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(Securities Code: 8550)

June 3, 2025

(Start date of measures for electronic provision: May 30, 2025)

To our shareholders:

Hiroyuki Nakada, President
THE TOCHIGI BANK, LTD.
1-18, Nishi 2-chome, Utsunomiya,
Tochigi Prefecture

Notice of the 122nd Annual General Meeting of Shareholders

We are pleased to announce the 122nd Annual General Meeting of Shareholders of THE TOCHIGI BANK, LTD. (the “Bank”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Bank has taken measures for electronic provision and has posted information subject to the measures on the following website.

The Bank’s website: <https://www.tochigibank.co.jp/investment/> (in Japanese)

In addition to the above website, the information is also posted on the Tokyo Stock Exchange (TSE) website. Please access the following TSE website, enter “TOCHIGI BANK” in the field for the issue name or “8550” in the field for the securities code and click on the “Search” button, and then select “Basic Information” followed by “Documents for public inspection/PR information” to check the information.

Tokyo Stock Exchange Website (TSE Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

In addition to attending the Meeting in person, you can exercise your voting rights in writing or by electronic and magnetic means (the internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders, which are posted as part of information subject to measures for electronic provision, and exercise your voting rights before Wednesday, June 25, 2025, at 5:00 p.m. (JST).

- 1. Date and Time:** Thursday, June 26, 2025, at 10:00 a.m. (JST)
(Reception will open at 9:00 a.m.)
- 2. Venue:** Sub Hall, Tochigi Prefecture Cultural Center, 1-8 Honcho, Utsunomiya, Tochigi Prefecture
- 3. Purpose of the Meeting:**
 - Matters to be reported:**
 1. The Business Report and the Non-consolidated Financial Statements for the 122nd fiscal year (from April 1, 2024 to March 31, 2025)
 2. The Consolidated Financial Statements for the 122nd fiscal year (from April 1, 2024 to March 31, 2025), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
 - Matters to be resolved:**
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
 - Proposal No. 3:** Election of Ten Directors

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

(1) Year-end dividends

In addition to ensuring sound management and enhancing internal reserves in light of the public nature of banks, the Bank's basic policy for profit distribution is to continuously provide stable dividends.

In acknowledgement of its shareholders' ongoing support, and after comprehensive consideration of its management environment and performance based on the basic policy, the Bank proposes to pay year-end dividends for the 122nd fiscal year as follows.

1) Type of dividend property

Cash

2) Allotment of dividend property and their aggregate amount

¥3.5 per common share of the Bank

Total payment: ¥ 367,827,964

As the Bank has already paid an interim dividend for the 122nd fiscal year of ¥3.5 per share, the annual dividend for the fiscal year will be ¥7 per share.

3) Effective date of dividends from surplus

Friday, June 27, 2025

(2) Other appropriation of surplus

With regard to the other appropriation of surplus, the Bank proposes the following to ensure the flexibility of its capital policy.

1) Item and amount of surplus to be decreased

General reserve: ¥ 17,000,000,000

2) Item and amount of surplus to be increased

Retained earnings brought forward: ¥ 17,000,000,000

Proposal No. 2: Amendments to the Articles of Incorporation

1. Reason for the Amendment

The Bank proposes to reduce the term of office of Directors from the current two (2) years to one (1) year in order to strengthen corporate governance and build a management structure that is capable of promptly addressing changes in the business environment.

2. Details of the Change

Change is as follow:

(Change is as underlined.)

Current Articles of Incorporation	Proposed Amendment
Chapter 4. Directors and the Board of Directors (Term of Office) Article 20. The term of office of a Director shall expire at the close of the Annual General Meeting of Shareholders for the last fiscal year that ends within <u>two</u> years after the election of such Director.	Chapter 4. Directors and the Board of Directors (Term of Office) Article 20. The term of office of a Director shall expire at the close of the Annual General Meeting of Shareholders for the last fiscal year that ends within <u>one</u> year after the election of such Director.

Proposal No. 3: Election of Ten Auditors

If Proposal No. 2, “Amendments to the Articles of Incorporation,” is approved as originally proposed, the term of office of the Bank’s Directors will be changed from two (2) years to one (1) year, and the term of office of all current Directors (12 members) will expire at the close of the meeting. Therefore, the Bank proposes the election of ten Directors.

The candidates for Director are as follows:

No.	Name		Current position and responsibility in the Bank	Attendance at Board of Directors meetings
1	Hiroyuki Nakada	Reelection	President (In charge of Secretariat (including Tokyo Office), Audit Division and Corporate Strategy Office)	12/12 (100%)
2	Yoshimori Tomikawa	Reelection	Senior Managing Director (In charge of Fund Management Division, Business Management Division, Personal Loan Division, Corporate Business Division and Financial Services Division)	12/12 (100%)
3	Takashi Ogiwara	Reelection	Managing Director (In charge of Corporate Planning Division, Compliance Management Division, Human Resources Division and General Affairs Division)	12/12 (100%)
4	Shigenobu Ohashi	Reelection	Director General Manager of Utsunomiya Higashi Branch	12/12 (100%)
5	Kosuke Sudo	New election	Executive Officer General Manager of Saitama Area Head Office, Business Management Division	—
6	Akiko Kameoka	Reelection Outside Independent	Outside Director	12/12 (100%)
7	Yasuhisa Otani	Reelection Outside Independent	Outside Director	12/12 (100%)
8	Masatoshi Arakawa	Reelection Outside Independent	Outside Director	12/12 (100%)
9	Ichiko Yoshizawa	Reelection Outside Independent	Outside Director	10/10 (100%)
10	Hideki Takezawa	New election Outside Independent	—	—

No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank		Number of the Bank's shares owned
1 Reelection	Hiroyuki Nakada (April 29, 1965)	June 2019	Director General Manager of Koshigaya Branch	34,400
		June 2021	Director General Manager of Corporate Planning Division and General Manager of Related Business Office	
		June 2023	Managing Director	
		June 2024	President (current position) (In charge of Secretariat (including Tokyo Office), Audit Division and Corporate Strategy Office)	
	<p>Reasons for nomination as candidate for Director</p> <p>Mr. Hiroyuki Nakada joined the Bank in April 1988 and has successively served positions including General Manager of Higashi Koshigaya Branch, Utsunomiya Station Branch as well as General Manager of Corporate Support Office of Corporate Business Division and Administration Division. He assumed office as Director in June 2019. and served as General Manager of Koshigaya Branch, General Manager of Corporate Planning Division, and General Manager of Related Business Office. He assumed office as Managing Director in June 2023 and has been serving as President since June 2024. As the Bank's Director, He has executed his duties accurately, fairly and efficiently based on his abundant knowledge and experience in banking business. The Bank has determined that Mr. Hiroyuk Nakada is capable of continuously making appropriate management decisions in response to the changing business environment, and accordingly nominated him as candidate for Director.</p>			
2 Reelection	Yoshimori Tomikawa (April 28, 1962)	July 2019	Executive Officer, General Manager of Corporate Business Division	22,500
		June 2021	Director General Manager of Corporate Business Division	
		June 2022	Managing Director	
		June 2024	Senior Managing Director (current position) (In charge of Fund Management Division, Business Management Division, Personal Loan Division, Corporate Business Division and Financial Services Division)	
	<p>Reasons for nomination as candidate for Director</p> <p>Mr. Yoshimori Tomikawa joined the Bank in April 1985 and has successively served positions including General Manager of Sengendai Branch, Hyogozuka Branch, Ujiie Branch, Deputy General Manager of Head Office Business Division, General Manager of Obukuro Branch, General Manager of Financial Service Division and Corporate Business Division. He assumed office as Director and served as General Manager of the Corporate Business Division in June 2021, Managing Director since June 2022, and has served as Senior Managing Director since June 2024. As the Bank's Director, he has executed his duties accurately, fairly and efficiently based on his abundant knowledge and experience in banking business. The Bank has determined that Mr. Yoshimori Tomikawa is capable of continuously making appropriate management decisions in response to the changing business environment, and accordingly nominated him as candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank		Number of the Bank's shares owned
3 Reelection	Takashi Ogiwara (March 29, 1968)	June 2019	General Manager of Yonan Branch	11,000
		July 2020	Executive Officer, General Manager of Yonan Branch	
		June 2021	Executive Officer, General Manager of Audit Division	
		June 2022	Director General Manager of Audit Division	
		June 2023	Director General Manager of Corporate Planning Division and General Manager of Related Business Office	
		June 2024	Managing Director (current position) (In charge of Corporate Planning Division, Compliance Management Division, Human Resources Division and General Affairs Division)	
Reasons for nomination as candidate for Director Mr. Takashi Ogiwara joined the Bank in April 1990 and has successively served positions including General Manager of Oyama Branch, Yoshikawa Branch, Imaichi Branch, and Yonan Branch. He assumed office as an Executive Officer in July 2020, Executive Officer and General Manager of Audit Division in June 2021, Director and General Manager of Audit Division in June 2022, General Manager of Corporate Planning Division and General Manager of Related Business Office since June 2023, and has served as Managing Director since June 2024. As the Bank's Director, he has executed his duties accurately, fairly and efficiently based on his abundant knowledge and experience in banking business. The Bank has determined that Mr. Takashi Ogiwara is capable of continuously making appropriate management decisions in response to the changing business environment, and accordingly nominated him as candidate for Director.				
4 Reelection	Shigenobu Ohashi (July 21, 1966)	June 2018	General Manager of Tochigi Branch	22,510
		July 2020	Executive Officer, General Manager of Tochigi Branch	
		June 2021	Executive Officer, General Manager of Koshigaya Branch	
		June 2023	Director General Manager of Utsunomiya Higashi Branch (current position)	
Reasons for nomination as candidate for Director Mr. Shigenobu Ohashi joined the Bank in April 1985 and has successively served positions including General Manager of Nogi Branch, Technopolis Branch, Kanuma Branch and Tochigi Branch. He assumed office as Executive Officer in July 2020, Executive Officer and General Manager of the Koshigaya Branch in June 2021, and Director and General Manager of the Utsunomiya Higashi Branch in June 2023, and has fulfilled his duties and responsibilities appropriately. The Bank has determined that Mr. Shigenobu Ohashi is capable of continuously making appropriate management decisions that contribute to the Bank's sustainable growth and enhancement of corporate value from a medium- to long-term point of view and in response to changing business environment, and accordingly nominated him as candidate for Director.				

