TOCHIGI BANK

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Financial Results Presentation

for the Fiscal Year Ended March 31, 2026

(May 27, 2026)

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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TOCHIGIN TOCHIGI BANK

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Overview of Financial Results for the Fiscal Year Ended March 31, 2026

Overview of Financial Results

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(Billion yen)

Non-consolidated	2025/3	2026/3	Change	% Change
Gross operating profit	(1.3)	31.7	33.1	–
Net interest income	24.7	28.8	4.1	16.9%
Net interest income (excluding gains (losses) from cancellation of investment trusts)	24.9	28.6	3.7	15.0%
Fees and commissions income	4.8	5.1	0.3	6.4%
Other operating income	(30.9)	(2.3)	28.6	–
Expenses	21.4	24.0	2.6	12.0%
Substantial net business profit	(22.8)	7.7	30.5	–
Core net business profit	8.2	9.9	1.6	20.3%
Core net business profit (excluding gains (losses) from cancellation of investment trusts)	8.4	9.7	1.3	14.7%
Provision of general allowance for loan losses (1)	(1.7)	(0.1)	1.5	–
Net business profit	(21.1)	7.8	28.9	–
Gains (losses) on sale of bonds	(31.1)	(2.2)	28.8	–
Unusual profits and losses	(2.9)	0.9	3.9	–
Non-performing loan disposal (2)	3.2	2.4	(0.8)	(24.8%)
Gains (losses) related to equity securities	(2.2)	0.7	2.9	–
Ordinary profit	(24.0)	8.8	32.8	–
Profit	(22.4)	8.0	30.4	–

Costs for loans written-off (1) + (2)	1.5	2.2	0.7	51.0%
Gains (losses) on sale of securities (including gains (losses) from cancellation of investment trusts)	(33.6)	(1.3)	32.3	–

* Gains (losses) on sale of securities = Gains (losses) on sale of bonds + Gains (losses) related to equity securities + Gains (losses) from cancellation of investment trusts

(Billion yen)

Consolidated	2025/3	2026/3	Change	% Change
Ordinary profit	(23.6)	10.0	33.6	–
Profit attributable to owners of parent	(22.3)	8.2	30.5	–
Capital adequacy ratio	10.10%	9.91%	(0.19 pt)	–
ROE (on a net assets basis)	(14.80%)	5.26%	20.06pt	–

Main Points on Non-consolidated Financial Results

The securities portfolio has improved due to significant losses on sale of securities in the fiscal year ended March 31, 2025, enhancing our profitability and risk endurance. We achieved an increase in profit by promoting support for our main business with a focus on loans.
In addition, the fiscal year under review marked the final year of the 11th Medium-term Management Plan, and we achieved the earnings targets set forth in the plan.

● Losses on sale of securities decreased

Profit increased due to the absence of large losses on sale of securities.

* Fiscal year ended March 31, 2025
We substantially disposed of low-yield government bonds and foreign bond funds carrying valuation losses and recorded significant losses on sale of securities (implemented for the purpose of portfolio restructuring in light of domestic and overseas interest rate trends).

=> As a result, our risk-taking capacity improved.

● Net interest income increased

The earnings structure improved through the substantial disposal and replacement of securities.

- Increased the balance of loans and bills discounted through enhanced risk-taking capacity
- Improved yields through the replacement of securities
- Rising interest rates also provided tailwinds

Increased net interest income

● Profits related to our main business increased

In addition to the increase in net interest income, fees and commissions income from the provision of diverse solutions and other services also increased, resulting in higher core net business profit.

Main Point on Consolidated Financial Results

Ordinary profit and profit attributable to owners of parent increased, primarily due to the same reasons as in the non-consolidated financial results.

● ROE improved

Capital efficiency improved due to enhanced profitability.

Net Interest Income, Fees and Commissions Income, and Core Net Business Profit

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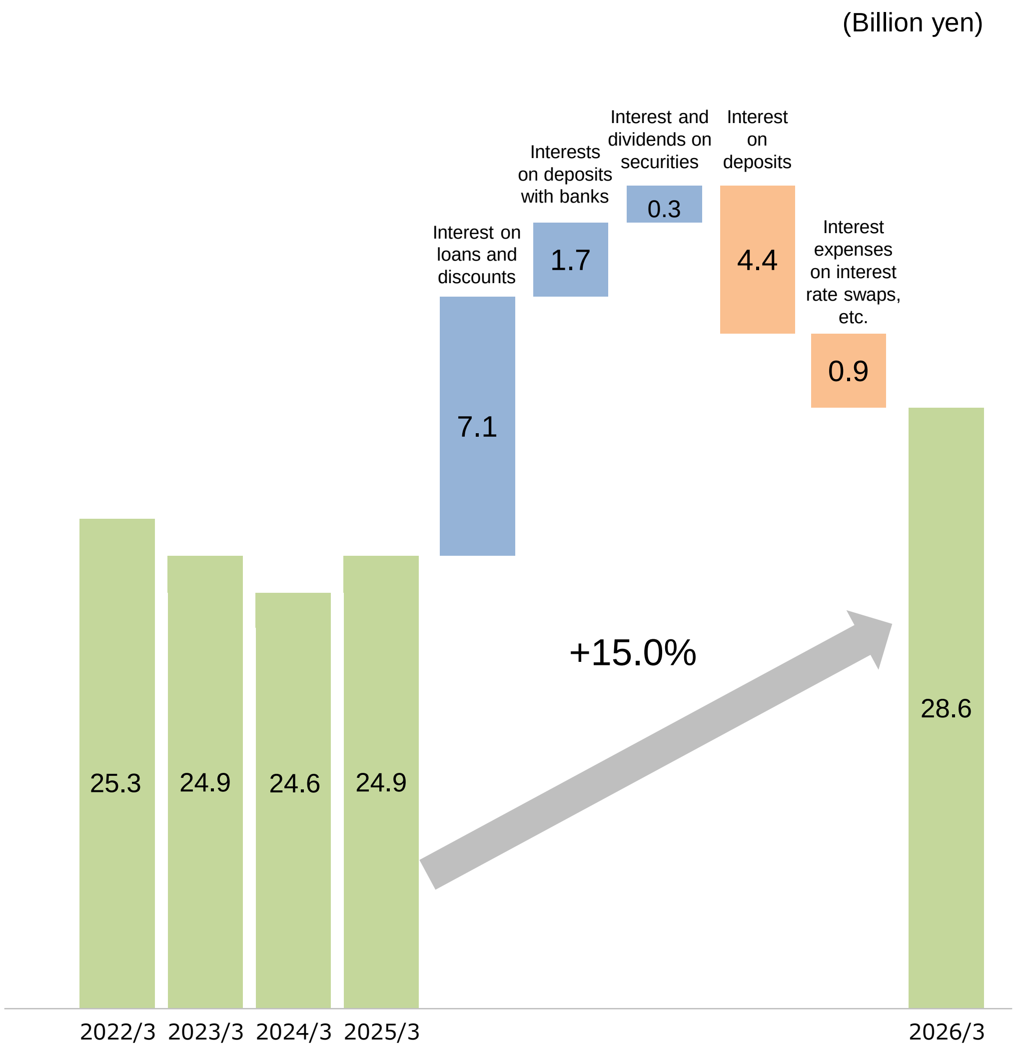
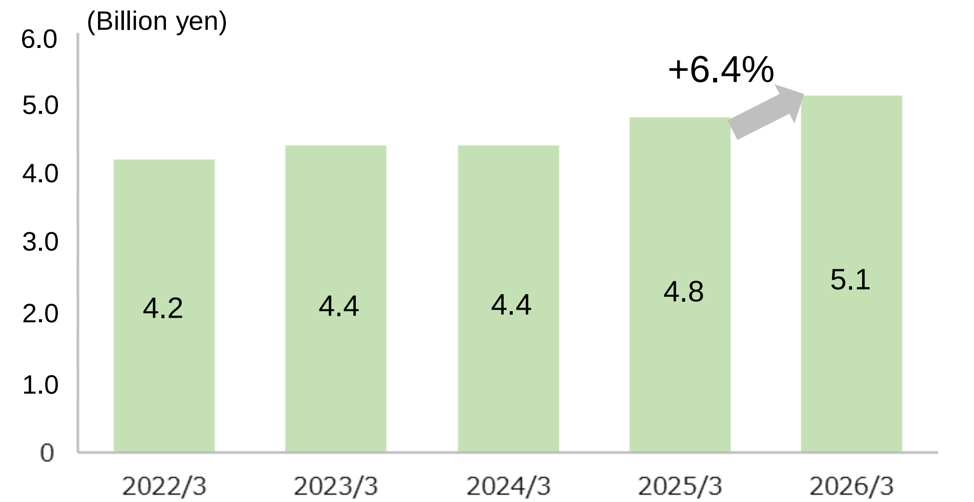
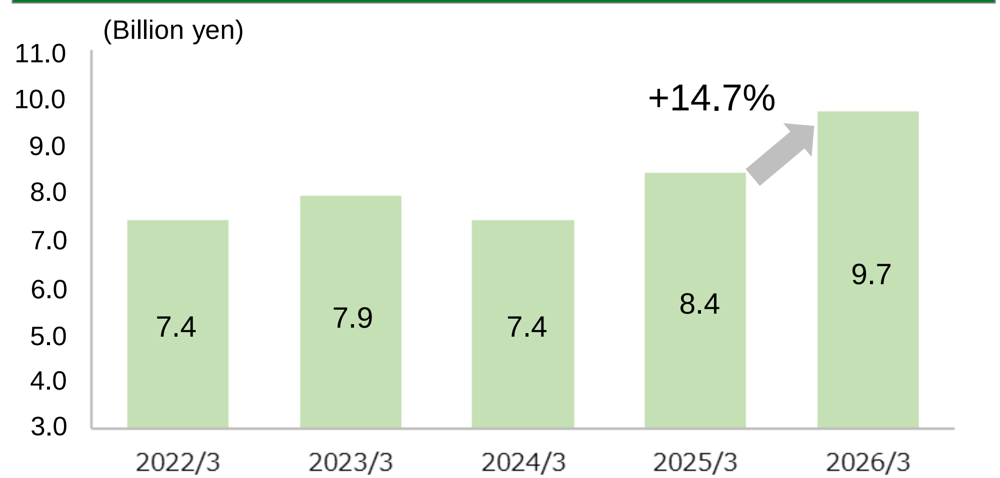
Reasons for Changes in Net Interest Income (Excluding Gains (Losses) from Cancellation of Investment Trusts)



Fees and Commissions Income



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



Trends in Yields

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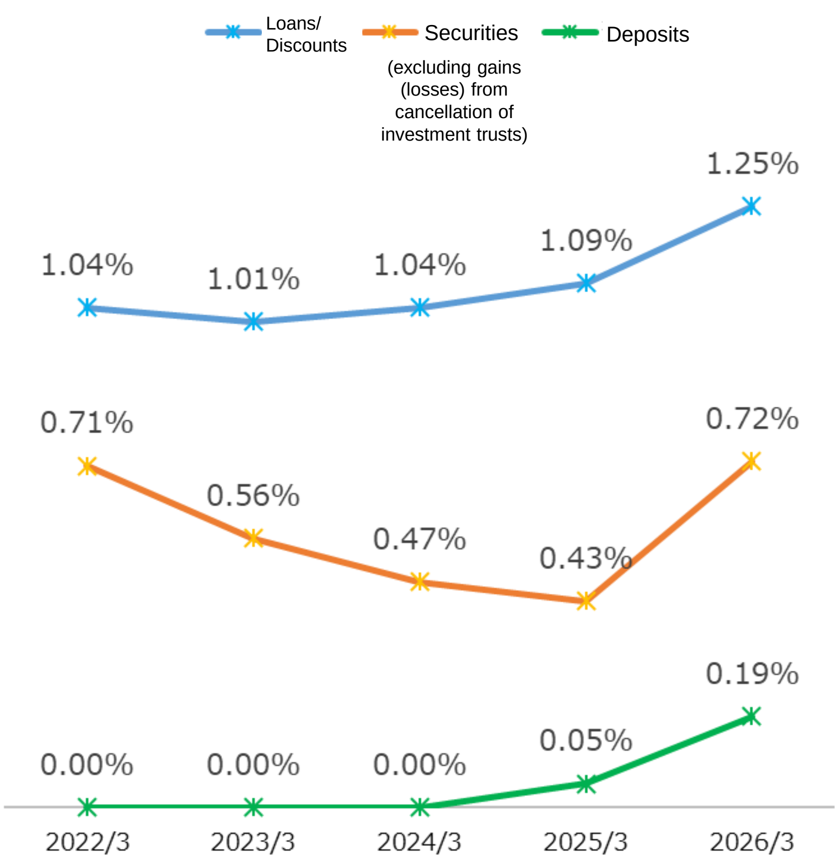
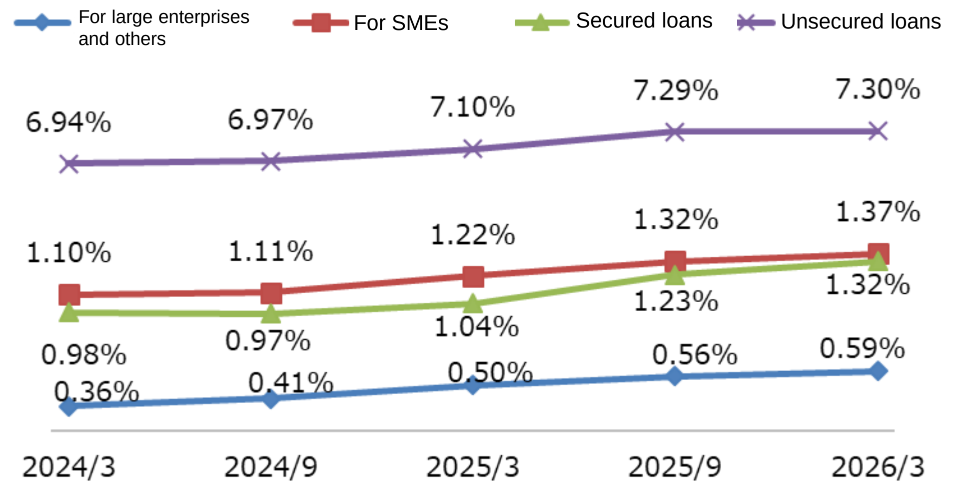
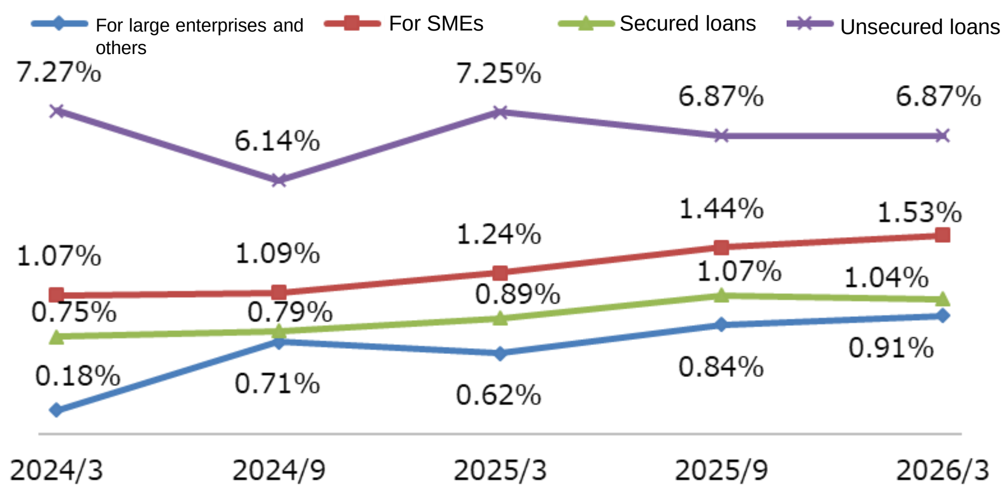
Trends in Yields on Loans/Discounts, Deposits, and Securities



