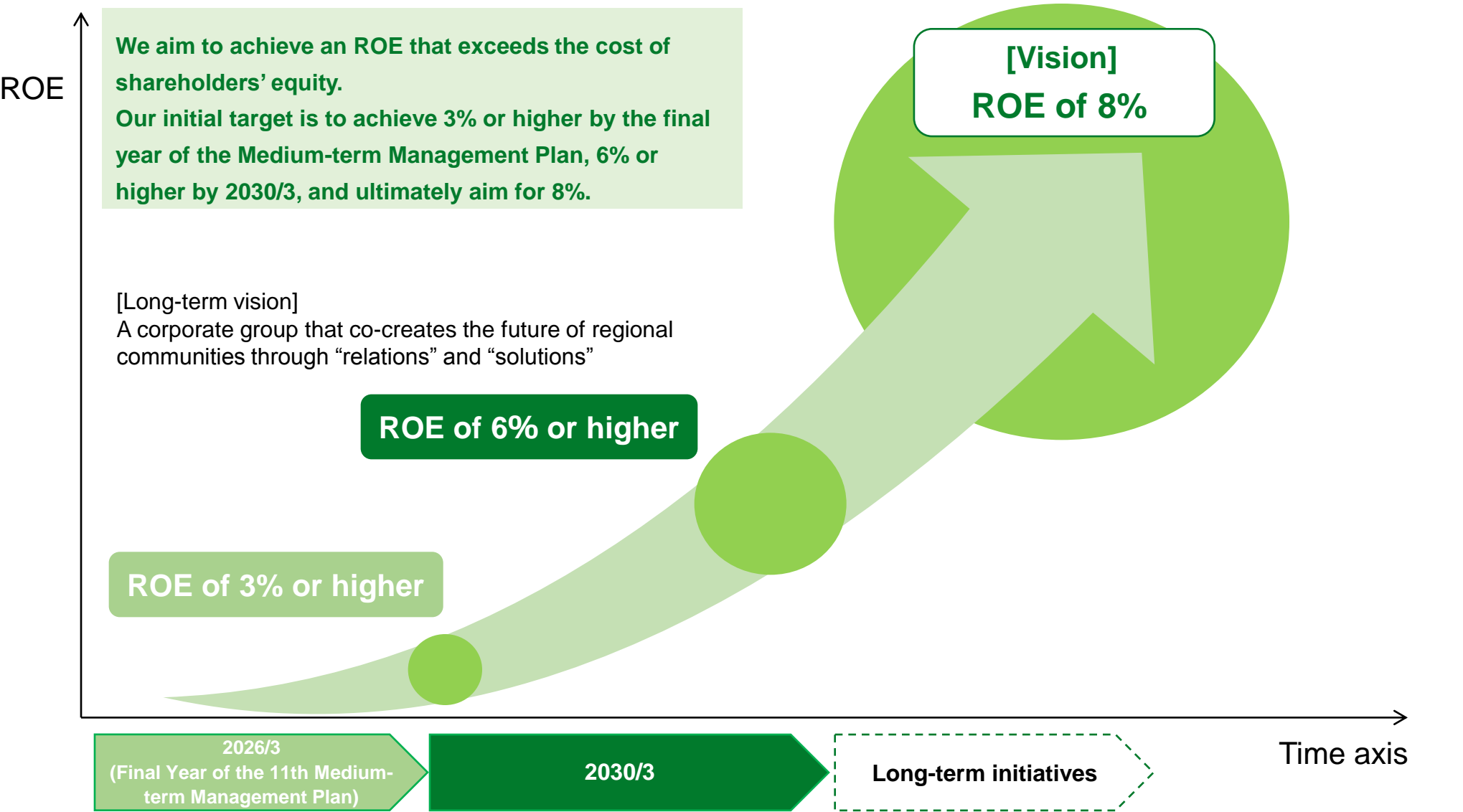
Trends in ROE by year



Trends in PBR by year



Medium- to Long-term ROE Targets



Targets for Management Indicators etc., toward ROE of 6%

Equation for Decomposition of ROE

ROE

Profit

Equity capital

=

RORA

Profit

Risk assets

×

Financial leverage

Risk assets

Equity capital

⇓

⇓

RORA

[Gross operating profit RORA]

Gross operating profit
(excluding gains (losses) on sale of bonds and from cancellation of investment trusts)

Risk assets

×

1 – OHR

Expenses

Gross operating profit
(excluding gains (losses) on sale of bonds and from cancellation of investment trusts)

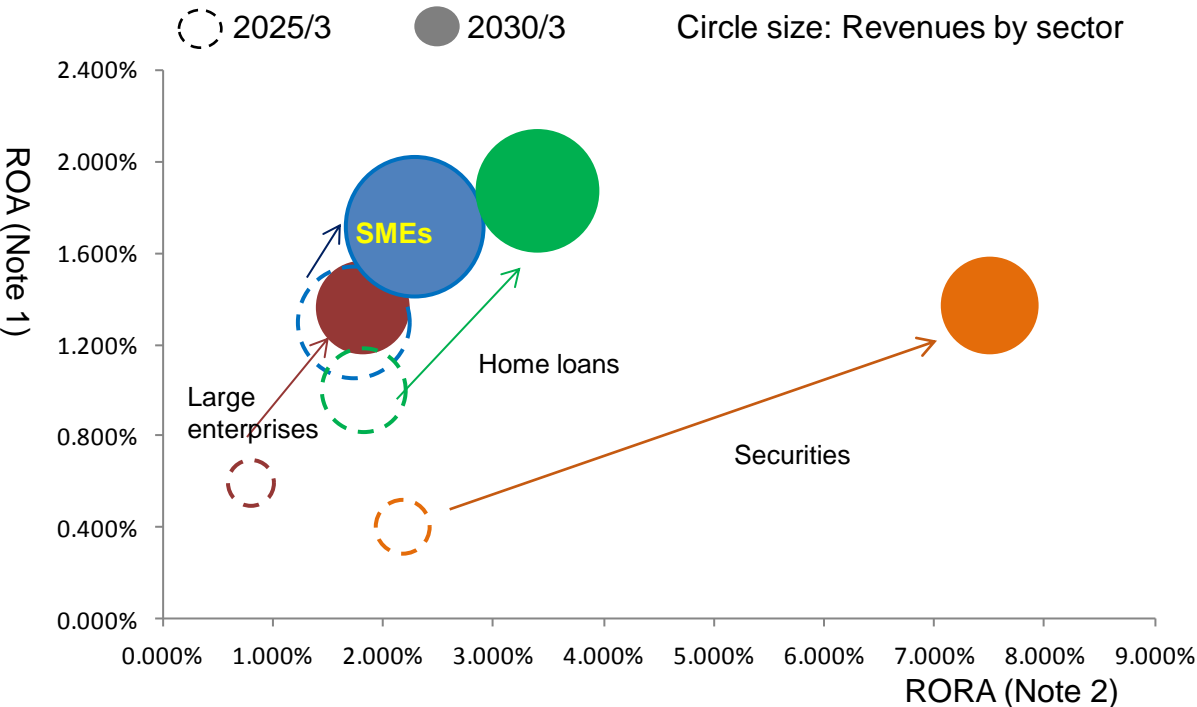
Targets for Management Indicators, etc. to Achieve ROE of 6%

Item	2025/3	2026/3 Forecast	2030/3: ROE of 6% or higher
Core net business profit (excluding gains (losses) from cancellation of investment bonds)	8.4 billion yen	8.5 billion yen	Around 18.0 billion yen
Profit (consolidated)	(22.3 billion yen)	5.8 billion yen	Around 10.0 billion yen
RORA	(1.5%)	Around 0.4%	Around 0.6%
Gross operating profit RORA	2.1%	Around 2.1%	Around 2.4%
OHR	71.7%	Around 72%	Around 55%
Financial leverage	10x	Around 10x	Around 11x
Risk assets	1,414.2 billion yen	Around 1,430.0 billion yen	Around 1,700.0 billion yen

Improvement of RORA (Strengthening profitability)

As part of our efforts to resolve issues faced by regional customers, we will steadily increase loans to the regional community (SME and home loans). To achieve this, we will first seek to improve the loan-to-deposit ratio by expanding loans to large enterprises, for which demand for funds is strong. Then, we will gradually switch to loans to regional communities with high RORAs in order to strengthen profitability.

Forecasted RORA Changes by Asset Class (2025/3 to 2030/3)



Note 1: Interest on loans (interest and dividends on securities) ÷ Average balance of loans (securities)
Note 2: Interest on loans (interest and dividends on securities) ÷ Risk assets

- The profitability of both asset classes is expected to improve in terms of loans.
 - We will consider the amount of revenue and also aim to further improve SME loans as a regional financial institution.
 - Home loans have an interest rate ratio of “floating: fixed = 9:1” and RORA improves as interest rates rise.
- In terms of securities, we will focus on yen bonds (duration 3-5 years) for the time being, while improving the amount of revenue and profitability of these securities.

Improve loan-to-deposit ratio to establish earnings base (Large enterprises, etc.)

- To improve the earnings base, first increase loans to large enterprises to improve the loan-to-deposit ratio
- Use these earnings as a source of risk-taking in the region to further improve earnings in the future

Strengthen loans to the regional community (SME and home loans)

- [SMEs]
- Create demand for funds by resolving issues and promote value-added loans with competitive interest rates.
 - Enhance risk/return by taking a bird's eye view of the area and industry and taking appropriate risk-taking for the development and continuation of regional industry.
- [Home loans]
- Strengthen relationships with housing manufacturers, etc., and enhance job-based sales to customer companies (strengthen direct face-to-face communication)
 - Improve convenience by providing web-based reception and consultation services (enhance non-face-to-face communication)
 - Respond flexibly to needs for refinancing in response to rising interest rates, needs for acquiring existing homes, etc. (strengthen product capabilities)

Moreover,

Expand non-asset earnings from solutions

- Synergistically promote SME loans, consulting, and equity investments to generate solution revenues and capital gains from increased corporate value.
- * Major consulting (M&A, sales channel expansion, DX, SX/GX, recruiting, etc.)

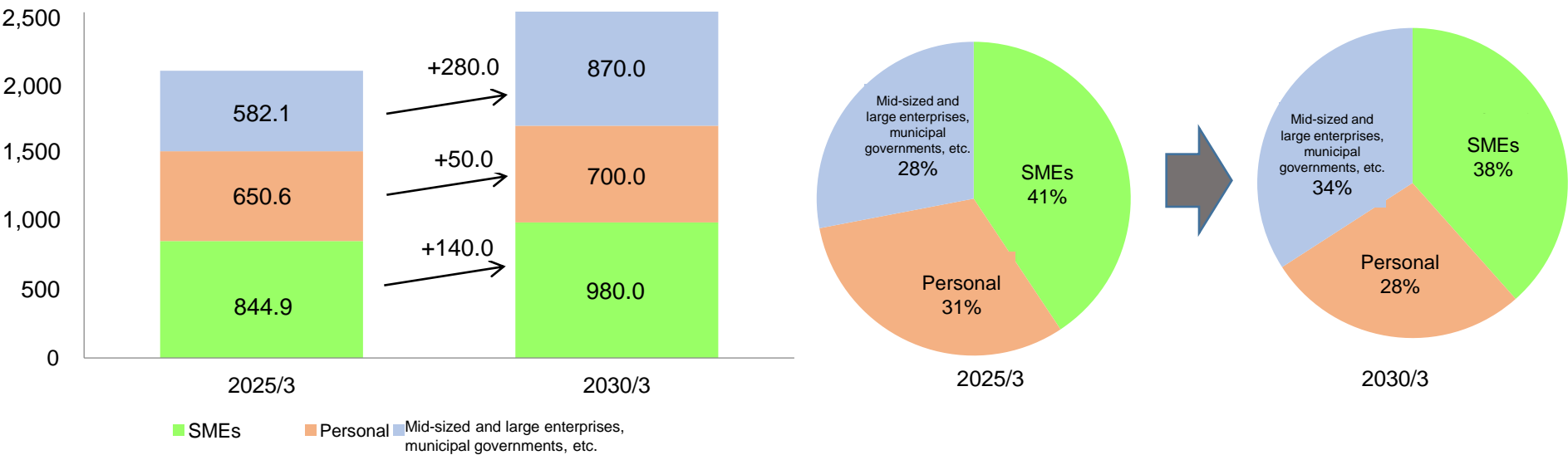
Loan Plan (Average Balance and Yield)

We will increase the balance of loans to SMEs by about 140.0 billion yen with the risk-taking capacity created by the reduction of valuation losses on securities and also increase the overall balance of loans to large enterprises through our current loan initiatives.