No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank		Number of the Bank's shares owned
5 New election	Kosuke Sudo (November 29, 1972)	April 2015	General Manager of Nikko Branch	19,500
		April 2017	General Manager of Ohtawara Branch	
		June 2021	General Manager of Yonan Branch	
		July 2022	Executive Officer, General Manager of Yonan Branch	
		June 2023	Executive Officer, General Manager of Koshigaya Branch	
		October 2024	Executive Officer, General Manager of Saitama Area Head Office, Business Management Division (current position)	
<p>Reasons for nomination as candidate for Director</p> <p>Mr. Kosuke Sudo joined the Bank in April 1995 and has successively served positions including General Manager of Nikko Branch, Ohtawara Branch, and Yonan Branch. He assumed office as Executive Officer in July 2022 and has been serving as General Manager of the Koshigaya Branch, and General Manager of the Saitama Area Head Office in the Business Management Division. As the Bank's employee, he has long executed his duties. With his extensive experiences and knowledge through his career, the Bank has determined that Mr. Kosuke Sudo is capable of continuously making appropriate management decisions in response to the changing business environment, and accordingly nominated him as candidate for Director.</p>				
6 Reelection Outside Independent	Akiko Kameoka (March 4, 1979)	October 2006	Registered as an attorney at Tokyo Bar Association	14,600
		October 2006	Joined Tsuyuki & Akazawa Law Office	
		February 2011	Retired from Tsuyuki & Akazawa Law Office	
		February 2011	Registered as an attorney at Tochigi Prefecture Bar Association	
		February 2011	Joined Hotaka General Law Office (current position)	
		June 2019	Outside Director of the Bank (current position)	
<p>Reasons for nomination as candidate for Outside Director and expected roles</p> <p>Ms. Akiko Kameoka has abundant experience, deep insight and broad knowledge she has built as an attorney who is well-versed in legal affairs. From the perspective of promoting the Bank's sustainable growth and enhancement of corporate value from a medium-to long term point of view, the Bank has determined that Ms. Akiko Kameoka is capable of executing her duties as Outside Director by playing an appropriate role in strengthening the supervisory function of the Board of Directors in a fair and neutral manner from an independent and objective standpoint, and accordingly nominated her as candidate for Outside Director. Ms. Akiko Kameoka changed her surname (former name - Akiko Nakanishi) after marriage, but she is active as a lawyer under her former name.</p>				

No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank	Number of the Bank's shares owned
7 Reelection Outside Independent	Yasuhisa Otani (February 27, 1958)	<p>April 1980 Joined Japan Travel Bureau (currently JTB Corp.)</p> <p>February 2002 Director of JTB Corp. Overseas Free Travel Center President and CEO of ABI Corp.</p> <p>June 2006 Director and General Manager of Sales Planning Division of JTB World Vacations Co., Ltd.</p> <p>June 2011 Managing Director and General Manager of Product Headquarters</p> <p>April 2012 Executive Officer and General Manager of Tourism Business Headquarters of JTB Corp.</p> <p>June 2012 Member of the Board and General Manager of Tourism Business Headquarters</p> <p>April 2014 Member of the Board of JTB Corp. President and CEO of JTB Domestic Travel Planning Co., Ltd.</p> <p>June 2014 Managing Director of JTB Corp. President and CEO of JTB Domestic Travel Planning Co., Ltd.</p> <p>June 2018 Managing Director in charge of Group Culture Reform, and CISO of JTB Corp.</p> <p>June 2019 Managing Executive Officer in charge of Group Culture Reform, and CISO</p> <p>April 2020 Managing Executive Officer</p> <p>June 2020 Retired from Managing Executive Officer</p> <p>June 2021 Outside Director of the Bank (current position)</p> <p>April 2024 Special Advisor in charge of Regional Revitalization of Kankokeizai News Corporation (current position)</p>	16,000
<p>Reasons for nomination as candidate for Outside Director and expected roles</p> <p>With a background of serving as Managing Director of JTB Corp. and President and CEO of JTB Domestic Travel Planning Co., Ltd., Mr. Yasuhisa Otani has a wide range of achievements in management and sales planning of global companies, personnel management, etc. Based on his in-depth knowledge and experience in company management, and from the perspective of promoting the Bank's sustainable growth and enhancement of corporate value from a medium-to long term point of view, the Bank has determined that Mr. Yasuhisa Otani is capable of executing his duties as Outside Director by playing an appropriate role in strengthening the supervisory function of the Board of Directors in a fair and neutral manner from an independent and objective standpoint, and accordingly nominated him as candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank		Number of the Bank's shares owned
8 Reelection Outside Independent	Masatoshi Arakawa (August 29, 1955)	April 1979	Joined Tochigi Prefectural Government	18,200
		April 2012	Deputy Director for Crisis Management of Community Affairs Department, Tochigi Prefectural Government	
		April 2014	General Manager of Industry and Labor, Tourism Department, Tochigi Prefectural Government	
		March 2016	Retired from Tochigi Prefectural Government	
		April 2016	President of Tochigi Sports Association, a public-interest corporation	
		March 2019	Retired from Tochigi Sports Association	
		April 2019	Superintendent of Education, Tochigi Board of Education	
		March 2022	Retired from Tochigi Board of Education	
		June 2022	Outside Director of the Bank (current position)	
	Reasons for nomination as candidate for Outside Director and expected roles Mr. Masatoshi Arakawa joined the Tochigi Prefectural Government in April 1979 and has successively served important positions associated with local administrative execution, including General Manager of Industry and Labor, Tourism Department of Tochigi Prefecture and Superintendent of Education, Tochigi Board of Education. As an executor in a local government, he has extensive experience and knowledge cultivated throughout his career. Based on his own knowledge, from the perspective of promoting the Bank's sustainable growth and enhancement of corporate value from a medium-to long term point of view, the Bank has determined that Mr. Masatoshi Arakawa is capable of executing his duties as Outside Director by playing an appropriate role in strengthening the supervisory function of the Board of Directors in a fair and neutral manner from an independent and objective standpoint, and accordingly nominated him as candidate for Outside Director.			

No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank	Number of the Bank's shares owned
9 Reelection Outside Independent	Ichiko Yoshizawa (August 1, 1970)	<p>October 1996 Joined Chuo Audit Corporation (currently PricewaterhouseCoopers Aarata LLC)</p> <p>August 1999 Retired from Chuo Audit Corporation</p> <p>June 2000 Joined Daiwa Securities SB Capital Markets Co. Ltd. (currently Daiwa Securities Co. Ltd.)</p> <p>June 2001 Retired from Daiwa Securities SMBC Co. Ltd. (formerly SB Capital Markets Co. Ltd.)</p> <p>July 2001 Joined Inspection Bureau, Financial Services Agency (part-time)</p> <p>April 2002 Fixed-term official of Inspection Bureau, Financial Services Agency</p> <p>June 2003 Retired from Financial Services Agency due to the expiration of term of office</p> <p>September 2003 Registered as a certified public accountant, affiliated with the Japanese Institute of Certified Public Accountants, Tokyo Chapter</p> <p>October 2003 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>December 2016 Retired from Deloitte Touche Tohmatsu LLC</p> <p>February 2017 Joined ShinNihon LLC. (currently Ernst & Young ShinNihon LLC.)</p> <p>August 2021 Retired from Ernst & Young ShinNihon LLC.</p> <p>September 2021 Established Yoshizawa Accounting Office</p> <p>April 2024 Lecturer of Faculty of Economics, Asia University (part-time) (current position)</p> <p>June 2024 Outside Director of the Bank (current position)</p>	1,300
<p>Reasons for nomination as candidate for Outside Director and expected roles</p> <p>Ms. Ichiko Yoshizawa joined an auditing firm in October 1996. After working at various institutions, including a securities firm and major auditing firms, she established an accounting office in September 2021. As a certified public accountant, she has specialized knowledge in finance and accounting and experience in auditing financial institutions. From the perspective of promoting the Bank's sustainable growth and enhancement of corporate value from a medium-to long term point of view, the Bank has determined that Ms. Ichiko Yoshizawa is capable of executing her duties as Outside Director by playing an appropriate role in strengthening the supervisory function of the Board of Directors in a fair and neutral manner from an independent and objective standpoint, and accordingly nominated her as candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank	Number of the Bank's shares owned
10 New election Outside Independent	Hideki Takezawa (August 19, 1963)	<p>April 1986 Joined the Bank of Japan</p> <p>September 2010 General Manager of Maebashi Branch</p> <p>May 2012 General Manager of Yokohama Branch</p> <p>June 2014 Associate Director-General, Operations Department</p> <p>May 2015 General Manager of Sendai Branch</p> <p>June 2017 Internal Auditor, Internal Auditors' Office</p> <p>June 2019 Retired from the Bank of Japan</p> <p>July 2019 Adviser, the Securities Analysts Association of Japan</p> <p>August 2019 Secretary General</p> <p>August 2021 Director and Secretary General</p> <p>June 2024 Retired from the Securities Analysts Association of Japan</p> <p>June 2024 Senior Director, Tokyo Syoken Shinyoukumiai (current position)</p> <p>June 2025 Scheduled to retire from Tokyo Syoken Shinyoukumiai on June 18, 2025</p>	0
<p>Reasons for nomination as candidate for Outside Director and expected roles</p> <p>Since joining the Bank of Japan, Mr. Hideki Takezawa has served as General Manager of the Maebashi Branch, Yokohama Branch, and Sendai Branch, and has extensive practical experience in regional finance. He has also served as Director and Secretary General of the Securities Analysts Association of Japan and Senior Director of Tokyo Syoken Shinyoukumiai, and has specialized knowledge in all areas of finance. From the perspective of promoting the Bank's sustainable growth and enhancement of corporate value from a medium-to long term point of view, the Bank has determined that Mr. Hideki Takezawa is capable of contributing to the management by playing an appropriate role in strengthening the supervisory function of the Board of Directors in a fair and neutral manner from an independent and objective standpoint, and accordingly nominated him as candidate for Outside Director.</p>			

