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# **Financial Results Presentation for the Three Months Ended June 30, 2025**

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Wednesday, July 30, 2025



**TOCHIGI BANK**

Securities Code: 8550

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## Overview of Financial Results for the Three Months Ended June 30, 2025

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# 1. Overview of Consolidated Financial Results

- Ordinary income increased by 10.9% year on year due in part to increases in interest income, primarily driven by interest on loans and discounts.
- Ordinary expenses increased by 3.7% year on year due in part to increases in interest expenses, primarily driven by interest on deposits, despite a decrease in loss on sale of securities.
- As a result, the Bank posted ordinary profit of 2.4 billion yen and profit attributable to owners of parent of 1.7 billion yen.
- The progress rate towards the forecasted interim net profit attributable to owners of parent(2.6 billion yen),announced on May 9, 2025, is 66.4%.

## ○ Consolidated statement of income (excerpt)

	2024/6	2025/6	Change	% Change
				(Billion yen)
Ordinary income	10.7	11.8	1.1	10.9%
Interest income	6.6	8.3	1.7	25.7%
Interest on loans and discounts	5.3	6.7	1.4	26.2%
Interest and dividends on securities	1.0	0.7	(0.3)	-31.1%
Fees and commissions income	2.4	2.3	(0.1)	-3.2%
Ordinary expenses	9.0	9.3	0.3	3.7%
Interest expenses	0.1	1.6	1.5	920.9%
Costs for loans written-off	0.3	0.2	(0.1)	-37.1%
Loss on sale of securities	1.2	-	(1.2)	-100.0%
General and administrative expenses	5.6	5.8	0.2	2.4%
Ordinary profit	1.6	2.4	0.8	49.6%
Profit attributable to owners of parent	1.0	1.7	0.7	64.4%

## 2. Overview of Non-consolidated Financial Results

- The Bank posted ordinary income of 10.5 billion yen, ordinary profit of 2.3 billion yen, and profit of 1.6 billion yen, chiefly due to the same factors as those for consolidated results.
- The progress rate towards the forecasted interim net profit(2.5 billion yen),announced on May 9, 2025, is 67.7%.

### ○ Non-consolidated statement of income (excerpt)

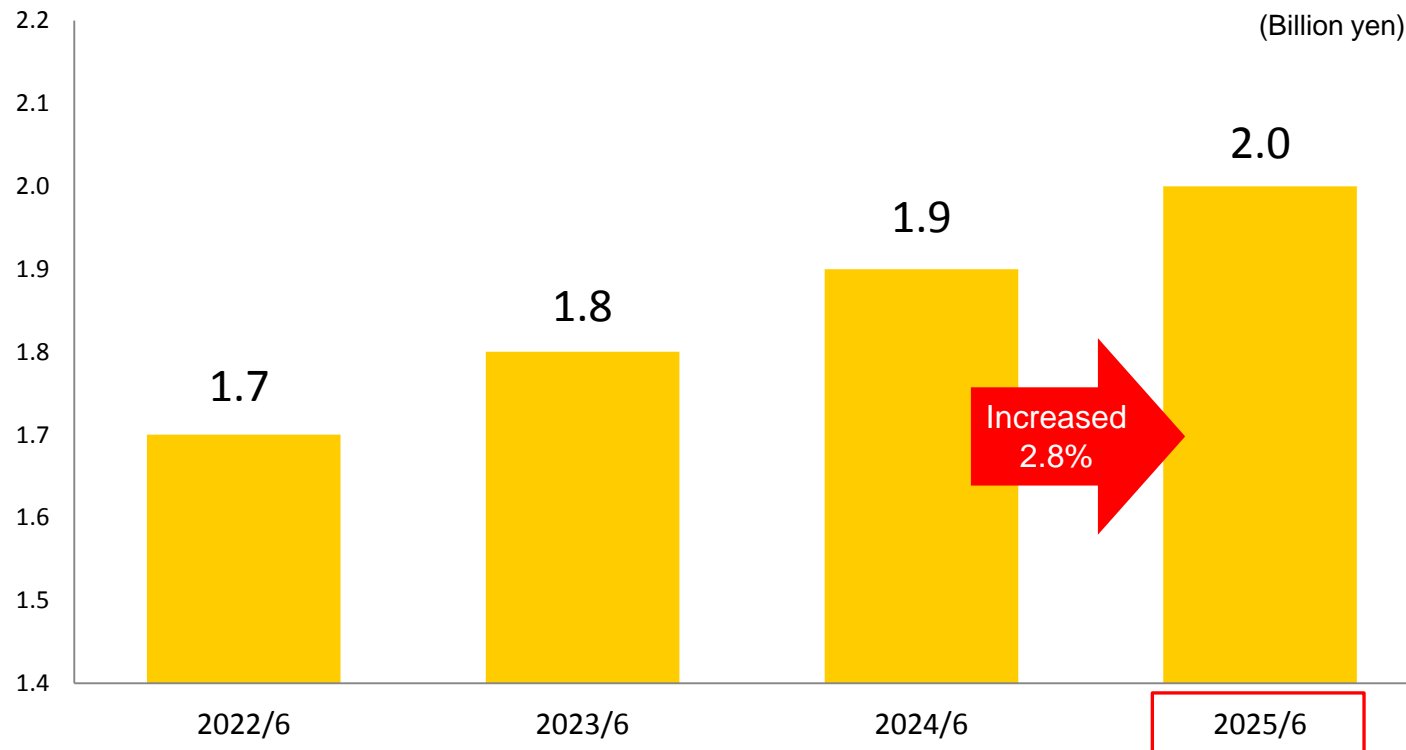
(Billion yen)