(Billion yen)

	2025/3		2025/3→2030/3	
	Average balance	Yields	Increase in average balance	Increase in yields
SMEs	844.9	1.30%	+140.0	+0.40%~
Personal	650.6	1.37%	+50.0	+0.80%~
Home loans	610.6	1.00%	+40.0	+0.90%~
Mid-sized and large enterprises, Municipal governments, etc.	582.1	0.48%	+280.0	+0.50%~
Total loans	2,077.6	1.09%	+470.0	+0.50%~

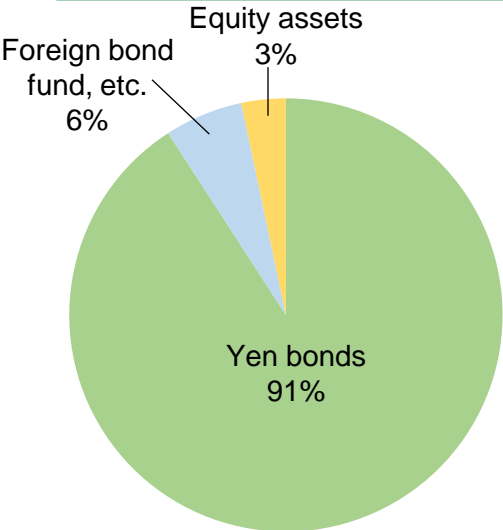
(Billion yen)



Securities (Restructure of Portfolio)

Assuming a gradual rise in domestic interest rates, we plan to reinvest mainly in medium- and short-term government bonds (2- to 5-year bonds) and asset swaps for the time being.

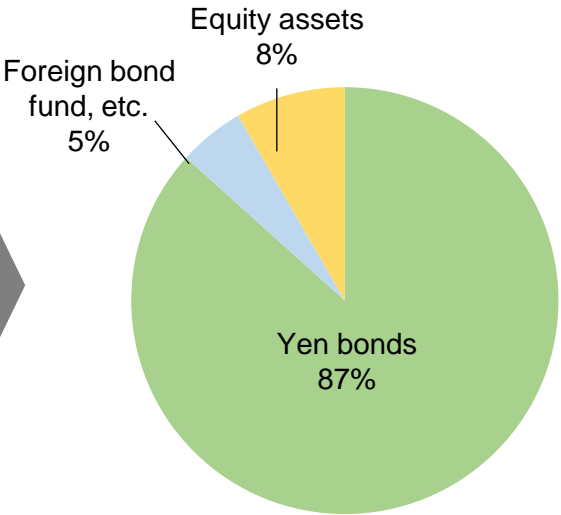
2025/3 (Results)



Asset class	Amount (Billion yen)
Yen bonds	343.7
Foreign bond fund etc.	22.1
Equity assets	12.5
Total	378.3

■ Yen bonds ■ Foreign bond fund etc. ■ Equity assets

2030/3 Portfolio Forecast



Asset class	Amount (Billion yen)
Yen bonds	520.0
Foreign bond fund etc.	30.0
Equity assets	30.0 to 50.0
Total	580.0 to 600.0

Assumptions at this point
To be reviewed according to future
market conditions

■ Yen bonds ■ Foreign bond fund etc. ■ Equity assets

* Yen bonds include asset swaps.

	2025/3	3 to 5 years later
Yields on securities (excluding gains (losses) from cancellation of investment trusts)	0.43%	Improvement of around 1% from 2025/3
Yen bond duration	3.2 years	Around 3 to 5 years

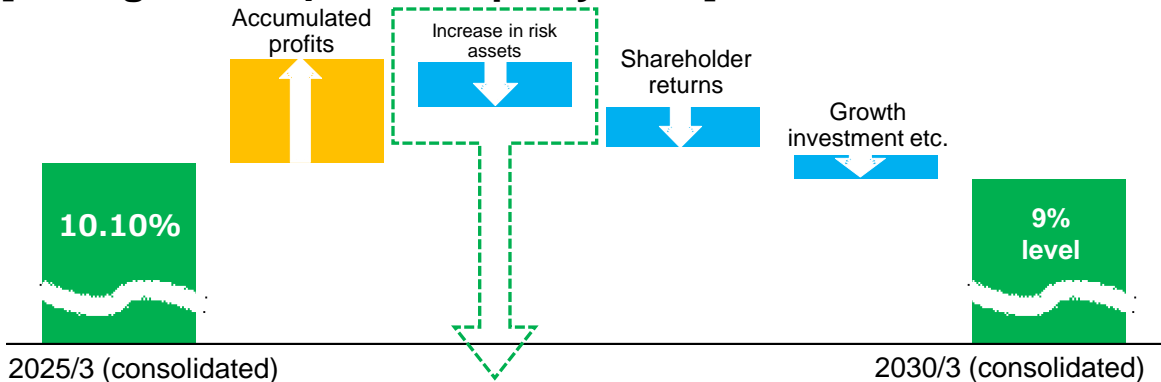
[Strengthening the Governance Structure]

Management will take the lead in strengthening the risk management system, including improving the risk analysis capabilities of the market sections (front and middle) and assuming various stress events and countermeasures, in order to ensure both sound assets under management and stable earnings, while strictly maintaining a risk tolerance commensurate with management strength (equity, term earnings, and risk management capabilities).

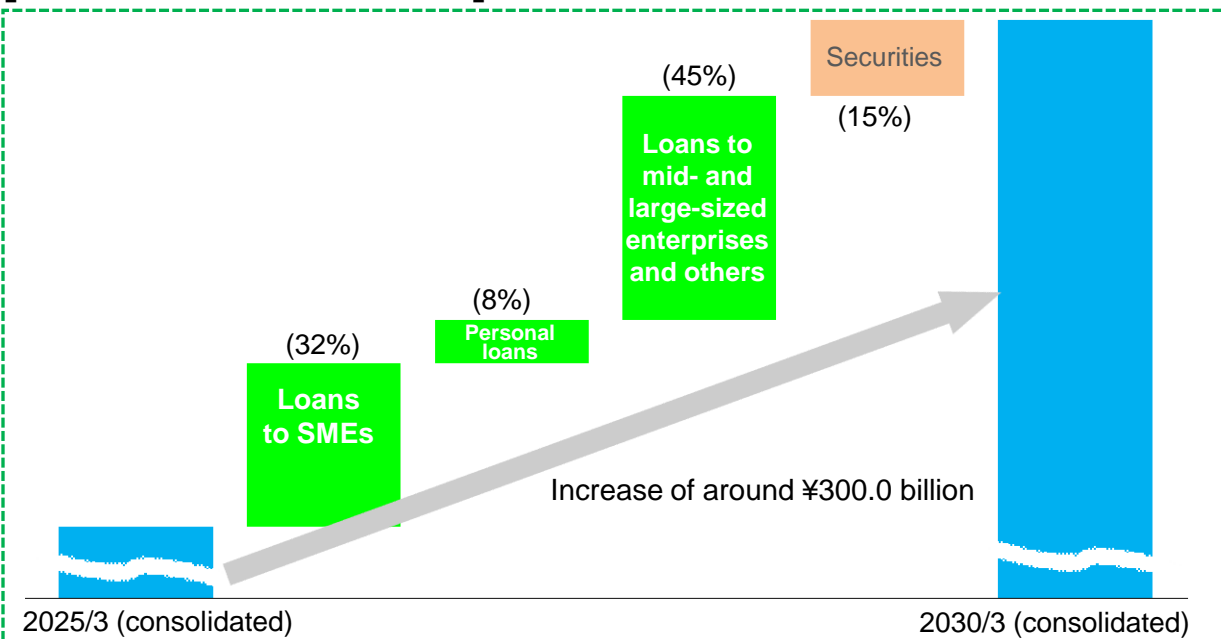
Financial Leverage Control (Appropriate capital management)

Capital Allocation (for illustration purpose)

[Changes in capital adequacy ratio]



[Increase in risk assets]

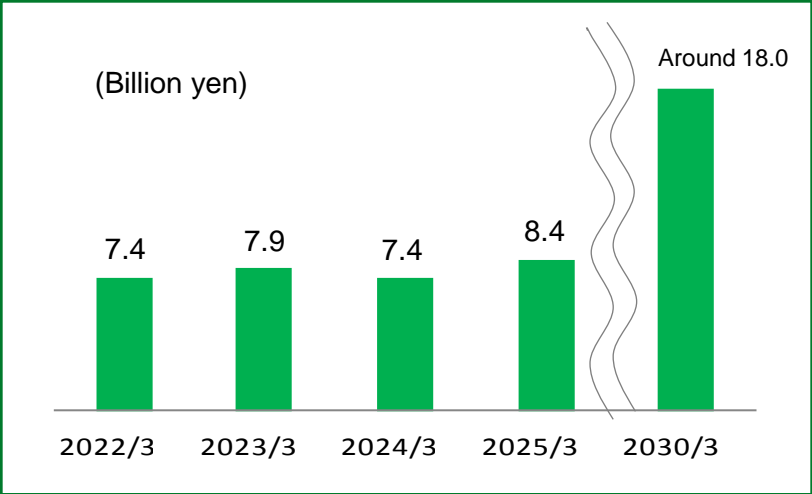


- Even after recording losses on the sale of securities in the fiscal year ended March 31, 2025, the capital adequacy ratio remains in the 10% range.
- We will leverage the increased risk-taking capacity resulting from the reduction in valuation losses on securities to expand loans to SMEs and personal loans, while also increasing balances through loans to large-sized enterprises.

Accumulation of Core Net Business Profit and Improvement of OHR

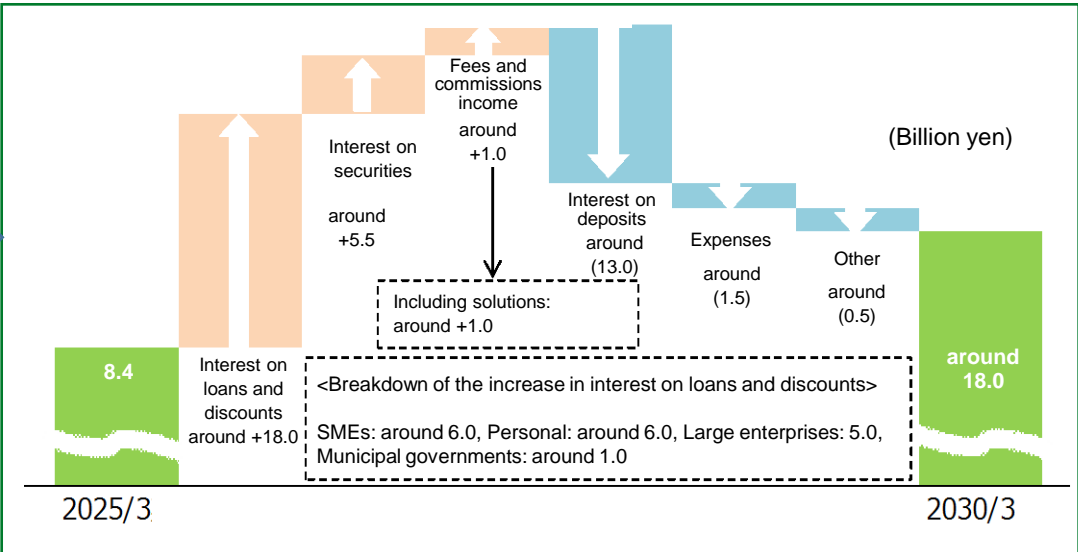
Accumulation of Core Net Business Profit (excluding gains (losses) from cancellation of investment trusts)

Trends in Core Net Business Profit



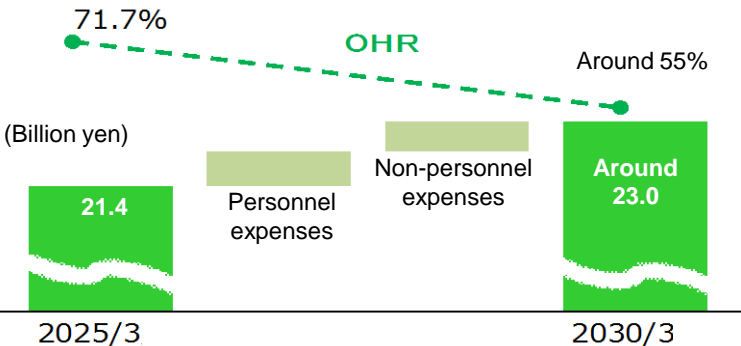
* The plan assumes an increase in the policy rate in the future.

