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# **Financial Results Presentation**

## **for the Six Months Ended September 30, 2025**

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Friday, November 7, 2025



**TOCHIGI BANK**

Securities Code: 8550

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## Overview of Financial Results for the Six Months Ended September 30, 2025

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# 1. Summary of Financial Results

【Consolidated】	2024/9	2025/9	Change
Ordinary income	22.1Bn	25.1Bn	+3.0Bn
Ordinary profit	2.0Bn	4.9Bn	+2.9Bn
Profit attributable to owners of parent	1.4Bn	4.3Bn	+2.9Bn

	2025/3	2025/9	Change
Capital adequacy ratio	10.10%	9.99%	-0.11

【Non-consolidated】	2025/3	2025/9	Change
Deposits	3,121.1Bn	3,154.8Bn	+33.7Bn
Loans and bills discounted	2,192.8Bn	2,418.1Bn	+225.3Bn
Securities	376.3Bn	408.9Bn	+32.6Bn
Valuation difference on available-for-sale securities※	(8.1) Bn	(4.6) Bn	+3.5Bn

	Second quarter-end	Fiscal year-end (Forecast)	Total (Forecast)
Fiscal year ending March 31, 2026 (Previous forecasts Announced on May 9, 2025)	12.00 yen (7.00yen)	12.00 yen (7.00yen)	24.00 yen (14.00yen)

## Key Points of the Financial Results

- Increase in revenue and profit
  - Growth in net interest income
  - Decrease in losses on sale of securities
- Improvement in valuation gains (losses) on securities held
  - Effect of significant revision of the securities portfolio carried out in the fiscal year ending March 2025
- Includes deferred hedge valuation gains (losses) from interest rate swaps implemented to reduce interest rate risk
- Increase in interim dividend
  - Decision to increase interim dividend in line with profit growth for the current interim period
  - Increased interim dividend and upward revision of full-year earnings forecast lead to an expected increase in year-end dividend as well

▪ The revision of the dividend forecast was announced on October 29, 2025.

## 2. Overview of Consolidated Financial Results

- Ordinary income increased by 3.0 billion yen compared to the same period of the previous year, partly due to higher interest income from loans and deposits with other financial institutions.
- Ordinary expenses increased by 200 million yen compared to the same period of the previous year, due to higher interest payments on deposits and increased operating expenses, although losses on the sale of securities decreased.
- As a result, the Bank recorded ordinary profit of 4.9 billion yen and interim net profit attributable to owners of the parent of 4.3 billion yen.

### ○ Consolidated statement of income (excerpt)

(Billion yen)

	2024/9	2025/9	Change	% Change
Ordinary income	22.1	25.1	3.0	13.5%
Interest income	13.0	17.2	4.2	31.6%
Interest on loans and discounts	10.8	14.1	3.3	30.9%
Interest on deposits	0.7	1.7	1.0	133.9%
Fees and commissions income	5.0	5.2	0.2	3.1%
Gain on sale of securities	1.3	0.2	(1.1)	-83.1%
Ordinary expenses	20.0	20.2	0.2	0.5%
Interest expenses	0.5	3.4	2.9	549.2%
Interest on deposits	0.4	2.7	2.3	582.5%
Fees and commissions payments	2.0	2.0	0.0	2.6%
Loss on sale of securities	4.0	0.4	(3.6)	-88.6%
General and administrative expenses	11.3	11.8	0.5	3.9%
Costs for loans written-off	0.8	0.9	0.1	13.7%
Ordinary profit	2.0	4.9	2.9	142.2%
Profit attributable to owners of parent	1.4	4.3	2.9	195.4%

\*Gains and losses on the sale of securities refer to those arising from the sale or redemption of government bonds and other bonds, as well as the sale of stocks.

### 3. Overview of Non-consolidated Financial Results

- For the same reasons as described in the aforementioned consolidated financial results, both revenue and profit increased.
- Although funding costs, such as deposit interest and other expenses, increased mainly, both core net business profit (excluding gains (losses) from cancellation of investment trusts) and substantial net business profit increased, owing to higher fund management income such as interest income from loans and deposits.