	2024/6	2025/6	Change	% Change
Ordinary income	9.5	10.5	1.0	10.9%
Interest income	6.6	8.3	1.7	25.9%
Interest on loans and discounts	5.3	6.7	1.4	26.4%
Interest and dividends on securities	1.0	0.7	(0.3)	-29.7%
Ordinary expenses	7.9	8.2	0.3	3.0%
Interest expenses	0.1	1.5	1.4	—
Costs for loans written-off	0.3	0.2	(0.1)	-38.3%
Loss on sale of securities	1.2	—	(1.2)	-100.0%
Expenses	5.4	5.6	0.2	4.3%
Core net business profit (excluding gains (losses) from cancellation of investment trusts)	1.9	2.0	0.1	2.8%
Substantial net business profit	1.6	2.0	0.4	28.9%
Net business profit	1.5	2.0	0.5	34.9%
Ordinary profit	1.5	2.3	0.8	50.7%
Profit	1.0	1.6	0.6	64.6%

### 3. Trends in Core Net Business Profit (Non-consolidated)

- Core net business profit represents the Bank's main business profitability, consisting of interest income (i.e., interest on loans and discounts and interest and dividends on securities) and fees and commissions income.
- For the three months ended June 30, 2025, core net business profit (excluding gains (losses) from cancellation of investment trust) increased by 2.8% year on year due in part to increases in interest on loans and discounts, despite increases in interest on deposits.

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

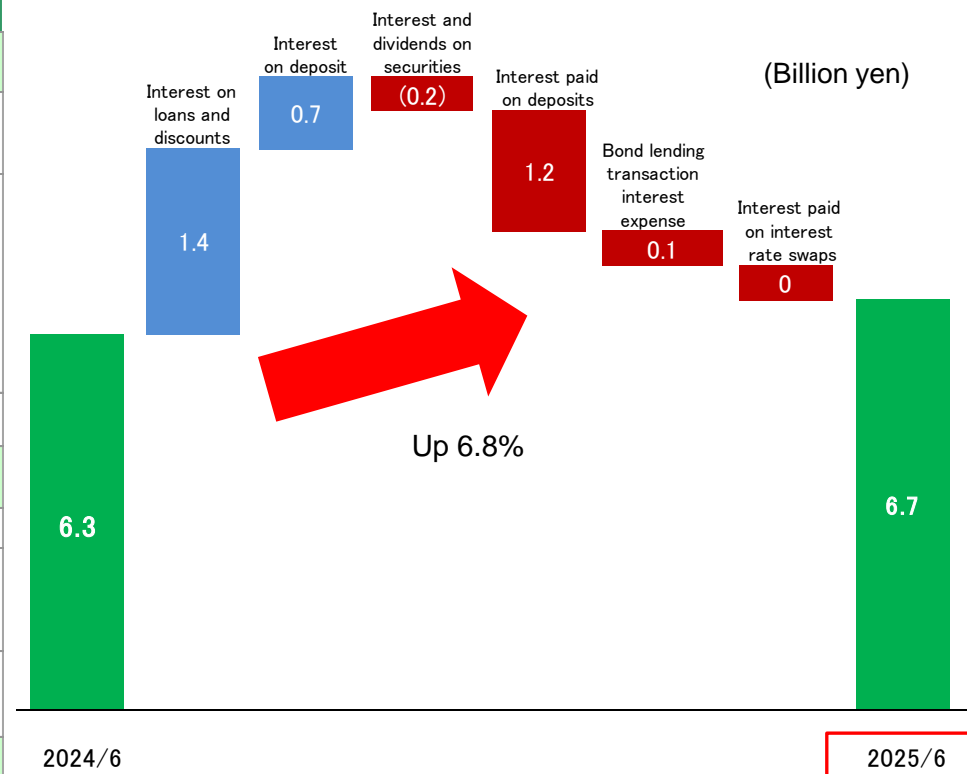


## 4. Trends in Net interest income

- Net interest income (excluding gains(losses) from cancellation of investment trust) increased by 6.8% year on year. Although interest payments on deposits rose due to the policy rate hike and dividends from securities decreased, interest income from loans and deposits increased.

### Reasons for Increase(Decrease) in Net Interest Income

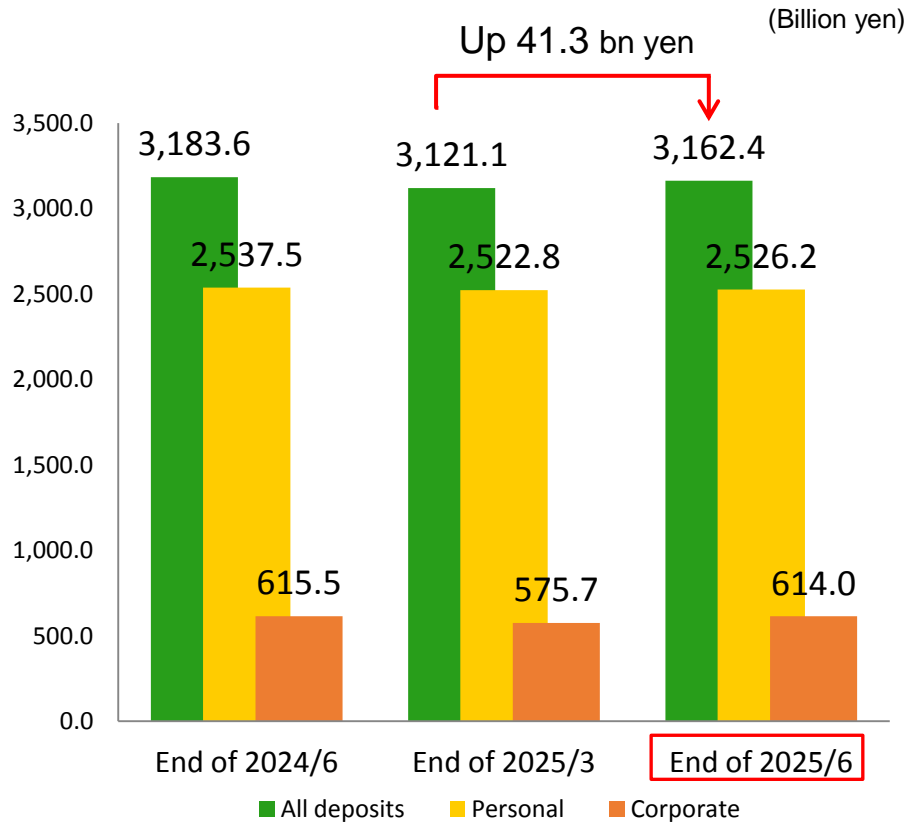
	2024/6	2025/6	Change	% Change
Interest income	6.4	8.3	1.9	29.0%
Interest on loans and discounts	5.3	6.7	1.4	26.4%
Interest and dividends on securities (excluding gains(losses) from cancellation of investment trust)	0.8	0.6	(0.2)	-19.5%
Interest on deposit	0.2	0.9	0.7	227.7%
Interest expenses	0.1	1.5	1.4	-
Interest paid on deposits	0.1	1.3	1.2	977.4%
Bond lending transaction interest expense	0.0	0.1	0.1	781.4%
Interest paid on interest rate swaps	-	0.0	0.0	-
Net interest income	6.3	6.7	0.4	6.8%