Accumulation of Core Net Business Profit to achieve ROE of 6%



Improvement of OHR

Expenses plan



(Billion yen)	2025/3	2030/3	Difference
Expenses (Personnel expenses + Non-personnel expenses + taxes)	21.4	Around 23.0	Around 1.5
Gross operating profit (excluding gains (losses) on sale of bonds and from cancellation of investment trusts)	29.9	Around 40.0	Around 10.0
OHR (Expenses / Gross operating profit)	71.7%	Around 55%	Around (16%)

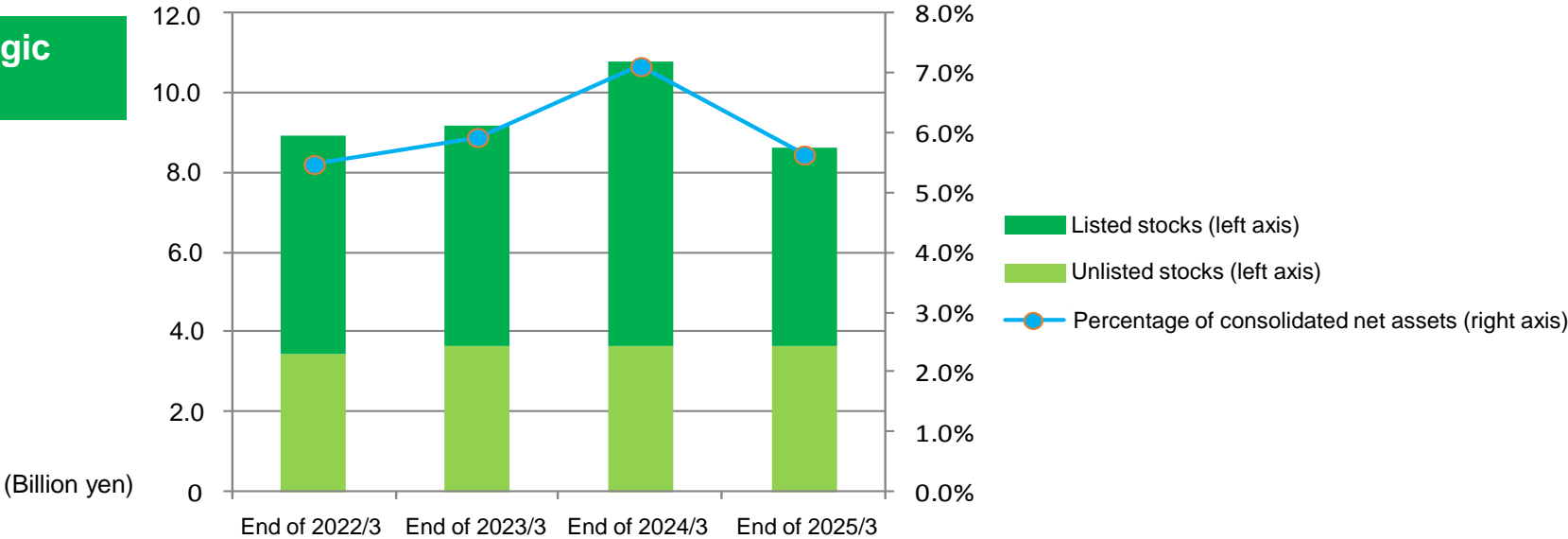
- Increase profits by aggressively investing for growth while reducing unnecessary expenses through BPR
- Reduce office workload by 200,000 hours/year

[Growth investments]
Personnel expenses: starting wages, base-pay increase, investment in human resource development, etc.
Non-personnel expenses: investments in DX/system development, branch offices, etc.

Reduction of Strategic Shareholdings

With regard to strategic shareholdings, we verify the rationale for holding them annually at Board of Directors meetings. Most recently, at the Board of Directors meeting held in December 2024, we reviewed the appropriateness of these holdings based on our shareholders' equity cost by comparing profitability, taking into account the risks associated with holding such shares and transactions with the subject issues. In addition, we comprehensively determine whether to retain these holdings from the perspective of maintaining and strengthening long-term and stable business relationships with our customers as a regional financial institution and from the perspective of our business strategy. As a result, the ratio of strategic shareholdings (listed and unlisted) to consolidated net assets stood at 5.6% for the fiscal year ended March 31, 2025. We will continue to reduce this ratio further through ongoing, constructive dialogue with investee companies.

Changes in Strategic Shareholdings



(Billion yen)	End of 2022/3	End of 2023/3	End of 2024/3	End of 2025/3
Listed stocks	5.5	5.5	7.2	5.0
Unlisted stocks	3.4	3.6	3.6	3.6
Total strategic shareholdings (listed and unlisted)	8.9	9.2	10.8	8.6
Consolidated net assets	162.7	154.9	151.8	153.1
Ratio of strategic shareholdings to consolidated net assets	5.5%	5.9%	7.1%	5.6%

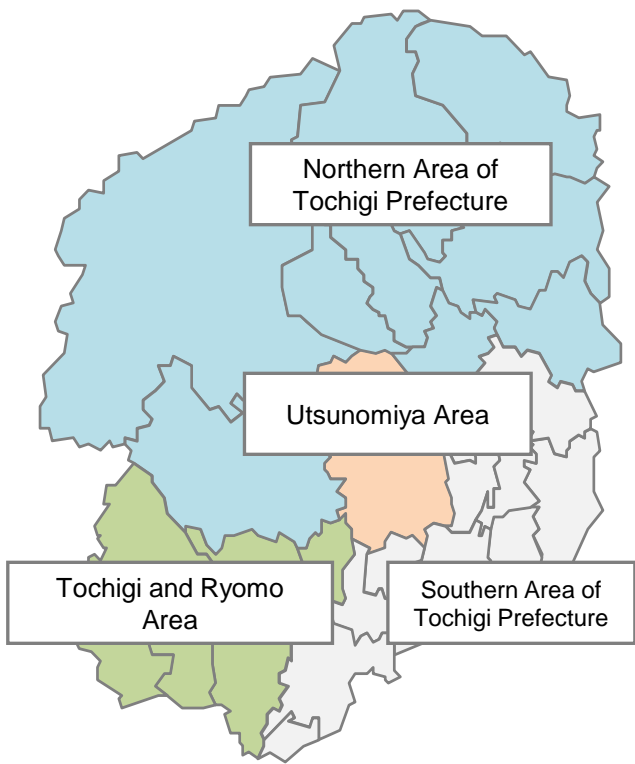
Appendix

(Basic Strategy from the 11th Medium-term Management Plan to March 2030)

Markets in Our Operating Areas

[Working-age Population (Ages 15-64)]

Current status Future projections



Utsunomiya Area

- Prefectural capital (population and business establishments are distributed and concentrated)
- Plan major developments, such as LRT extension and arena construction
- Attract large corporations to industrial parks
- Wide distribution of industries including manufacturing, transportation, construction, and retail

2024	2030
317,461	300,505
Change	%Change
(16,956)	(5.3%)

Northern Area of Tochigi Prefecture

- Limited market growth due to population decline
- On the other hand, thrive in tourism-related businesses in areas such as Nikko and Nasu
- Successful attraction of major corporate factories (e.g., Shiseido, Canon, Asahi)
- Hold a high market share in dairy farming on Honshu

2024	2030
302,338	269,584
Change	%Change
(32,754)	(10.8%)

Tochigi and Ryomo Area

- Concentrate manufacturing industries such as automobiles and aircraft in the area
- Activate the food manufacturing sector (sauces etc.)
- Maintain a market share that remains low relative to the market size
- Support a notable distribution of transportation businesses with the presence of expressway interchanges

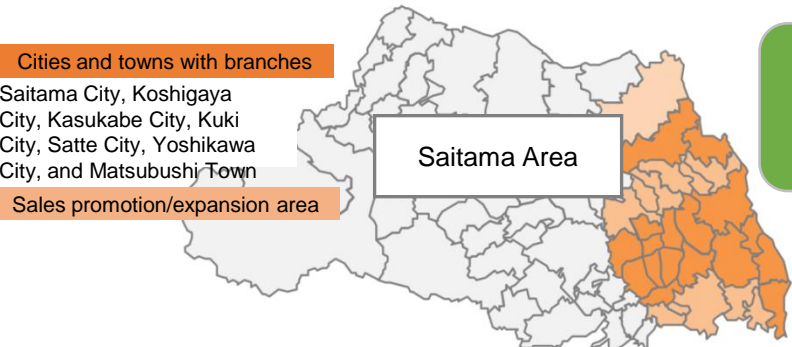
2024	2030
585,390	550,736
Change	%Change
(34,654)	(5.9%)

Southern Area of Tochigi Prefecture

- Experience moderate population decline while increasing the number of households
- Hold a Shinkansen station with many commuters to central Tokyo
- Drive strong demand in the real estate and construction sectors through redevelopment
- Hold a university hospital along with a high concentration of clinics

2024	2030
337,086	310,259
Change	%Change
(26,827)	(8.0%)

Tochigi and Ryomo Area Southern Area of Tochigi Prefecture



Saitama Area

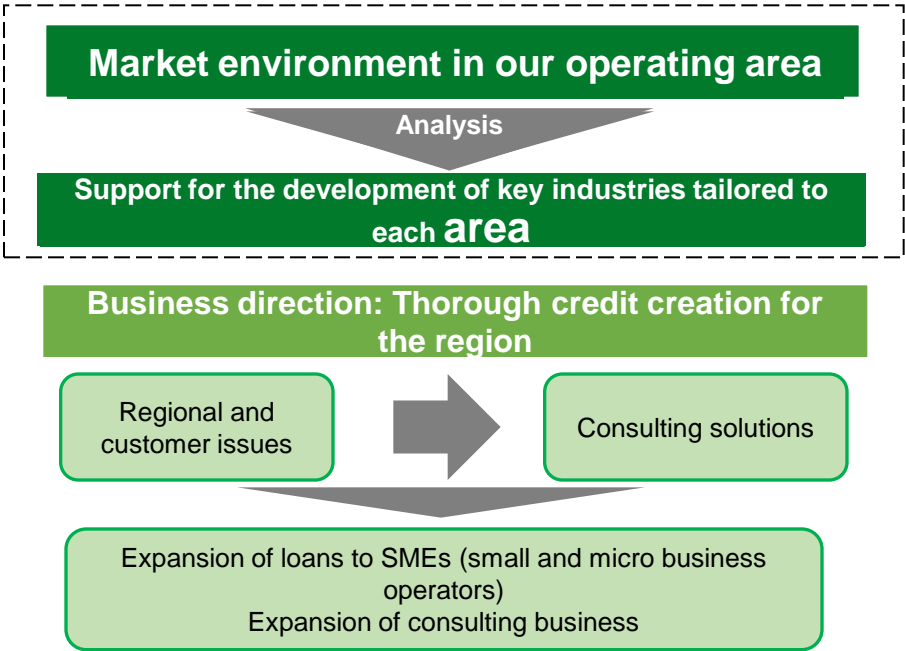
- Distribute large and mid-sized companies mainly around Saitama City
- Generate strong real estate demand, accompanied by robust funding demand for projects and rental properties
- Host many transportation and warehousing businesses as a land transportation hub
- Experience moderate population decline, while Saitama City shows growth

2024	2030
4,549,633	4,385,497
Change	%Change
(164,136)	(3.6%)

Corporate Customer Strategy

—Thorough credit creation for regional SMEs—

We strengthen consulting services aimed at increasing corporate value for customers through business feasibility assessments and support for key industries based on the characteristics of each area. Through resolving customer issues, we aim to generate new funding demand.



- Provide support for key industries based on area characteristics and strengthen consulting services to increase corporate value for customers based on business feasibility assessments
- Generate new funding demand by resolving issues

System development and human resource development

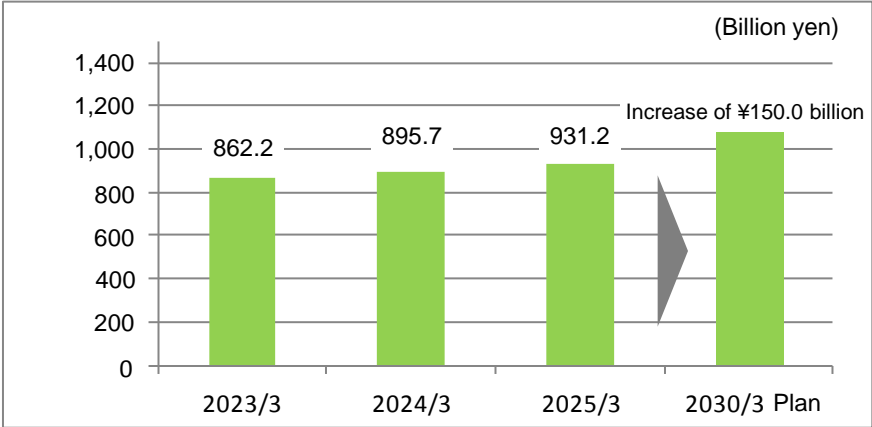
- Efficient sales activities through the area system
- Improve operational efficiency and build up contact with customers through DX
 - Non-face-to-face: apps, internet branches, VR websites, etc.
 - Indirect face-to-face: support centers for individuals and corporations
- Staffing flexibility by improved operational efficiency → strengthen face-to-face sales

KPI (The 11th Medium-term Management Plan)

	2026/3 Target	2025/3 Cumulative results	Achievement
Number of cases of consulting	7,850 cases	7,007 cases	89.2%
Amount of loans originated (*1)	¥160.0 billion	¥211.9 billion	132.4%
Increase in the number of core customers (*2)	750 customers	474 customers	63.2%

*1: Amount of loans originated resulting from consulting services
*2: Core customers: Customers with a transaction balance of “¥20 million or more in loans, or a combined total of ¥50 million or more in deposits and deposits assets, and who meet three or more of the following transaction criteria.
<Transactions focused on solutions to issues> Syndicated loans, privately placed bonds, etc.
<Consulting transactions> Asset management consulting, DX/IT consulting, etc.
<Group transactions> Tochigin Leasing, Tochigin TT Securities, etc.