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

(Billion yen)

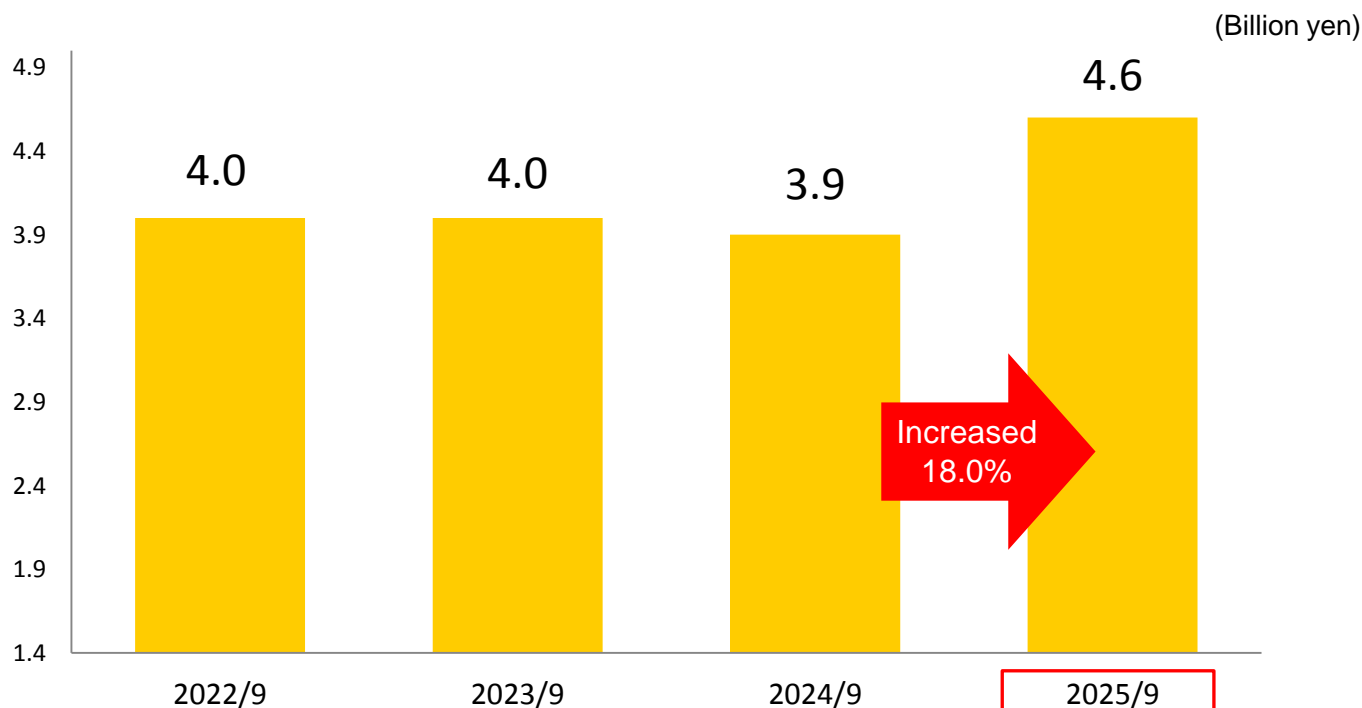
	2024/9	2025/9	Change	% Change
Ordinary income	19.7	22.3	2.6	13.2%
Interest income	13.0	17.2	4.2	31.8%
Interest on loans and discounts	10.7	14.1	3.4	31.2%
Interest on deposits	0.7	1.7	1.0	133.9%
Fees and commissions income	4.4	4.5	0.1	0.9%
Gain on sale of securities	1.3	0.2	(1.1)	-84.4%
Ordinary expenses	17.9	17.7	(0.2)	-0.6%
Interest expenses	0.4	3.3	2.9	580.2%
Interest on deposits	0.4	2.7	2.3	582.5%
Fees and commissions payments	2.1	2.1	0.0	2.8%
Loss on sale of securities	4.0	0.4	(3.6)	-88.5%
Expenses	10.8	11.4	0.6	5.7%
Costs for loans written-off	0.8	0.9	0.1	12.7%
Core net business profit (excluding gains (losses) from cancellation of investment trusts)	3.9	4.6	0.7	18.0%
Substantial net business profit	3.2	4.2	1.0	30.1%
Net business profit	3.8	4.3	0.5	11.7%
Ordinary profit	1.8	4.5	2.7	149.5%
Profit	1.3	4.1	2.8	202.5%

\*Gains and losses on the sale of securities refer to those arising from the sale or redemption of government bonds and other bonds, as well as the sale of stocks.

## 4. 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.
- During the current interim period, core net business profit (excluding gains (Losses) from cancellation of investment trusts) increased by 18.0% compared to the same period of the previous year, as the increase in funding costs such as deposit interest and expenses was outweighed by the rise in interest income from loans and deposits with other financial institutions.