## 5. Balance of Deposits (Non-consolidated)

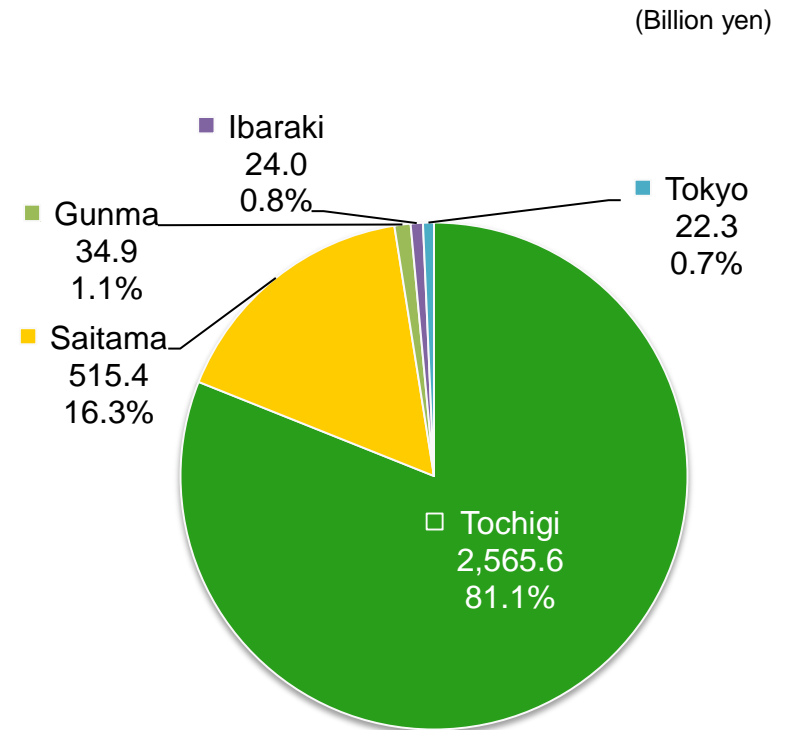
- The Bank has the locally rooted business base with the balance of deposits, consisting mainly of corporate deposits, having increased by 41.3 billion yen from the end of March 2025.
- In terms of the balance of deposits by prefecture, those from customers in Tochigi prefecture account for 81.1% of the total deposits.

Trends in Balance of Deposits  
(Non-consolidated)



(excl. negotiable certificates of deposit)

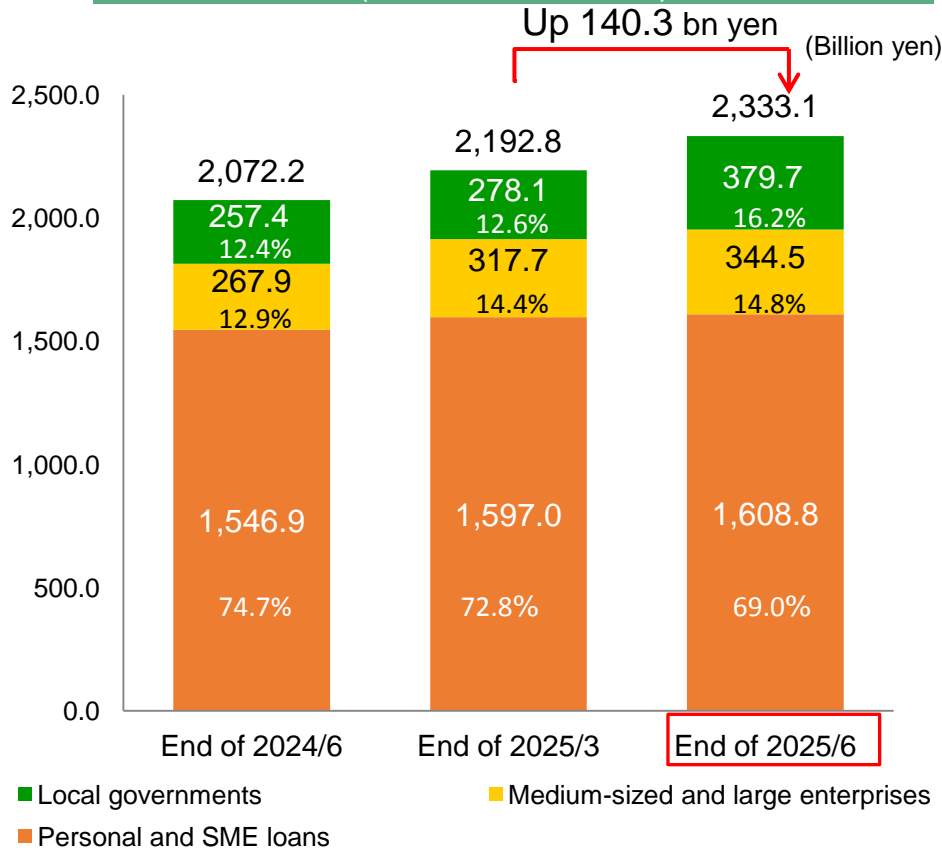
Balance of Deposits by Prefecture  
(As of June 30, 2025)