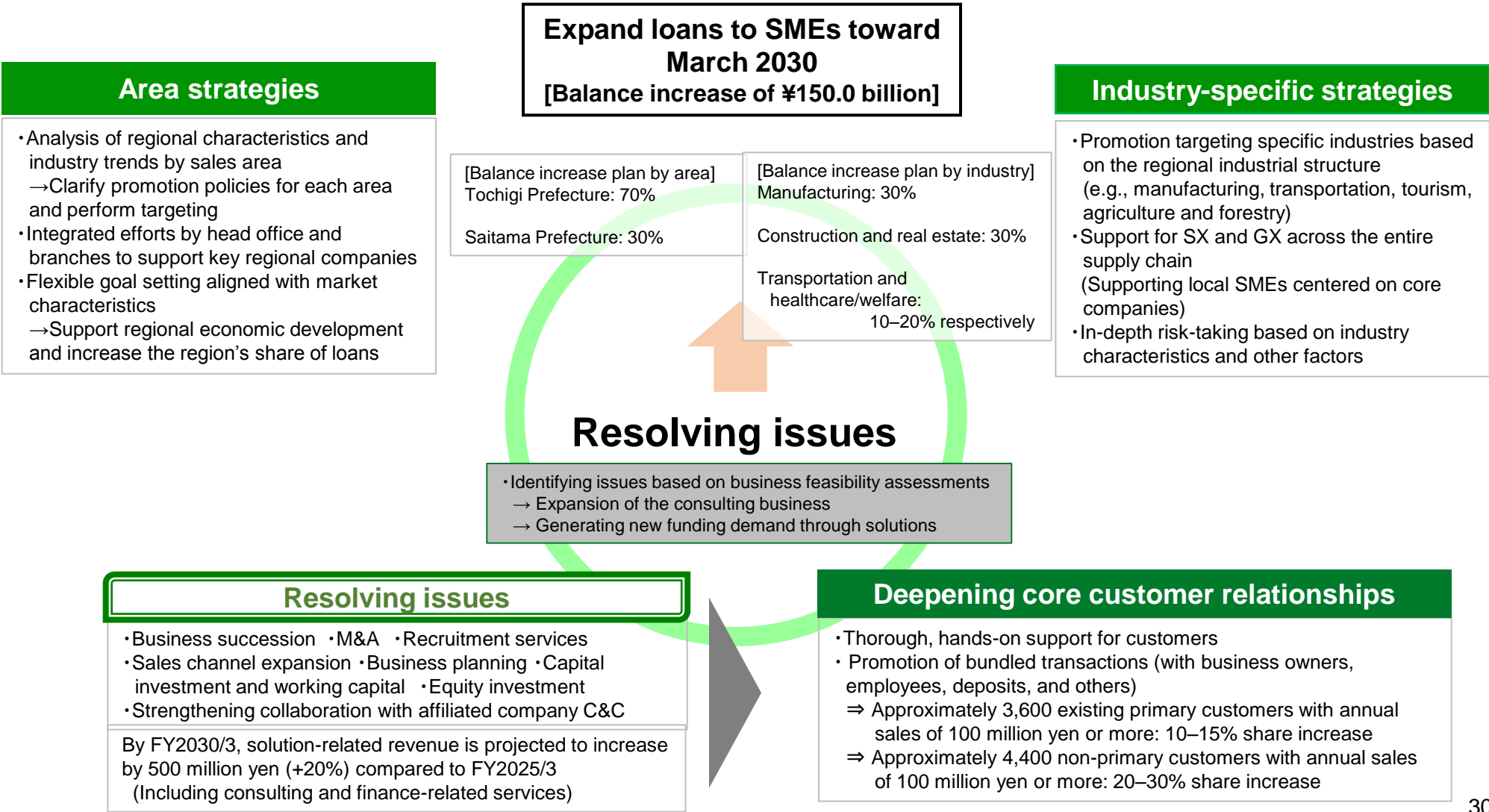
Trends in SME loans



Corporate Customer Strategy

—Creating funding demand for SMEs by resolving issues—

Create funding demand through in-depth consulting based on “area strategies” and “industry-specific strategies” that take into account the regional characteristics and industrial distribution of the business area and increase loans to regional SMEs.



Corporate Customer Strategy

—Measures to promote loans by area and industry—



Promotion measures by area and target of balance increase in 2030/3

- [Utsunomiya Area] 50.0–60.0 billion yen
 - A core focus area with a wide range of industries, including manufacturing, transportation, and retailing of a certain scale
 - Progress redevelopment in the East Exit area thanks to the LRT and plan large-scale projects such as the LRT extension and Brex Arena construction
 - Proactively promote loans by identifying needs upstream, particularly in response to rising demand in construction and real estate
- [Northern Area of Tochigi Prefecture] 10.0–20.0 billion yen
 - A high market share for our bank, but low GDP growth
 - Aim to boost GDP and promote loans by supporting inbound demand related to tourism and outbound industries such as manufacturing and agriculture
- [Southern Area of Tochigi Prefecture] 20.0–30.0 billion yen
 - Increase the number of households centered around Oyama City
 - Aim to capture demand in construction and real estate through redevelopment and real estate projects
- [Tochigi and Ryomo Area] 20.0–30.0 billion yen
 - An area where our market share is relatively low compared to the market size, resulting in a significant gap
 - Aim to capture demand for financing centered around the manufacturing sector, with a concentration of industries, particularly manufacturing, one of our priority sectors
- [Saitama Area] 40.0–50.0 billion yen
 - Capture opportunities in real estate projects, rental properties, and home loans in this area with strong real estate demand
 - Leverage the logistics hub function of eastern Saitama Prefecture to tap into funding demand from the transportation industry

Promotion measures by industry and target of balance increase in 2030/3

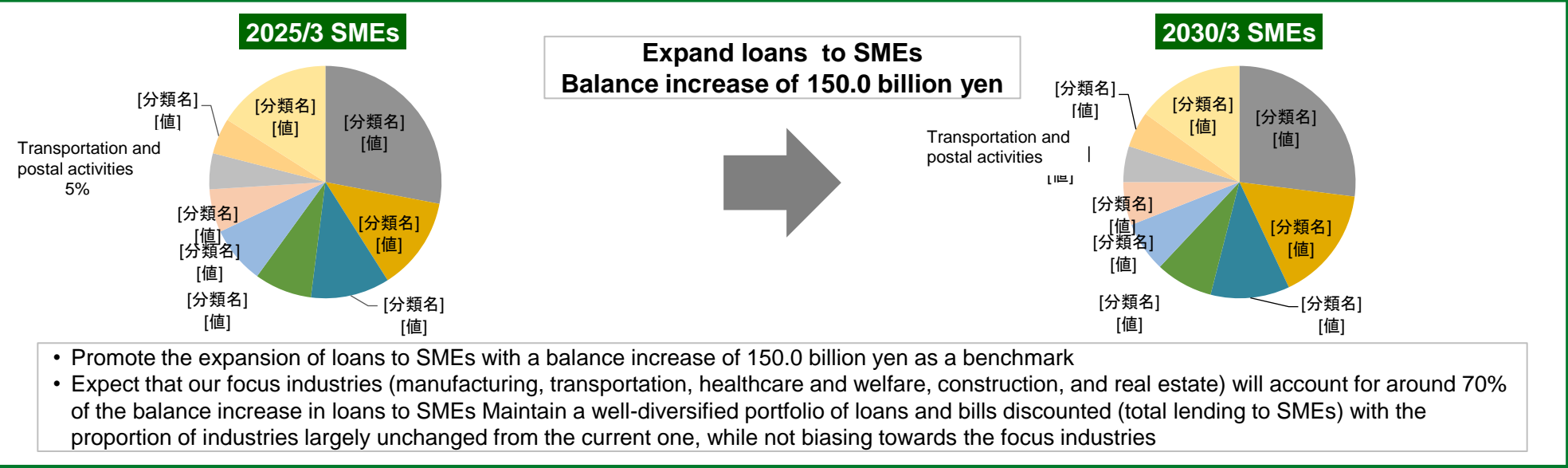
- [Manufacturing] Around 40.0–50.0 billion yen
 - Implement promotion measures across all of Tochigi Prefecture, particularly in the Ryomo and Utsunomiya areas
 - Support the supply chain by utilizing specialized personnel, including retired professionals from the manufacturing industry
 - Strengthen relationships with core companies such as Tier 1 and Tier 2 suppliers
 - Support competitiveness enhancement, M&A, and succession of Tier 3 and smaller customers, which account for the majority of our relationships
 - Generate consulting and capital investment demand by supporting GX and DX initiatives, in collaboration with subsidiaries such as CES and leasing
- [Transportation] Around 8.0–12.0 billion yen
 - Implement promotion measures across all of Tochigi Prefecture and eastern Saitama Prefecture
 - Generate consulting and capital investment demand by supporting GX and DX initiatives, in collaboration with subsidiaries such as CES and leasing companies
 - Provide working capital support in response to rising fuel cost and personnel expense
 - Pursue M&A and business succession efforts centered around core transportation companies
- [Healthcare and Welfare] Around 8.0–12.0 billion yen
 - Take a broad view of regional healthcare zones and provide support with a long-term perspective on sector reorganization, in collaboration with medical consultants
 - Capture funding demand through consulting related to business succession due to the aging of physicians and support new clinic openings
 - Actively respond to funding needs for the replacement of medical equipment
- [Construction and Real Estate] Around 30.0–40.0 billion yen
 - Implement promotion measures in the Utsunomiya Area, the Southern Area of Tochigi Prefecture, and the Saitama Area
 - Plan large-scale projects in various areas. Promote loans by identifying needs from the upstream phase

Corporate Customer Strategy

—Lending to SMEs— Portfolio breakdown by industry (SMEs/total loans and bills discounted)

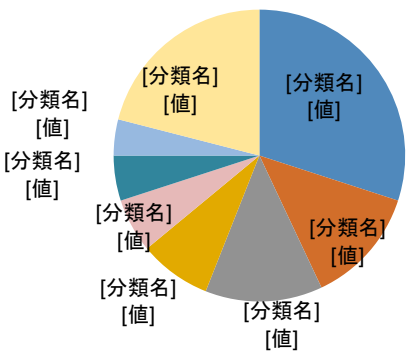


■ Change in portfolio breakdown by industry in lending to SMEs in association with the expansion of SME loans

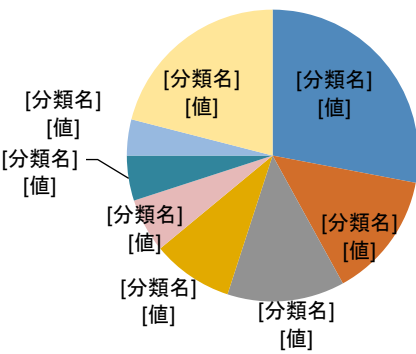


- Promote the expansion of loans to SMEs with a balance increase of 150.0 billion yen as a benchmark
- Expect that our focus industries (manufacturing, transportation, healthcare and welfare, construction, and real estate) will account for around 70% of the balance increase in loans to SMEs Maintain a well-diversified portfolio of loans and bills discounted (total lending to SMEs) with the proportion of industries largely unchanged from the current one, while not biasing towards the focus industries

2025/3 Total Loans and Bills Discounted



2030/3 Total Loans and Bills Discounted



- Focus on fund-demanding industries, such as manufacturing, real estate, finance, leasing, communication and information, electric power and other energy businesses in loans to large-sized businesses
- Secure a well-diversified portfolio as well in proportion of industries in the total of SME and large-sized business categories in terms of the total loans and bills discounted

Corporate Customer Strategy

—Boosting earnings from solutions—



Provide appropriate solutions for each life stage of companies to support their sustainable growth.