Trends in Yields on Loans by Sector



Trends in Interest Rates on Newly Originated Loans



Balance of Deposits and Loans and Bills Discounted

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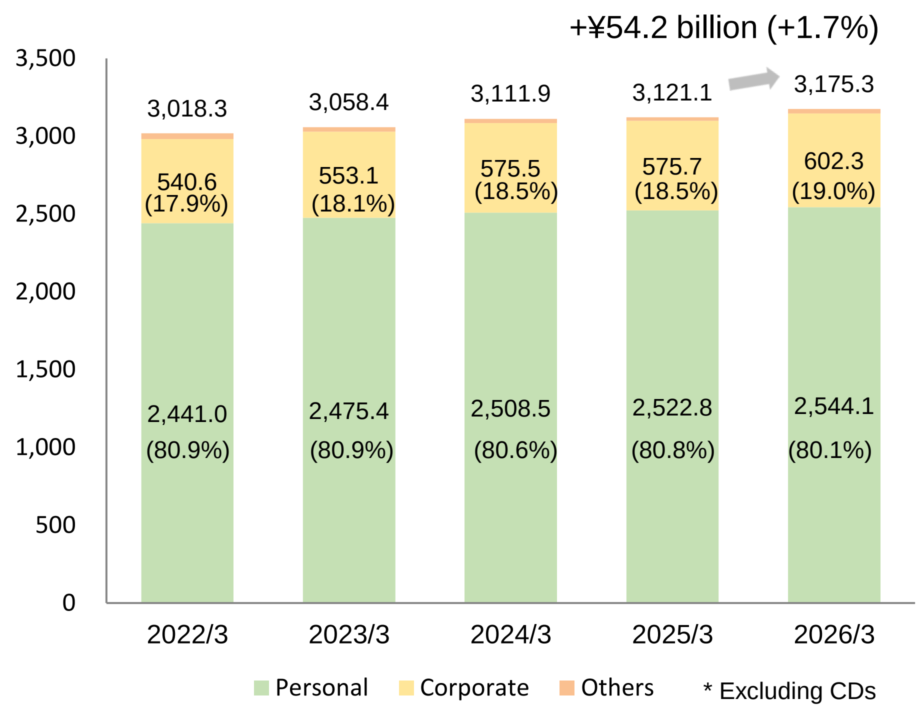
Trends in Balance of Deposits

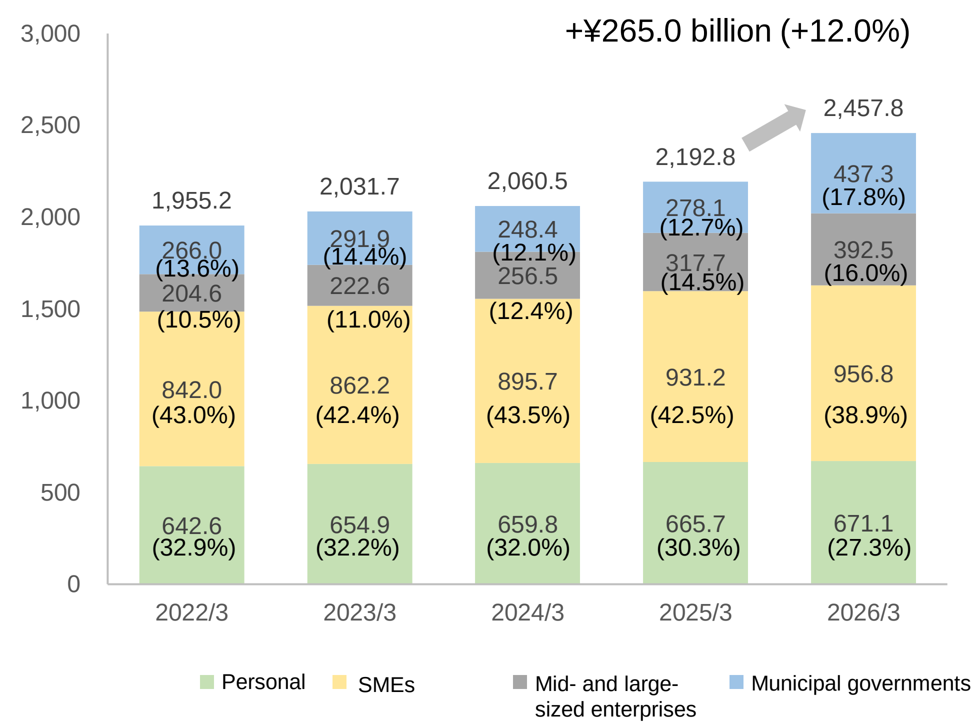
(Billion yen) Note: ( ) indicates the percentage of total deposits.



(%)	2024/3	2025/3	**2026/3**	Change from 2025/3 (points)
Loans-to-deposit ratio	66.2	70.2	**77.4**	+7.2

Trends in Balance of Loans and Bills Discounted

(Billion yen) Note: ( ) indicates the percentage of total loans and bills discounted.



Securities

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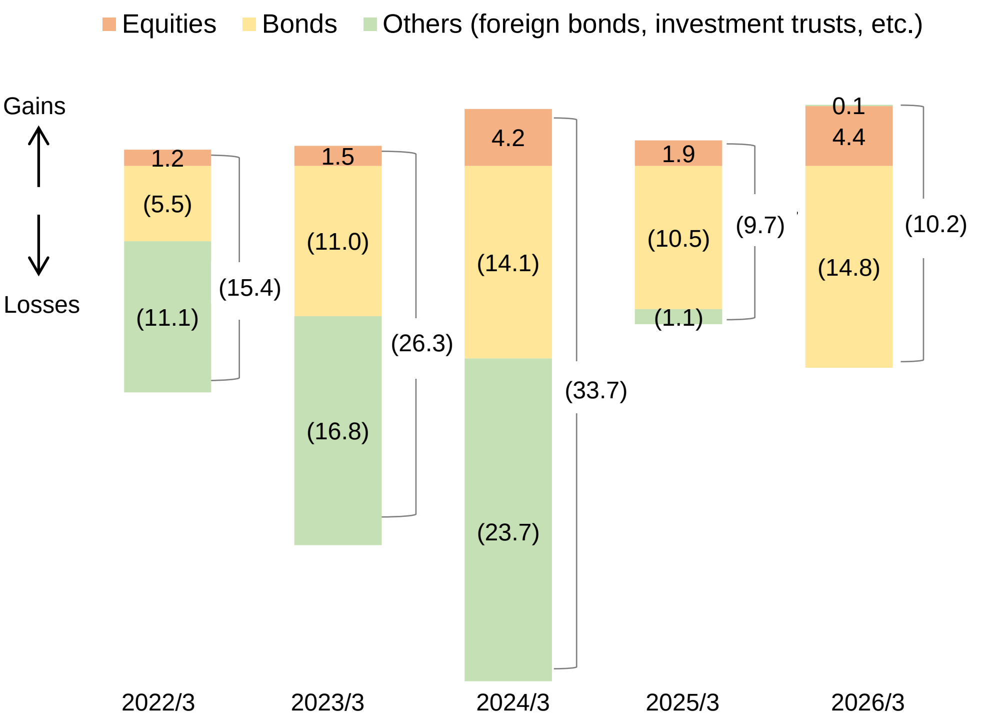
Valuation Gains and Losses on Securities

(Billion yen)



* As of March 31, 2025: There is a valuation gain of ¥1.6 billion on interest rate swaps separately recorded.
As of March 31, 2026: There is a valuation gain of ¥5.4 billion on interest rate swaps separately recorded.

(Billion yen)	2024/3	2025/3	**2026/3**	Change from 2025/3
Valuation gains and losses of other marketable securities including valuation gains on interest rate swaps	(33.7)	(8.1)	**(4.8)**	3.3

Balance of Securities

(Billion yen)	2024/3	2025/3	**2026/3**	Change from 2025/3	% Change from 2025/3
Total securities	609.4	376.3	**423.2**	46.9	12.4%
Equities	14.6	11.8	**13.8**	2.0	16.9%
Bonds	330.1	325.0	**380.6**	55.6	17.1%
Others (foreign bond investment trusts, etc.)	264.6	39.4	**28.7**	(10.7)	(27.1%)

	2024/3	2025/3	**2026/3**
Yen bond duration	7.07 yrs.	3.2 yrs.	**2.0 yrs.**
Yields	0.47%	0.43%	**0.72%**

* Excluding bonds subject to interest rate swap hedges

* Excluding gains (losses) from cancellation of investment trusts

(%)	2024/3	2025/3	**2026/3**	Change from 2025/3 (points)
Securities-to-deposit ratio	19.5	12.0	**13.3**	+1.3

Equity Capital and Expenses

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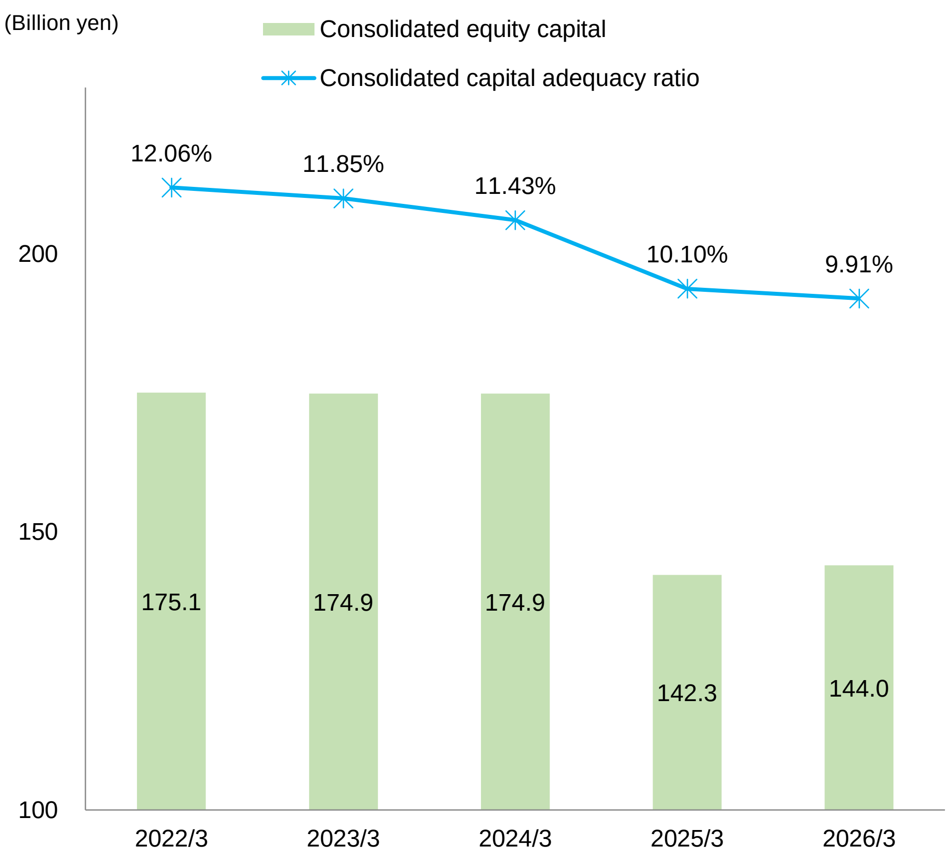
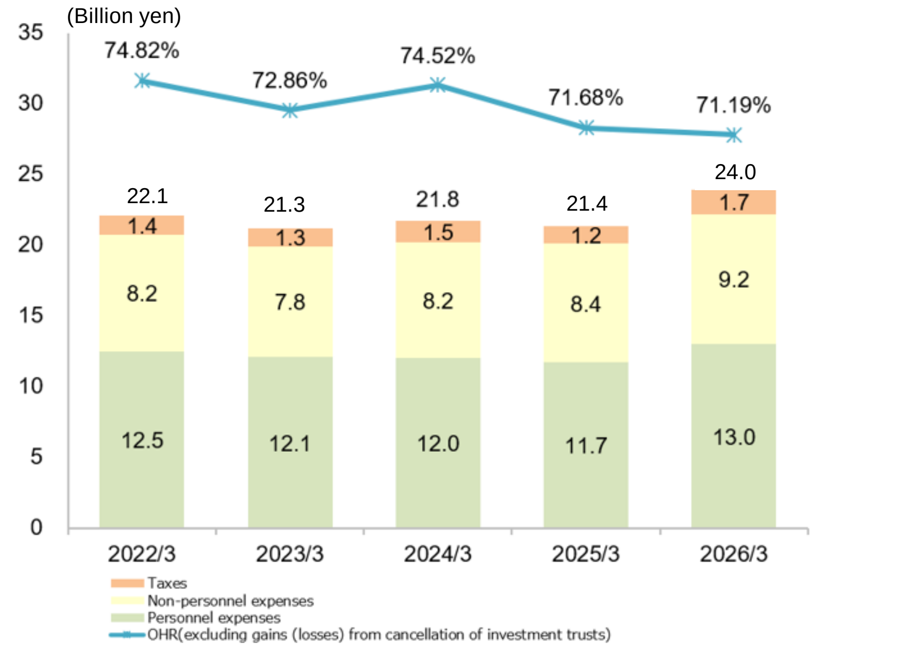
Trends in Equity Capital and Capital Adequacy Ratio



Note: From the fiscal year ended March 31, 2025, we have applied the finalized Basel III standards.

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)

(Billion yen)	2025/3	**2026/3**	Change	% Change
Total expenses	21.4	**24.0**	2.6	12.0%
Personnel expenses	11.7	**13.0**	1.3	11.4%
Non-personnel expenses	8.4	**9.2**	0.8	9.5%
Taxes	1.2	**1.7**	0.5	33.7%

Reasons for Changes in Expenses
- Personnel expenses: Increased by ¥1.3 billion from the previous fiscal year due to human capital investments, including base-pay increases, partial revisions to the remuneration plan, and human resource development initiatives.
- Non-personnel expenses: Increased by ¥0.8 billion from the previous fiscal year due to the construction of new branch buildings (including the Koshigaya Branch and three other branches)
- Although expenses increased, the OHR improved by 0.49 percentage points from the previous fiscal year due to an increase in gross operating profit