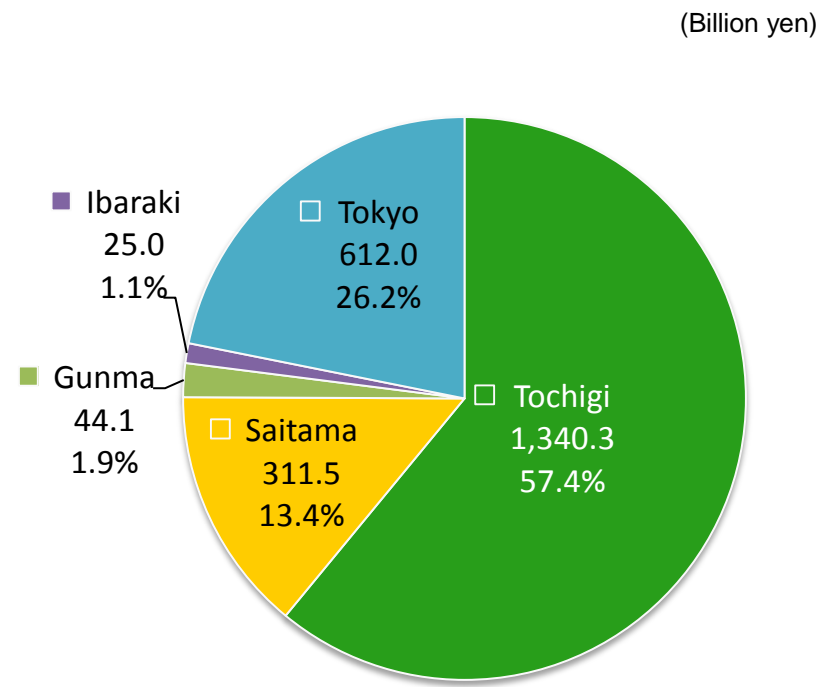
## 6. Balance of Loans and Bills Discounted (Non-consolidated)

- The balance of loans and bills discounted increased by 140.3 billion yen from the end of March 2025.
- As of the end of June 2025, the balance of loans to individuals and small businesses increased by 11.8 billion yen, loans to medium-sized and large enterprises increased by 26.8 billion yen, and loans to local governments increased by 101.6 billion yen.
- The loans extended to customers located in Tochigi prefecture account for 57.4% of the loans, mainly consisting of personal and SME loans in Tochigi prefecture.

Trends in Balance of Loans and Bills Discounted  
(Non-consolidated)



Balance of Loans and Bills Discounted  
by Prefecture (As of June 30, 2025)

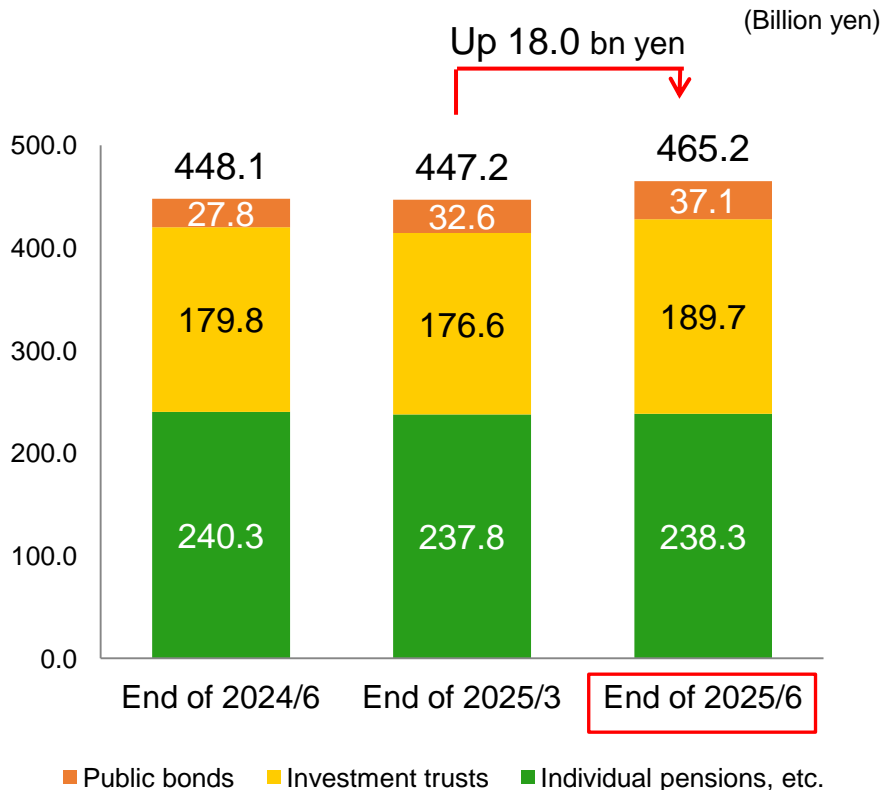




## 7. Deposit Assets (Non-consolidated)

- The balance of deposit assets increased by 18 billion yen compared to the end of March 2025, due to the expansion of investment options.
- The number of NISA accounts increased by 442 from March 31, 2025.
- The Bank will continue to make proposals for investments that lead to customer's asset formation in the future.