- Notes:
- There is no special interest between any of the candidates for Director and the Bank.
 - Ms. Akiko Kameoka, Mr. Yasuhisa Otani, Mr. Masatoshi Arakawa, Ms. Ichiko Yoshizawa, and Mr. Hideki Takezawa are candidates for Outside Director.
 - At the conclusion of this Meeting, the tenure of Ms. Akiko Kameoka as Outside Director of the Bank will have been six years.
At the conclusion of this Meeting, the tenure of Mr. Yasuhisa Otani as Outside Director of the Bank will have been four years.
At the conclusion of this Meeting, the tenure of Mr. Masatoshi Arakawa as Outside Director of the Bank will have been three years.
At the conclusion of this Meeting, the tenure of Ms. Ichiko Yoshizawa as Outside Director of the Bank will have been one year.
 - The Bank has submitted notification to Tokyo Stock Exchange that Ms. Akiko Kameoka, Mr. Yasuhisa Otani, Mr. Masatoshi Arakawa, and Ms. Ichiko Yoshizawa are appointed as independent officers as provided for by the aforementioned exchange. The Bank also plans to submit notification to Tokyo Stock Exchange that Mr. Hideki Takezawa is appointed as an independent officer.
 - The Bank has entered into an agreement with Ms. Akiko Kameoka, Mr. Yasuhisa Otani, Mr. Masatoshi Arakawa, and Ms. Ichiko Yoshizawa to limit his liability for damages under Article 423, paragraph 1 of the Companies Act in accordance with the provisions of Article 427, paragraph 1 of the same Act, and the maximum amount of liability for damages under this agreement is set at the minimum liability amount provided for by Article 425, paragraph 1 of the same Act. If reelection of Ms. Akiko Kameoka, Mr. Yasuhisa Otani, Mr. Masatoshi Arakawa, and Ms. Ichiko Yoshizawa is approved, the Bank plans to renew the aforementioned agreement with them. The Bank also plans to enter into an agreement with Mr. Hideki Takezawa to limit his liability for damages under Article 423, paragraph 1 of the Companies Act in accordance with the provisions of Article 427, paragraph 1 of the same Act, if his election as Outside Director is approved.
 - The Bank has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act. The policy covers the compensation claimed against the insured during the insurance period for damages arising from actions (including omissions) taken by the insured officers, including Directors of the Bank, in the course of execution of their duties. (However, the insurance payment will not be paid if the case falls under policy exclusions, such as a claim for damages caused by the

insured illegally obtaining private benefits or giving facilities, or a claim for damages caused by the insured's criminal activity.) All the candidates will be insured under the insurance policy if they are elected and assume office. In addition, the insurance policy will be renewed with the same contents at the next renewal.

(Reference) Skill Matrix of Directors and Auditors
(If each candidate is elected at the meeting)

The Bank values the diversity of the Board of Directors while considering the balance between areas of knowledge, experience, capabilities and specialization of the Board of Directors as a whole.

To supervise management appropriately, the Board of Directors internally selects Directors and Auditors who possess skills in the areas of corporate governance/management strategies, sales, credit screening, market investment, compliance/risk management, human resources, and DX/systems. On the other hand, the Board of Directors selects Outside Directors and Outside Auditors, in expectation of their skills as required at a regional financial institution in the areas of management/organizational administration, laws/legal affairs, finance, regional revitalization, and finance/accounting. Please note that this skill matrix does not indicate all areas of responsibility, experience and expertise possessed by Directors and Auditors.

[Inside Directors/Inside Auditors]

Name	Position in the Bank	Skill areas						
		Corporate governance /Management strategies	Sales	Credit screening	Market investment	Compliance /Risk management	Human resources	DX/Systems
Hiroyuki Nakada	President (Representative Director)	●	●	●	●	●	●	
Yoshimori Tomikawa	Senior Managing Director		●	●	●		●	●
Takashi Ogiwara	Managing Director	●	●	●	●	●	●	
Shigenobu Ohashi	Director		●	●				
Kosuke Sudo	Director		●	●				
Minoru Fukuda	Auditor		●	●				
Norio Ishiwata	Auditor		●	●		●	●	●

[Outside Directors/Outside Auditors]

Name	Position in the Bank	Independence	Expected skill areas				
			Management/ Organizational administration	Laws/ Legal affairs	Finance	Regional revitalization	Finance/ Accounting
Akiko Kameoka	Outside Director	○		●			
Yasuhisa Otani	Outside Director	○	●			●	
Masatoshi Arakawa	Outside Director	○	●			●	
Ichiko Yoshizawa	Outside Director	○			●		●
Hideki Takezawa	Outside Director	○	●		●		
Hideyuki Suka	Outside Auditor	○	●		●	●	
Yutaka Miyauchi	Outside Auditor	○	●		●		●

Definition of skill areas

Areas of operation of particular importance to the bank management	
Corporate governance /Management strategies	Possess experience and knowledge in corporate governance, which enables the right decisions on management strategies.
Sales	Possess experience and knowledge in sales, which enables the right decisions on sales strategies.
Credit screening	Possess experience and knowledge in credit screening, which enables the right credit decisions.
Market investment	Possess experience and knowledge in market investment, which enables the right investment decisions.
Compliance/Risk management	Possess experience and knowledge in compliance/risk management, which enables appropriate risk management.
Human resources	Possess knowledge and experience in human resources, which enables the right decisions on human resources policies.
DX/Systems	Possess experience and knowledge in DX/systems areas, which enables the right decisions on DX strategies.

Areas in need of a higher level of expertise or objective advice/supervision from the external point of view, for the purpose of reinforcing the bank management	
Management /Organizational administration	Possess knowledge in organizational administration, which enables appropriate advice and supervision on organizational administration.
Laws/Legal affairs	Possess expertise in corporate legal affairs, which enables supervision over legitimacy in business execution.
Finance	Possess knowledge in finance, which enables appropriate advice and supervision of business execution.
Regional revitalization	Possess knowledge in regional revitalization, which enables appropriate advice and supervision of business execution.
Finance/Accounting	Possesses knowledge in finance and accounting, which enables appropriate advice and supervision of business execution.

(Reference) Independence Criteria for Outside Officers

A person who falls under any of the following items, in addition to the independence requirements provided for by the Companies Act and the Tokyo Stock Exchange, shall be deemed not independent of the Group.

1. A person who is (or has been in the past ten years) a business executor of the Group;
 2. A person who is (or has been in the past five years) a major shareholder holding 10% or more of the Bank's total shares on a voting-right basis or a business executor thereof;
 3. A business executor of a company or organization that falls under any of the following items:
 - (1) A business executor of a major client of the Bank (the criteria for considering a company or organization as "major client" are as follows):
 - a. A company or organization whose outstanding balance of borrowings from the Group accounts for (or has accounted for in the past one year) 2% or more of the balance of loans outstanding of the Group (excluding local public entities); or
 - (2) A business executor of a company or organization for which the Bank is a major client (the criteria for considering the Bank as "major client" are as follows):
 - a. A company or organization that is (or has been in the past one year) a major loan borrower of the Bank and classified as a "borrower requiring caution" or below with difficulty in financing from financial institutions other than the Bank;
 - b. A company or organization whose transactions with the Group in the past one year exceed 10% of the annual consolidated net sales of the company or organization in the most recent fiscal year; or
 - c. A company or organization in which the Group holds (or has held in the past one year) 10% or more of the total shares of the company or organization on a voting-right basis
 4. A certified public accountant who belongs (or has belonged in the past five years) to an auditing firm that is the Financial Auditor of the Group;
 5. A consultant, accountant, tax accountant, attorney, judicial scrivener or similar professional who receives (or has received in the past five years) cash or other assets exceeding 10 million yen annually from the Group besides officer's compensation;
 6. A person who receives (or has received in the past five years) donation exceeding 10 million yen annually from the Group;
 7. A person whose close relative falls under or (has fallen under in the past five years) any of the items from 1 to 6 above (limited to key personnel except 4 and 5);
- * A business executor means an Executive Director, Executive Officer, Corporate Officer, or any person equivalent thereto or employee (not including Auditor).
- * Key personnel means Executive Directors, Executive Officers, Corporate Officers, or business executors holding the position of General Manager or higher or any business executor with authority equivalent thereto.

[Reference: To Institutional Investors]

Electronic Platform to Exercise Voting Rights

Trust banks and other nominee shareholders (including standing proxies) who have applied in advance for the use of the electronic platform to exercise voting rights, which is operated by ICJ Inc., a joint venture organized by Tokyo Stock Exchange, Inc. and other entities, may exercise their voting rights on the platform as a method for exercising voting rights by an electronic means, in addition to the exercise of voting rights online.

Business Report for the 122nd Fiscal Year

(April 1, 2024 – March 31, 2025)

1. Status of the Bank

(1) Business progress and results, etc.