Loans Based on the Banking Act and Financial Reconstruction Act

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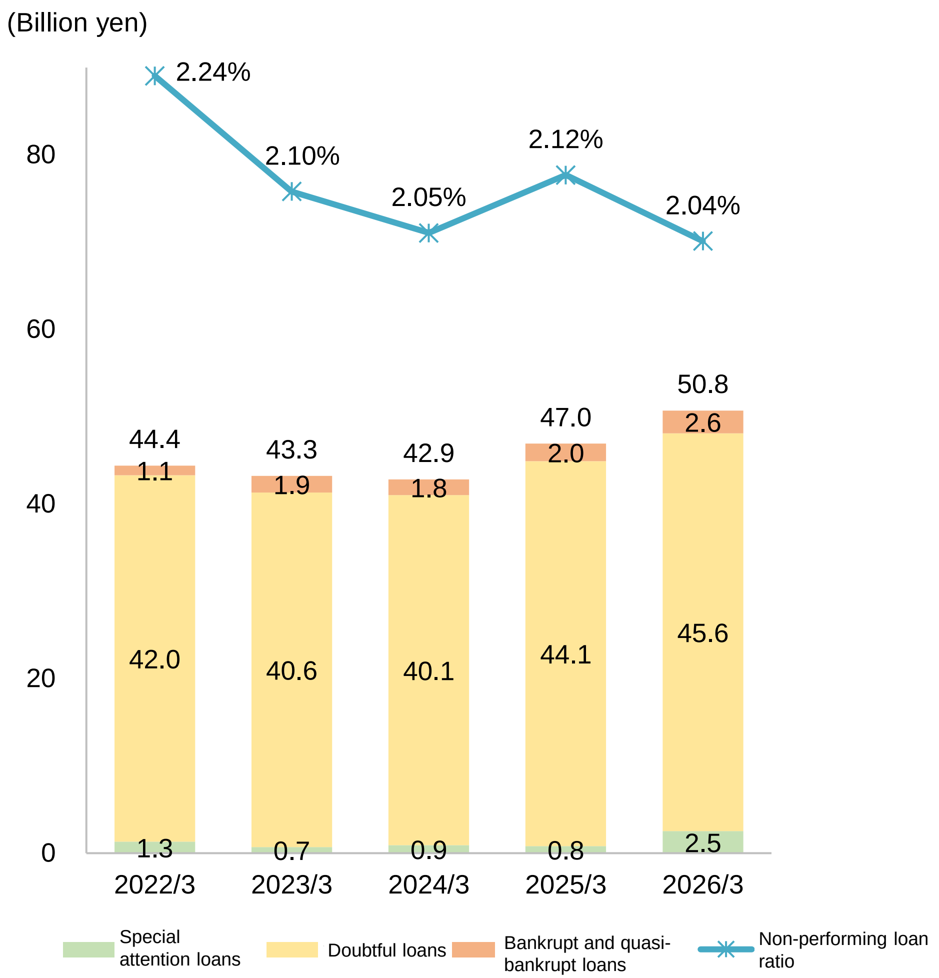
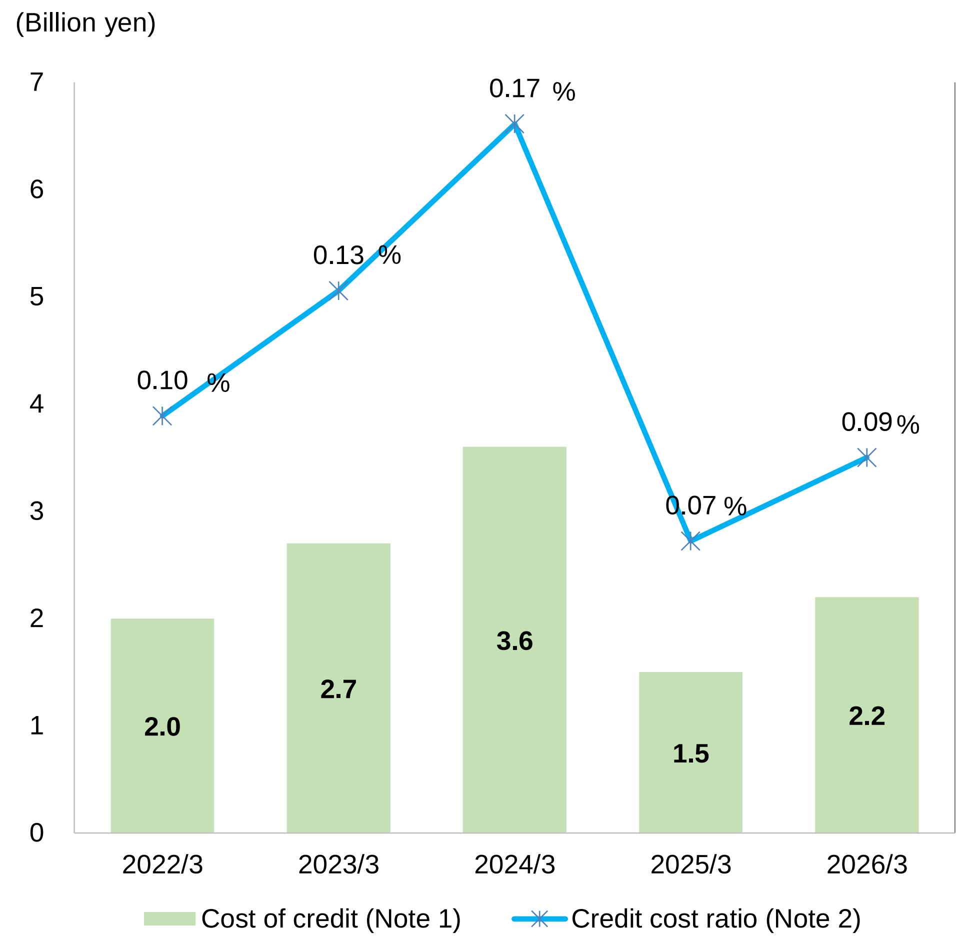
Loans Based on the Banking Act and Financial Reconstruction Act



Cost of Credit and Credit Cost Ratio



(Note 1) Cost of credit = Costs for loans written-off
(Note 2) Credit cost ratio = Cost of credit ÷ Average loan balance

Financial Results Forecast

TOCHIGI BANK

(Billion yen)

Non-consolidated	2026/3	2027/3	Change	% Change
Gross operating profit	31.7	35.1	3.4	10.7%
Net interest income	28.8	31.6	2.8	9.7%
Net interest income (excluding gains (losses) from cancellation of investment trusts)	28.6	31.6	3.0	10.5%
Fees and commissions income	5.1	4.8	(0.3)	(6.1%)
Other operating income	(2.3)	(1.4)	0.9	–
Expenses	24.0	25.4	1.4	5.9%
Substantial net business profit	7.7	9.6	1.9	25.6%
Core net business profit	9.9	11.0	1.1	11.2%
Core net business profit (excluding gains (losses) from cancellation of investment trusts)	9.7	11.0	1.3	13.7%
Net business profit	7.8	9.6	1.8	23.0%
Gains (losses) on sale of bonds	(2.2)	(1.4)	0.8	–
Unusual profits and losses	0.9	0.4	(0.5)	(50.2%)
Gains (losses) related to equity securities	0.7	–	(0.7)	–
Ordinary profit	8.8	10.1	1.3	14.1%
Profit	8.0	8.7	0.7	8.5%

Costs for loans written-off	2.2	2.9	0.7	26.6%
Gains (losses) on sale of securities (including gains (losses) from cancellation of investment trusts)	(1.3)	(1.4)	(0.1)	–

* Gains (losses) on sale of securities = Gains (losses) on sale of bonds + Gains (losses) related to equity securities + Gains (losses) from cancellation of investment trusts

(Billion yen)

Consolidated	2026/3	2027/3	Change	% Change
Ordinary profit	10.0	10.8	0.8	7.8%
Profit attributable to owners of parent	8.2	9.0	0.8	8.6%
Capital adequacy ratio	9.91%	9% level	–	–
ROE (on a net assets basis)	5.26%	5% level	–	–

Main Points of Non-consolidated Forecast

Although we expect an increase in interest on deposits and higher costs associated with the construction of the new head office building and other factors, profit is expected to increase due to higher net interest income driven by the accumulation of loans to individuals and SMEs.

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

We expect net interest income to increase through initiatives such as loans to individuals and SMEs, resulting in increases in core net business profit and profit.

- Considering uncertainties surrounding the situation in the Middle East

Given the uncertain outlook for the situation in the Middle East, we increased the budget for costs for loans written-off in anticipation of prolonged impacts such as material shortages and rising energy prices, and to prepare for unforeseen bankruptcies and other events.

- Continuously reviewing and replacing the securities portfolio

The securities portfolio has improved due to significant losses on sale of securities recorded in the fiscal year ended March 31, 2025. Although the duration of the securities held has been shortened, we have budgeted gains/losses on sale of securities at the same level as in the fiscal year ended March 31, 2026, so that we can continue to replace and restructure the portfolio in the fiscal year ending March 31, 2027, taking into account future interest rate outlooks and other factors.

Main Point of Consolidated Forecast

Mainly for the same reasons as in the non-consolidated forecast, we forecast an increase in ordinary profit and profit attributable to owners of parent.

Dividends and Shareholder Returns Policy

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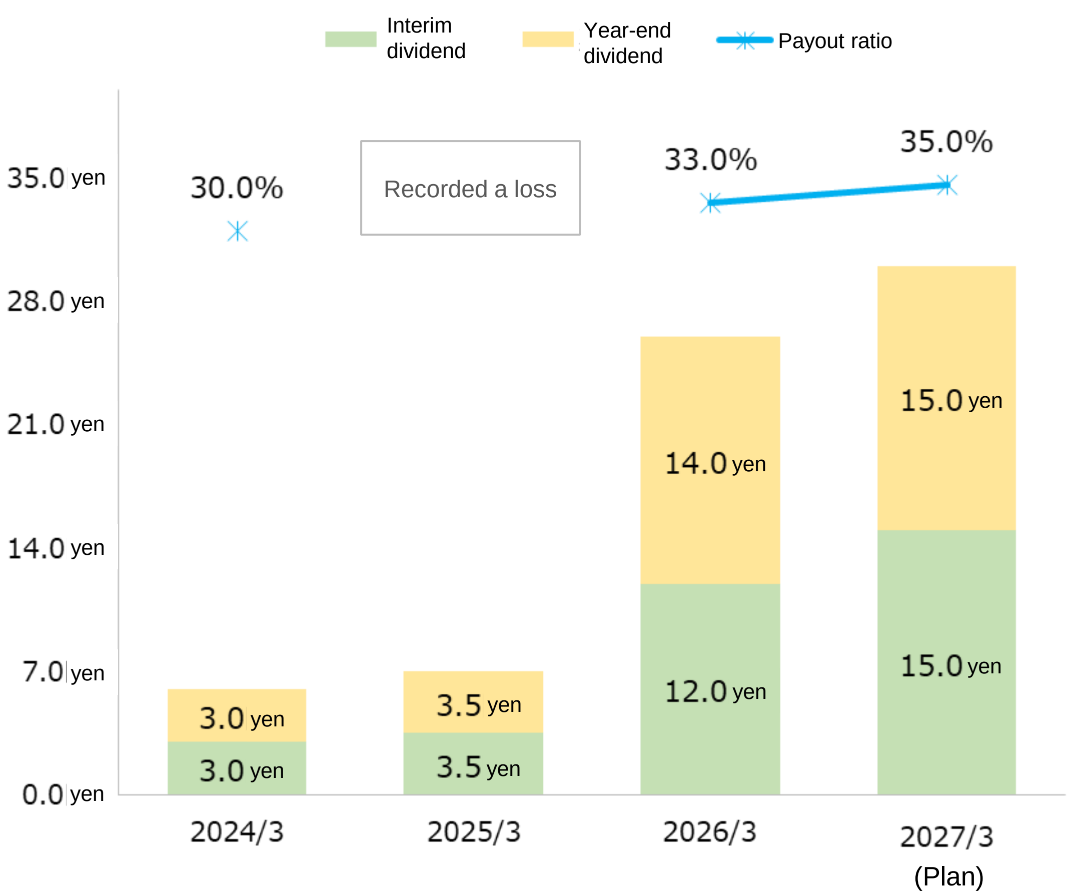
Dividends



Shareholder returns policy

Until the fiscal year ended March 31, 2026
Targeting **a total return ratio of 30% to 35%**

From the fiscal year ending March 31, 2027
Aiming for **a dividend payout ratio of around 40%** during the period of the 12th Medium-term Management Plan (April 2026 to March 2030)

We will implement share repurchases flexibly, taking into account capital levels, market trends, and other factors.

Review of the 11th Medium-term Management Plan

Past Initiatives and Future Management Policy

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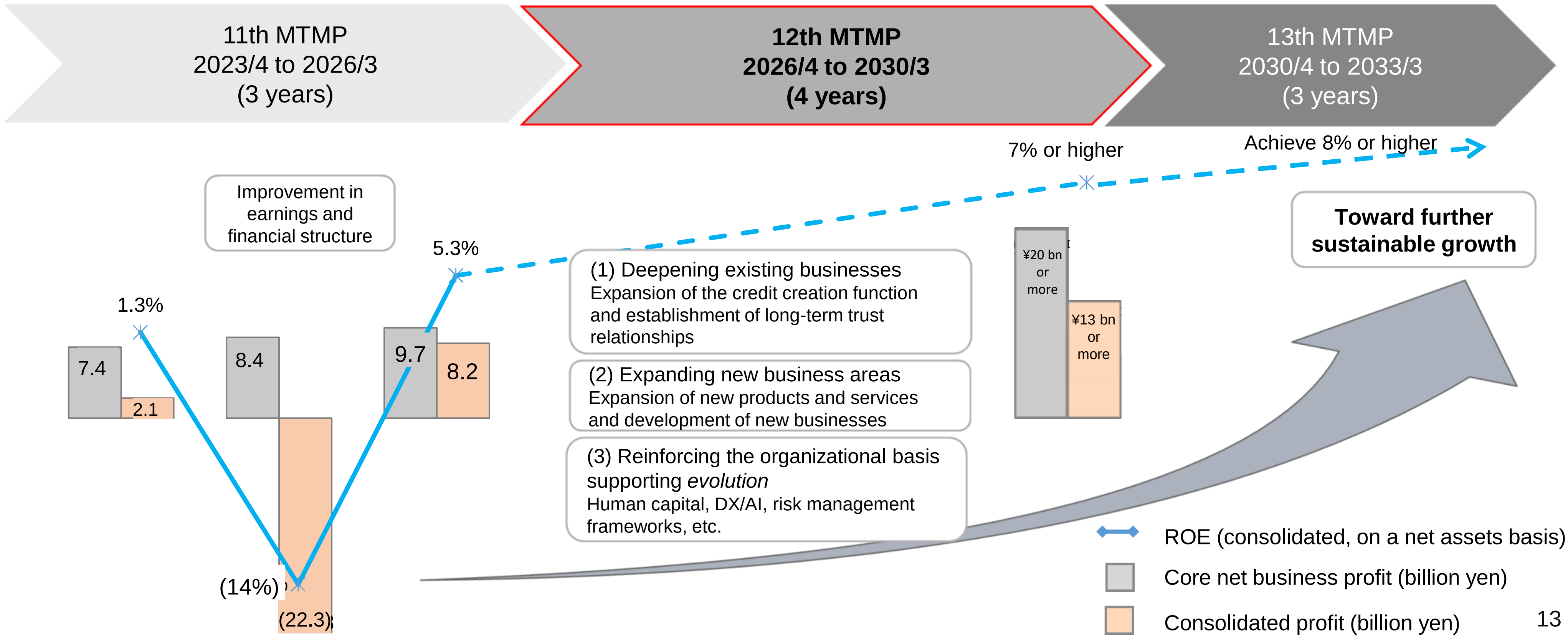
As we entered a world with interest rates, we sold securities that had been carrying substantial unrealized losses and accelerated improvements in the portfolio, resulting in significant improvements in our earnings and financial structure. In the final year of the 11th Medium-term Management Plan (fiscal 2025), we recorded core net business profit of ¥9.7 billion (+¥1.2 billion versus the plan), consolidated profit of ¥8.2 billion (+¥2.7 billion versus the plan), and ROE of 5.3% (+2.3 percentage points versus the plan), thereby establishing a management foundation that enables proactive regional credit creation and growth investments for the 12th Medium-term Management Plan.

In the 12th Medium-term Management Plan, under the theme of “evolve the provision of new value,” we will implement three basic strategies: deepening existing businesses, expanding new business areas, and reinforcing the organizational basis supporting *evolution*, and will further enhance our efforts to resolve issues facing local communities and customers and contribute to regional economic development. We will strengthen support for customers’ main business in accordance with each company’s life stage and promote an increase in loans, particularly to SMEs, while providing individual customers with consulting services tailored to their future life plans.
By realizing growth investments in AI, digital transformation (DX) initiatives, systems, human capital, and branch offices, we will shift personnel toward work that can only be performed by people and strengthen our organizational foundation, thereby aiming to achieve further sustainable growth.