Founding Period

One-Stop Support for Founding & New Businesses

Business Plan Contest
Discover and foster regional core companies in the future



[Loans support for founding & new businesses (cumulative)]
(2015/4–2025/3)

Cases	3,916 cases
Amount	41,503 million yen

Maturing Period

Support for Business Succession

[Number of M&A requested]		[Number of M&A contracted]	
2024/3	81 cases	2024/3	25 cases
2025/3	88 cases (including 62 cases through “Tochigi-no Musubime”)	2025/3	32 cases (including 22 cases through “Tochigi-no Musubime”)

Growing Period

Support for Growth & Core Business

Business exchange meetings
Support expansion of sales channels

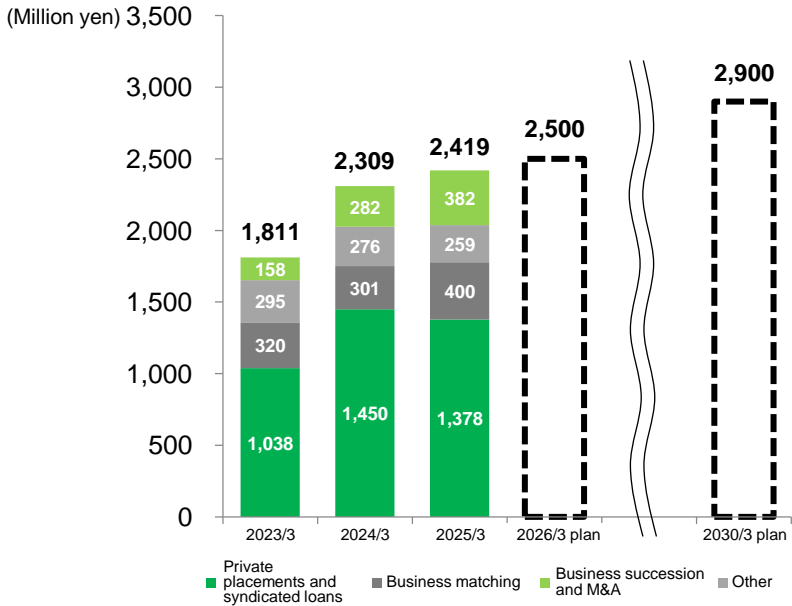


[Paid business matching agreements concluded]

2023/3	666 agreements
2024/3	685 agreements
2025/3	761 agreements

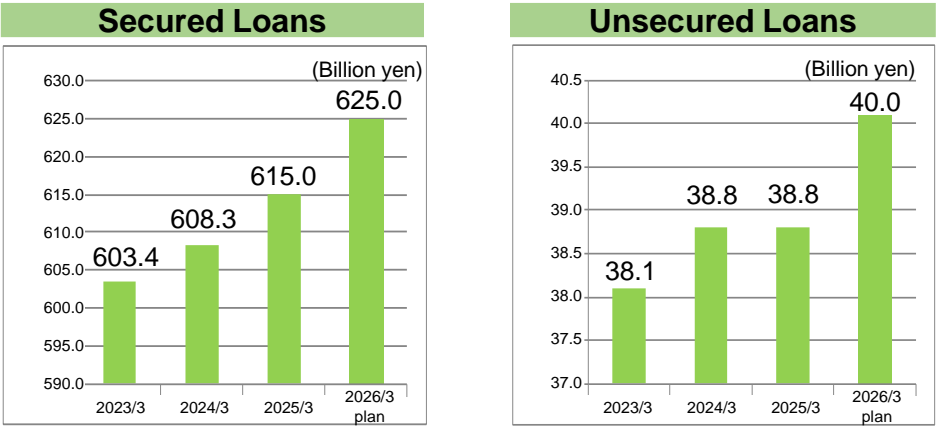
* The number of agreements concluded for 2025/3 includes 80 agreements signed at business exchange meetings.

Trends in Fees for Solutions



We have established a consultation system for customers via a variety of channels, including direct face-to-face at our six Loan Plazas, indirect face-to-face at our Direct Centers (call operations), and non-face-to-face on the web.

Trends in Balance of Personal Loans



KPIs (The 11th Medium-term Management Plan)

	2026/3 Target	2025/3 cumulative results	Achievement
Secured loans originated	5,400 cases	2,898 cases	53.6%
Unsecured loans originated	16,500 cases	10,154 cases	61.5%

Secured/Unsecured Loan Strategies

- Capture demand to buy a condominium in downtown Utsunomiya and Saitama (Saitama city and Koshigaya city)
- Catch information on redevelopment or the like from upstream municipal governments and developers and utilize it to acquire home loans in return for offering project funds
- Meet needs to move to rural areas, such as Nasu, as well as needs to live in two locations (i.e., provide funds for acquiring secondhand properties)
- Differentiate ourselves from internet banks by close support catering to each customer with the goals-based approach

Channel Strategies

Loan Plaza (Direct face-to-face)

Provide loan consultation service at Loan Plazas staffed by specialists

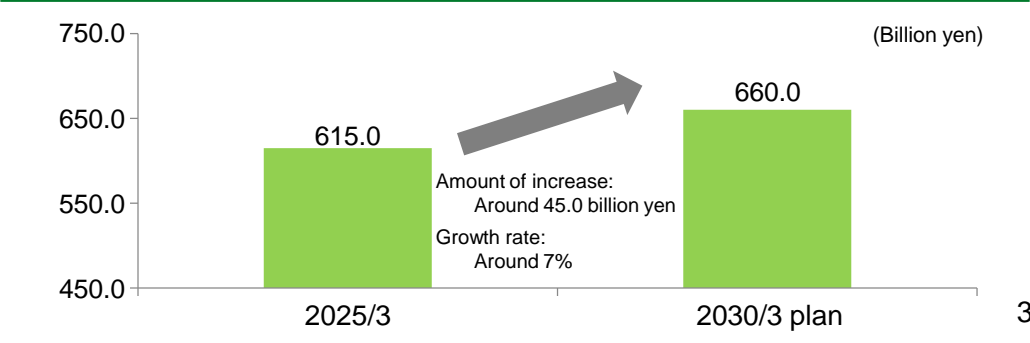
Direct Center (Indirect face-to-face)

- Utilize AI and data to identify customers with high potential needs, draw up a list, and conduct sales (telemarketing) based on the list
- Operate Direct Centers at two locations in Utsunomiya City and Koshigaya City

WEB (Non-face-to-face)

- Provide products to be transacted completely on the web for 24 hours a day and 365 days a year to support customers who are unable to visit our branches during bank business hours
- Offer various loan consultation services tailored to the life plan of each customer at the Tochigin SMART LOUNGE (on the Bank’s website)

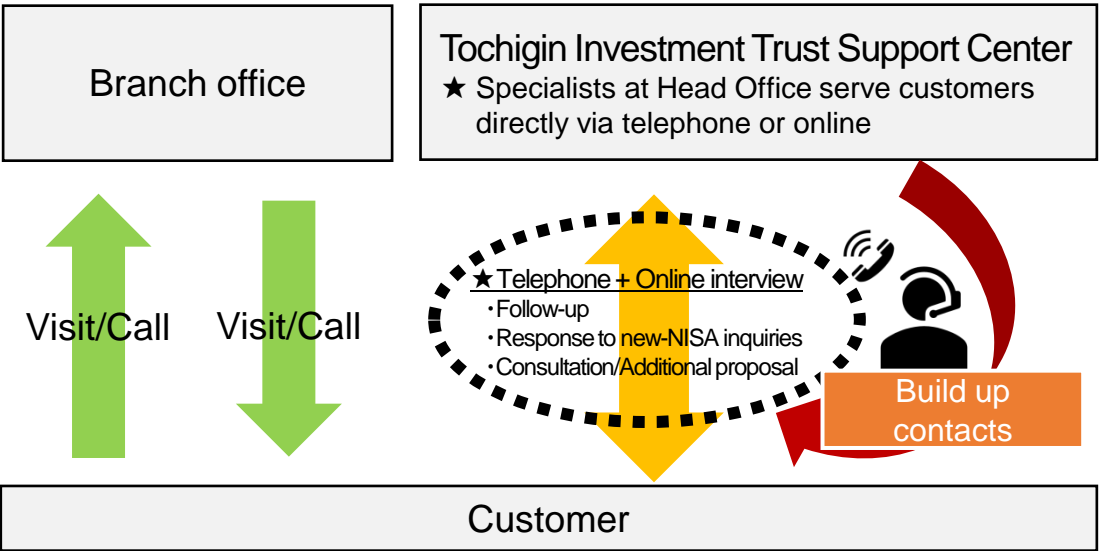
Plan for Secured Loan Balance



Individual Customer Strategy —Deposit assets—

The Bank will utilize sales channels and digital tools to provide consulting functions that closely align with each customer’s life plan, based on the goals-based approach.

Tochigin Investment Trust Support Center (opened in October 2024)



Enhance Proposal Capabilities by Consulting with Digital Tools

Tochigin Port Navi (Face-to-face)

Portfolio diagnosis and tailor-made proposals

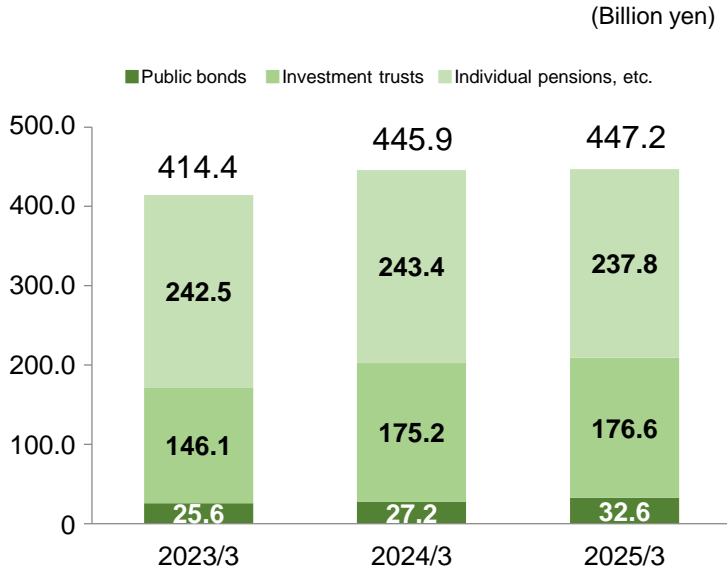


Life Plan Simulation (Non-face-to-face)

Simulation of life planning design on our website



Trends in Balance of Deposit Assets



KPIs (The 11th Medium-term Management Plan)

	11th MMP target	2025/3 results (cumulative)	Achievement
Balance of investment trusts	¥230.0 billion	¥176.6 billion	76.7%
Number of investment trust holders	70,900 cases	74,484 cases	105.0%
Number of NISA accounts	47,600 cases	38,892 cases	81.7%

Deposit Strategy

Returning to a so-called “world with interest rates,” the significance of deposit acquisition is increasing even further. The Bank aims to stably build up deposit balance through promoting the transition of individual/corporate customers’ bank accounts to their main accounts by enhancing the brand power, underpinned by its solid bases of operations.

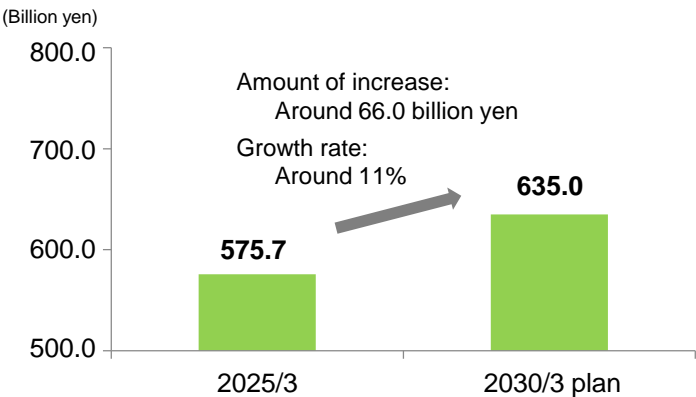
Corporate Deposit Strategy

- Increase the deposit share in line with loan share expansion (driven by expanding loans to local companies)
- Acquire major loan borrowers by meeting more fund demands brought from resolving issues
- Improve the convenience of the non-face-to-face channel, such as the corporate IB and the portal site
⇒ Leading to acquiring their main accounts (grippy bank accounts requiring users to keep a certain amount of balance, such as sales-deposit, funds-settlement, and payroll-payment accounts)

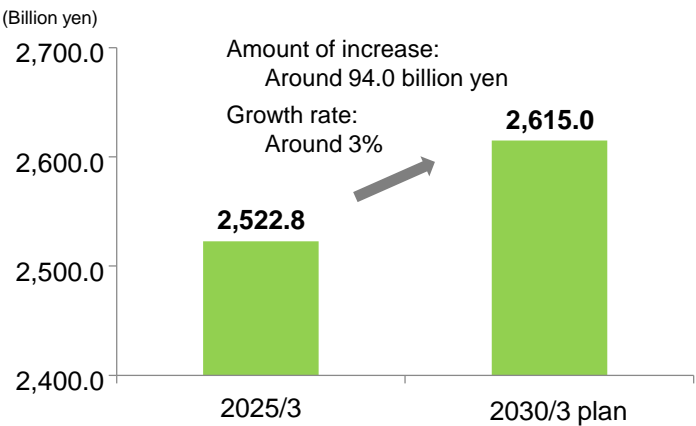
Personal Deposit Strategy

- Acquire deposits over broader areas by opening internet branches (scheduled to open in 2025/10)
- Promote the acquisition of time deposits (by using promotional products and products with preferential pension services)
- Expand transactions with corporate employees, focusing on employees of local SMEs
- Create an environment where users can carry out transactions easily and quickly at anytime from anywhere by improving the convenience of the non-face-to-face channel, such as the app
⇒ Leading to acquiring their main accounts (grippy bank accounts requiring users to keep a certain amount of balance, such as pension/payroll receiving accounts and accounts for home loans/tsumitate (saving) NISA)