<Principal business>

As a regional financial institution with its main base of operations in Tochigi Prefecture, the Bank engages in trading operations of trading securities, over-the-counter sales operations of securities investment trusts and life and non-life insurance products, investment operations of securities, domestic exchange operations, foreign exchange operations, corporate bond entrustment and ancillary operations, etc., centered on deposit operations and lending operations, at the head office, branches, and subbranches. In this manner, the Bank provides a wide range of financial products and services to local customers.

<Financial and economic environment>

In the fiscal year under review, Japan entered a so-called “world with interest rates” with the Bank of Japan having ended its negative interest rate policy in March 2024. With rising wages by companies and growing household consumer confidence, two policy interest rate hikes were decided, and the Japanese economy continued its steady recovery.

On the other hand, amid prolonged impacts from the situation in Ukraine and the Middle East, labor shortages, and sustained high resource and energy prices, the impacts from the high tariffs imposed by the new administration in the US, which took office in January 2025, are expected to hit a broad range of industries not only worldwide but also across Japan. As a result, the outlook for the financial and economic environment remains highly uncertain.

The economies of Tochigi Prefecture and Saitama Prefecture, the Bank’s main bases of operations, are facing similar concerns, and the outlook for the local economy has also become increasingly unclear.

As for the financial situation, the yen fell significantly against the U.S. dollar to around 160 yen in April, driven by interest rate differences between Japan and the United States. However, due to changes in monetary policies in both countries, the yen temporarily appreciated to the 139-yen level in September. Since then, the yen continued on a weakening trend due to the US economy and monetary policy forecasts in Japan and the US.

Long-term interest rates in Japan (yield on 10-year government bonds) remained around 1%, supported by the robust domestic economy. However, in 2025, strong prospects of wage increases following on from the previous year and of further interest rate hikes by the Bank of Japan led to an increase in long-term interest rates to the 1.59% level in March.

In equity markets, listed companies achieved record-high profits on the back of a weak yen, and the Nikkei Stock Average closed at an all-time high of 42,426 yen on July 11, 2024. However, entering 2025, falling US semiconductor stocks and impacts from U.S. tariff policies caused a significant drop, and the Nikkei Stock Average closed at 35,617 yen at the end of March.

<Business progress and results>

Under such economic and financial situations, the financial results for the fiscal year under review, the second year of the 11th Medium-term Management Plan launched in April 2023, were as follows. With respect to main accounts, the balance of deposits at the end of the fiscal year under review increased by 9.2 billion yen year on year to 3,121.1 billion yen due in part to an increase in personal deposits. The balance of loans and bills discounted at the end of the fiscal year under review increased by 132.3 billion yen year on year to 2,192.8 billion yen due to an increase in lending to individuals, SMEs, and major corporations. The balance of securities at the end of the fiscal year under review decreased by 233.1 billion yen year on year to 376.3 billion yen as a result of recognizing a loss on sales following accelerated portfolio replacements.

Ordinary income decreased by 168 million yen year on year to 40,096 million yen due in part to a decrease in interest and dividends on securities, despite increases in interest on loans and discounts and in fees and commissions.

Ordinary expenses increased by 27,358 million yen year on year to 64,160 million yen due in part to the recognition of losses on sales of bonds, and an increase in interest on deposits.

As a result, ordinary profit decreased by 27,526 million yen year on year to a loss of 24,064 million yen and profit decreased by 24,247 million yen year on year to a loss of 22,491 million yen.

<Issues to be addressed>

As Japan enters a so-called “world with interest rates” following the Bank of Japan’s decision to end its negative interest rate policy, the economic environment surrounding the Bank remains uncertain due to situations overseas, soaring resource and energy prices, and impacts from US tariff policies. In addition, owing to changes in the external environment such as the declining birthrate and aging population and progress of financial digitalization, the business environment is changing dramatically, including anticipated intensification of competition with other financial institutions.

Under these circumstances, the Bank established “purpose” (continue protecting smiles and happiness while transforming problems into “thank you”) as the pillar of decisions and actions of all Group organizations and all employees and officers in the 11th Medium-term Management Plan launched in April 2023. Under this plan, the Bank aims to “realize the provision of new value” based on the three basic strategies of “strengthening profitability,” “strengthening the system,” and “strengthening investment in human capital.”

The Bank also established a “long-term vision” (a corporate group that co-creates the future of regions through “relation” and “solution”) as the Bank’s vision in 10 years.

To achieve the “long-term vision,” it is essential to build a more solid management base. To this end, the Bank must accurately ascertain its cost of capital and return on capital, while taking measures for improvement, to enhance its corporate value.

Through these measures, the Bank aims to become indispensable to its customers’ lives and management, such as by contributing to their stable asset formation and the maintenance and improvement of their sustainable business value.

Furthermore, the Bank will increase consistency between SDGs/ESG and corporate activities, engage in management that considers the impact on the environment, local communities, and the economy, and ensure the sustainability of local communities and the Group. To this end, the Bank is taking initiatives to sustainably promote the development and growth of local communities and improvement of the Bank’s corporate value based on the Sustainability Policy formulated in December 2021.

(Sustainability Policy)

The Tochigi Bank Group considers environmental and social issues and pursues a virtuous cycle for local economies through its business activities, based on its management philosophy. The Group will contribute to sustained development of local communities and all stakeholders and achieve sustained enhancement of the corporate value of the Group.

(2) Status of assets and income

(Million yen)

	FY2021	FY2022	FY2023	FY2024
Deposits	3,017,387	3,058,485	3,111,935	3,121,185
Time deposits	964,974	913,263	853,811	813,650
Others	2,052,413	2,145,222	2,258,124	2,307,535
Loans and bills discounted	1,955,198	2,031,741	2,060,553	2,192,877
For individuals	642,581	654,939	659,808	665,741
For SMEs	842,019	862,228	895,703	931,261
Others	470,597	514,573	505,041	595,874
Trading securities	15	7	4	4
Securities	606,964	620,626	609,475	376,366
Government bonds	167,386	192,205	148,226	207,202
Others	439,577	428,421	461,249	169,164
Total assets	3,501,451	3,262,940	3,293,396	3,312,479
Volume of domestic exchange transactions	6,806,167	6,970,355	6,978,236	7,445,627
Volume of foreign exchange transactions	Million U.S. dollars 62	Million U.S. dollars 18	Million U.S. dollars 5	Million U.S. dollars 65
Ordinary profit (loss)	4,412	4,362	3,462	(24,064)
Profit (loss)	3,098	2,223	1,756	(22,491)
Profit (loss) per share	Yen 29.67	Yen 21.45	Yen 16.96	Yen (217.02)

Note: The amounts are rounded down to the nearest stated unit.

(3) Status of employees

	End of the current fiscal year
Number of employees	1,346
Average age	40 years 8 months
Average years of service	18 years 1 month
Average monthly salary	400 thousand yen

- Notes: 1. The number of employees does not include temporary and contract employees.
2. The average age, average years of service, and average monthly salary are rounded down to the nearest stated unit.
3. The average monthly salary represents the average monthly salary for March, including overtime allowance, and does not include bonuses.

(4) Status of offices, etc.

A. Number of offices, etc.

	End of the current fiscal year	
	Branches	Of which, subbranches
Tochigi	62	(3)
Saitama	17	(1)
Gunma	2	(-)
Tokyo	1	(-)
Ibaraki	1	(-)
Total	83	(4)

Note: In addition to the above, the Bank installed non-branch ATMs in 111 locations (including those jointly operated with Ashikaga Bank in 17 locations) at the end of the current fiscal year.

B. Offices newly established during the current fiscal year

Not applicable.

C. Offices discontinued during the current fiscal year

Not applicable.

Note: The following non-branch ATMs were discontinued during the current fiscal year.

• Ohtawara Branch	Mihara	(Ohtawara, Tochigi)
• Takesato Branch	DAISO Kasukabe Takesato Store	(Kasukabe, Saitama)
• Obukuro Branch	Obukuro Station-mae	(Koshigaya, Saitama)
• Gamo Branch	Gamo Station	(Koshigaya, Saitama)
• Hoshakuji Branch	Takanezawa Town Hall	(Shioya, Tochigi)
• Koganei Branch	Koganei Chuo Hospital	(Simotsuke, Tochigi)
• Ujiie Branch	Kusakawa	(Sakura, Tochigi)

(5) Status of capital investment

A. Total amount of capital investment

(Million yen)

Total amount of capital investment	4,282
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B. New establishment of important facilities, etc.

(Million yen)

Details	Amount
Reconstruction of the Head Office building	2,867
Relocation and construction of a new Koshigaya Branch building	658
Relocation and construction of a new Ashikaga Branch building	138
Relocation and construction of a new Oyama Branch building	151

Notes: 1. The above amounts show the cumulative amounts of expenditures including expenses from construction in progress during the current fiscal year.

2. The reconstruction of the Head Office building is scheduled to complete in August 2026.

3. The relocation and construction of a new Koshigaya Branch building is scheduled to complete in October 2025.

4. The relocation and construction of a new Ashikaga Branch building is scheduled to complete in October 2025.

5. The relocation and construction of a new Oyama Branch building is scheduled to complete in November 2025.

(6) Status of principal parent company and subsidiaries, etc.

A. Status of parent company

Not applicable.