Review of the 11th MTMP Management Targets

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	2023/3 (Results) *At the start of the Medium-term Management Plan	11th Medium-term Management Plan		
		Final Year Target	2026/3 (Results)	Evaluation
Core net business profit (non-consolidated) (excluding gains (losses) from cancellation of investment trusts)	¥7.9 billion	¥8.5 billion or more	¥9.7 billion	**Achieved**
Profit (consolidated) (Profit attributable to owners of parent)	¥2.6 billion	¥5.5 billion or more	¥8.2 billion	**Achieved**
ROE (consolidated) (based on shareholders' equity)	1.5%	3.0% or higher	5.3%	**Achieved**
OHR (non-consolidated) (based on core net business profit, excluding gains (losses) from cancellation of investment trusts)	72.8%	72% level	71.1%	**Achieved**
Capital adequacy ratio (consolidated)	11.85%	11% level	9.91%	Not Achieved *Reflects the restructuring of the securities portfolio, which had been carrying substantial unrealized losses, and efforts to improve the earnings and financial structure.

Review of the 11th MTMP
Growth Investment and Strategic Personnel Assignment

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Growth Investment

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

Investment results (2024/3 to 2026/3) (Million yen)

Item	2026/3 Target	2026/3 Result	Remarks
DX and systems	3,230	3,280	Introduction of OA systems and smartphones Banking applications, electronic contracting services, property custody management systems, RPA, transaction filtering systems, etc.
Branch offices	3,440	4,610	Reconstruction, elimination and consolidation of branch offices
New Businesses, Group companies, and equity	1,200	3,300	Equity: C&C Fund: ¥100 m Other funds: ¥3,200 m
Human capital	370	1,210	Human resource development (training cost increased) ¥100 m, base-pay increased (not included in the initial plan): ¥800 m (approx.), etc.
Total	8,240	12,410	Achievement: 150.6%

- DX and systems: We implemented DX/system investments, including OA systems and internet branch offices.
- Branch offices: We carried out impairment losses and accelerated depreciation for the Ujiie Branch Office and others, as well as reconstruction of the Utsunomiya Higashi Branch Office and others.
- New businesses and equity investments: We promoted LP investments in buyout funds aimed at addressing business succession issues and VC funds intended to introduce innovative technologies from venture companies into the prefecture.
- Human capital investments: We implemented initiatives including human resource development and base-pay increases.

Strategic Personnel Assignment

Reassign 150 personnel in total (for 3 years)

Reassignment results (2024/3 to 2026/3) (Persons)

Item	2026/3 Target	2026/3 Result	Remarks
Corporate Business Division (increase in personnel)	20	8	Not achieved due to personnel transfers to branch offices
External relations in general (reassignment)	30	47	Implement to strengthen sales force
Area head office system	30	14	Establish Saitama Area Head Office (starting in October 2024)
Customers Centers	40	3	Establish Tochigin Investment Trust Support Center
DX/IT sections, Group companies, new business fields, etc.	30	40	Review of Group companies' personnel: 9 persons Middle Office personnel assignment: 26 persons Credit Examination Section: 5 persons
Total	150	112	Achievement: 74.6%

- Through reassignments to areas such as external relations in general and middle-office operations, we strengthened sales force and advanced the consolidation and improved efficiency of internal operations.
- Corporate Business Division and area head office system: Based on the results of the Saitama Area Head Office, we changed our policy to gradually expand the area system.
- Customer Centers: Although we initially planned to consolidate individual customer relations operations from branch offices, we changed the operation to telephone-based after-sales follow-up.

Review of the 11th MTMP KPIs

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

Number of cases of consulting and amount of loans originated

	Target	Result	Achievement
Number of cases of consulting	7,850 cases	9,684 cases	123%
Amount of loans originated resulting from consulting services	¥160.0 billion	¥351.0 billion	221%
Increase in the number of core customers	750 customers	752 customers	100%

・The number of cases of consulting and the amount of loans provided to regional companies exceeded targets. Under the 12th Medium-term Management Plan, we will further strengthen solutions for issues such as M&A/business succession, recruitment services, and DX.

Development and utilization of a data lake

Target

・We commenced data utilization through the development of a data lake based on the phased organization and accumulation of data, linked with BI tools.

Results

・As the development of the data infrastructure and the organization and automated linkage of data from account based and integrated databases required considerable time, full-scale practical operations such as data analysis utilizing BI tools have not yet been achieved.

Future actions

・Although progress has lagged behind the initial plan, we strengthened our framework by launching a cross-organizational project team to promote AI/DX initiatives across the Bank. Furthermore, under the 12th Medium-term Management Plan, we will accelerate initiatives ranging from the utilization of generative AI to the implementation of AI agents, as well as the use of internal and external data including the data lake, through collaboration with external business partners.

Balance of investment trusts and number of investment trust holders

	Target	Result	Achievement
Balance of investment trusts	¥230.0 billion	¥198.3 billion	86%
Number of investment trust holders	70,900 cases	75,592 cases	107%
Number of NISA accounts	47,600 cases	40,530 cases	85%

Factors behind the shortfall

・While asset formation through investment products such as tsumitate (saving) NISA increased, profit-taking sales also increased due to market conditions including rising stock prices. In addition, our strength in individualized, face-to-face sales activities has been less effective in reaching asset-building customers who are unavailable during daytime hours, and efforts to strengthen integrated sales activities linking non-face-to-face and face-to-face channels for asset-building customers remain under development.

Future actions

・We will strengthen points of contact with asset-building customers by enhancing branch office and sales base frameworks and reviewing business hours.

・We will also hold activities such as holiday seminars and workplace-based initiatives, as well as the promotion of non-face-to-face services through apps and other channels to connect to various proposals.

・Since unclear goals (asset-building targets and purposes) can easily lead to prioritizing short-term profit generation, we will thoroughly promote the creation of life plans based on a goal-based approach, as well as the utilization of NISA accounts and fund wrap services based on such plans.

Secured/unsecured loans originated

	Target	Result	Achievement
Secured loans originated	5,400 cases	4,115 cases	76.2%
Unsecured loans originated	16,500 cases	14,815 cases	90.0%

Factors behind the shortfall

・We did not achieve targets for either secured or unsecured loans, with the achievement rate for secured loans at 76%. Efforts to address issues such as sales activities to increase the number of loan applications, insufficient customer contact points, product development to encourage customer selection, and enhancement of the attractiveness of services at the time of transactions remain under development.

Future actions

・We will strengthen points of contact with customer segments that have strong loan demand through non-face-to-face channels such as apps, the Direct Center (indirect face-to-face), and workplace-based initiatives (direct face-to-face).

・In particular, secured loans serve as the starting point for individual customer transactions, and we will pursue multifaceted enhancements including strengthening sales activities toward housing-related businesses, reinforcing customer contact points through measures such as reviewing business hours, improving customer follow-up from application through loan execution, and enhancing product features.

Review of the 11th MTMP KPIs

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Basic Strategy 2: Strengthening the system

Branch office network

	Plan	Result	vs. Plan
Number of branch offices	66	67	(1)
Full bank	49	53	(4)
Retail branch	15	11	＋4
Sub-branch	2	3	(1)

・We reviewed the branch office network, focusing mainly on branches with overlapping business areas.
・As the importance of the deposit and lending business has increased due to rising interest rates, the number of branches with full-bank functions exceeded the plan by four branches. Nevertheless, we will continue to flexibly review branch functions going forward.

Introducing the area head office system

Target
Divide business areas into larger regions and establish area head offices in each region

Results
Established the Saitama Area Head Office (only one area)

* Our business base is centered on areas within Tochigi Prefecture and the eastern area of Saitama Prefecture. Given the large market, differing regional characteristics, and distance from head office, we established an area head office in Saitama Prefecture.

Future actions
・We will introduce the area system in the Utsunomiya Block, the Tochigi Block, and other blocks, and proceed with the development of a more efficient sales structure.

Strengthening the non-face-to-face channel

	Plan	Result	Achievement
Number of app downloads	240,000	244,135	101.7%
Number of Internet branch accounts	1,500	2,215	147.7%

・Enhancements to app functions and the number of app downloads have progressed in line with the plan.
・Regarding the internet branch, the target number of accounts during the period of the 11th Medium-term Management Plan was set at a low level due to delays in its launch. Under the 12th Medium-term Management Plan, we are aiming to expand transactions with new customer segments through full-scale promotion and the implementation of various measures.

Basic Strategy 3: Strengthening investment in human capital

Diversity & inclusion

	Target	Result	Achievement
Percentage of female managers	16% or higher	17.3%	108%
Percentage of male employees taking childcare leave	90% or higher	100.0%	111%

Development of specialists

	Target	Result	Achievement
1st-grade Certified Skilled Professional of Financial Planning	55 persons	56 persons	104%
IT Passport	500 persons	549 persons	110%
SME management consultants/ Management consultants	60 persons	58 persons	97%

・We worked to strengthen the framework for promoting consulting-based sales and human capital investments through measures such as reviewing branch office functions and locations for more efficient branch operations, developing an internal environment in which employees can thrive, and developing specialists.

The 12th Medium-term Management Plan

12th MTMP Overall Image

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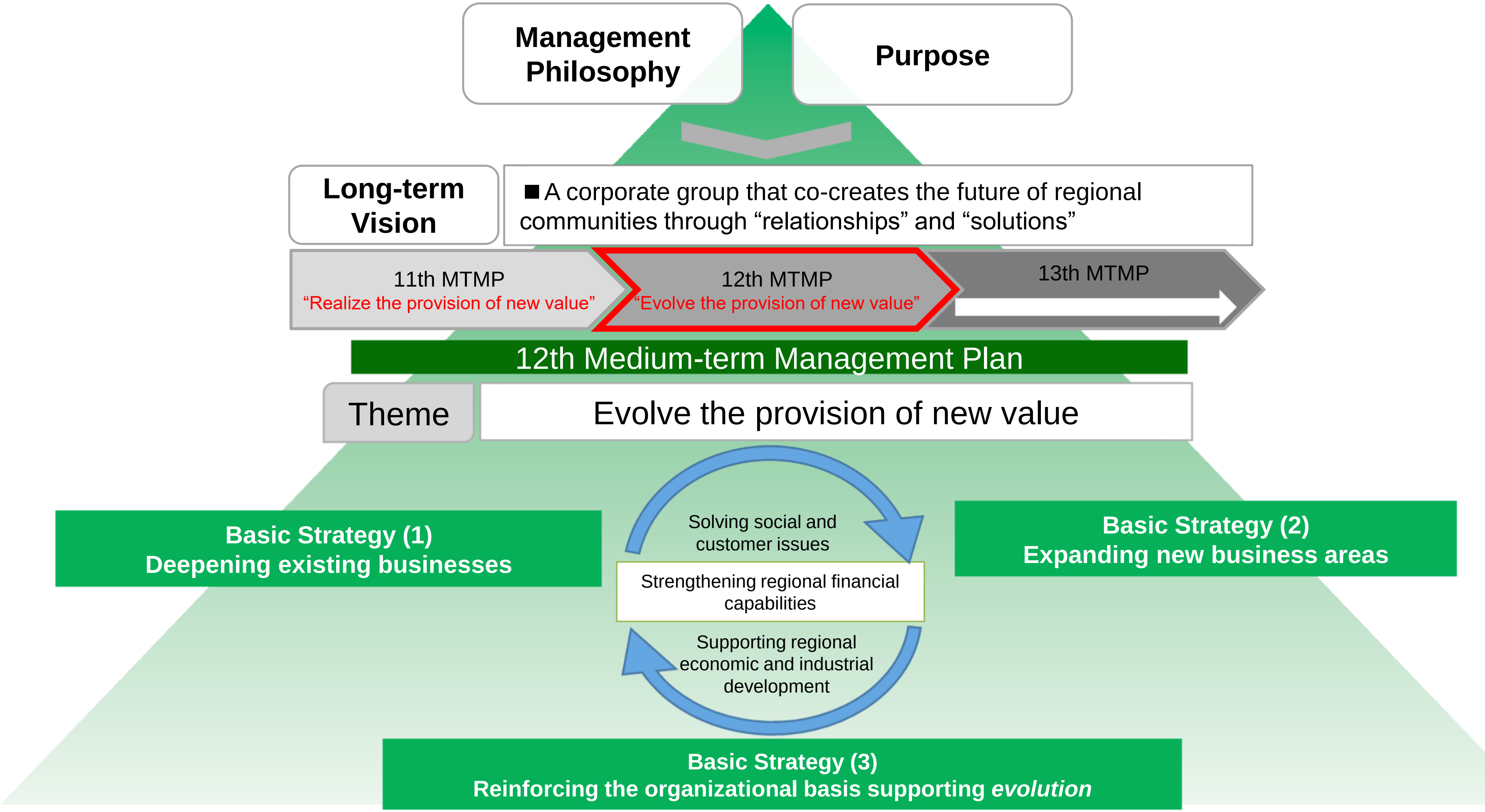
Pursuing the theme of "evolve the provision of new value" under the 12th Medium-term Management Plan, the Tochigi Bank Group will implement three basic strategies. Through Basic Strategy (1), **deepening existing businesses** centered on deposits and lending, and Basic Strategy (2), **expanding new business areas**, we aim to **demonstrate our *true value* as a regional financial institution through our *regional financial capabilities*.** As the foundation supporting these strategies, Basic Strategy (3) focuses on **reinforcing the organizational basis** and realizing a stronger and more resilient management structure.



12th MTMP Overview and Management Targets

TOCHIGI BANK

Long-term Vision: A corporate group that co-creates the future of regional communities through "relationships" and "solutions"

11th Medium-term Management Plan "Realize the provision of new value" → 12th Medium-term Management Plan "Evolve the provision of new value" → 13th Medium-term Management Plan

Plan	12th Medium-term Management Plan
Term of the plan	April 2026 to March 2030 (4 years)
Vision	A corporate group that co-creates the future of regional communities through "relationships" and "solutions"
Theme	Evolve the provision of new value
Basic strategies	◆ **(1) Deepening existing businesses** Expanding the credit creation function through risk-taking Establishing long-term trust relationships with customers ◆ **(2) Expanding new business areas** Developing new markets/ expanding new products and services Developing new businesses ◆ **(3) Reinforcing the organizational basis supporting *evolution*** Maximizing the value of human capital Enhancing services and further improving the efficiency and sophistication of operations through DX/AI Enhancing risk management and risk governance frameworks

	2026/3 (Result)	2030/3 (Plan)
Core net business profit (non-consolidated, excluding gains (losses) from cancellation of investment trusts)	¥9.7 billion	¥20.0 billion or more
Profit (consolidated)	¥8.2 billion	¥13.0 billion or more
ROE (consolidated, on a net assets basis)	5.3%	7.0% or higher
OHR (based on gross operating profit, excluding gains (losses) from cancellation of investment trusts)	71.1%	Mid-50% range
Capital adequacy ratio (consolidated)	9.91%	Upper 10% range

* We will review the plan as appropriate in response to changes in the market environment.

Assumed Policy Interest Rate Scenario
- June 2026: Policy interest rate of 1.00% (+0.25%)
- December 2026: Policy interest rate of 1.25% (+0.25%)
- June 2027: Policy interest rate of 1.50% (+0.25%)

12th MTMP
Strengthening and Demonstrating Regional Financial Capabilities

TOCHIGI BANK

By implementing three basic strategies, the Tochigi Bank Group will <u>demonstrate its "true value" as a regional financial institution through its "regional financial capabilities"</u> and contribute to the sustainable development of the regional economy.

Basic Strategy (1): Deepening existing businesses

✓ <u>Expanding the credit creation function through risk-taking</u> —Enhancing the value of regional companies—

- Promote loans based on business feasibility assessments (including loans not dependent on personal guarantees and utilization of enterprise value security interests)
- Provide support tailored to each company's life stage (founding, growth, management improvement, and business revitalization)
- Provide support for the sustainable growth of regional companies (M&A and business succession, human resources, DX, etc.)

✓ <u>Establishing long-term trust relationships with customers</u> —Solving individual customer issues—

- Resolve individual customer issues (support for improving financial literacy, asset formation support, asset succession support, etc.)