### Trends in Balance of Deposit Assets



(Billion yen)	2025/3	2025/6	Change	% Change
Deposit assets	447.2	465.2	18.0	4.0%
Public bonds	32.6	37.1	4.5	13.6%
Investment trusts	176.6	189.7	13.1	7.4%
Individual pensions, etc.	237.8	238.3	0.5	0.1%

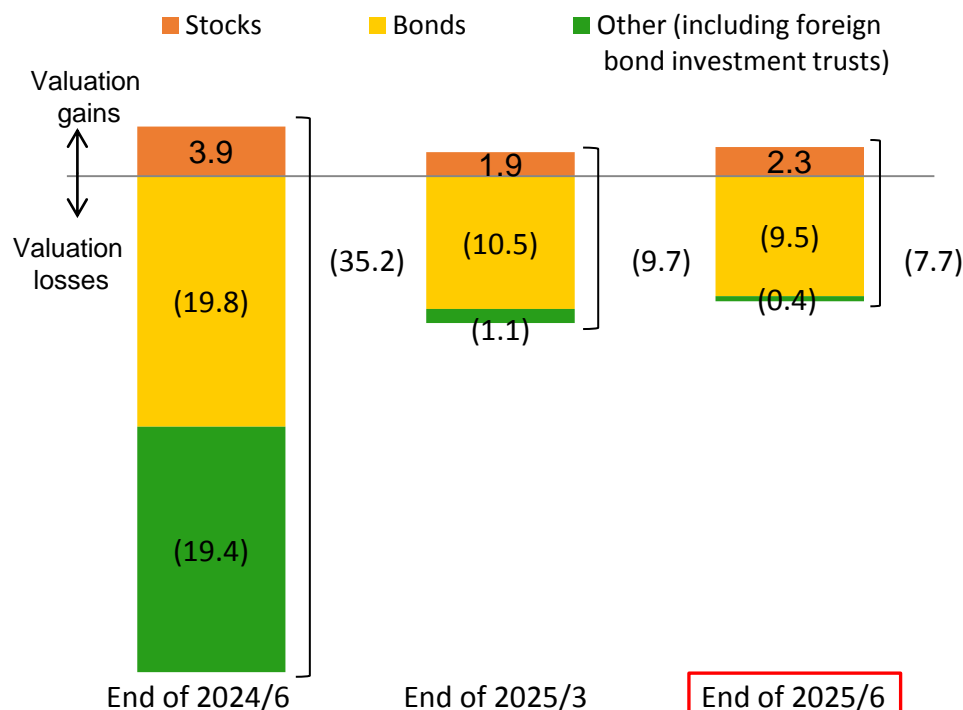
(count)	2025/3	2025/6	Change	% Change
NISA accounts	38,892	39,334	442	1.1%

## 8. Securities (Non-Consolidated)

- As of the end of June 2025, the valuation gains and losses on other securities improved by 2 billion yen compared to the end of March 2025, resulting in (7.7) billion yen, due to a decline in interest rates following the diminished expectations of a rate hike by the Bank of Japan.
- In the future, the Bank anticipates a gradual increase in domestic interest rates. Therefore, for the time being, the Bank plans to limit interest rate risk-taking and focus on reinvesting primarily in short- to medium-term bonds.

### Valuation Gains (Losses) on Other Securities

(Billion yen)



\* There is an additional valuation gain of interest rate swaps.  
2025/3 1.6 billion yen 2025/6 1.9 billion yen

### Closing Balances of Securities

(As of June 30, 2025)

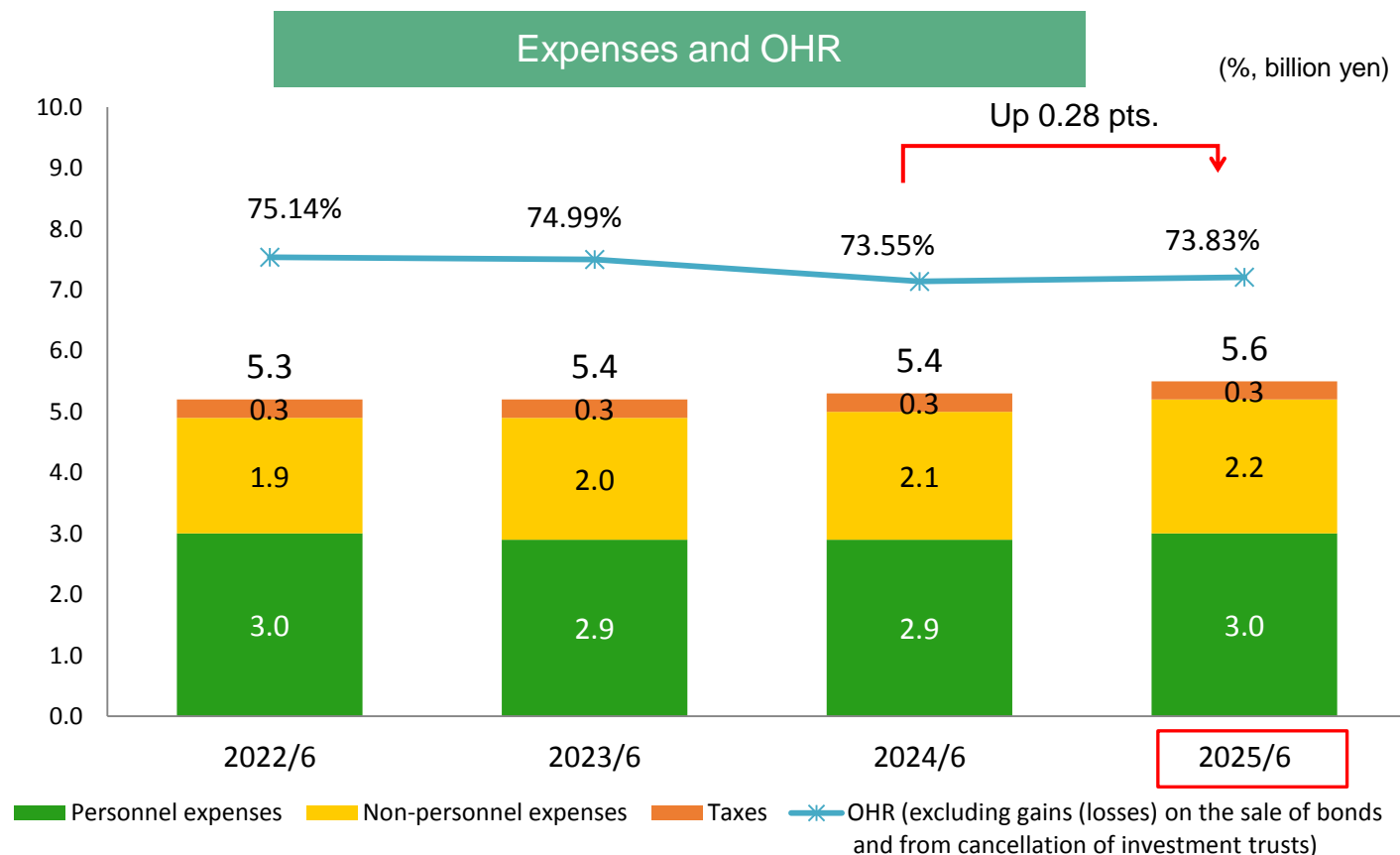
(Billion yen)	2025/3	2025/6	Change	% Change
Total securities	376.3	387.6	11.3	2.9%
Stocks	11.8	12.1	0.3	2.5%
Bonds	325.0	335.3	10.3	3.1%
Other (including foreign bond investment trusts)	39.4	40.1	0.7	1.7%