B. Status of subsidiaries, etc.

Company name	Location	Principal business	Share capital	Voting rights ratio held by the Bank in subsidiaries, etc.	Other
The Tochigin Business Service, Ltd.	3333-5, Aza-Takinohara, Tsurutamachi, Utsunomiya	Goods transportation business, etc.	Million yen 20	% 100	
The Tochigin Shuchu Jimu Center, Ltd.	3333-6, Aza-Takinohara, Tsurutamachi, Utsunomiya	Centralized management operations for office administrative work, etc.	10	100	
The Tochigin Card Service, Ltd.	1-12, Enomachi, Utsunomiya	Credit card business, etc.	20	100	
The Tochigin Leasing, Ltd.	3-20, 1-chome, Matsugamine, Utsunomiya	Lease business/ guarantee business	30	49.66	
Tochigin Tokai Tokyo Securities Co., Ltd.	4-4, Ikegamicho, Utsunomiya	Financial instruments transactions	1,001	60	
Clean Energy Solutions Co., Ltd.	3-20, 1-chome, Matsugamine, Utsunomiya	Renewable energy power generation business and other businesses, such as management/operation and sales	50	85.01	

Notes: 1. The share capital of principal subsidiaries, etc. shown above is rounded down to the nearest million yen.

2. For the current fiscal year, ordinary income stood at 45,087 million yen (down 0.41% year on year). Ordinary profit amounted to (23,641) million yen, and profit attributable to owners of parent amounted to (22,328) million yen.

Overview of important business alliances

1. Under an alliance of 36 regional banks in the Second Association of Regional Banks, the Bank provides automated cash withdrawal services (SCS) through mutual use of ATMs.
 2. Under an alliance of 36 regional banks in the Second Association of Regional Banks, 5 city banks, 3 trust banks, 61 regional banks, 255 shinkin banks (including Shinkin Central Bank), 139 credit unions (including The Shinkumi Federation Bank), 552 agricultural cooperatives and credit fisheries cooperative associations (including The Norinchukin Bank and Credit Federations of Agricultural Cooperatives), and 14 labor banks (including The Rokinren Bank), the Bank provides automated cash withdrawal services (MICS) through mutual use of ATMs.
 3. Under an alliance of 36 regional banks in the Second Association of Regional Banks, the Bank provides data transfer services such as bulk transfers to and from client companies and multi-bank reporting services (SDS) such as deposit and withdrawal transaction details by means of data transmission using telecommunication lines.
 4. In alliance with JAPAN POST BANK, the Bank provides automated cash withdrawal and deposit services through mutual use of ATMs via SCS.
 5. In alliance with Seven Bank, the Bank provides automated cash withdrawal and deposit services using ATMs.
 6. In alliance with AEON Bank, the Bank provides automated cash withdrawal, deposit, and transfer services using ATMs.
 7. In alliance with Lawson Bank, the Bank provides automated cash withdrawal and deposit services using ATMs.
 8. In alliance with E-net, the Bank provides automated cash withdrawal and deposit services using ATMs.
- (7) Status of business transfers, etc.
Not applicable.
- (8) Other important matters regarding the current status of the Bank
Not applicable.

2. Matters Regarding Corporate Officers (Directors and Auditors)

(1) Status of corporate officers

(As of end of FY2024)

Name	Position	Responsibility	Significant concurrent positions	Other
Junnosuke Kuromoto	Chairman (Representative Director)			
Hiroyuki Nakada	President (Representative Director)	In charge of Secretariat, Audit Division and Corporate Strategy Office		
Yoshifumi Inomata	Vice President	In charge of Risk Management Division, Business Support Division, Credit Division, Personal Loan Credit Office, Asset Assessment Office, Administration Division and Operation & Systems Division		
Yoshimori Tomikawa	Senior Managing Director	In charge of Fund Management Division, Business Management Division, Personal Loan Division, Corporate Business Division and Financial Services Division		
Takashi Ogiwara	Managing Director	In charge of Corporate Planning Division, Compliance Management Division, Human Resources Division and General Affairs Division		
Naohisa Isayama	Director General Manager of Compliance Management Division			
Shigenobu Ohashi	Director General Manager of Utsunomiya Higashi Branch			
Akiko Kameoka	Director (Outside Director)		Attorney	
Jun Sekine	Director (Outside Director)			
Yasuhisa Otani	Director (Outside Director)			
Masatoshi Arakawa	Director (Outside Director)			
Ichiko Yoshizawa	Director (Outside Director)		certified public accountant	
Minoru Fukuda	Full-time Auditor			
Norio Ishiwata	Full-time Auditor			
Hideyuki Suka	Auditor (Outside Auditor)		President of incorporated educational institution	
Yutaka Miyauchi	Auditor (Outside Auditor)			Note 3

Name	Position	Responsibility	Significant concurrent positions	Other
(Officers who retired during the current fiscal year)				
Yoshiaki Hashimoto	Senior Managing Director	Retired on June 27, 2024 (due to the expiration of term of office)		
Akira Nishie	Auditor (Outside Auditor)	Retired on June 27, 2024 (due to the expiration of term of office)		

- Notes: 1. Directors Ms. Akiko Kameoka, Mr. Jun Sekine, Mr. Yasuhisa Otani, Mr. Masatoshi Arakawa and Ms. Ichiko Yoshizawa are Outside Directors as specified in Article 2, Item 15 of the Companies Act.
2. Auditors Mr. Hideyuki Suka and Mr. Yutaka Miyauchi are Outside Auditors as specified in Article 2, Item 16 of the Companies Act.
3. After joining Ministry of Finance, Outside Auditor Mr. Yutaka Miyauchi has successively served important positions such as Regional Commissioner of Kantoshinetsu Regional Taxation Bureau, and as such has considerable knowledge in finance and accounting.
4. The Bank has appointed Outside Directors Ms. Akiko Kameoka, Mr. Jun Sekine, Mr. Yasuhisa Otani, Mr. Masatoshi Arakawa and Ms. Ichiko Yoshizawa and Outside Auditors Mr. Hideyuki Suka and Mr. Yutaka Miyauchi as independent officers as provided for by Tokyo Stock Exchange and submitted notifications to the aforementioned exchange.
5. The position of officers who retired during the current fiscal year is as of the time of their retirement.

(2) Compensation, etc. for corporate officers

1) Matters regarding the policy for determination of the details of compensation, etc. for individual Directors

The Bank has formulated a policy for determination of the details of compensation, etc. for individual Directors (hereinafter referred to as the “Determination Policy”). The compensation for the Bank’s Directors is intended to function effectively as an incentive to attract and retain suitable human resources for Directors and to increase their motivation and morale to contribute to the Bank’s performance and sustainable enhancement of its corporate value. The level of compensation is appropriate to reward their roles, responsibilities, and performance. The compensation for Directors consists of “basic compensation (fixed),” “performance-based compensation (bonuses),” and “performance-based compensation (stock). In addition, Outside Directors are paid only “basic compensation (fixed)” in consideration of their independent positions from the execution of business operations. In order to sufficiently fulfill its accountability to shareholders and other stakeholders regarding the details of compensation for Directors, the Bank ensures rationality, objectivity, and transparency in both the details of compensation and decision-making procedures.

The approximate percentage of each type of compensation, etc. and the method of determining the Determination Policy are based on the responsibilities of the position, trends at other banks, and other factors.

In order to enhance transparency and fairness, the Bank determines the details of compensation, etc. for individual Directors by resolution of the Board of Directors after consultation with the Governance Committee, within the scope of the compensation limit determined by resolution of the General Meeting of Shareholders.

2) Matters regarding resolution of the General Meeting of Shareholders on compensation, etc. for Directors

“Basic compensation (fixed)” and “performance-based compensation (bonuses)” for the Bank’s Directors are determined within the scope of the limit of 300 million yen (per year) resolved at the 104th Annual General Meeting of Shareholders on June 28, 2007; “basic compensation (fixed)” is determined in accordance with the responsibilities of the position and with comprehensive consideration of annual performance, financial conditions, etc., while “performance-based compensation (bonuses)” is determined by performance-based compensation using profit attributable to owners of parent as the index.

The number of Directors at the close of the 104th Annual General Meeting of Shareholders was 14.

In addition, the compensation amount under the “performance-based stock compensation plan” was determined at the 119th Annual General Meeting of Shareholders on June 29, 2022. Directors (excluding Outside Director) will receive points based on the position and level of attainment to performance goals for each fiscal year, according to Provision of Stock Compensation for Directors, and the maximum number of total points granted to a Director (excluding Outside Directors) is 220,000 point per fiscal year.

The number of Directors (excluding Outside Directors) at the close of the 119th Annual General Meeting of Shareholders was eight.

3) Total amount, etc. of compensation, etc. for Directors and Auditors

(Million yen)

Category	Number of eligible officers	Compensation, etc.	Total amount of compensation, etc. by type		
			Basic compensation	Performance-based compensation, etc.	Non-monetary compensation, etc.
Directors (of which, Outside Directors)	13	175	134	–	40
	(5)	(19)	(19)	(–)	(–)
Auditors (of which, Outside Auditors)	5	38	38	–	–
	(3)	(8)	(8)		

Notes: 1. The number of eligible persons to be paid shown above includes one Director and one Outside Auditor who retired during the current fiscal year.

2. The Bank has introduced the performance-based compensation plan using profit attributable to owners of parent as the index, and the breakdown of the performance-based compensation, etc. is as follows:

Not applicable.

3. The breakdown of non-monetary compensation, etc. is as follows:

• Amount of compensation, etc. for Directors under Board Benefit Trust: 40 million yen

4. In addition to the above, the Bank paid 27 million yen as employee salary and 10 million yen as a bonus to Directors concurrently serving as employees.

5. Compensation for Auditors is under 48 million yen (per year) by resolution at the 90th Annual General Meeting of Shareholders on June 29, 1993.

The number of Auditors at the closing of the 90th Annual General Meeting of Shareholders was four.

4) Matters regarding performance-based compensation, etc.