Corporate Deposit Balance Plan



Personal Deposit Balance Plan

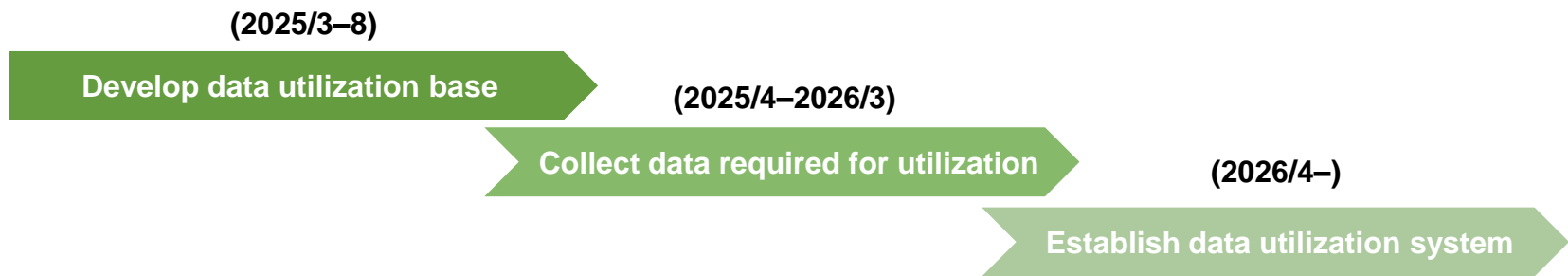


DX Strategy

—Start to construct data utilization base (data lake)—

We aim to create new values in the fields such as sales, planning, credit management, and risk management by constructing the data utilization base, organizing and integrating data held by our systems including the core system, and combining various data.

[Project schedule]



[Examples of themes to be addressed]

Fields/Items (Issues) to be enhanced	Product planning	■ Financial instruments reflecting customers' needs (loan products tailored to industry characteristics and personal life cycles)	
	Business administration	■ Persons in charge of sales / digital distribution (such as information on loans, asset management, loan borrowers by industry, and customers of new businesses)	
	Screening & rating risk management	■ Screening models (for loans) ■ Credit risk models	■ Monitoring by AI ■ Anti-money laundering
	Consulting	■ Asset management & Inheritance	■ Resolving issues such as sales channel matching

The data utilization base is now under construction, starting from the second half of the fiscal year ended March 31, 2025. We will conduct data linkage and proofs of concept (PoC) stepwise to further enhance themes to be addressed.

DX Strategy

—Service for corporate customers—

The Bank will build up contacts with customers digitally to provide new value-added services.

Tochigin BIZ Portal (corporate portal site) (scheduled to start the service in August 2025)

The online service desk for transactions and communication, in addition to offering a settlement function to Tochigin Business Direct (corporate IB) users

[Objective]

- To improve the convenience and productivity of customers by utilizing digital channels
- To improve operating efficiency by reducing clerical operations required for correspondence between employees and customers
- To resolve issues by collecting and analyzing data, such as the use status of the service

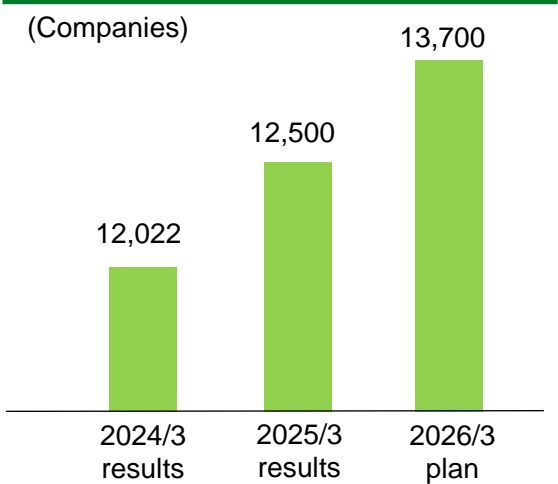
[Key functions to be implemented]

- (i) Basic functions of the corporate portal site
 - Account inquiry (with the Bank and the other banks)/Information provision
 - Notice distribution/Business chat

(ii) Service for providing information in electric format (sending/receiving documents electronically)

(iii) Application of overdrafts/Products to be transacted completely on the web

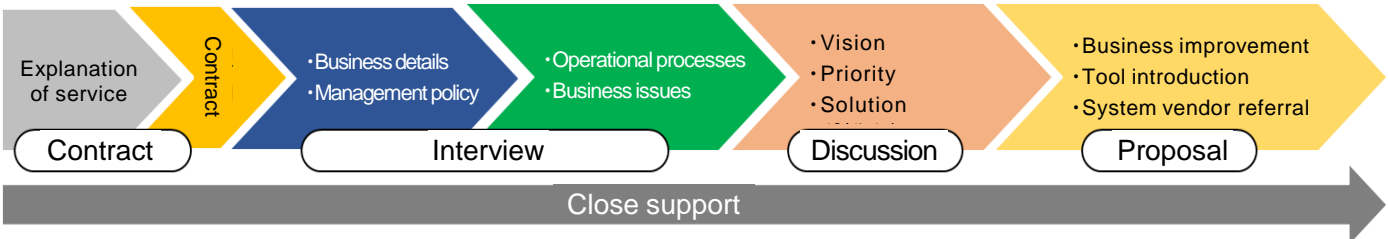
Number of Corporate IB Contracts



To further improve the convenience of our corporate IB customers, we distribute useful information via e-mail.

Tochigin Digitalization Planning Service (started the service in November 2024)

Visualize operational processes and identify issues based on interviews with customers
Provide business improvement proposals utilizing digital tools and a (fee-based) consulting service for referring system vendors



(Adopted as a Local DX Support Promotion Business by the Cabinet Office)

Number of contracts for consignment of operations from 2024/11 to 2025/3: 3 contracts

DX Strategy

—Service for individual customers—



The Bank will build up contacts with customers digitally to provide new value-added services.

Tochigin App

[Examples of currently available functions]

- Check of balance and deposit/withdrawal transaction details, and transactions such as transfer between own bank accounts; transfer to an account of other branches, other banks or other users; COTRA remittance; and time deposit
- Card loan transactions, investment trusts, opening NISA accounts, web account switching, and Pay-easy
- QR/Barcode settlement for tax payment forms and payment paper slips available at convenience stores, and the change of address/phone number
- Identification utilizing Japanese Public Key Infrastructure (JPKI), and alert upon deposit/withdrawal

[Functions to be added in or after 2025/10]

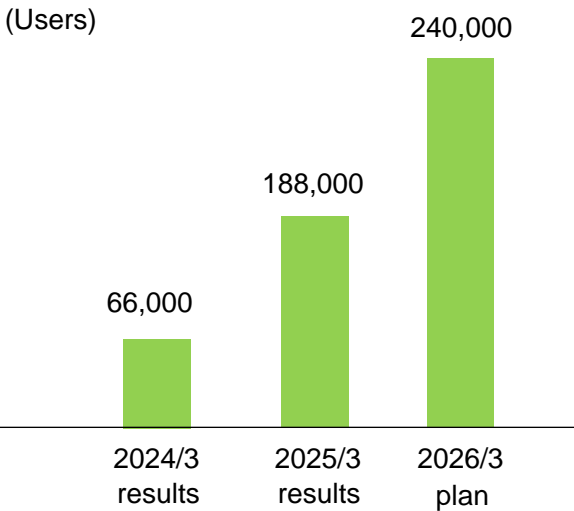
- Budgeting features, linkage to the other bank accounts, and a function of opening a savings account and applying for a JCB debit card at the same time

Tochigin SMART LOUNGE (VR website)

- Allow customers to readily access Tochigin in the digital space at any time from anywhere
- Offer services through intuitive VR operations, with customers' life events as a steppingstone
- Be scheduled to open internet branches in 2025/10
- Expand floors going forward and roll out services in fields including the B-to-C domain, such as ads and events featuring corporate customers



Number of Tochigin App Users



U25 mirai, the Service for the Young Generation

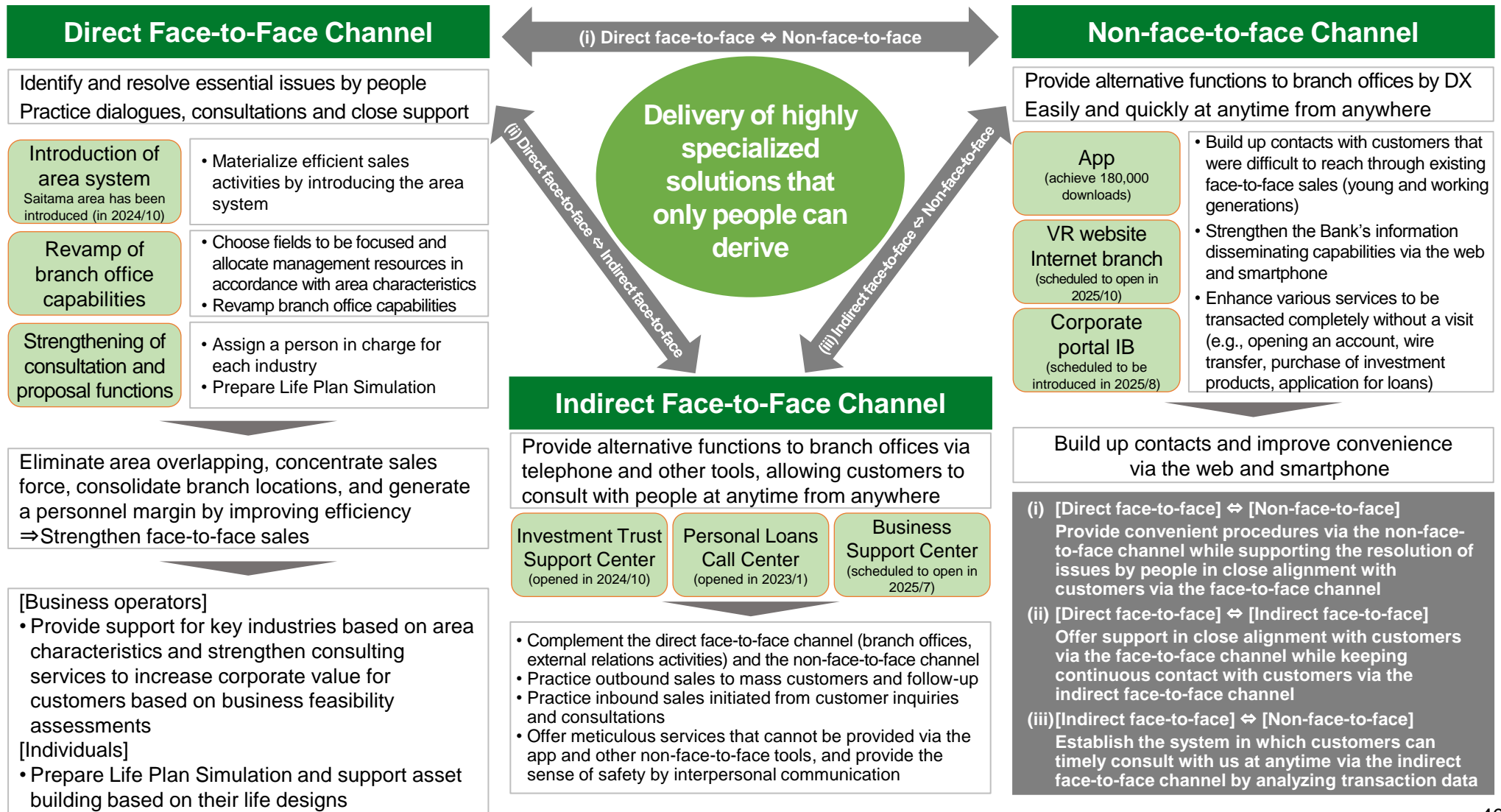
ATM preferential service aimed at 15–25 year-old users



[Rebranded]
Conducted PR distributions covering the digital-native generation on social media and at movie theaters
Number of enrollments as of 2025/3:
2,595 cases

Channel & Branch Office Strategy

The Bank will strengthen the sales system by pursuing the diversification of channels and branch office functions.



New Business Initiatives

—Clean Energy Solutions Co., Ltd.—

Clean Energy Solutions Co., Ltd., established in March 2023, is a company in the energy field that was launched into business based on an idea of our employee. Two years having passed since its establishment, the company’s operations lead to transactions with excellent local companies and public institutions.