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

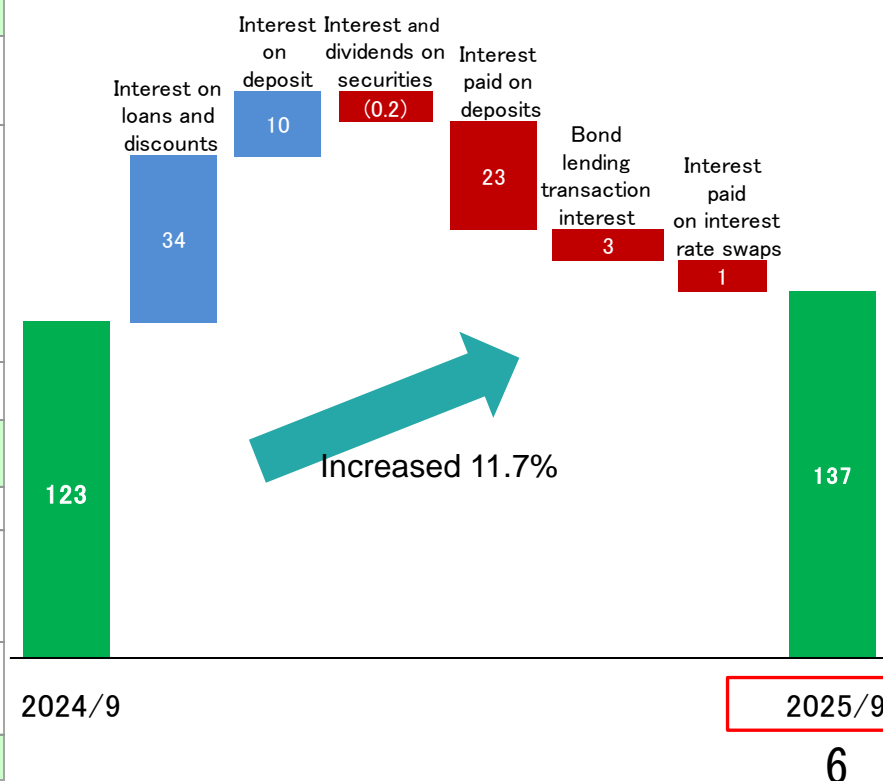


## 5.Trends in Net interest income

- Following the gradual increase in policy interest rates since March 2024, interest payments on deposits and other funding costs rose; however, the increase in interest income from loans and deposits with other financial institutions exceeded these costs, resulting in an 11.7% increase compared to the same period of the previous year.

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

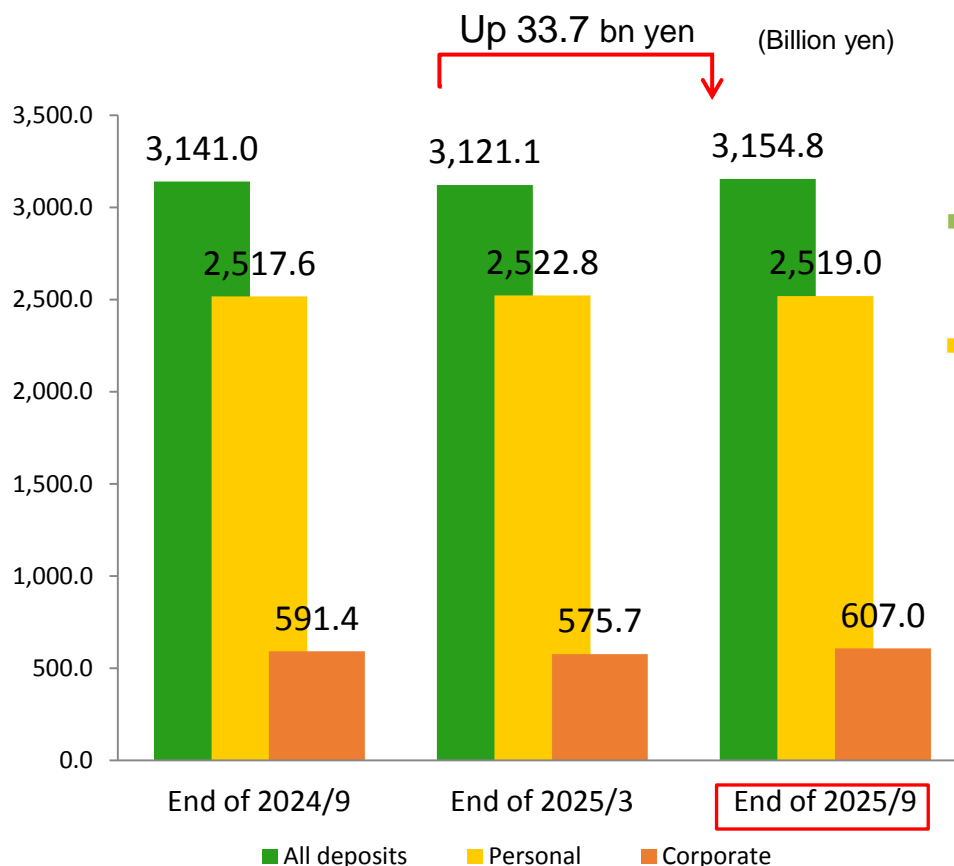
	2024/9	2025/9	Change	% Change
(Billion yen,%)				
Interest income	12.8	17.1	4.3	33.7%
Interest on loans and discounts	10.7	14.1	3.4	31.2%
Interest and dividends on securities (excluding gains(losses) from cancellation of investment trust)	1.2	1.2	(0.0)	-1.2%
Interest on deposit	0.7	1.7	1.0	133.9%
Interest expenses	0.4	3.3	2.9	580.2%
Interest paid on deposits	0.4	2.7	2.3	582.5%
Bond lending transaction interest expense	0.0	0.3	0.3	275.3%
Interest paid on interest rate swaps	-	0.1	0.1	-
Net interest income	12.3	13.7	1.4	11.7%