(year)	2025/3	2025/6
Duration of yen-denominated bonds	3.2	2.9

## 9. Expenses (Non-consolidated)

OHR (based on gross operating profit) = Expenses ÷ Gross operating profit (excluding gains (losses) on sale of bonds and from cancellation of investment trusts) × 100

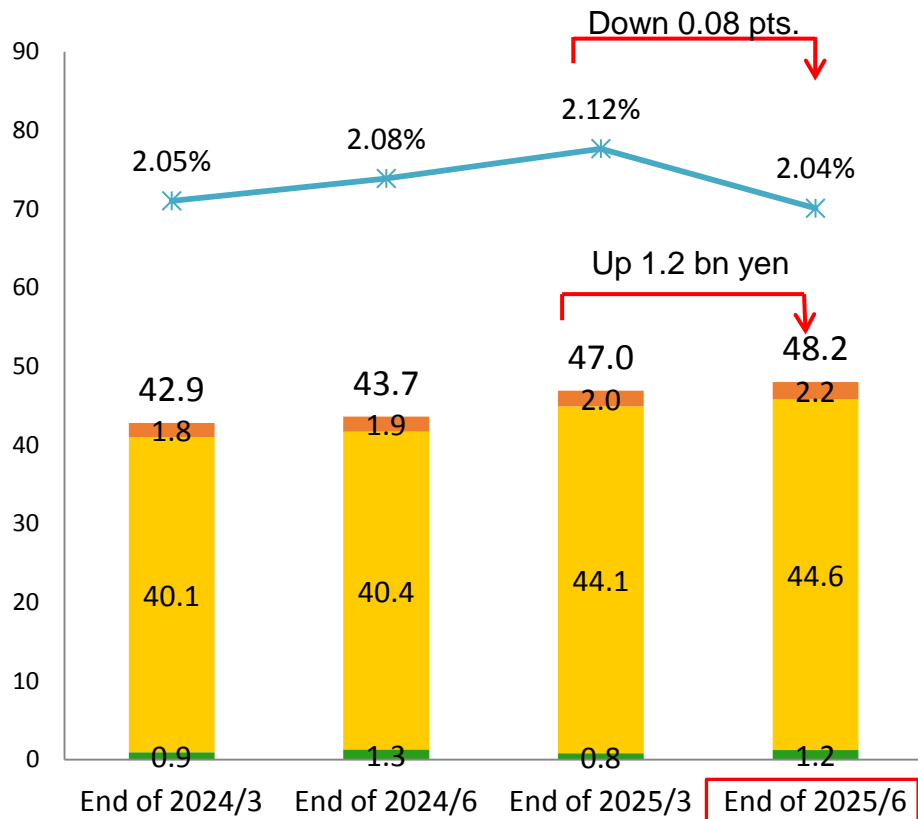
- The core business net profit, which forms the denominator for the OHR calculation, increased year on year. Despite an increase in interest payments on deposits, the increase in interest income from loans contributed to this rise (from 7.3 billion yen in the June 2024 period to 7.6 billion yen in the June 2025 period).
- On the other hand, the expenses, which form the numerator for the OHR calculation, increased due to investments in human resources such as base salary increases and growth investments in areas such as DX and system upgrades to establish a sustainable management foundation that supports our customers. As a result, the OHR (based on core business gross profit) for the current period rose by 0.28 percentage points year on year.



## 10. Non-performing Loans and Capital Adequacy Ratio

- Loans based on the Banking Act and Financial Reconstruction Act increased by 1.2 billion yen. However, since total claims, including normal assets, also increased, the non-performing loan ratio declined by 0.08 percentage points from March 31, 2025, and both have remained relatively low. Going forward, the Bank will continue to remain committed to supporting businesses.

Trends in Non-performing Loan Ratio (Non-consolidated)