[Performance-based compensation]

In order to motivate Directors to contribute to the improvement of the Bank's performance for each fiscal year, the Bank pays monetary compensation reflecting key performance indicators (KPI) at a certain time each year as a bonus in accordance with the responsibilities of the position, up to an amount calculated based on the level of attainment to performance goals of profit attributable to owners of parent.

[Performance-based stock compensation]

The Bank has introduced a performance-based stock compensation plan "Board Benefit Trust (BBT)," aiming to make the link between compensation for Directors (excluding Outside Directors) and the Bank's performance as well as stock value more coherent. Accordingly, Directors will share not only merit of the stock price increase, but risk of stock price decrease with shareholders. This shall promote Directors' awareness of mid- to long-term performance improvement as well as contributing to corporate value growth.

Details of the plan are as stated in "5) Details of non-monetary compensation, etc."

5) Details of non-monetary compensation, etc.

The Bank has introduced the performance-based stock compensation plan "Board Benefit Trust (BBT)" (hereinafter referred to as "the plan"), as approved at the 119th Annual General Meeting of Shareholders on June 29, 2022.

(Overview of the plan)

This is a performance-based stock compensation plan. The Bank stocks are obtained through a trust (hereinafter referred to a trust set by the plan as "the trust") funded with cash from the Bank. The Bank stocks or cash worth market price of the Bank stocks (hereinafter, "the Bank stocks etc.") is granted to Directors according to the Provision of Stock Compensation for Directors set by the Bank.

In principle, the Directors will receive the benefit such as the Bank stocks at the time of retiring from Directors.

(Trust amount)

The Bank has introduced the plan during the five fiscal years from the fiscal year ended March 31, 2023 (hereinafter referred to as “the initial target period” for an initial five-fiscal-year period under consideration, and “a target period” for an initial target period or any consecutive five-fiscal-year periods afterwards) and the consecutive five-fiscal-year periods to compensate Directors with the Bank stocks etc. The Bank has contributed up to 500 million yen to the trust to acquire the Bank stocks.

(Residual Bank stocks in the trust)

Residual Bank stocks in the trust were posted as treasury shares under shareholders’ equity, and the book value and the number of the residual Bank stocks at the end of the current fiscal year were 411 million yen and 1,427 thousand shares.

(3) Liability limitation agreements

Name	Outline of the contents of liability limitation agreements
Akiko Kameoka	For liability under Article 423, paragraph 1 of the Companies Act, the Outside Director bears liability to the Bank for damages limited to the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act, provided the Outside Director performs duties in good faith and with no gross negligence.
Jun Sekine	Same as above
Yasuhisa Otani	Same as above
Masatoshi Arakawa	Same as above
Ichiko Yoshizawa	Same as above
Hideyuki Suka	For liability under Article 423, paragraph 1 of the Companies Act, the Outside Auditor bears liability to the Bank for damages limited to the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act, provided the Outside Auditor performs duties in good faith and with no gross negligence.
Yutaka Miyauchi	Same as above

(4) Indemnity agreements

- A. Indemnity agreements entered with corporate officers in office
Not applicable.
- B. Matters regarding execution, etc. of indemnity agreements
Not applicable.

(5) Directors and officers liability insurance policies

Scope of insured persons	Outline of the contents of directors and officers liability insurance policies
Directors and Auditors of the Bank and its subsidiaries, and executive officers under the Executive Officer System adopted by the Bank	<p>The Bank has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act to insure Directors and Auditors of the Bank and its subsidiaries, and executive officers under the Executive Officer System adopted by the Bank (including those who were in office during the current fiscal year). The insurance premiums are fully borne by the Bank. The outline of the contents of the said insurance policy is that the insurance company covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability under the said insurance policy. The Bank renews the insurance policy every year and plans to renew it with the same contents at the next renewal.</p> <p>However, there are certain exclusions, such as no coverage for liability arising from actions taken by the insured with the knowledge that they were in violation of laws and regulations. Such exemptions are in place to ensure that the adequacy of the insured’s execution of his or her duties is not impaired.</p>

3. Matters Regarding Outside Officers

(1) Concurrent positions and other status of outside officers

Name	Concurrent positions and other status	Relationship between the Bank and other corporations at which outside officers hold concurrent positions
Hideyuki Suka	President of Suka Gakuen (incorporated educational institution)	Client company (with deposit transactions)

(2) Status of major activities of outside officers

Name	Term of office	Attendance at the Board of Directors' meetings	Comments and other activities at the Board of Directors' meetings
Akiko Kameoka	5 years and 9 months	Attended all 12 meetings of the Board of Directors held during the current fiscal year.	Ms. Akiko Kameoka provides accurate advice and recommendations at meetings of the Board of Directors based on her extensive experience and specialized knowledge cultivated as an attorney. She also provides appropriate involvement and advice at the Governance Committee (advisory for nomination and compensation).
Jun Sekine	3 years and 9 months	Attended all 12 meetings of the Board of Directors held during the current fiscal year.	Mr. Jun Sekine provides accurate advice and recommendations at meetings of the Board of Directors based on his extensive knowledge and experience in the banking business and company management. He also provides appropriate involvement and advice at the Governance Committee (advisory for nomination and compensation).
Yasuhisa Otani	3 years and 9 months	Attended all 12 meetings of the Board of Directors held during the current fiscal year.	Mr. Yasuhisa Otani provides accurate advice and recommendations at meetings of the Board of Directors based on his extensive knowledge and experience in company management, sales planning, and regional revitalization. He also provides appropriate involvement and advice at the Governance Committee (advisory for nomination and compensation). In addition, he gave a lecture at the meeting for general managers of divisions and offices.
Masatoshi Arakawa	2 year and 9 months	Attended all 12 meetings of the Board of Directors held during the current fiscal year.	Mr. Masatoshi Arakawa provides accurate advice and recommendations at meetings of the Board of Directors based on his extensive knowledge and experience gained through his career in a local government, etc. for long years. He also provides appropriate involvement and advice at the Governance Committee (advisory for nomination and compensation).
Ichiko Yoshizawa	9 months	Attended all 10 meetings of the Board of Directors held after her appointment as an outside director.	Ms. Ichiko Yoshizawa provides accurate advice and recommendations at meetings of the Board of Directors based on her specialized knowledge in finance and accounting as a certified public accountant and her experience in auditing financial institutions. She also provides appropriate involvement and advice at the Governance Committee (advisory for nomination and compensation).
Hideyuki Suka	4 years and 9 months	Attended all 12 meetings of the Board of Directors held during the current fiscal year and attended 11 out of 12 meetings of the Audit & Supervisory Board held during the current fiscal year.	Mr. Hideyuki Suka provides accurate advice and recommendations at meetings of the Board of Directors, etc. from a neutral and fair standpoint based on his extensive knowledge and experience in the banking business and company management. He also provides appropriate involvement and advice at the Governance Committee (advisory for nomination and compensation).

Name	Term of office	Attendance at the Board of Directors' meetings	Comments and other activities at the Board of Directors' meetings
Yutaka Miyauchi	9 months	Attended all 10 meetings of the Board of Directors held after his appointment as an outside auditor and attended 8 out of 9 meetings of the Audit & Supervisory Board held after his appointment as an outside auditor.	Mr. Yutaka Miyauchi provides accurate advice and recommendations at meetings of the Board of Directors, etc. from a neutral and fair standpoint based on his extensive knowledge and experience in the banking business and company management. He also provides appropriate involvement and advice at the Governance Committee (advisory for nomination and compensation).

Note: Outside officers also attend meetings of the Governance Committee, a voluntary committee. The Committee is chaired by an outside officer.

- (3) Comments from outside officers
Not applicable.

4. Matters Regarding Shares of the Bank

- (1) Number of shares
Total number of shares authorized 212,000 thousand shares
Total number of shares outstanding 109,608 thousand shares
Note: All numbers of shares are rounded down to the nearest thousand shares.

- (2) Number of shareholders at the end of the fiscal year 14,138 persons

- (3) Major shareholders

Shareholder name	Status of investment in the Bank	
	Number of shares held (Thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,602	11.99
Custody Bank of Japan, Ltd. (Trust Account)	5,068	4.82
THE TOCHIGI BANK Employee Shareholding Association	4,408	4.19
STATE STREET BANK AND TRUST COMPANY 505001	4,404	4.19
Kei Takahashi	2,131	2.02
THE TOWA BANK, LTD.	2,010	1.91
Aioi Nissay Dowa Insurance Co., Ltd.	1,445	1.37
Custody Bank of Japan, Ltd. (Trust E Account)	1,427	1.35
Meiji Yasuda Life Insurance Company	1,409	1.34
Sumitomo Life Insurance Company	1,409	1.34

- Notes: 1. The number of shares held is rounded down to the nearest thousand shares.
2. The shareholding ratio is calculated by excluding treasury shares (4,514 thousand shares) and is rounded down to two decimal places.
3. The treasury shares excluded from the shares outstanding shown above do not include 1,427 thousand shares of the Bank's shares held by Custody Bank of Japan, Ltd. under BBT.

(4) Shares held by corporate officers

	Number of officers granted shares	Number of shares (Thousand shares) (Type of shares and number per type)
Directors (excluding Outside Directors)	1	Common shares: 123
Outside Directors	—	—
Auditors	—	—

Notes: 1. The number of shares is rounded down to the nearest thousand shares.
2. The Bank has introduced a performance-based stock compensation plan through a Board Benefit Trust (BBT). The above includes the number of shares for one director who resigned at the close of the 121st Annual General Meeting of Shareholders held on June 27, 2024.

5. Matters Regarding Share Acquisition Rights, etc. of the Bank

- (1) Share acquisition rights, etc. of the Bank held by the Bank's corporate officers at the end of the fiscal year
Not applicable.
- (2) Share acquisition rights, etc. of the Bank delivered to employees, etc. during the fiscal year
Not applicable.