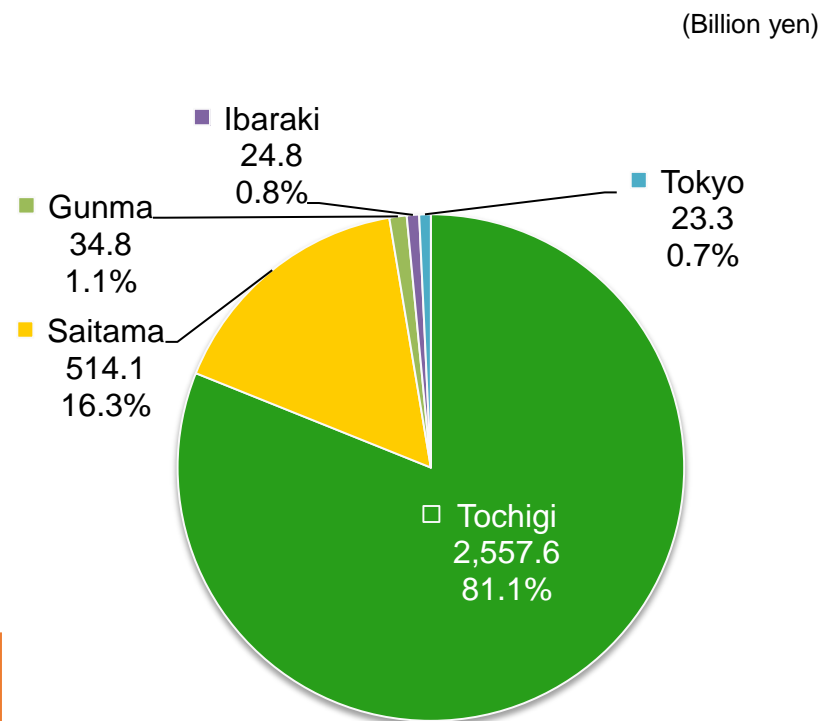
## 6. Balance of Deposits (Non-consolidated)

- The Bank has a business base rooted in the local community. During the current interim period, although personal deposits decreased, an increase in corporate deposits and others resulted in a 33.7 billion yen increase in total deposits compared to 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)



Balance of Deposits by Prefecture  
(As of September, 2025)