Basic Strategy (2): Expanding new business areas

✓ <u>Developing new markets / expanding new products and services</u> —Enhancing the value of regional companies—

- Enhance M&A and business succession support (strengthening and restructuring regional industries)
- Strengthen equity investments (strengthening collaboration with Tochigin C&C)

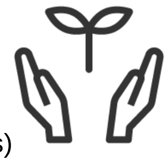
✓ <u>Developing new businesses</u> —Solving regional issues—

- Create new businesses through diverse alliances
  (developing new DX/AI services in collaboration with ABEJA, Inc. (AI business operator))
  (strengthening GX support through Clean Energy Solutions)
- Create new businesses that contribute to regional revitalization (environmental measures, urban development, advertising, agriculture, and tourism fields)

Basic Strategy (3): Reinforcing the organizational basis supporting *evolution*

✓ <u>Developing the environment for demonstrating regional financial capabilities</u>

- Maximize the value of human capital (developing organizational and workplace environments, cultivating and assigning specialized personnel)
- Improve efficiency and sophistication through DX/AI (DX transformation of customer contact channels, operations, and data utilization, as well as the introduction of generative AI and AI agents)
- Promote and examine streamlining and efficiency improvements through the joint use of systems (measures against financial crimes, AML-CFT compliance, cybersecurity measures, etc.)
- Improve the effectiveness of risk management and internal controls (strengthening credit/market risk management and governance frameworks)



12th MTMP Growth Investment

TOCHIGI BANK

AI/DX and System Investments

Investment Amount: ¥9.0 Billion

- Improve customer convenience through enhanced functionality of non-face-to-face channels
- Improve internal productivity through generative AI and data utilization

- Internal DX (local LLM, mobile PCs, etc.)
- Customer DX (banking app, corporate portal site, etc.)
- BPR (in-branch tablets, digitalization of insurance procedures, etc.)
- Infrastructure maintenance (advanced-function ATMs, integrated server replacement, etc.)

Human Capital Investments

Investment Amount: ¥3.0 Billion

- Invest in the development of specialists, enhancement of sales force, and improvement of employee benefits to maximize the value of human capital
- Actively recruit external talent

- Review compensation levels
- Expand training programs (sales capability enhancement training, etc.)
- Recruit external talent (DX and system professionals, etc.)
- Improve employee benefits

Branch Office Investments

Investment Amount: ¥12.0 Billion

- Improve productivity through workplace reform driven by infrastructure enhancements, while also aiming to increase employee engagement

- Change branch office models
  Strengthen customer contact points and enhance consultation functions through a review of branch functions
- Reconstruct the head office
  Promote communication and improve operational efficiency through workstyle reforms

Creation of Personnel Capacity

- Administrative process streamlining and reduction
  Annual reduction in working hours: 344,000 hours

Human Resource Development

- Corporate and retail sales personnel, and DX professionals
- Business feasibility assessment and consulting professionals
- Self-directed personnel who think independently and take on challenges

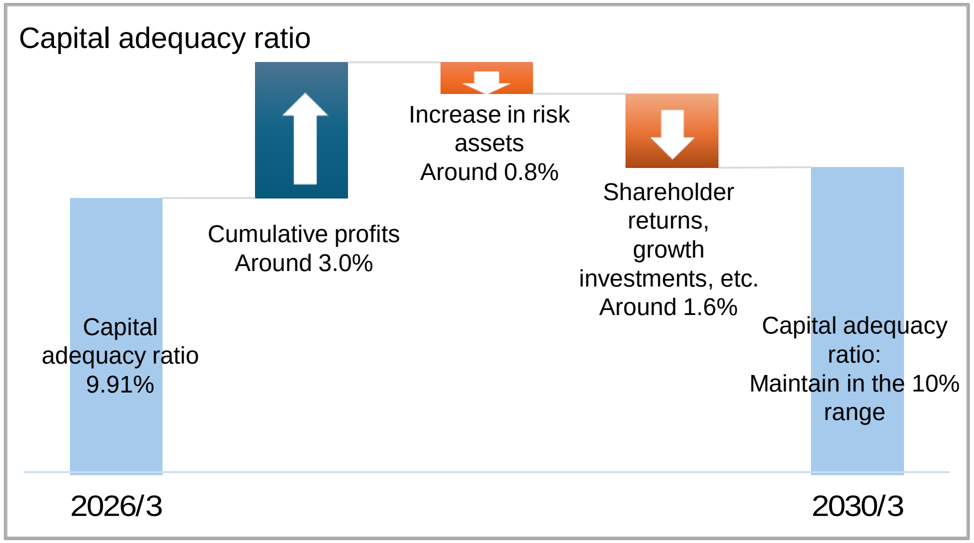
Personnel Reassignment

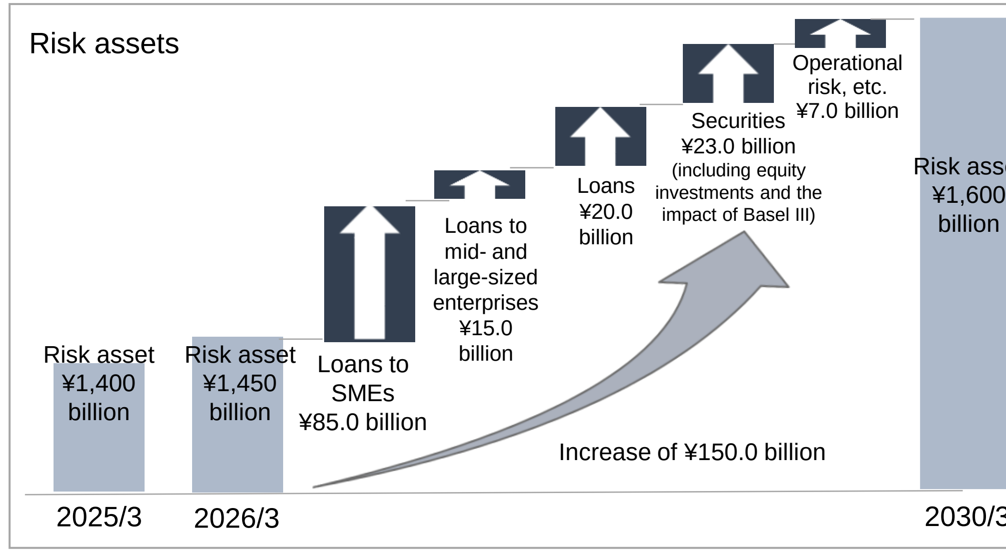
- Sales, planning, and other functions
  Shift personnel to “work that can only be performed by people”
  Ratio of sales personnel within the workforce
  Current: around 25% → around 35%–40%

12th MTMP Capital Strategy

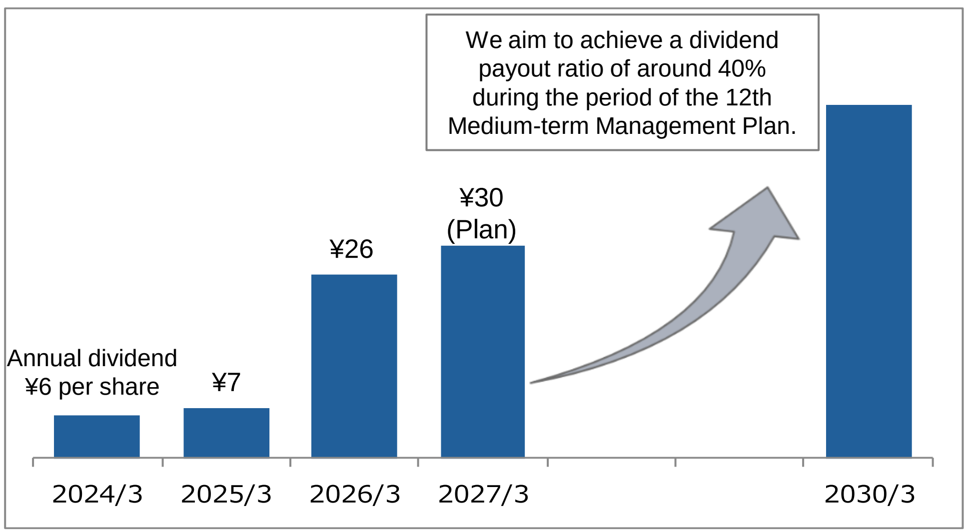
TOCHIGI BANK

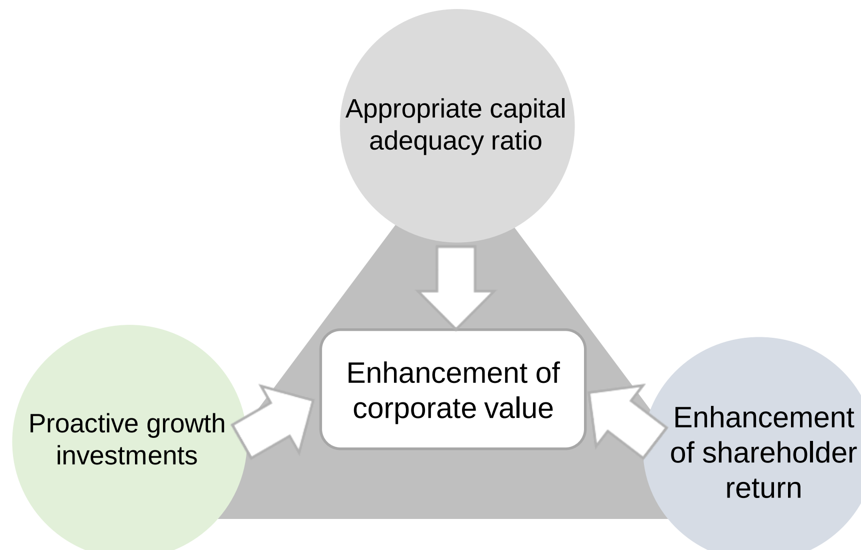
Capital Allocation





Shareholder Returns Policy





12th MTMP Numerical Targets and KPIs

TOCHIGI BANK

Numerical Targets

Numerical Target Items	FY2026/3 (Result) 3-year Plan Period	FY2030/3 (Plan) 4-year Plan Period
Balance of deposits	¥3,170.0 billion	¥3,260.0 billion (+2.8%)
Balance of loans	¥2,450.0 billion	¥2,550.0 billion (+4.0%)

Major KPIs

Basic Strategy	KPI Item	FY2026/3 (Result) 3-year Plan Period	FY2030/3 (Plan) 4-year Plan Period
Basic Strategy (1) Deepening existing businesses	Balance of SME loans	¥950.0 billion	¥1,026.0 billion (+8.0%)
	Number of cases of consulting	Cumulative total of 4,000 cases	Cumulative total of 7,500 cases
	Number of start-up loans	Cumulative total of 1,100 cases	Cumulative total of 1,500 cases
	Ratio of individual customers using multiple services	27.2%	44.7%(+17.5P)
Basic Strategy (2) Expanding new business areas	Number of M&A and business succession support cases	Cumulative total of 500 cases	Cumulative total of 750 cases
	Committed amount for equity investments (equity investment balance)	¥10.9 billion (¥7.2 billion)	Around ¥20.0 billion (Around ¥15.0 billion)
	Initiatives to support solutions to regional issues	Cumulative total of 30 cases	Cumulative total of 45 cases
Basic Strategy (3) Reinforcing the organizational basis supporting *evolution*	Engagement indicator (positive response rate)	57.5%	62.0%(+4.5P)
	Percentage of female managers (assistant manager level or higher)	5.2%	13.0%(+7.8P)
	Number of specialists developed (corporate business, retail sales, and DX personnel)	Corporate business: 150 core and mid-level personnel Retail sales: 160 core and mid-level personnel Business support: 40 core and mid-level personnel DX: 30 core and mid-level personnel	Corporate business: 300 core and mid-level personnel Retail sales: 350 core and mid-level personnel Business support: 90 core and mid-level personnel DX: 155 core and mid-level personnel
	Annual reduction in administrative processing hours (reduction in administrative work for conventional operations through AI, DX, and system investments)	–	344,000 hours

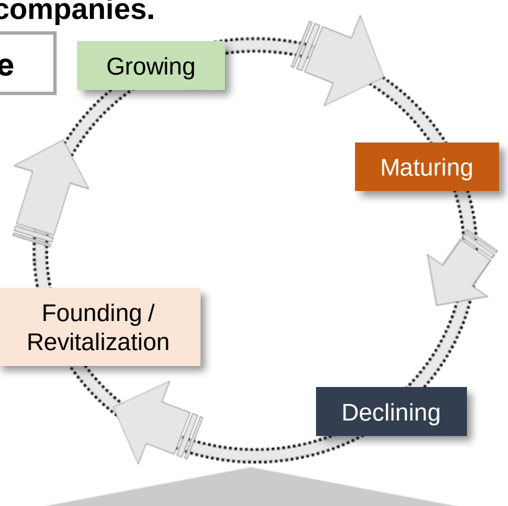
Basic Strategy (1) Deepening Existing Businesses

Deepening Existing Businesses　Corporate Customer Strategy

TOCHIGI BANK

We will contribute to the sustainable development of the regional economy by providing tailored support to address the specific challenges faced by individual companies according to their life stage (founding period, growing period, maturing period, and declining period), while also taking a broader view of the region as a whole and supporting its maintenance and development.
As the number of companies declines, we will contribute to the creation of new employment opportunities and regional revitalization by focusing on start-up support and growth support for mid-sized companies.

■ Support tailored to each company's life stage



Start-up support

- Provide start-up support through diverse collaborations with local governments, business operators, and other organizations
- Provide support such as start-up financing, equity investments, and business plan formulation. (Provide financing support through the utilization of enterprise value security interests and investment funds.)

Support for growth

- Support added value creation for growth-oriented companies that have made the ¥10 billion / ¥1 billion declaration.
- Provide solutions for sales growth, productivity improvement, organizational development, M&A, and other initiatives.

Support for succession

- Take a broad view of the region as a whole and provide business succession support aimed at maintaining and developing regional industries.
- Provide hands-on support for growth-oriented companies by facilitating M&A transactions as a bridge to future growth.

Management improvement and business revitalization support

- Promote the early implementation of management improvement measures.
- Work to enhance business value while sharing risks with customers through the utilization of DDS, enterprise value security interests, quasi-equity financing, investment funds, and other measures.

■ Expansion of the credit creation function

Expand investments and loans in regional companies

- Provide financing support based **on business feasibility assessments**.
- Make **equity investments** through Tochigin Capital & Consulting and other entities. (start-up investments, business succession investments, etc.)

■ Support for solving issues faced by regional companies

Provide support for solving issues through main business support

- Support the growth of regional industries through **M&A and business succession support**.
- Enhance corporate sustainability through **recruitment support services**.
- Improve corporate productivity through **DX support**.

Promote loans and consulting services based on industry characteristics

- Assign industry specialists to the sales and credit examination sections at the head office.
  Focus industries: manufacturing, transportation, construction, real estate, healthcare, agriculture, etc.
- Assign dedicated area promotion personnel.

Provide tailor-made, hands-on support based on each company's needs

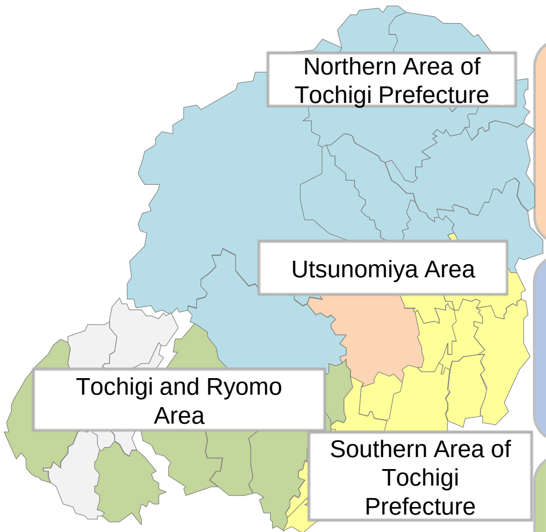
- Clarify company-specific support policies through collaboration among the sales, credit examination, and business support sections at the head office and branch offices.
- Gain a thorough understanding of each company's situation based on business feasibility assessments.