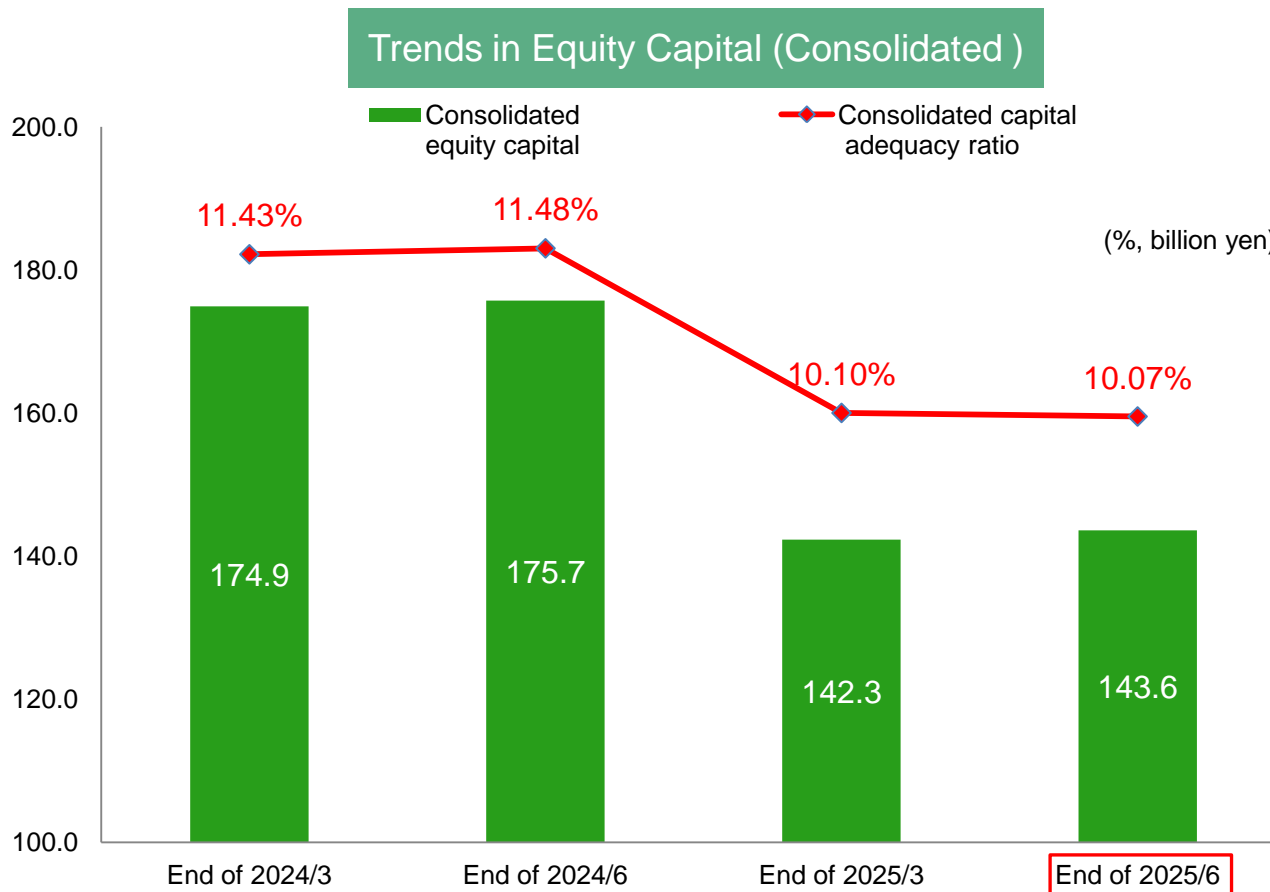


	(Billion yen)	2025/3	2025/6	Change	% Change
Loans based on the Banking Act and Financial Reconstruction Act		47.0	48.2	1.2	2.4%
Bankrupt and quasi-bankrupt loans		2.0	2.2	0.2	8.7%
Doubtful loans		44.1	44.6	0.5	1.0%
Special attention loans		0.8	1.2	0.4	59.7%
Normal assets		2,172.8	2,312.4	139.6	6.4%
Total (total claims)		2,219.9	2,360.7	140.8	6.3%

■ Bankrupt and quasi-bankrupt loans    ■ Doubtful loans  
■ Special attention loans    ✱ Non-performing loan ratio

## 10. Non-performing Loans and Capital Adequacy Ratio

- Based on domestic and overseas interest rate trends, The Bank accelerated the replacement of securities in its portfolio and sold securities with valuation losses. Resulting the loss recorded, the capital adequacy ratio decreased in the fiscal year ending March 2025.
- The Bank's consolidated capital adequacy ratio declined by 0.03 percentage points from March 31, 2025 due to an increase in risk assets including loans and bills discounted.
- We will utilize our equity capital to continue providing loans and services to individuals and small and medium-sized businesses.



(The Bank applied the finalized Basel III endgame standards starting from the fiscal year ending March 2025.)

(Reference)

Realize the Provision of New Value

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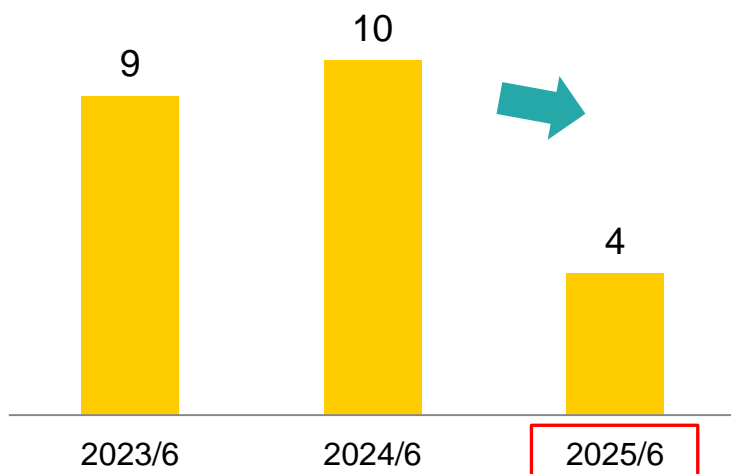
## 1. Realize the Provision of New Value (Strengthening Consulting Capability)

Based on the 11th Medium-term Management Plan started in April 2023, we are creating a sustainable future for the region together with all people in the region by making group-wide efforts to solve issues facing us. These efforts include gaining the region's trust and taking on a challenge of new business fields that go beyond our conventional framework of finance to realize new value creation.