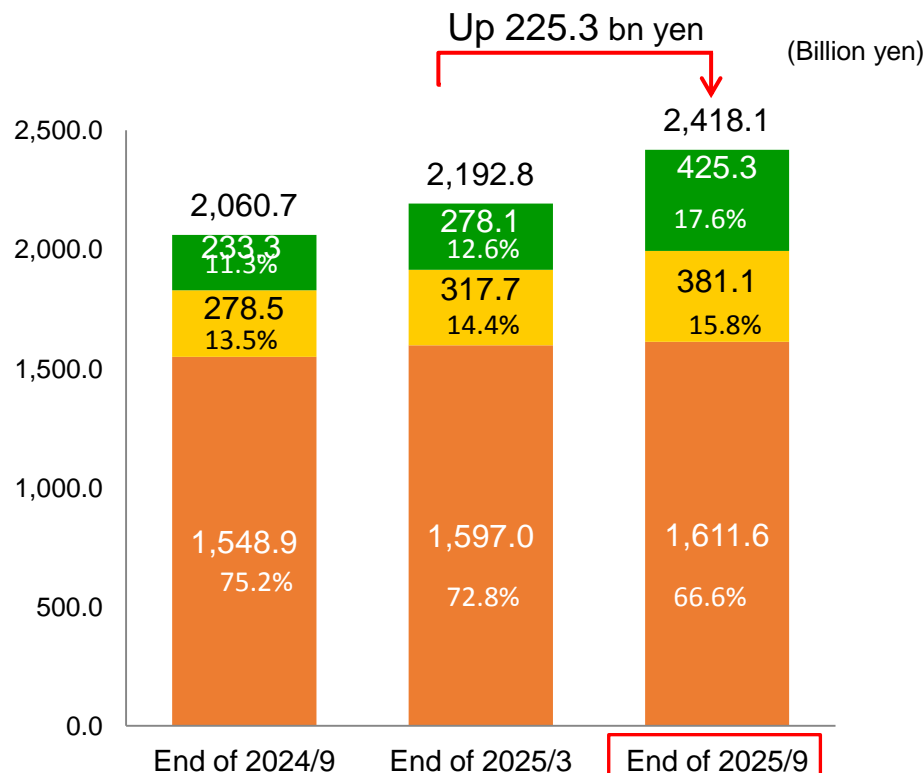




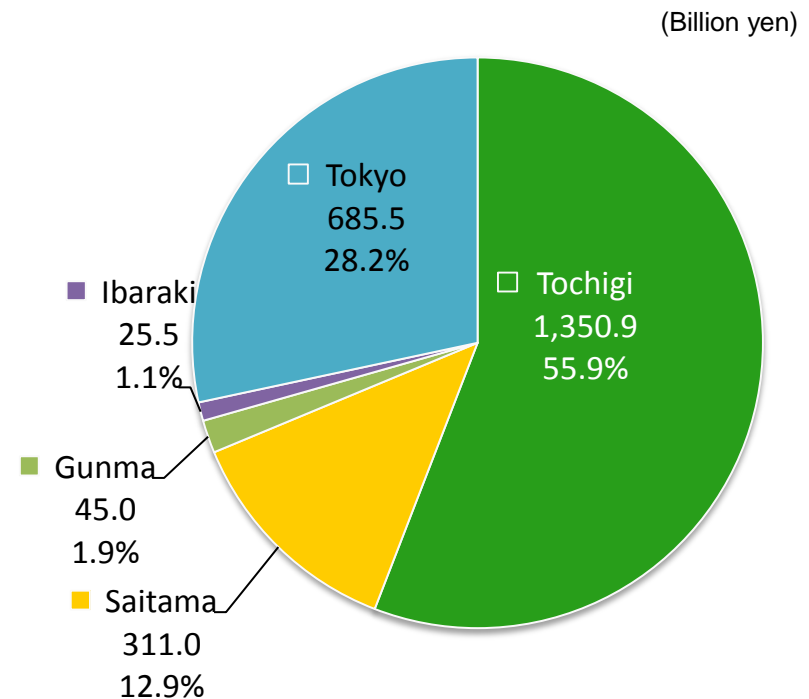
## 7. Balance of Loans and Bills Discounted (Non-consolidated)

- The balance of loans and bills discounted increased by 225.3 billion yen from the end of March 2025.
- As of the end of September 2025, loans to personal and SME increased by 14.6 billion yen, loans to medium- and large enterprises increased by 63.4 billion yen, and loans to local governments increased by 147.2 billion yen.
- The loans extended to customers located in Tochigi prefecture account for 55.9% 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 September 30, 2025)