Deepening Existing Businesses　Corporate Customer Strategy

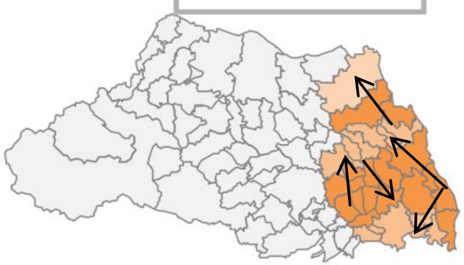
TOCHIGI BANK

■ Support tailored to area characteristics

・Industrial structures, demographic trends, GDP and economic scale, competitive environments, interest rate levels, and our market positioning differ by area. By taking a broad view of each region as a whole, we will promote credit tailored to the characteristics of each area. Utsunomiya and the Saitama/metropolitan area have large economic scales and serve as the core areas for expanding credit. The northern area of Tochigi Prefecture has a smaller economic scale compared with other areas but represents a region where we have a high market share. The Tochigi and Ryomo area and the southern area of Tochigi Prefecture are regions where our market share is relatively low and there is significant room for growth given the size of the market.



Saitama Area



* Expansion of business areas into nearby municipalities

	Area Characteristics	Area-specific Strategies
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	・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	➢Limited market growth due to population decline ➢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	・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
Tochigi and Ryomo Area	➢Concentrate manufacturing industries such as automobiles and aircraft in the area ➢Support a notable distribution of food manufacturers ➢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	・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
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	・Increase the number of households centered around Oyama City Aim to capture demand in construction and real estate through redevelopment and real estate projects
Saitama metropolitan 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	・Actively participate in syndicated loans for core companies (including large and mid-sized companies) through the Omiya Branch (Saitama City) ・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

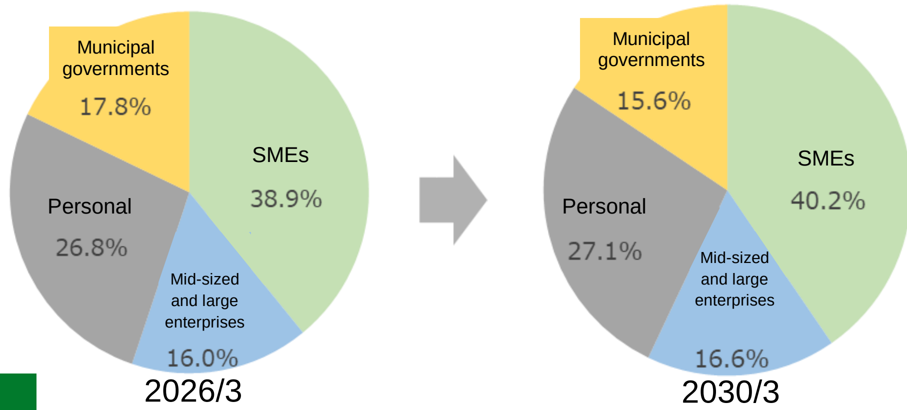
Deepening Existing Businesses Corporate Customer Strategy

TOCHIGI BANK

Our primary business area

Tochigi Prefecture Area	Promote loans to SMEs in Tochigi Prefecture centered on Utsunomiya City	**Loan balance Increase ¥60.0 billion**
Metropolitan Area	Promote loans to companies in the metropolitan area centered on eastern Saitama Prefecture	**Loan balance Increase ¥40.0 billion**

Loan share



Rebuild the sales structure (building up contact with customers / enhancing problem-solving capabilities)

Strengthen the sales system

Introduce and expand the area system
- Introduce the **area system** in the Utsunomiya Block, Tochigi Block, and other blocks

Expand contact with customers
- Establish the **Business Support Center** (indirect face-to-face channel)
- Designate areas for strengthening corporate business activities

Support sales activities through AI and data utilization
- Identify customer needs and provide proposals to customers at the appropriate timing

Shift personnel to sales functions

Branch office sales personnel (implementing agile, community-based sales activities)

	March 2026		March 2030
Total sales personnel	Around 25%	⇒	Around 35 to 40%
Corporate business personnel	**Around 13%**	**⇒**	**Around 20 to 23%**

*Percentages represent the ratio to the total number of employees.

Expand the non-face-to-face channel function

Expand services through the corporate portal site and app
- Hold **online business exchange meetings** through the VR Lounge
- Introduce **business loans** that can be completed entirely through non-face-to-face channels.

Develop human resources

Personnel responsible for supporting corporate value enhancement based on business feasibility assessments
- Develop personnel who can serve as trusted advisors to business owners
- Develop personnel through collaboration with and secondments to external specialized organizations, as well as assignments to dedicated departments (utilization and acquisition of expertise not available within the Bank, network-building, and practical consulting experience)

Deepening Existing Businesses
Expanding and Deepening SME Loans Based on Business Loans

TOCHIGI BANK

To expand loans to SMEs, we will promote business loans through (i) enhancing the knowledge and skills of each employee, (ii) establishing an integrated support framework involving both head office and branch offices, and (iii) developing specific support menus tailored to individual companies.

(3) Promotion	Enterprise value security interests Company-specific action policy review meetings Equity investments (in collaboration with Tochigin CC)	We will promote loans based on business value through collaboration among credit-related divisions, sales-related divisions, and affiliated companies.
(2) System development	Integrated monitoring framework between branch offices and head office Permanent assignment of Business Support Division personnel to branch offices Business support activity evaluation system Selection of 200 "Corporate Value Enhancement Promotion Companies"	We will establish a framework that enables branch offices and head office to operate in alignment, while fostering awareness of business feasibility assessments through the introduction of a system that evaluates the process rather than solely the results. We will newly select "Corporate Value Enhancement Promotion Companies" to enhance added value and deepen business relationships.
(1) Human resource development	Business feasibility assessments (Future Design Sheet) Corporate assessment skills program (training program) Business Support Division trainee program Client company secondment program	We will gain a deeper understanding of customers' actual business conditions by preparing Future Design Sheets focused on future cash flows. Through one-year group training programs and a three-month Business Support Division trainee program, we will develop practical business feasibility assessment capabilities. We will also cultivate employees with more advanced practical corporate assessment capabilities by seconding mainly employees in their early 30s to client companies for approximately one to two years.

	FY2030/3 (Plan) 4-year Plan Period
Growth rate of value added (EBITDA + personnel expenses) of "Corporate Value Enhancement Promotion Companies"	Exceed the average of companies in each region

Deepening Existing Businesses　Individual Customer Strategy

TOCHIGI BANK

Provide services to customers through diverse channels

- ■ By effectively linking each channel (non-face-to-face, indirect face-to-face, and direct face-to-face), we will provide services tailored to customers' needs.
- ■ Through non-face-to-face channels such as apps, we will provide the convenience of accessing banking services in the palm of your hand.
- ■ Even without visiting a branch, customers can receive reliable support from our employees through indirect face-to-face channels.
- ■ Through direct face-to-face interactions, specialized personnel will respond to each customer's individual needs and consultations.

Non-Face-to-Face Channel
・App
・Internet Branch
・VR Lounge

Indirect Face-to-Face channel
・Investment Trust Support Center
・Direct Center

Direct Face-to-Face Channel
・Branch Office
・Loan Plaza
・Field Visits

Enhance problem-solving capabilities through the use of AI and data

Data

Integration

AI/analytical tools

Accu-mulation

■ We will leverage AI and data to propose the products and services customers need at the right time through a variety of channels.

Life Plan

Life Events

Employment	Marriage / Childbirth	Education	Home purchase	Retirement / Pension	Asset Succession
Payroll deposit Debit card Auto loan	NISA Investment trusts Personal loan	Education loan	Housing loan Insurance products Debt consolidation loan	Retirement benefit management Pension receipt Fund wrap	Inheritance planning Civil trusts

Provide hands-on support based on customers' life plans

- ■ We will provide products and services tailored to customers' life events, based on their life plans.
- ■ We will strengthen the development and provision of new products that address diverse issues and needs.

(Examples)

Housing acquisition support: child-rearing, relocation, dual-location living, existing homes (vacant house measures), etc.

Life event support: purpose-specific card loans

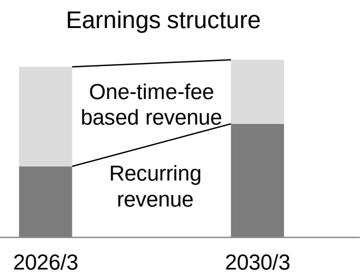
	FY2026/3 (Result) 3-year Plan Period	FY2030/3 (Plan) 4-year Plan Period
Balance of investment trusts and fund wrap services	¥233.0 billion	¥350.0 billion (+50%)
Housing loan balance	¥615.0 billion	¥650.0 billion (+5.7%)

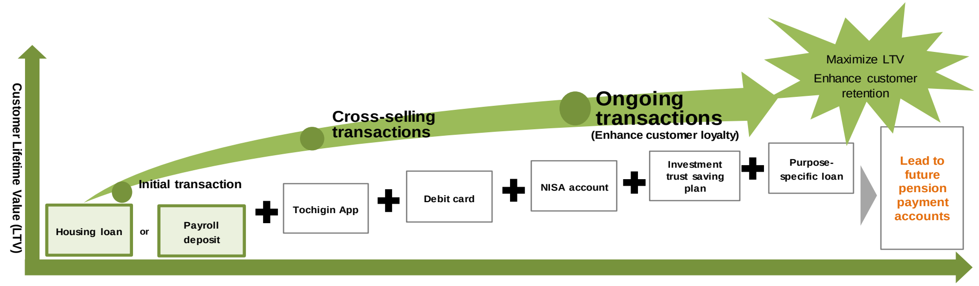
Deepening Existing Businesses Individual Customer Strategy

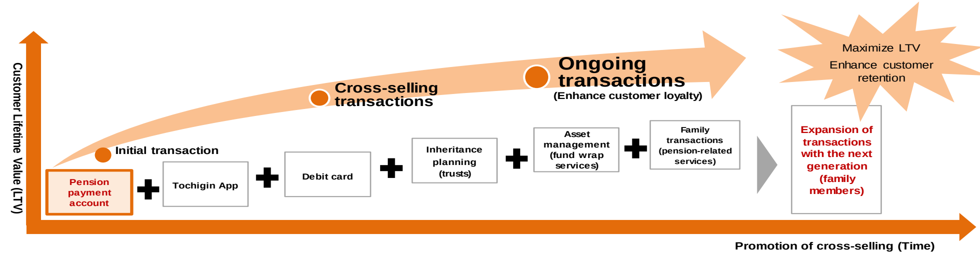
TOCHIGI BANK

Business Model Transformation

- We will strive to maintain and expand medium- to long-term business relationships with customers through initiatives such as the creation of life plans and the regular review of those life plans.
- Starting from key transactions that form the foundation of customers’ life plans—such as housing loans, payroll deposits, and pension payment accounts—we will work to enhance customer convenience and satisfaction as a “bank that supports customers throughout their lives.”
- As a result, we aim to expand recurring revenue and build a stable earnings base.







Rebuild the sales structure (building up contact with customers / enhancing problem-solving capabilities)

Strengthen the sales system

Introduce and expand the area system

- Introduce the **area system** in the Utsunomiya Block, Tochigi Block, and other blocks

Expand contact with customers

- Expand the investment trust support center (indirect face-to-face channel)
- Expand **retail-focused branches** and establish consultation centers in commercial facilities and other locations
- **Extend business hours on weekends and beyond 3:00 p.m.**, depending on branch characteristics

Support sales activities through AI and data utilization

- Identify customer needs and provide proposals to customers at the appropriate timing

Expand the non-face-to-face channel function

Attract customers through non-face-to-face channels such as apps and websites

- Strengthen **digital marketing**
- Expand approaches targeting younger generations
- Provide membership-based services

Shift personnel to sales functions

Branch office sales personnel (implementing hands-on sales activities)

	March 2026		March 2030
Total sales personnel	Around 25%	⇒	Around 35 to 40%
Retail sales personnel	**Around 12%**	⇒	**Around 15 to 17%**

*Percentages represent the ratio to the total number of employees.

Develop human resources

Personnel capable of providing hands-on support throughout customers’ life plans

- Develop personnel who can serve as customers’ most trusted and accessible advisors
- Foster the penetration of customer-oriented business operations
- Develop personnel through collaboration with and secondments to external specialized organizations, as well as assignments to dedicated departments (utilization and acquisition of expertise not available within the Bank, network-building, and practical consulting experience)

Deepening Existing Businesses Securities Strategy and Net Interest Income

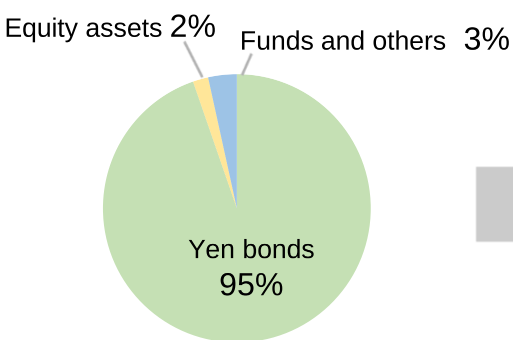
TOCHIGI BANK

Securities Strategy

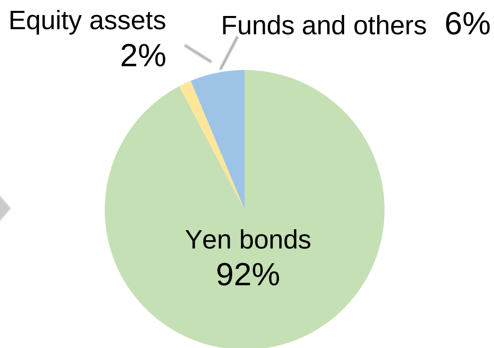
・In securities investments, we will prioritize safety by focusing primarily on short-term Japanese government bonds in a rising interest rate environment.

・While closely monitoring changes in the yield curve and adjusting the duration of yen-denominated bonds, we will aim to build a portfolio centered on yen-denominated bonds that can generate stable earnings.

2026/3 (Result)



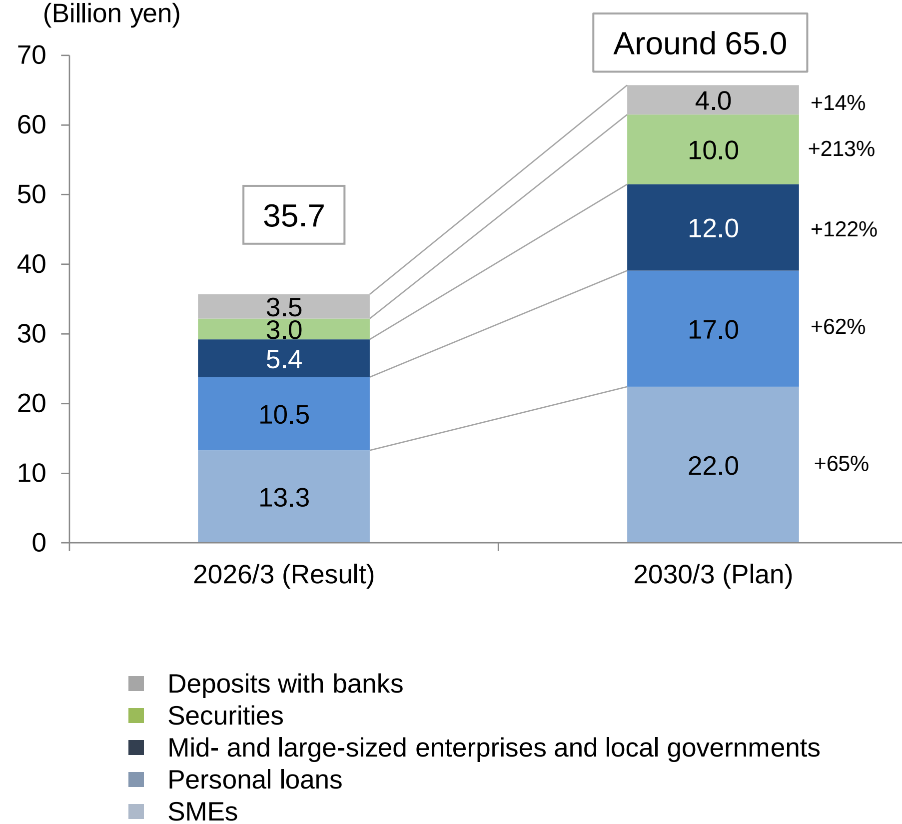
2030/3 (Plan)



	2023/3 (Result)	2026/3 (Result)	2030/3 (Plan)
Balance (billion yen)	620.6	423.2	570.0
Average balance (billion yen)	676.1	416.5	560.0
Yield (excluding gains (losses) from cancellation of investment trusts)	0.56%	0.72%	1.76%
Yen bond duration	7.7	2.0	3.4

Net Interest Income

Interest on loans and bills discounted, and interest and dividends on securities, etc.