Company Overview

Trade name	Clean Energy Solutions Co., Ltd.
Representative	Jun Otsuka, Representative Director
Location of the head office	Tochigin Building Annex, 1-3-20, Matsugamine, Utsunomiya city, Tochigi
Capital stock	50.00 million yen
Shareholders	THE TOCHIGI BANK, LTD. iGRID SOLUTIONS Inc.
Date of establishment	March 28, 2023
Main business	Supplying renewable energy generated by solar power

Establishment Purpose

The Bank established the company with the aim of contributing to sustainable development of regional communities. To achieve this aim, the company will make the most of renewable energies and put them into widespread use in the region to seek to decarbonize the region and enhance its resilience.

The Bank has developed the renewable energy business in itself and is supporting initiatives toward decarbonization of the regional communities and customer companies. As a result of this effort, the Bank will contribute to realizing a decarbonized society in and around Tochigi Prefecture and creating a virtuous cycle of the local economies in consideration of environmental and social issues, which the Bank pursues.

Results

Achievement of the number of contracted facilities and the contracted generation capacity for 2026/3 are expected to be 80% or more of the respective targets.

	2025/3 cumulative results	2026/3 target	Achievement
Number of contracted facilities	105	195	53.8%
Contracted generation capacity	26,650 kW	50,000 kW	53.3%
Number of operating facilities	58	159	36.4%
Operating generation capacity	12,572 kW	42,700 kW	29.4%
Reduction amount of CO ₂ emission (operation basis)	6,157 t	25,000 t	24.6%

*Scheduled to turn profitable by the fifth year since its establishment.

Topics

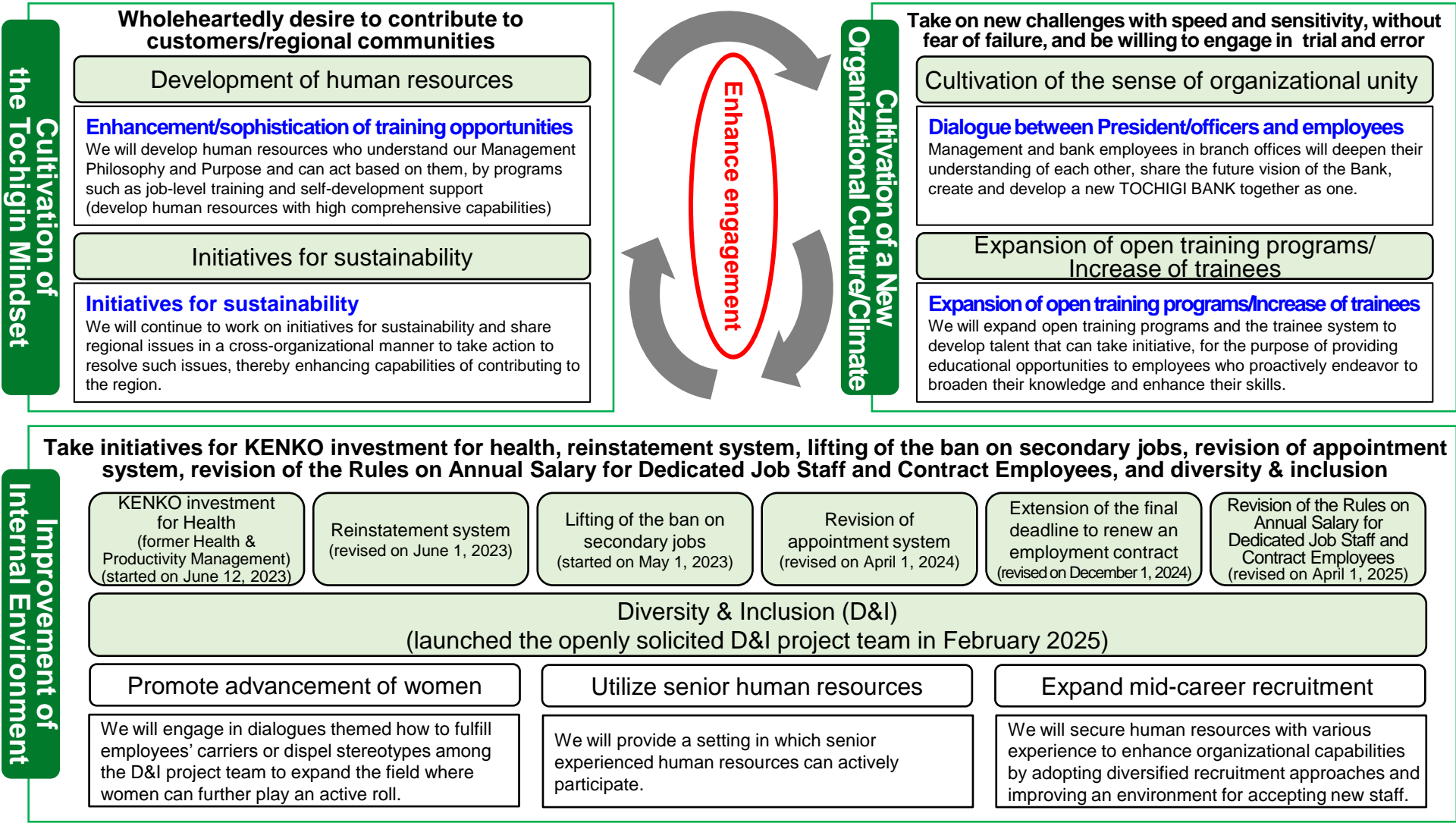
In March 2025, the company entered into the Memorandum of Understanding on Partnership Agreement for PPA Services with Nasunogahara Future Energy, Inc. (“NFE”), the regional power producer and supplier in Nasushiobara City.

Under the Agreement, NFE and Clean Energy Solutions Co., Ltd. will collaborate with each other. Note that NFE is the executing entity of the Nasunogahara Green Project committed by Nasushiobara city, which was chosen as a Decarbonization Leading Area.

The scheme under which the group company of a regional financial institution and a regional power producer and supplier cooperate with each other serves as a general-purpose model applicable countrywide to regions working on decarbonization.

Initiatives for Investment in Human Capital

The Bank will strive to enhance engagement through the improvement of the internal environment, the cultivation of the Tochigin mindset, and the cultivation of a new organizational culture/climate.



Initiatives for Investment in Human Capital

The Bank deems human resources, a driver to realize the provision of new value, as its capital. The Bank has been boosting investment in human capital.

Raise in Starting Wage and Wage Increase Ratio

	Raised in 2023/4	Raised in 2024/4	Raised in 2025/4
Starting wage	205,000 yen	220,000 yen	250,000 yen
Overall wage increase ratio	4.80%	3.21%	5.10%

*Overall wage increase ratio: Calculated based on the sum of base-pay increase and regular annual wage increase

Extension of the Final Deadline to Renew an Employment Contract

The final deadline to renew an employment contract after the retirement age of 60 has been extended from age 65 to 70 (applicable to all persons employed after the age of 60).

Revision of the Rules on Annual Salary for Dedicated Job Staff and Contract Employees

The revision was made with the aim of developing an environment where middle-aged and senior employees work actively and vigorously while retaining their motivation. This will allow them to fully demonstrate their abilities.

- For dedicated job staff: Allowance for duty was newly established.
- For contract employees: Allowance for contribution was newly established.

Increase in Training and Development Expenses

- Total investment increase over 3 years after April 2023: 370 million yen
- Annual training expenses per employee:
71,000 yen (2025/3) ⇒ 82,000 yen (2026/3)

Development of Specialized Human Resources

Corporate customer strategy	<ul style="list-style-type: none">• Consultant for special industries• Business succession/M&A consultants and other specialists
Individual customer strategy	<ul style="list-style-type: none">• Financial planner Talent that can encourage customers to share their troubles and help them resolve issues, aiming to bring their best benefit.
DX/IT strategy	<ul style="list-style-type: none">• Data scientist and IT strategist• ICT consultant and other specialists
New business strategy	<ul style="list-style-type: none">• Talent that can take initiative Talent that courageously involves itself in new things and changes and is capable of identifying issues and acting to resolve such issues.

Specialized Qualification KPIs

Qualification	2025/3	2026/3 target	Achievement
	Two years cumulative	Cumulative results for the final year	
1st-grade Certified Skilled Professional of Financial Planning	46 persons	55 persons	83%
IT Passport	144 persons	500 persons	28%
SME management consultants/ Management consultants	54 persons	60 persons	90%

Initiatives for Investment in Human Capital

—Human resources development—

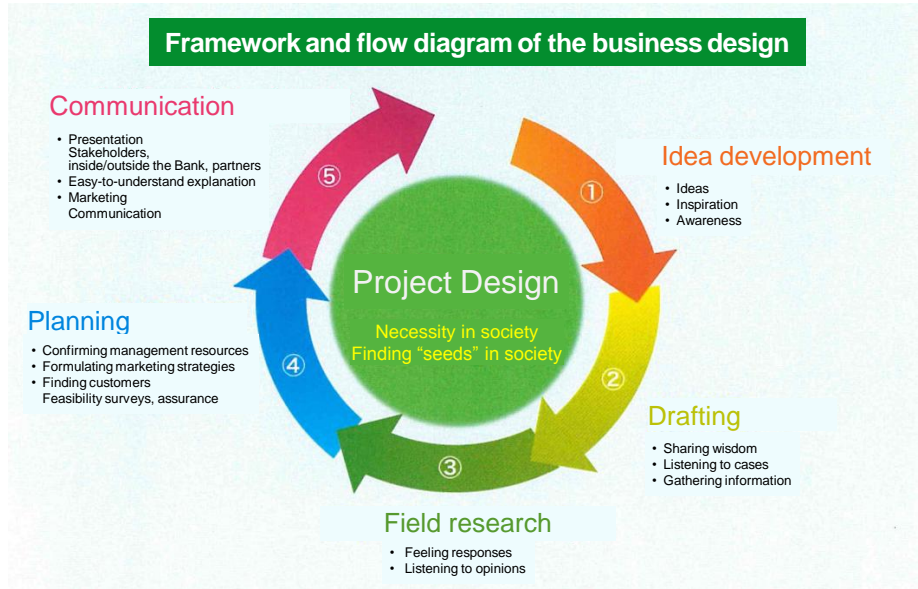
In the 11th Medium-term Management Plan, we have set the theme of “Realize the provision of new value” and aim to become a corporate group that co-creates a sustainable regional future. As an effort to realize this goal, we hold training sessions and other programs.

Sustainability New Business Project Research (2nd Period)

[Curriculum]

Commit to creating new businesses and services by thinking for participants themselves through the steps for business design, including idea development, business model formulation, marketing, and planning.

[Framework and flow diagram of the business design]



Instructor: The Graduate School of Project Design, Advanced Academic Agency
Term: November 2024–October 2025
Participants: Chosen individuals of various ages, positions, genders, and experience
[1st Period: Nine participants have completed the program in October 2024.]

Sustainability Training (In-house WS for second-year employees)

[Objective]

To voluntarily have an awareness of social responsibilities and public missions and hone comprehensive capabilities through social activities as an employee of a regional financial institution representing the Tochigi Prefecture. With this effort, we aim to realize sustainable regional communities to achieve SDGs together with regional residents, based on the Bank’s Management Philosophy of “contributing to the creation of prosperous regional community.”



(At the Bank’s training center on February 4, 2025)

Instructor: JMA Management Center Inc.
Shinsaku Yoshitomi, TOSAYAMA ACADEMY
Term: January 2025–March 2025
Participants: Second-year employees

Initiatives for Diversity, Equity & Inclusion

[1] Promotion of diversity

After the establishment of the Women Advancement Promotion Council in January 2015, we launched the Diversity & Inclusion (D&I) Project Team in February 2025. This project team engages in discussions from the perspective of women advancement and D&I to identify issues and brainstorm ideas for resolving such issues. With this initiative, we aim to build an organization where employees work at the Bank mutually respect other people’s personality and abilities and take full advantage of them.

Eruboshi



Platinum Kurumin



[2] Development of talent that can take initiative

This is an initiative to develop talent that can take initiative, that is, talent that courageously involves itself in new things and changes without fearing failure as well as that can take actions in tackling regional issues and problems within the organization.