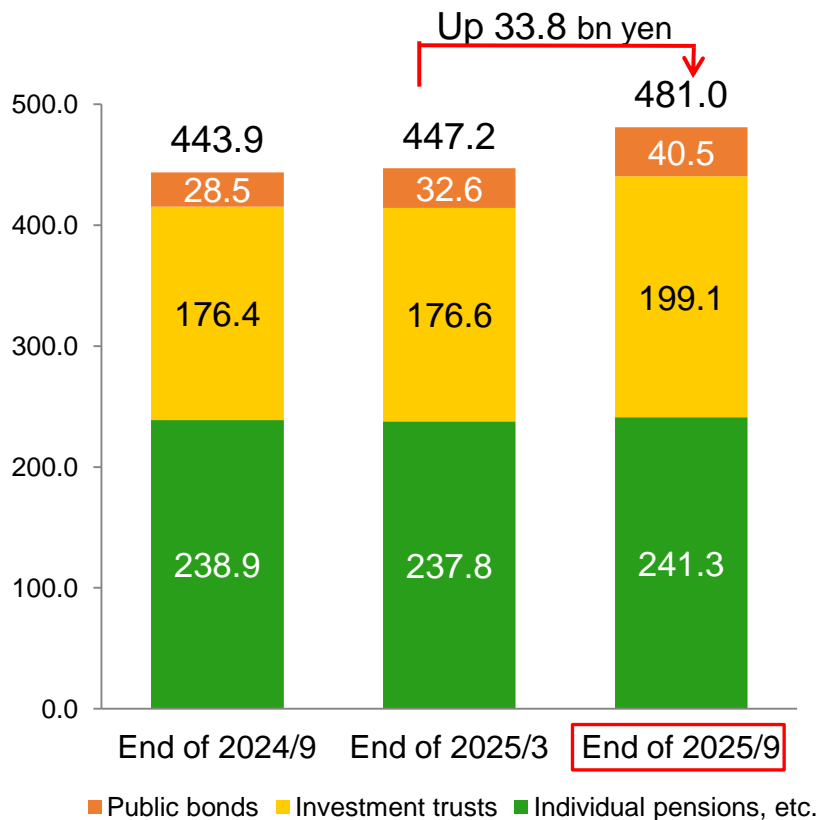


## 8. Deposit Assets (Non-consolidated)

- The balance of deposit assets increased by 33.8 billion yen from March 31, 2025, reflecting its commitment to providing customer-oriented financial services. The Bank will continue to offer proposals for “long-term, accumulated and diversified” investments, leading to customers’ asset formation over the future

### Trends in Balance of Deposit Assets

(Billion yen)



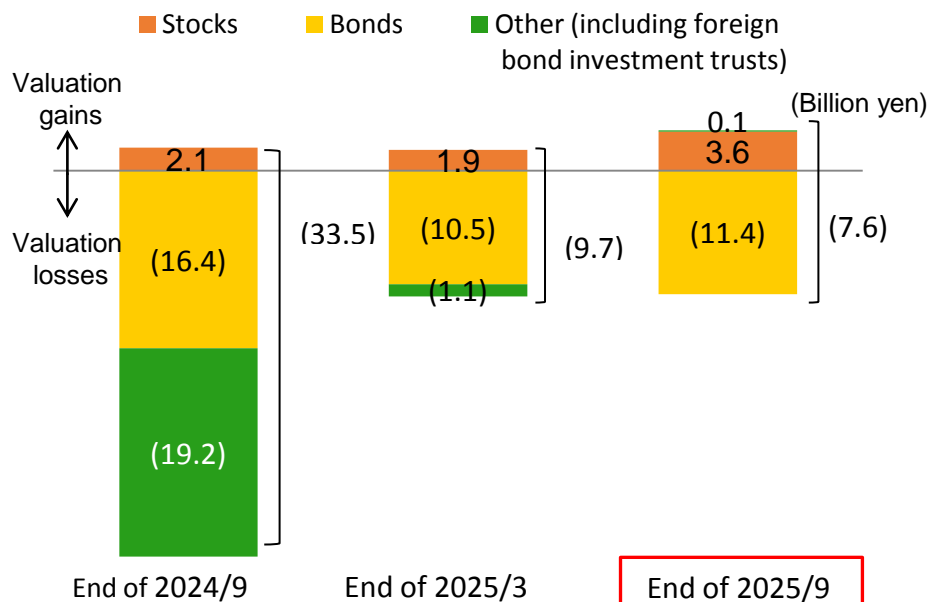
(Billion yen)	2025/3	2025/9	Change	% Change
Deposit assets	447.2	481.0	33.8	7.5%
Public bonds	32.6	40.5	7.9	23.9%
Investment trusts	176.6	199.1	22.5	12.7%
Individual pensions, etc.	237.8	241.3	3.5	1.4%

(count)	2025/3	2025/9	Change	% Change
NISA accounts	38,892	39,729	837	2.1%

## 9. Securities (Non-Consolidated)

- In the interim period ending September 2025, domestic interest rates rose due to expectations of a rate hike by the Bank of Japan; however, the impact on the valuation of bonds was minimal, as the Bank shortened the average maturity of its bond holdings. On the other hand, the increase in stock prices led to higher valuation gains on equities, and, including interest rate swaps, the overall valuation gains (losses) on securities improved by 3.5 billion yen compared to the end of March 2025.
- The Bank continues to anticipate a gradual rise in domestic interest rates and, for the time being, plans to limit interest rate risk and focus reinvestment primarily on medium- and short-term bonds.

