



February 26, 2025

To Whom It May Concern:

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Notice Regarding Revision of the Financial Results Forecasts for the Fiscal Year Ending March 31, 2025

THE TOCHIGI BANK, LTD. (the “Bank”) hereby announces that, at a meeting of the Board of Directors held today, it resolved to revise its financial results forecasts for the fiscal year ending March 31, 2025 from the forecasts announced on May 10, 2024, as follows.

There is no change to the forecast for the year-end dividend for the fiscal year ending March 31, 2025 (year-end dividend: 3.50 yen per share; annual dividend: 7 yen per share).

1. Revision of the financial results forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Revision of consolidated financial results forecasts

	Ordinary income	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	43,000	5,900	3,600	34.76
Revised forecasts (B)	45,800	(23,800)	(22,300)	(215.19)
Change (B - A)	2,800	(29,700)	(25,900)	—
Change (%)	6.5	—	—	—
(Reference) Results for the fiscal year ended March 31, 2024	45,276	4,234	2,101	20.29

(2) Revision of the non-consolidated financial results forecasts

	Ordinary income	Ordinary profit	Profit	Profit per share
	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	37,000	5,300	3,300	31.86
Revised forecasts (B)	40,000	(24,400)	(22,600)	(218.09)
Change (B - A)	3,000	(29,700)	(25,900)	—
Change (%)	8.1	—	—	—
(Reference) Results for the fiscal year ended March 31, 2024	40,265	3,462	1,756	16.96

2. Reason for the revision

In addition to concerns about continuously high overseas interest rates, the normalization of financial policies in Japan is picking up pace. Under these circumstances, we are now able to anticipate the improvement of loan yields and increases in yields from re-investment in securities. For this reason, we have decided to accelerate the replacement of our securities portfolio to improve the Bank's profitability and enhance its corporate value.

As a result, in addition to the 2.9 billion yen loss on sale of securities^(Note 1) recorded up to the third quarter, we will record a loss on sale of securities of around 29.0 billion yen^(Note 1) in the fourth quarter, and loss attributable to owners of parent for the full fiscal year ending March 31, 2025 is expected to be 22.3 billion yen. We forecast a consolidated capital adequacy ratio in the high-9% range, and valuation loss on available-for-sale securities of around 9.5 billion yen^(Note2).

Note 1: Total of gains (losses) on government bonds and other securities, gains (losses) related to equity securities, and gains (losses) from cancellation of investment trusts

Note 2: Other than the valuation loss on available-for-sale securities, we forecast a valuation gain of around 1.4 billion yen on interest rate swaps.

3. Future policy

As the re-investment environment is improving due to rises in domestic interest rates, under an exercise of appropriate risk management, we will restructure our securities portfolio by accurately ascertaining the timing of interest rate rises and undertaking re-investments, to improve securities yields and improve risk resilience. In addition, leveraging our equity capital that remains robust even after recording the loss on sale of securities, we will work on the “deeper risk-taking and consulting capabilities starting with business feasibility assessments” stated in the 11th Medium-term Management Plan and improve our profitability by creating business opportunities through thorough support for businesses. Through these initiatives, we will build a framework that will allow the Bank to continue to fulfill our financial intermediary roles into the future and enhance the Bank's corporate value. As a result, we expect to achieve the targets for profit attributable to owners of parent and ROE for the full fiscal year ending March 31, 2026, the final year of the 11th Medium-term Management Plan.

Please refer to the attachment for further details.

4. Dividend forecast

There is no change to the year-end dividend forecast for the fiscal year ending March 31, 2025.

	Annual dividend				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	3.00	—	3.00	6.00
Fiscal year ending March 31, 2025	—	3.50	—		
Fiscal year ending March 31, 2025 (forecast)				3.50	7.00

5. Other

Following this revision of financial results forecasts, to clarify management responsibility, the amounts of directors' compensation will be reduced.

(1) Details of reduction of directors' compensation

Representative Director	20% reduction in monthly remuneration
Vice President	15% reduction in monthly remuneration
Senior Managing Director/Managing Director	10% reduction in monthly remuneration

(2) Period of reduction

Three (3) months from April to June 2025

- * The financial results forecasts and other information in this document are based on information available and certain assumptions that can be reasonably made as of the date of announcement of this document, and actual financial results may differ significantly from these forecasts depending on various factors.