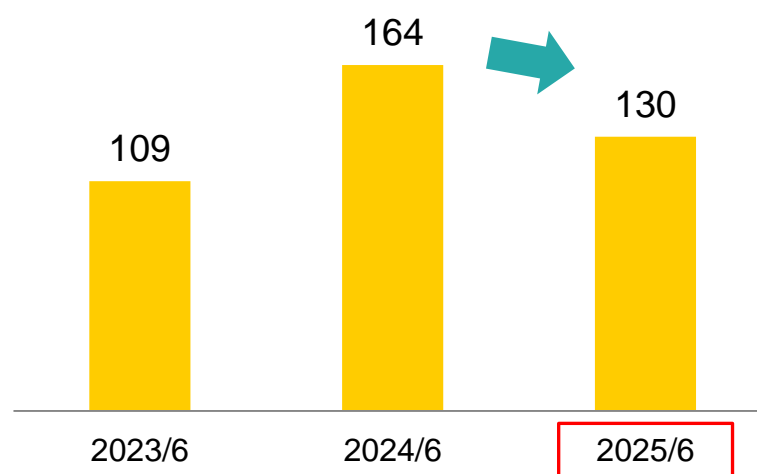
In strengthening profitability, one of our basic strategies, we have developed a system to provide one-stop solutions to sole proprietors and small-sized businesses to assist them in their M&A activities. To this end, in a bid to provide highly professional solutions on business succession and M&A, the Bank has launched “Tochigi-no Musubime,” a framework to assist in regional revitalization through M&A, and has collaborated with Tsukuba Bank and The Towa Bank through “Saitama-no Musubime,” and with The Daito Bank through “Fukushima-no Musubime,” as well as with The Taiko Bank through “Niigata-no Musubime.”

In addition, the Bank offers a business matching service to connect customers with potential business partners, providing information and services to meet diverse customer needs.

Number of Business Succession  
and M&A Contracts



Number of Business Matching Contracts

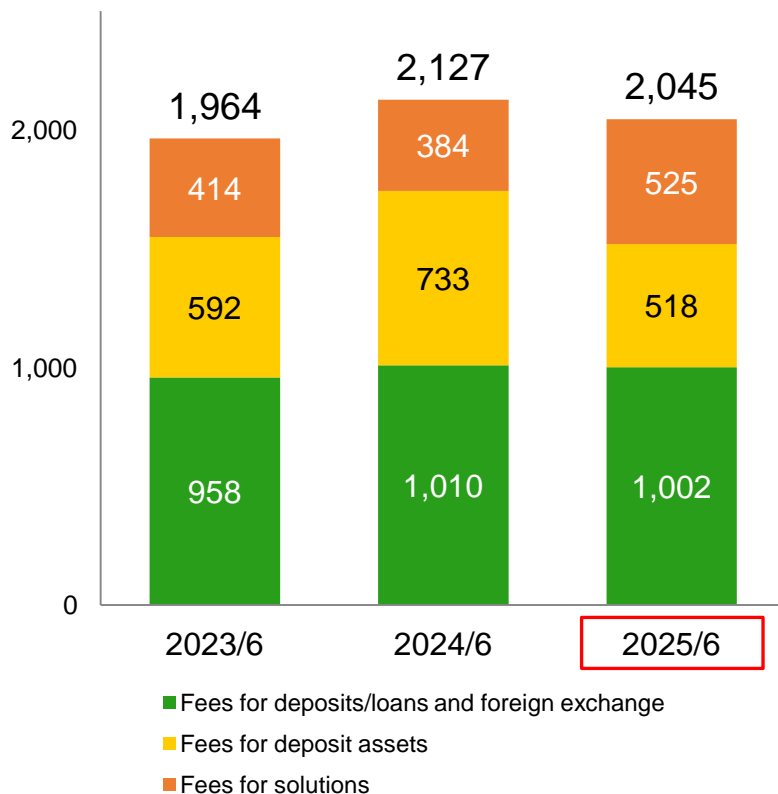


## 2. Realize the Provision of New Value (Trends in Fees and Commissions Income)

The Bank has been enhancing its customer support system to provide one-stop solutions to customers' issues. Income generated from fees and commissions income comprises various fees including banking fees such as fees for deposits and loans, fees for business solutions such as business matching, business succession, and M&A, and fees related to deposit assets, which we receive as a result of our assistance in helping customers from their asset formation.

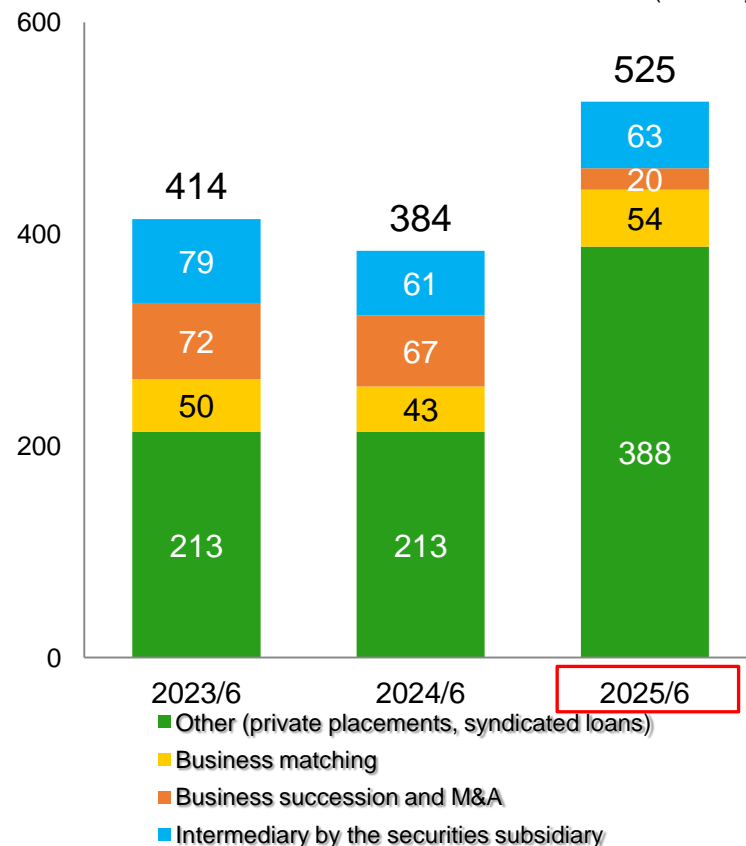
Trends in Fees and Commissions Income

(Million yen)



Breakdown of Fees for Solutions

(Million yen)







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