### Valuation Gains (Losses) on Other Securities



(Billion yen)	2025/3	2025/9	Change
Total of Valuation Gain and Loss on Securities with Market Value	(8.1)	(4.6)	3.5

\* There is an additional valuation gain of interest rate swaps.  
2025/3 1.6 billion yen 2025/9 2.9 billion yen

### Closing Balances of Securities

(As of September, 2025)

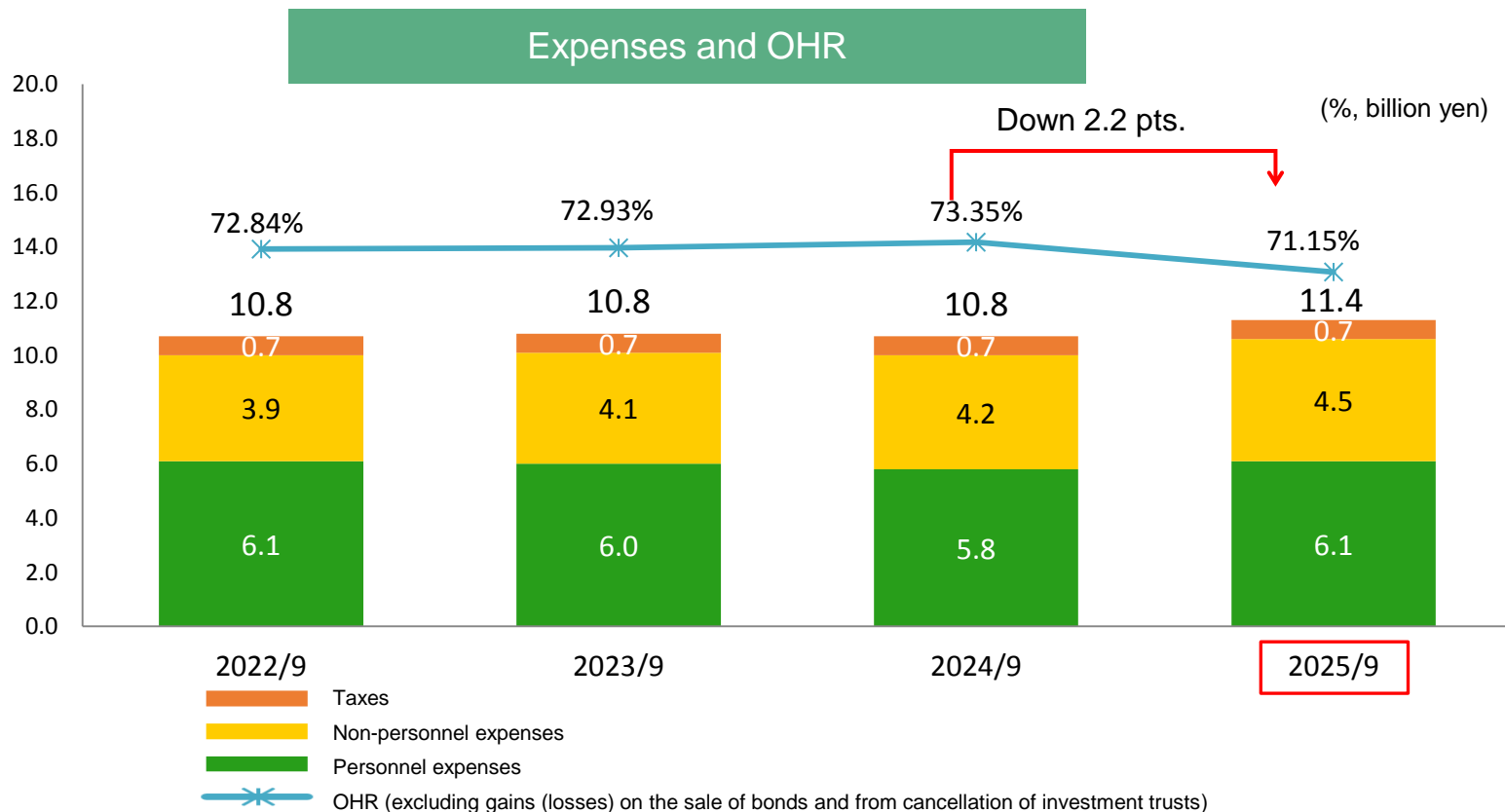
(Billion yen)	2025/3	2025/9	Change	% Change
Total securities	376.3	408.9	32.6	8.6%
Stocks	11.8	13.5	1.7	13.8%
Bonds	325.0	356.7	31.7	9.7%
Other (including foreign bond investment trusts)	39.4	38.7	(0.7)	-1.8%