Basic Strategy (2) Expanding New Business Areas

Expanding New Business Areas
M&A and Business Succession / Equity Strategy

TOCHIGI BANK

M&A and Business Succession Strategy

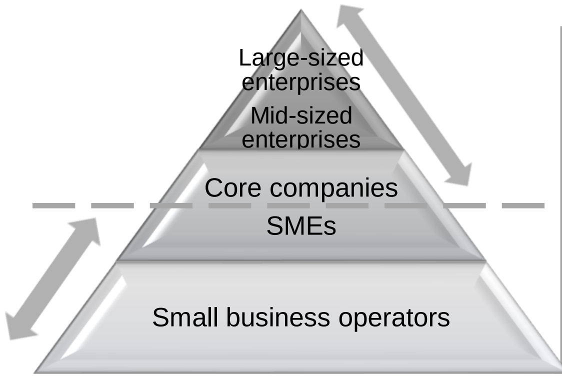
・By addressing business succession needs through company-specific support while taking a broader view of strengthening and restructuring regional industries as a whole, we will provide hands-on support for sustainable growth on a regional basis and contribute to the long-term development of the regional economy.

Value Delivered to Date

—Creating equity **transfer** opportunities—

■M&A
・Promote "Tochigi-no Musubime" community-focused M&A service

■Business succession
・Select successors
・Formulate share transfer plans



Evolution of Value Delivered

—Creating equity **transfer (acquisition)** opportunities—

■M&A
・Support for proactive identification of M&A acquisition opportunities
・Support for growth strategies through the utilization of private equity funds
・IPO support

■Business succession
・Support for strategic organizational restructuring
・Support for capital strategies

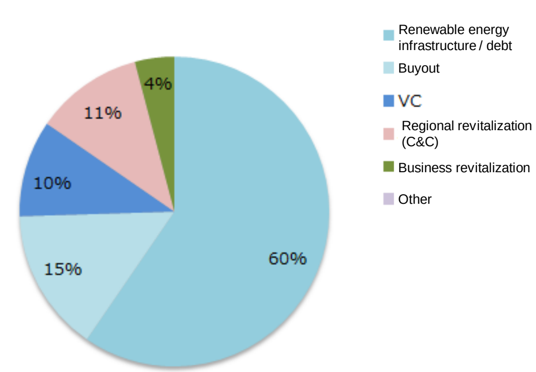
Equity Strategy

・We will manage a well-balanced equity portfolio by establishing equity investment allocations based on income gains, capital gains, and companies' life stages.
・To strengthen and restructure regional industries as a whole, we will promote risk-taking in the region through proactive equity investments, including support for M&A/business succession, growth initiatives, and start-ups.

	2030/3 (Plan) 4-year Plan Period
Investment through The Tochigin Capital & Consulting, Ltd.	¥5.0 billion

2026/3 Results

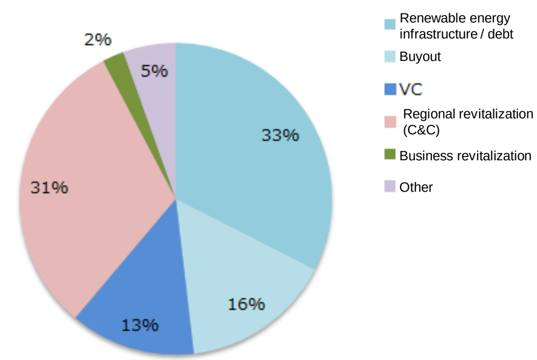
Committed Investment Ratio



Committed investment amount: ¥10.9 billion

2030/3 Plan

Committed Investment Ratio



Committed investment amount: ¥20.0 billion

Expanding New Business Areas　Regional Revitalization
Enhancing Regional Sustainability through Group Companies and Diverse Alliances

TOCHIGI BANK

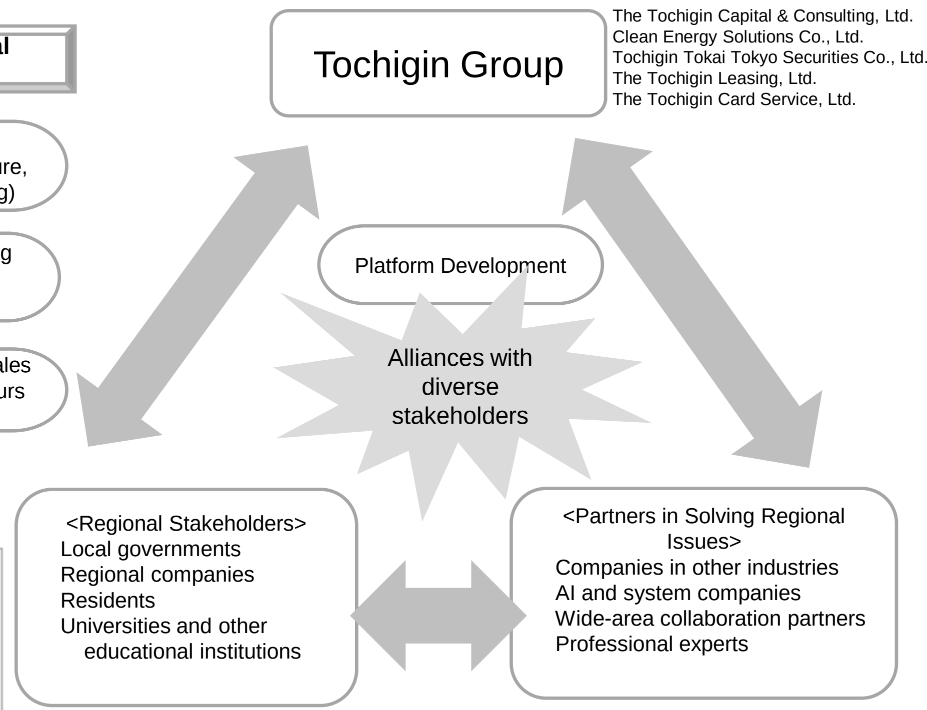
- We will promote regional revitalization from three perspectives: environmental initiatives such as GX and decarbonization support, urban development such as city-center redevelopment, and solutions to social issues such as business creation.
- In collaboration with the Tochigin Group, regional stakeholders, and external business partners, we will work to create businesses that contribute to solving regional issues.
- We will also support the growth of companies that generate social and environmental impact in the region, with the aim of building a regional ecosystem driven by a local economic circulation.

Identify regional issues → Consider solutions → Identify partner organizations → Implement specific initiatives → Resolve regional issues → Horizontal expansion

Solutions to Regional Issues / Regional Revitalization

Area	Environmental Initiatives	Urban Development	Solutions to Social Issues
	Carbon neutrality	Area management	Expansion into new business fields (agriculture, tourism, and advertising)
	Biodiversity conservation	Creating vibrant communities (utilization of bank branches)	Support for accelerating the growth of regional companies
	Circular economy	Urban redevelopment (LRT extension, sports-related initiatives, etc.)	Support for expanding sales channels for entrepreneurs and start-ups

Initiatives to Solve Regional Issues



Diverse Alliances

- Local governments / universities: Industrial promotion, tourism collaboration, environmental initiatives, sports promotion, welfare measures, etc.
- Other industries: Securities companies, sports operators, advertising, agriculture, and tourism businesses
- AI and system companies: System enhancement, efficiency improvements, and stronger security
- Wide-area collaboration: Collaboration among the three North Kanto banks, Musubime (M&A support)

Basic Strategy (3) Reinforcing the Organizational Basis Supporting *Evolution*

Reinforcing the Organizational Basis Supporting *Evolution*
Maximizing the Value of Human Capital

TOCHIGI BANK

We believe that when each employee engages closely with local communities and customers and "thinks independently and takes on challenges," it leads to problem-solving and the creation of new value. As the foundation for developing such personnel, we will promote workstyle transformation following the reconstruction of the new head office, and the establishment of a new personnel system. By enabling employees to experience a sense of purpose and personal growth in their work, we will enhance the well-being of each employee. Through these initiatives, we will maximize the value of human capital.

Maximizing the Value of Human Capital

Well-being

Fostering a culture of self-direction and autonomy

Enhancing engagement

◆ Workplace Environment Reform

Enhanced communication
- Foster the creation of spontaneous innovation
- Strengthen collaboration between head office and branch offices

Flexible workspaces
- Open and flexible workplace environment
- Free-address seating and telework

Efficient infrastructure
- Mobile PCs
- Paperless and reduced document storage practices

◆ Establishment of a new personnel system

Fostering Job Satisfaction
- Move away from seniority-based practices
- Promote knowledge sharing across generations

Revamp the evaluation system
- Provide fair and transparent evaluations and treatment
- Reform management practices

Diverse career paths
- Support proactive career development
- Establish new career paths for specialists

Enhance human resource development
- Support self-directed learning
- Foster opportunities and a culture for reskilling

Health and productivity management initiatives〈Pursuit of outcomes / Improvement of health literacy〉

Fostering the Tochigin Mindset〈Transformation of organizational culture〉

Empowering diverse talent〈Active participation of senior, specialists, and employees with disabilities〉

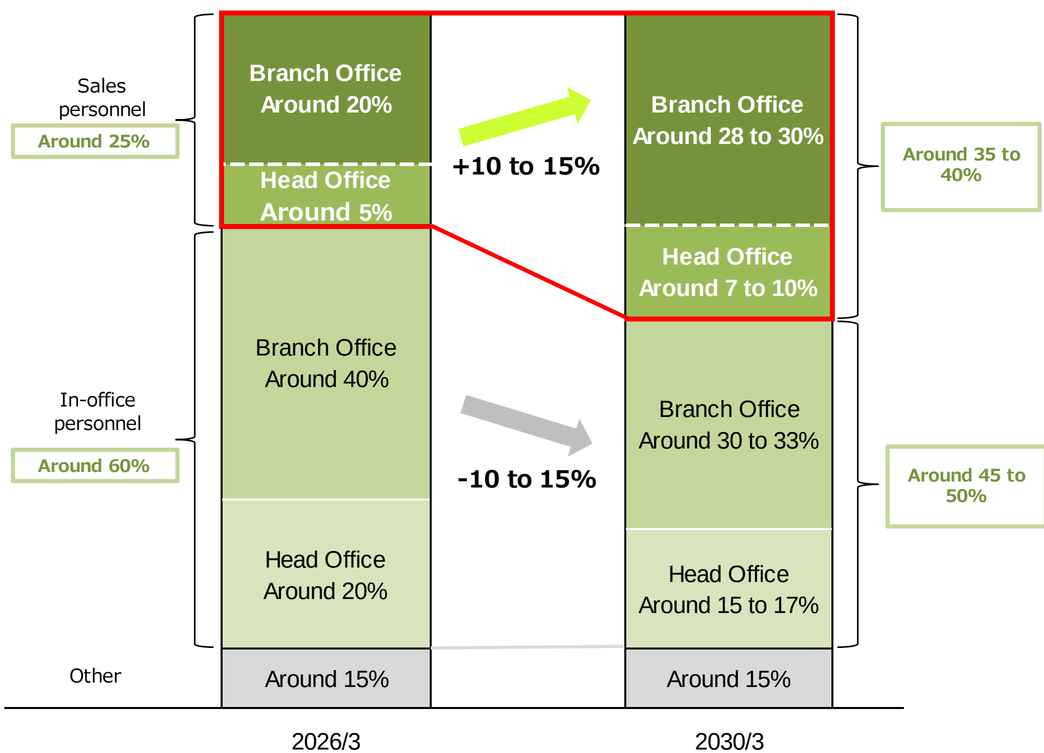
Promoting women's advancement〈Development of future management talent / Reduction of the gender pay gap〉

Reinforcing the Organizational Basis Supporting *Evolution*
Maximizing the Value of Human Capital

TOCHIGI BANK

Personnel Allocation Aligned with the Management Plan

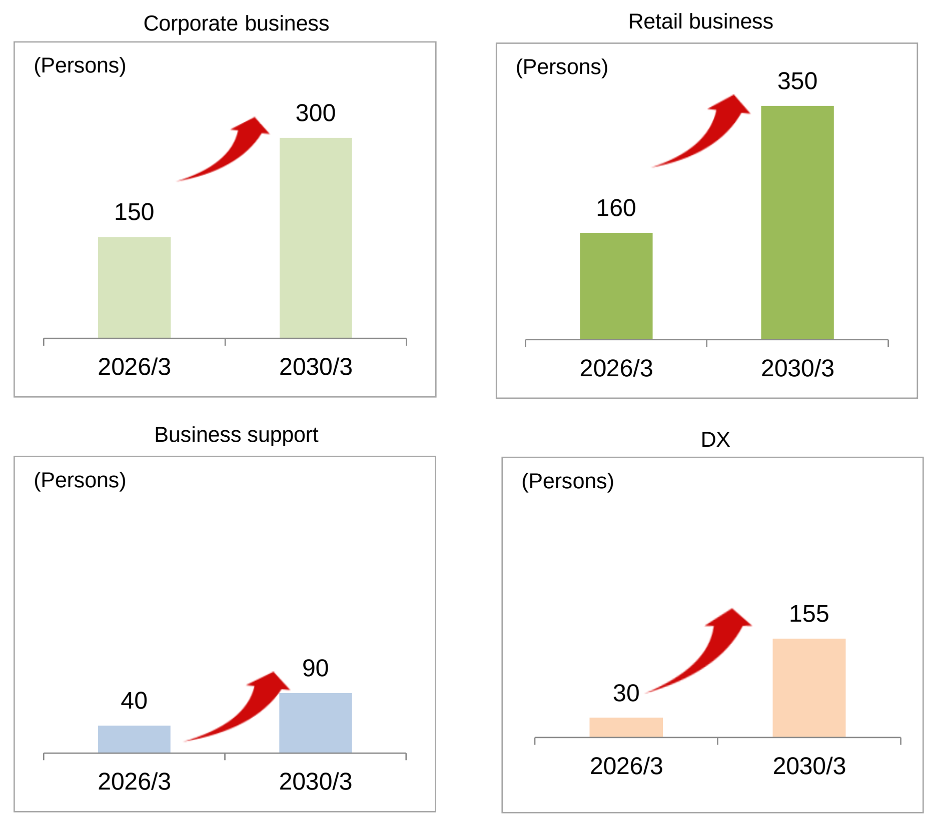
Through the fundamental transformation of banking operations driven by DX and AI, we will create more time for officers and employees to engage with local communities and customers and reallocate human resources to “work that can only be performed by people.”



Developing and Acquiring Talent to Create and Deliver New Value

We will develop specialized personnel and recruit external talent to enhance value provision for local communities and customers and improve internal productivity, while actively promoting their appointment and utilization.