6. Matters Regarding the Financial Auditor

(1) Status of the Financial Auditor

(Million yen)

Name	Compensation, etc. for the current fiscal year	Other
Deloitte Touche Tohmatsu LLC	73	(Reason why the Audit & Supervisory Board agreed to the compensation, etc. for the Financial Auditor) The Audit & Supervisory Board confirmed and examined the details of the audit plan of the Financial Auditor, the status of execution of duties in previous fiscal years, and the basis for calculating compensation estimates, among other things, by obtaining the necessary materials and listening to reports from Directors, related in-house divisions, and the Financial Auditor. As a result, the Audit & Supervisory Board has given consent to the compensation, etc. for the Financial Auditor prescribed in Article 399, paragraph 1 of the Companies Act.
Designated Limited Liability Partner, Engagement Partner Kazumasa Momose		
Designated Limited Liability Partner, Engagement Partner Kyoko Nosaka		

Notes: 1. The amount is rounded down to the nearest million yen.
2. The audit agreement between the Bank and the Financial Auditor does not clearly distinguish between the amount of compensation for audit services in accordance with the Companies Act and the Financial Instruments and Exchange Act, and it is practically impossible to distinguish them. Therefore, the above amount is stated in total.
3. The total amount of money or other financial benefits to be paid to the Financial Auditor by the Bank, its subsidiaries, and other subsidiary corporations (excluding non-consolidated subsidiaries and other subsidiary corporations) is 84 million yen.

- (2) Liability limitation agreements
Not applicable.
- (3) Indemnity agreements
A. Indemnity agreements entered with the Financial Auditor in office
Not applicable.
- B. Matters regarding execution, etc. of indemnity agreements
Not applicable.

- (4) Other matters regarding the Financial Auditor
Policies for determination of dismissal or refusal of reelection of the Financial Auditor
The Audit & Supervisory Board shall determine the details of the proposal regarding the dismissal or refusal of reelection of the Financial Auditor and submit them to the General Meeting of Shareholders if it is difficult for the Financial Auditor to execute its duties or when deemed necessary. In addition, the Financial Auditor shall be dismissed upon consent of all Auditors if the Financial Auditor is deemed to fall under any of the items of Article 340, paragraph 1 of the Companies Act. In this case, an Auditor selected by the Audit & Supervisory Board shall report the dismissal of the Financial Auditor and the reason therefor at the first General Meeting of Shareholders convened after the dismissal.

7. Basic Policy Regarding Persons who Control Decisions on Financial and Business Policies

The Bank has not established such policy.

8. Systems to Ensure Appropriateness of Business Operations

- (1) Systems to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation
- 1) Directors shall respect the spirit of the Corporate Motto and the Management Philosophy, and utilize the Code of Conduct for Directors (Supplementary Provisions to the Board of Directors' Rules), Responsibilities of Directors (Compliance Manual), and other relevant stipulations as specific codes of conduct.
 - 2) The Bank shall set up a Compliance Committee to discuss important matters related to compliance, establish compliance-related supervising divisions, and work to develop and maintain a compliance system.
 - 3) The Bank shall develop compliance-related rules, including the Compliance Rules for Laws and Regulations, and an organizational structure with a head office and branches; work to establish a compliance system, and endeavor to educate all personnel on the importance of compliance.
 - 4) The Bank shall formulate a specific Compliance Program for each fiscal year, and implement compliance activities.
 - 5) The Bank shall establish an internal reporting system to receive reports on misconduct, and ensure the soundness and appropriateness of business operations.
 - 6) With regard to anti-social forces that pose a threat to the order and safety of society, the Bank shall establish a Basic Policy Against Anti-Social Forces, and develop a system to resolutely oppose and break off relationships with them.
- (2) Systems for the storage and management of information concerning the execution of duties by Directors of the Bank
- 1) The Bank shall establish a Security Policy as a basic policy to appropriately protect all information assets held by the Bank.
 - 2) With regard to information related to the execution of duties by Directors, minutes of meetings of the Board of Directors and other documents shall be stored and managed primarily in accordance with laws and regulations and with the Guidelines for Handling Documents (Bank rules regarding the storage and management of documents).
- (3) Rules and other systems regarding risk control against loss by the Bank
- 1) The Bank shall develop a system of risk management rules, including the Basic Rules for Risk Management.
 - 2) The Bank shall establish divisions in charge of managing each type of risk, create a management system in accordance with the characteristics of the risk, and establish supervising divisions to engage in comprehensive management.
 - 3) The Board of Directors and the Management Committee, etc. regularly receive reports and make necessary decisions.
 - 4) The Bank shall formulate a Contingency Plan, etc., assuming unforeseen circumstances such as large-scale disasters, and develop and establish a system to ensure business continuity.

- (4) Systems to ensure efficient execution of duties by Directors of the Bank
 - 1) In order to ensure prompt decision-making and the clarification of processes, the Bank shall establish the Management Committee, etc., and establish a system for efficient decision-making on important matters.
 - 2) Under the Executive Officer System, the supervisory function over management decision-making and business execution is separated from the business execution function in order to strengthen and expedite both the management function and the business execution function.
 - 3) The Bank shall formulate Rules on Division of Duties, and Rules on Administrative Authority to clarify the authority and responsibilities of each position in the execution of business, and to establish an efficient business execution system.
- (5) The following systems and other systems to ensure the appropriateness of business conducted by the corporate group consisting of the Bank and its subsidiaries
 - Systems relating to reporting matters concerning the execution of duties by Directors of the Bank's subsidiaries to the Bank
 - Rules and other systems relating to risk management against loss by the Bank's subsidiaries
 - Systems to ensure the efficient execution of duties by Directors of the Bank's subsidiaries
 - Systems to ensure that the execution of duties by Directors and employees of the Bank's subsidiaries complies with laws and regulations and the Articles of Incorporation
 - 1) In order to ensure the appropriateness of business conducted by the corporate group consisting of the Bank and its subsidiaries (hereinafter, the "Group"), the Bank shall establish a system whereby the Bank's main supervising divisions receive consultations and reports based on the Rules for Affiliated Company Management, and provides appropriate management and guidance on the execution of business by affiliated companies.
 - 2) The Bank shall establish various rules in accordance with the Bank's Compliance Rules, etc., establish a compliance system and strive to ensure an appropriate system for the Group.
- (6) Matters relating to employees in the event that Auditors of the Bank request the assignment of said employees to assist them in their duties, matters relating to the independence of said employees from the Directors of the Bank, and matters relating to ensuring the effectiveness of instructions to said employees
 - 1) In the event that Auditors request the assignment of employees to assist them in their duties, the Bank shall ensure a system for allocating appropriate personnel to engage in assisting operations.
 - 2) The consent of Auditors shall be obtained regarding personnel-related matters concerning said employees.
 - 3) The Bank shall establish a system whereby each relevant section, led by the internal auditing section, provides support as necessary.
- (7) Systems for Directors and employees of the Bank, Directors and employees of subsidiaries of the Bank, or persons receiving reports from said Directors and employees to report to Auditors of the Bank
 - 1) The Bank shall establish a system to provide reports and information necessary for audits in response to requests from Auditors.
 - 2) To ensure the soundness and appropriateness of business operations, reports shall be made to Auditors based on the internal reporting system, etc.
 - 3) The Bank shall establish a system to ensure that persons who have made reports based on the internal reporting system shall not suffer any disadvantageous treatment due to their submission of such reports.
- (8) Other systems to ensure that audits by Auditors of the Bank are conducted effectively
 - 1) The Bank shall establish a system for each section, including the internal auditing section, to provide cooperation and assistance to Auditors.
 - 2) The Bank shall establish a system whereby Auditors can attend meetings of the Board of Directors, meetings of the Management Committee, and other important meetings, and report their opinions as necessary.
 - 3) When an Auditor requests the Bank to make an advance payment, etc. in connection with the execution of his or her duties, the division in charge shall promptly process the relevant expenses, etc. in consideration of the efficiency and appropriateness of said request.
 - 4) In addition, Directors and employees shall respect the matters stipulated in the Audit &

Supervisory Board Rules and in the Implementation Standards for Audits Related to Internal Control Systems.

In addition, an overview of the implementation status of the internal control resolution during the 122nd fiscal year (from April 2024 to March 2025) is as follows.

- (1) Systems to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation
The Bank formulated a Compliance Program for the 122nd fiscal year and implemented compliance activities. In addition, the Bank held 12 meetings of the Compliance Committee during the 122nd fiscal year and worked to develop and maintain a compliance system.
- (2) Systems for the storage and management of information concerning the execution of duties by Directors of the Bank
The Bank stored and managed minutes of meetings of the Board of Directors and other documents primarily in accordance with the Security Policy and with the Guidelines for Handling Documents.
- (3) Rules and other systems regarding risk control against loss by the Bank
The ALM Committee, etc. regularly receives reports on the status of various risks from each division responsible for risk management and makes necessary decisions. During the 122nd fiscal year, 14 meetings of the ALM Committee were held.
In June 2017, in order to continuously secure stable earnings in investment in securities, etc. and strengthen governance, the Market Investment Committee was newly established in transferring some functions of the ALM Committee. During the 122nd fiscal year, 33 meetings of the Market Investment Committee were held.
- (4) Systems to ensure efficient execution of duties by Directors of the Bank
During the 122nd fiscal year, 57 meetings of the Management Committee were held, and efficient decision-making was conducted for the prescribed matters.
During the 122nd fiscal year, four meetings of the Governance Committee were held, and Outside Directors and Outside Auditors exchanged information and shared understanding from an independent and objective standpoint for the purpose of actively contributing to discussions at meetings of the Board of Directors.
In addition, two meetings of the Sustainability Promotion Committee were held during the 122nd fiscal year. In order to address issues related to the Bank's sustainability as important management matters, the purpose of these meetings is to consider and formulate concrete measures while ascertaining the status of implementation and verifying the benefits to realize the Management Philosophy and Sustainability Policy.
- (5) Various systems of the Bank's subsidiaries and other systems to ensure the appropriateness of business conducted by the corporate group consisting of the Bank and its subsidiaries
The Bank regularly held meetings to exchange opinions with its subsidiaries and affiliated companies (held four meetings in the 122nd fiscal year) and provided appropriate management and guidance on the execution of business.
- (6) Matters relating to employees in the event that Auditors of the Bank request the assignment of said employees to assist them in their duties, matters relating to the independence of said employees from the Directors of the Bank, and matters relating to ensuring the effectiveness of instructions to said employees
The Bank established the Office of Audit & Supervisory Board Members with a view to strengthening audit operations by Auditors. The Bank also assigned one employee of the Audit Division to serve concurrently in the Office of Audit & Supervisory Board Members for the purpose of smoothly executing audit duties and strengthening cooperation with the internal auditing section.
- (7) Systems for Directors and employees of the Bank, Directors and employees of subsidiaries of the Bank, or persons receiving reports from said Directors and employees to report to Auditors of the Bank
The Bank added a Full-time Auditor to be the internal contact for reporting in October 2015, and also added two Outside Auditors in January 2019 to strengthen the compliance system.