[3] Initiatives for KENKO Investment for Health (former Health and Productivity Management)

- We established “Health and Productivity Management Declaration” in June 2023.
- (i) Production and distribution of the Health Support Book
 - (ii) Issuance of smoking prohibition on all floors and support of smoke cessation
 - (iii) Enhancement of mental health care framework
 - (iv) Exhortation of specific health guidance
 - (v) Encouragement of taking paid leave

Recognized as “the 2025 Outstanding Organizations of KENKO Investment for Health”

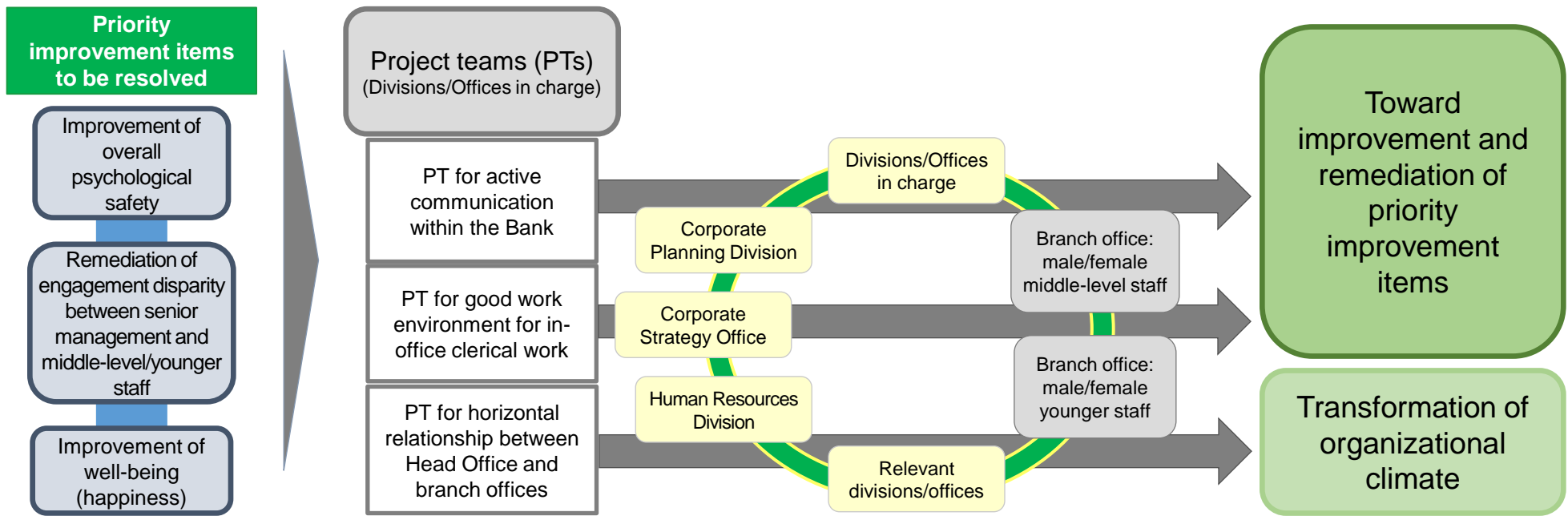


Targets and Results related to diversity and development of workplace environment

Targets set and results to be disclosed	2024/3	2025/3	Target value
	Results	Results	
Percentage of female employees in managerial positions (%) (deputy branch general manager level or higher)	14.1%	16.4%	16% or higher by the end of 2026/3
Percentage of female employees in managerial positions (%) (assistant manager level or higher)	3.1%	4.7%	13% or higher by the end of 2030/3
Percentage of male employees taking childcare leave (%)	125.0%	93.8%	90% or higher by the end of 2026/3
Wage gap between male and female employees (%)			
	All employees	49.3%	50.3%
	Regular employees	59.5%	61.7%
	Non-regular employees	68.5%	53.1%
Percentage of regular employees entered through mid-career recruitment (%)	8%	19%	10% or higher by the end of 2025/3
Percentage of employees with disabilities (%)	2.83%	2.60%	2.7% or higher by the end of 2026/3
Percentage of paid leave taken (%)	49.9%	53.8%	70% or higher by the end of 2028/3

Initiatives to Improve Engagement

We will improve our productivity and performance and transform our organizational culture/climate. To such ends, we have conducted the engagement survey among all bank employees, identified current issues related to their work and work environment, and have been improving these issues.



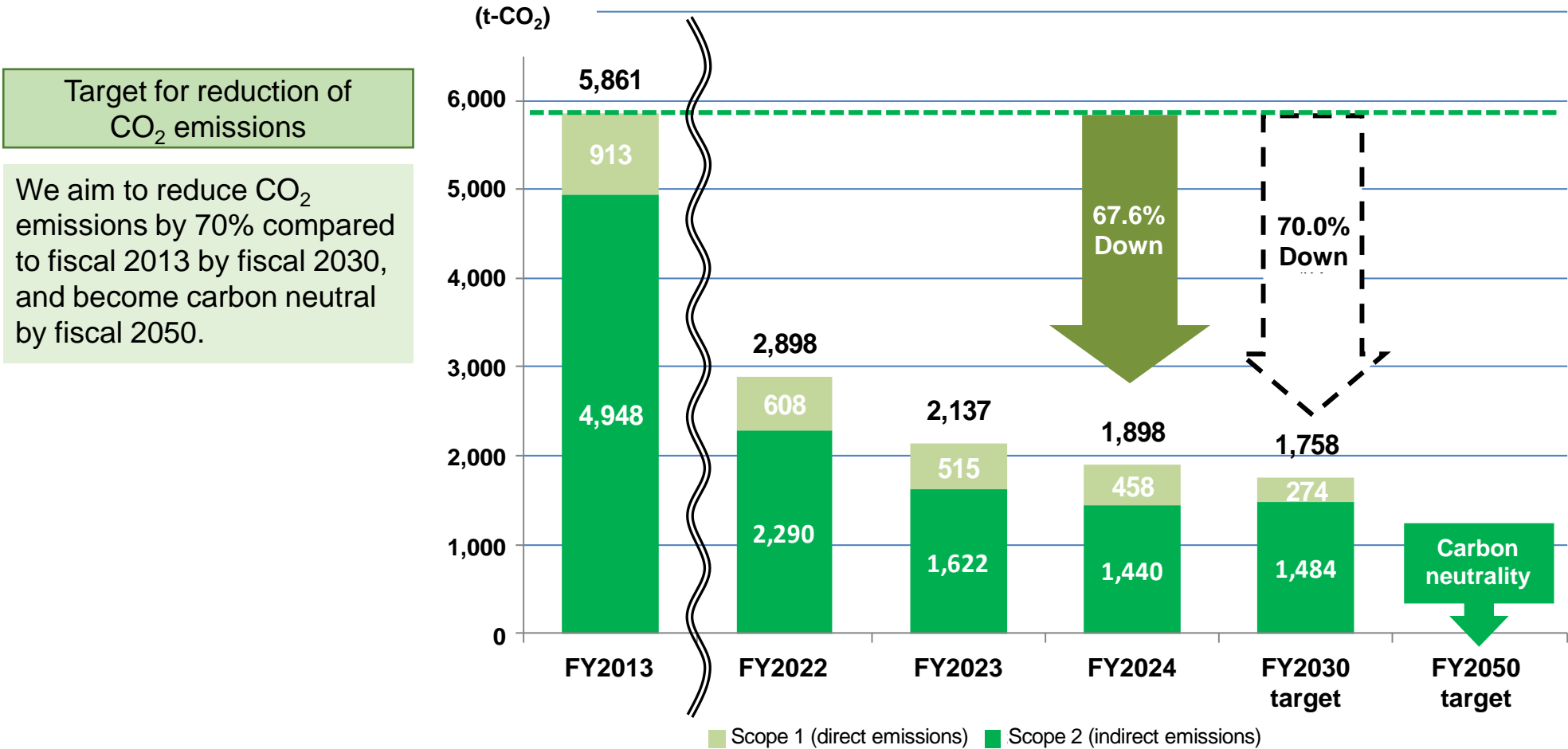
Disclosed indicator	Description	FY2024 result	FY2025 target
Work engagement	An indicator for measuring the degrees of vigor, dedication, and absorption to work	3.20	3.60

* Investigation method: A three-item version of the Utrecht Work Engagement Scale, a global standard scale (We evaluated vigor, dedication, and absorption using the options of “0: Never” to “6: Always, Every day,” and calculated the average value thereof.)

Initiative for Climate Change —TCFD—



To tackle environmental issues such as climate change, which the Group recognizes as its significant challenges, the Group announced its endorsement of the Task Force on Climate-related Disclosures (TCFD) recommendations in December 2021 and are now working to improve its information disclosure.



«Scope 3 Emissions by Category»

The Bank’s Scope 3 emissions consist mostly of emissions under Category 15 (greenhouse gas emissions by investees and loan recipients, also known as financed emissions). We are working to increase the precision of calculation under the recognition that this category is a significant indicator for managing climate change risks.

(t-CO₂)

Categories		FY2024
Category 1	(Purchased goods and services)	4,126
Category 2	(Capital goods)	2,100
Category 3	(Fuel- and energy-related activities not included in Scopes 1 and 2)	258
Category 4	(Upstream transportation and distribution)	360
Category 5	(Waste generated in operations)	12
Category 6	(Business travel)	33
Category 7	(Employee commuting)	1,921
Categories 8 to 14		—
Category 15	(Investments)	3,606,247

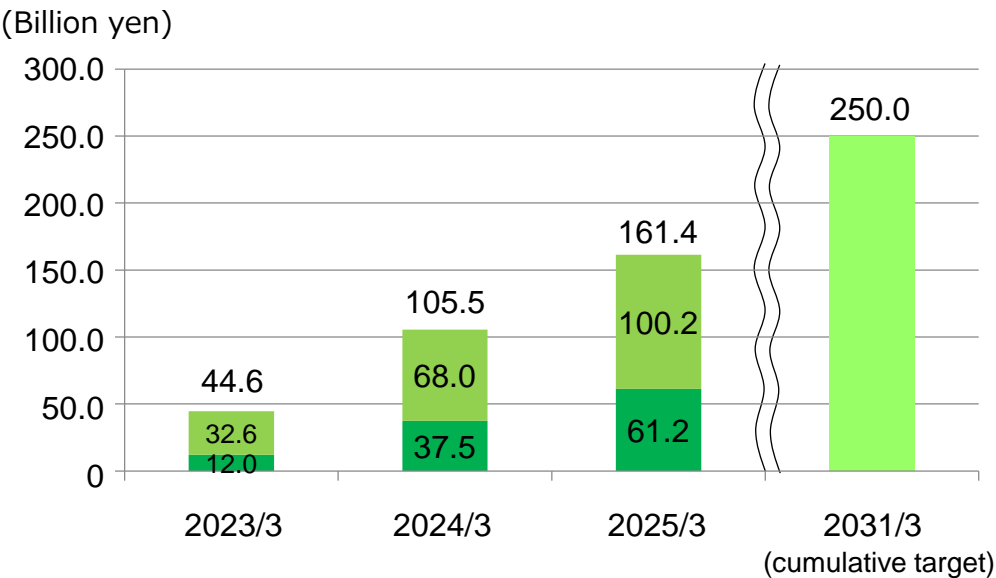
* Scope 3 figures are non-consolidated, for Tochigi Bank alone.
* The Ministry of the Environment’s Emission Intensity Database Ver. 3.4 for Calculating Greenhouse Gas Emissions of Organizations through the Supply Chain was used in calculating figures for categories 1 through 7.
* Category 3 figure is for electricity only.
* Category 15 figure was calculated by multiplying the greenhouse gas emissions volume of our transaction partners by the ratio of our own credit amount to total borrowings from banks.

[Breakdown of emissions under Category 15 (Investments)]

	Industry	Carbon intensity (t-CO ₂ /million yen)	Emissions (t-CO ₂)
Energy	Oil and gas	15.27	62,512
	Electric utilities	29.08	98,118
Transportation	Air transportation	12.14	478
	Maritime transportation	13.30	110
	Rail/Road transportation	9.53	602,711
	Automobiles and components	4.72	48,138
Materials and buildings	Metals and mining	6.11	317,125
	Chemicals	10.68	47,303
	Construction materials and capital goods	4.42	870,955
	Real estate management and development	1.11	54,635
Agriculture, food, and forest products	Agriculture	3.53	22,345
	Beverages and foods	5.42	141,705
	Paper and forest products	4.16	19,933
Other		2.18	1,320,178
Total			3,606,247

Initiatives for Sustainable Finance

To support our customers in their efforts to address social and environmental issues, the Bank has positioned the following financing activities as ESG/SDGs financing, and are working to strengthen this initiative.



Social sector

- Lending to eligible sectors (healthcare, welfare, public health and sanitation, and agriculture sectors)
- Financing for other evaluations of initiatives by eligible companies (charitable private placement bonds and start-up support financing)

Environmental sector

- Lending to eligible businesses (renewable energy businesses and introduction of/upgrading to energy-saving equipment)
- Other financing (lending for value chain decarbonization lending promotion interest subsidy programs, etc.)

(Billion yen)	2023/3		2024/3		2025/3		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Sustainable finance (Note)	11	9.4	19	12.9	15	17.4	45	39.8
of which, sustainability-linked loan	3	2.0	10	6.1	6	6.0	19	14.1
of which, green loan	4	4.8	2	0.6	3	4.9	9	10.3

(Note) Lending that the Bank deems compatible with or coherent to the relevant principles, such as the Green Loan Principles



TOCHIGI BANK

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