Developing Core and Mid-level Personnel



Reinforcing the Organizational Basis Supporting *Evolution*
Enhancing Services and Further Improving the Efficiency and Sophistication of Operations through DX/AI

TOCHIGI BANK

- We will promote the use of AI and generative AI in collaboration with AI companies such as ABEJA, Inc.
- In the second year of the plan, we will thoroughly advance operational efficiency and sophistication, with full-scale implementation beginning in the third year.
- From the third year of the plan onward, we aim to generate significant personnel capacity and shift resources to higher value-added functions such as sales and planning.
- Beginning in the first year of the plan, we will expand training programs to strengthen business feasibility assessment and consulting capabilities, while developing personnel in preparation for this resource shift.

1st year of the plan
Foundation building and the start of operational efficiency improvements

2nd year of the plan
Expansion of operational efficiency improvements

3rd year of the plan and beyond
Full-scale implementation of business transformation and value creation

Promotion of AI/generative AI and DX

Development of a Local LLM
- Begin the use of generative AI within the Bank
- Automate voice-to-document conversion
  Preparation of meeting minutes, support for CRM data entry
- Support the preparation of customer proposal materials
- Search internal rules and manuals

Launch of AI Agents
- Support the preparation of approval documents and other internal documentation
- Support credit ratings and self-assessments
- AI-driven early warning management and monitoring
  Detect changes in customer conditions based on account activity and other indicators
- AI-assisted credit decision-making
- AI-assisted sales activities

Full-scale deployment of AI agents
- AI concierge services for customer inquiries
  Customer contact points available 24 hours a day, 365 days a year
- AI/generative AI × data utilization
  Customer proposals delivered at the appropriate timing
- AI-powered automated credit screening
- AI-driven sales activities

- Development of a data platform ・ API integration ・ Data utilization

- Expand the functionality of non-face-to-face channels, broaden geographic coverage, and strengthen customer contact points (app, corporate portal site, Ichigo Branch, etc.)
- Expand branchless and digitally completed services
- Branch DX: Introduce in-branch tablets and multifunction ATMs

- Strengthen human resource development

Create personnel capacity → Strengthen sales capabilities → Improve productivity → Expand added value

Reinforcing the Organizational Basis Supporting *Evolution*
Enhancing Risk Management and Risk Governance Frameworks

TOCHIGI BANK

As the breadth and depth of banking operations continue to expand, the risks to which banks are exposed are becoming increasingly complex and diverse. In this environment, the Tochigin Group will continue to take on various new initiatives without fear of failure in order to contribute to the development of the regional economy and industries and help solve customers' challenges. By enhancing our risk management and risk governance frameworks, we will balance business reliability with a spirit of challenge and pursue sustainable growth together with the region.

Items	Medium-term Management Plan Initiatives
■ **Strengthen risk management**	・Strengthen category-based analysis of the credit portfolio ・Improve the effectiveness of action plans for profit and loss management of the securities portfolio ・Strengthen the liquidity risk management framework and monitoring ・Enhance risk capital allocation ・Strengthen third-party risk management
■ **Introduce forward-looking risk management methodologies**	・Study and review stress scenarios based on risk transmission channels and reflect them in action plans ・Improve understanding and effectiveness of liquidity provision capacity under stress conditions ・Strengthen IT risk management and establish AI governance in light of the proactive use of AI and other technologies ・Enhance the functionality of the CSIRT committee structure in preparation for incident occurrences ・Strengthen monitoring against cyberattacks
■ **Strengthen the three lines of defense framework**	・Improve the autonomous risk management capabilities of first-line risk owners ・Strengthen support and monitoring by second-line risk management departments ・Enhance initiatives by third-line audit departments to conduct audits that contribute to management
■ **Strengthen customer-oriented business operations (FD)**	・Strengthen first-line and second-line monitoring and analysis of compliance with FD principles ・Strengthen PDCA cycle management ・Strengthen collaboration between the Bank and securities operations (including the harmonization of FD policies and FD policy guidebooks)
■ **Develop and secure specialized personnel**	・Develop and secure personnel with expertise in risk management, market operations, systems, cybersecurity, money laundering, countering the financing of terrorism, and financial crime prevention

Efforts to Enhance Corporate Value

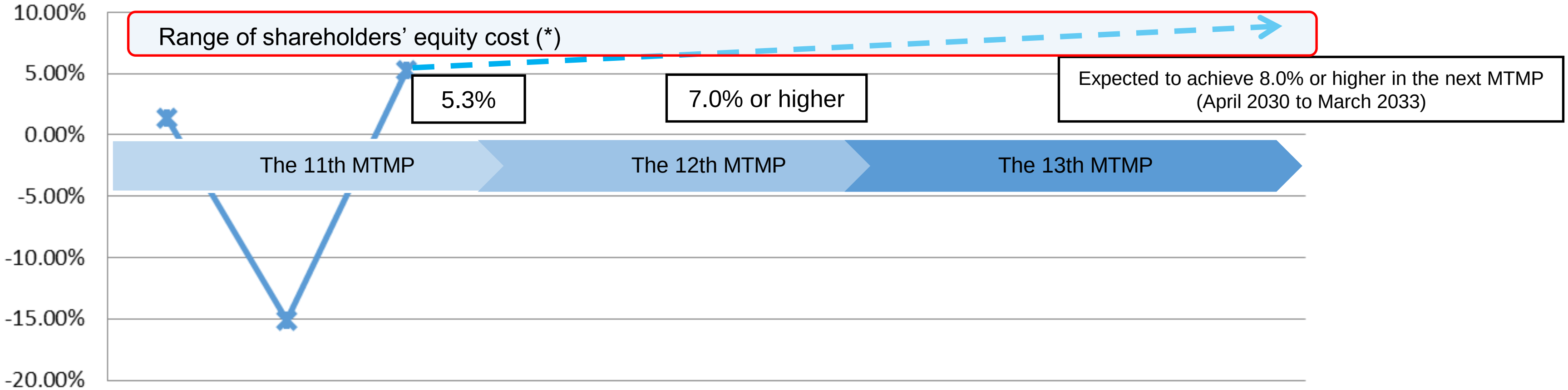
Increase of PBR

TOCHIGI BANK

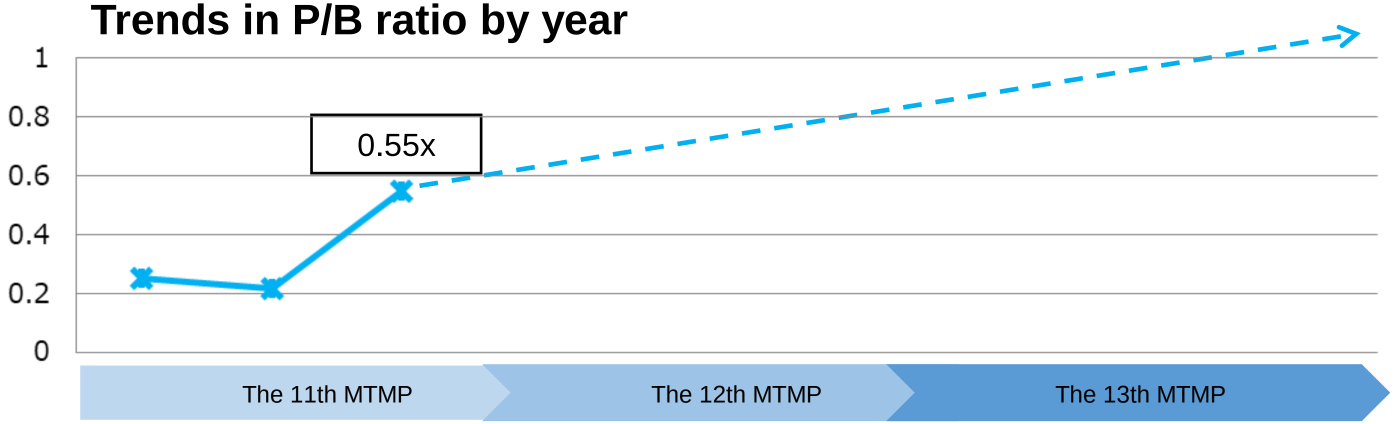
ROE is currently below the capital cost, and P/B ratio remains below 1x.
We aim to achieve ROE that exceeds the shareholders' equity cost to increase P/B ratio

(*) The Bank's cost of shareholders' equity is recognized to be around 8 to 10%
(taking into account factors such as the CAPM and feedback from institutional investors).

Trends in ROE by year



Trends in P/B ratio by year

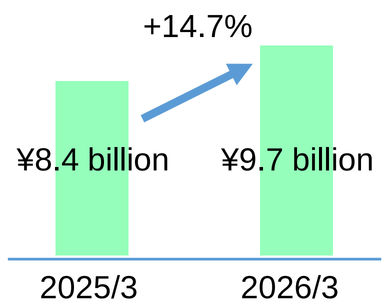


Current Status of the Bank

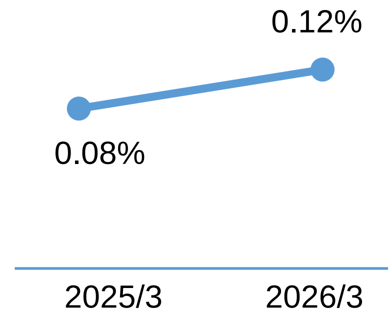
TOCHIGI BANK

Core net business profit and the total interest margin increased only modestly. In addition, the deposit and loan margin declined.

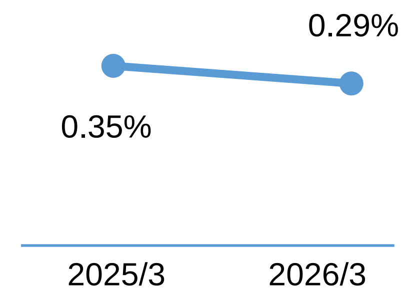
Core Net Business Profit (Excluding Gains or Losses from Cancellation of Investment Trusts)



Total interest margin



Deposit and loan margin



Issues	Future Initiatives	KPI Improvement
Increase in low-yield loans (balance increased mainly in short-term loans to government entities)	Reallocate loans from government entities to SMEs and individuals	Loan yield 2026/3 **1.25%** ⇒ 2030/3 **over 2%** Duration 2026/3 **Around 2 years** ⇒ 2030/3 **Around 3 years**
Stagnation in securities yields (investments concentrated in 2-year Japanese government bonds)	Improve yields through a review of the securities portfolio	Securities yield 2026/3 **0.72%** ⇒ 2030/3 **1.76%** Duration 2026/3 **2.0 years** ⇒ 2030/3 **3.4 years**
Rising expense ratio due to investments in branch offices, DX/systems, and human capital	Dramatically improve productivity through AI investments	Administrative process streamlining and reduction Annual reduction in working hours of **344,000 hours** compared with 2026/3 Increase in the ratio of sales personnel 2026/3 **25%** ⇒ 2030/3 **35 to 40%**

We aim to increase interest margins and further grow core net business profit. 2026/3 **¥9.7 billion** ⇒ 2030/3 **¥20.0 billion or more**

Targets for Management Indicators etc., toward ROE of 7%

TOCHIGI BANK

Equation for Decomposition of ROE

$$\text{ROE} = \frac{\text{Profit}}{\text{Equity capital}} = \text{RORA}\ \frac{\text{Profit}}{\text{Risk assets}} \times \text{Financial leverage}\ \frac{\text{Risk assets}}{\text{Equity capital}}$$

RORA

$$\approx \frac{\text{Gross operating profit (excluding gains (losses) from cancellation of investment trusts)}}{\text{Risk assets}} \times \left(1 - \text{OHR}\left[\frac{\text{Expenses}}{\text{Gross operating profit (excluding gains (losses) from cancellation of investment trusts)}}\right]\right)$$

[Gross operating profit RORA]

Targets for Management Indicators, etc. to Achieve ROE of 7%

Item	2026/3	2030/3 (ROE of 7% or higher)
Core net business profit (excluding gains (losses) from cancellation of investment trusts) (non-consolidated)	9.7 billion yen	20.0 billion yen or more
Profit (consolidated)	8.2 billion yen	13.0 billion yen or more
RORA (consolidated)	0.57%	Around 0.8%
Gross operating profit RORA (non-consolidated)	2.35%	Around 3.0%
OHR (non-consolidated)	71.19%	Mid-50% range
Expenses (non-consolidated)	24.0 billion yen	Around 27.0 billion yen
Financial leverage (consolidated)	10.08x	9.0x to 9.5x
Risk assets (consolidated)	1,453.4 billion yen	Around 1,600.0 billion yen
ROE (consolidated)	5.3%	7% or higher

Topics

Launch of Business Collaboration with ABEJA, Inc. in the DX and AI Fields

TOCHIGI BANK

We have launched a business collaboration with ABEJA, Inc. in the DX and AI fields and will promote strategies and initiatives aligned with the 12th Medium-term Management Plan. Through this collaboration, we will further enhance customer services and improve operational efficiency, while developing the environment necessary to demonstrate our regional financial capabilities.

Overview of the Business Partner

Trade name	ABEJA, Inc.
Representative	Yousuke Okada, CEO Motohiro Koma, COO
Location of the head office	Minato-ku, Tokyo
Establishment	September 2012
Business description	Enterprise Platform Business ・Supporting customers in putting AI into practical operation and achieving continuous advancement. ・Development, implementation, and operation of the core platform, ABEJA Platform
Stock exchange listing	Tokyo Stock Exchange Growth Market

Scope of Business Collaboration

- Support the Bank's organization-wide DX initiatives, including the formulation of an AI utilization roadmap incorporating generative AI, execution of business transformation initiatives, and the planning, design, and operation of use cases
- Support the architecture design and implementation of AI agent platforms
- Support human resource development and governance framework development related to DX and AI
- Support the restructuring of internal systems and infrastructure environments to facilitate the implementation and broader utilization of generative AI

Future Plan

- First half of fiscal 2026: Build a generative AI utilization platform within the Bank's on-premises environment
- Second half of fiscal 2026: Launch initiatives utilizing AI agents

Background and Objectives of the Collaboration

- AI innovation is accelerating rapidly, and within the financial industry, the focus has shifted from the utilization of generative AI to the implementation of AI agents, marking a significant change in the stage of AI adoption.
- As a result, more advanced and specialized initiatives are required in areas such as data utilization, AI governance, risk and security management, and employee literacy training, incorporating external expertise where appropriate.
- Recognizing this period of significant environmental change as an opportunity, we have entered into this strategic business collaboration to accelerate business transformation through proactive investment.

(Left: Hiroyuki Nakada, President; Right: Yousuke Okada, CEO of ABEJA, Inc.)

Opening of the New Head Office Confirmed

TOCHIGI BANK

Following the launch of the basic concept in fiscal 2022, we have decided on the opening of our new head office, which has been under construction during the period of the 11th Medium-term Management Plan.

August 17, 2026: Opening of the New Head Office
October 2027 (planned): Grand Opening (following the demolition of the existing building)

New Head Office Concept: “Shaping a Prosperous Future Together”

- Becoming a Bank that *Moves toward the Future*

Obtained ZEB Ready Certification

Through the use of renewable energy, the adoption of high-efficiency facilities, and the installation of solar power generation systems, we will demonstrate leadership in achieving regional decarbonization and contribute to local SDGs.

- Becoming a Bank that *Makes Dreams Come True*

Adoption of Group Address Seating and Utilization of DX Tools

We will emphasize communication with customers and among employees by providing comfortable and convenient meeting rooms and spaces for interaction and collaboration.

- Becoming a Bank that *Shares Joy*

Contribution through the Use of Regional Resources and Enhancement of BCP Measures

The entrance hall of the new head office will incorporate a wide range of local resources and serve as a welcoming space where customers and local residents can easily stop by. We will also strengthen our business continuity framework in preparation for large-scale disasters and enhance earthquake resistance and disaster prevention functions. By ensuring the safety and security of customers and employees, we will uphold the trust placed in us by the local community.

Construction Progress: As of March 31, 2026

Rendering of the New Head Office Building

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