- (8) Other systems to ensure that audits by Auditors of the Bank are conducted effectively
During the 122nd fiscal year, the Bank's Auditors attended meetings of the Board of Directors, meetings of the Management Committee, and other important meetings, and directly confirmed the status of execution of duties.

In addition, the Bank's Auditors regularly held meetings to exchange information with the Financial Auditor and the internal auditing section in an effort to cooperate with each other.

9. Matters Regarding Specified Wholly-Owned Subsidiaries

Not applicable

10. Matters Regarding Transactions with the Parent Company, etc.

Not applicable

11. Matters Regarding Accounting Advisors

Not applicable

12. Other

Not applicable

Non-consolidated Balance Sheets as of the End of the 122nd Fiscal Year

(As of March 31, 2025)

(Million yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Cash and due from banks	696,978	Deposits	3,121,185
Cash	53,190	Current deposits	73,759
Due from banks	643,788	Ordinary deposits	2,188,259
Call loans	973	Savings deposits	37,437
Trading securities	4	Deposits at notice	288
Trading government bonds	4	Time deposits	805,095
Money held in trust	513	Installment savings	7,190
Securities	376,366	Other deposits	9,155
Government bonds	207,202	Negotiable certificates of deposit	1,000
Local government bonds	65,297	Borrowed money	30,000
Corporate bonds	52,566	Borrowings from other banks	30,000
Stocks	11,876	Other liabilities	16,356
Other securities	39,423	Income taxes payable	47
Loans and bills discounted	2,192,877	Accrued expenses	1,375
Bills discounted	2,392	Unearned revenue	1,217
Loans on bills	74,804	Reserve for interest on installment savings	1
Loans on deeds	1,974,961	Financial derivatives	223
Overdrafts	140,719	Cash collateral received for financial instruments	1,945
Foreign exchanges	745	Lease liabilities	207
Due from foreign banks (our accounts)	745	Other	11,337
Other assets	13,709	Provision for bonuses	735
Accrued revenue	2,878	Provision for retirement benefits	36
Other	9,214	Provision for management board benefit trust	169
Financial derivatives	1,615	Provision for reimbursement of deposits	247
Tangible fixed assets	22,634	Provision for contingent loss	419
Buildings, net	5,696	Deferred tax liabilities for land revaluation	857
Land	12,051	Acceptances and guarantees	2,326
Leased assets, net	183	Total liabilities	3,173,335
Construction in progress	3,958	(Net assets)	
Other tangible fixed assets	743	Share capital	27,408
Intangible fixed assets	1,099	Capital surplus	26,150
Software	943	Legal capital surplus	26,150
Leased assets	29	Retained earnings	94,054
Other intangible fixed assets	127	Legal retained earnings	1,745
Prepaid pension costs	6,638	Other retained earnings	92,308
Deferred tax assets	8,150	General reserve	106,987
Customers' liabilities for acceptances and guarantees	2,326	Retained earnings brought forward	(14,678)
Allowance for loan losses	(10,539)	Treasury shares	(2,288)
		Total shareholders' equity	145,325
		Valuation difference on available-for-sale securities	(6,627)
		Deferred gains or losses on hedges	1,108
		Revaluation reserve for land	(661)
		Total valuation and translation adjustments	(6,181)
		Total net assets	139,144
Total assets	3,312,479	Total liabilities and net assets	3,312,479

Non-consolidated Statements of Income for the 122nd Fiscal Year

(April 1, 2024 – March 31, 2025)

(Million yen)

Account title	Amount	
Ordinary income		40,096
Interest income	27,089	
Interest on loans and discounts	22,684	
Interest and dividends on securities	2,531	
Interest on call loans	48	
Interest on deposits with banks	1,821	
Other interest income	3	
Fees and commissions	9,190	
Fees and commissions on domestic and foreign exchanges	1,493	
Other fees and commissions	7,696	
Other ordinary income	868	
Gain on foreign exchange transactions	0	
Gain on sale of bonds	503	
Other	364	
Other income	2,949	
Recoveries of written off receivables	683	
Gain on sale of equity securities	1,515	
Gain on money held in trust	3	
Other	747	
Ordinary expenses		64,160
Interest expenses	2,368	
Interest on deposits	1,870	
Interest on negotiable certificates of deposit	1	
Interest expenses on cash collateral received for securities lent	310	
Interest on borrowings and rediscounts	20	
Interest expenses on interest rate swaps	163	
Other interest expenses	1	
Fees and commissions payments	4,310	
Fees and commissions on domestic and foreign exchanges	149	
Other fees and commissions	4,161	
Other ordinary expenses	31,832	
Net loss on trading securities transactions	0	
Loss on sale of bonds	31,632	
Loss on financial derivatives	110	
Other	88	
General and administrative expenses	20,306	
Other expenses	5,342	
Provision of allowance for loan losses	102	
Written-off of loans	1,104	
Loss on sale of equity securities	3,753	
Other	382	

(Million yen)

Account title	Amount	
Ordinary loss		24,064
Extraordinary income		60
Gain on disposal of non-current assets	60	
Extraordinary losses		18
Loss on disposal of non-current assets	18	
Loss before income taxes		24,022
Income taxes - current	174	
Income taxes - deferred	(1,706)	
Total income taxes		(1,531)
Loss		22,491

Consolidated Balance Sheets

(As of March 31, 2025)

(Million yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Cash and due from banks	699,674	Deposits	3,117,583
Call loans and bills bought	973	Negotiable certificates of deposit	1,000
Trading securities	4	Borrowed money	33,364
Money held in trust	513	Other liabilities	23,690
Securities	373,527	Provision for bonuses	844
Loans and bills discounted	2,189,275	Provision for bonuses for directors (and other officers)	9
Foreign exchanges	745	Retirement benefit liability	279
Other assets	30,598	Provision for retirement benefits for directors (and other officers)	7
Tangible fixed assets	25,168	Provision for management board benefit trust	169
Buildings, net	5,773	Provision for reimbursement of deposits	247
Land	12,103	Provision for contingent loss	419
Construction in progress	4,117	Reserves under special laws	14
Other tangible fixed assets	3,174	Deferred tax liabilities for land revaluation	857
Intangible fixed assets	1,152	Acceptances and guarantees	2,326
Software	991	Total liabilities	3,180,813
Other intangible fixed assets	161	(Net assets)	
Retirement benefit asset	15,507	Share capital	27,408
Deferred tax assets	5,417	Capital surplus	30,036
Customers' liabilities for acceptances and guarantees	2,326	Retained earnings	96,419
Allowance for loan losses	(10,978)	Treasury shares	(2,288)
		Total shareholders' equity	151,576
		Valuation difference on available-for-sale securities	(6,618)
		Deferred gains or losses on hedges	1,108
		Revaluation reserve for land	(661)
		Remeasurements of defined benefit plans	6,084
		Total accumulated other comprehensive income	(87)
		Non-controlling interests	1,604
		Total net assets	153,093
Total assets	3,333,907	Total liabilities and net assets	3,333,907

Consolidated Statements of Income

(April 1, 2024 – March 31, 2025)

(Million yen)

Account title	Amount	
Ordinary income		45,087
Interest income	27,089	
Interest on loans and discounts	22,696	
Interest and dividends on securities	2,517	
Interest on call loans and bills bought	48	
Interest on deposits with banks	1,821	
Other interest income	5	
Fees and commissions	10,389	
Other ordinary income	1,498	
Other income	6,110	
Recoveries of written off receivables	684	
Other	5,426	
Ordinary expenses		68,728
Interest expenses	2,424	
Interest on deposits	1,870	
Interest on negotiable certificates of deposit	1	
Interest expenses on cash collateral received for securities lent	310	
Interest on borrowings and rediscounts	76	
Other interest expenses	165	
Fees and commissions payments	4,087	
Other ordinary expenses	31,840	
General and administrative expenses	22,670	
Other expenses	7,705	
Provision of allowance for loan losses	126	
Other	7,579	
Ordinary loss		23,641
Extraordinary income		68
Gain on disposal of non-current assets	68	
Extraordinary losses		21
Loss on disposal of non-current assets	19	
Provision of reserve for financial instruments transaction liabilities	1	
Loss before income taxes		23,593
Income taxes - current		374
Income taxes - deferred		(1,696)
Total income taxes		(1,322)
Loss		22,271
Profit attributable to non-controlling interests		57
Loss attributable to owners of parent		22,328