(year)	2025/3	2025/9
Duration of yen-denominated bonds	3.2	2.6

## 10. Expenses (Non-consolidated)

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

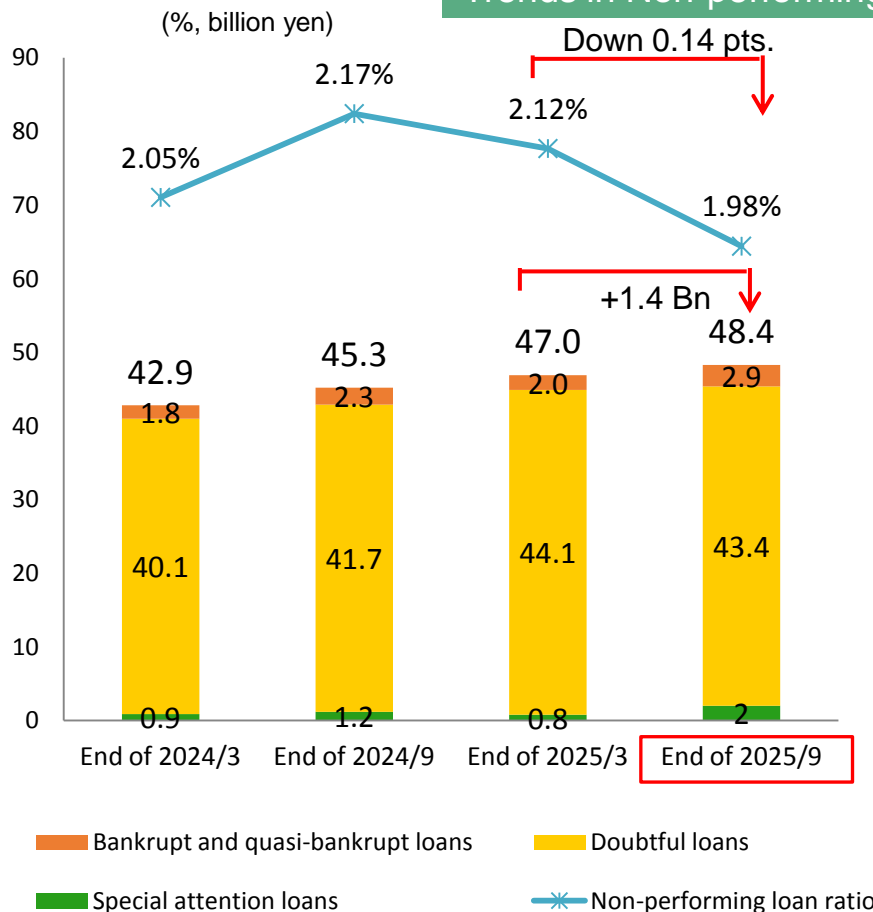
- Core gross business profit, which serves as the denominator in the OHR calculation, increased compared to the same period of the previous year, as the rise in interest income from loans and other sources offset the increase in interest payments on deposits and other funding costs. (From 14.7 billion yen in the interim period ended September 2024 to 16.1 billion yen in the interim period ended September 2025.)
- Expenses, which serve as the numerator in the OHR calculation, increased by 600 million yen compared to the same period of the previous year, due to higher investments in human capital such as base salary increases and personnel development, as well as growth investments in DX and system-related areas.
- As a result, the OHR (based on core gross business profit) for the current period improved by 2.2 percentage points compared to the same period of the previous year.



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

- Loans based on the Banking Act and Financial Reconstruction Act increased by 1.4 billion yen compared to the end of March 2025; however, as the total amount of credit, including normal assets, also increased, the non-performing loan ratio declined by 0.14 percentage points to 1.98%.
- The Bank is committed to assisting customers and ensuring the soundness of its assets.

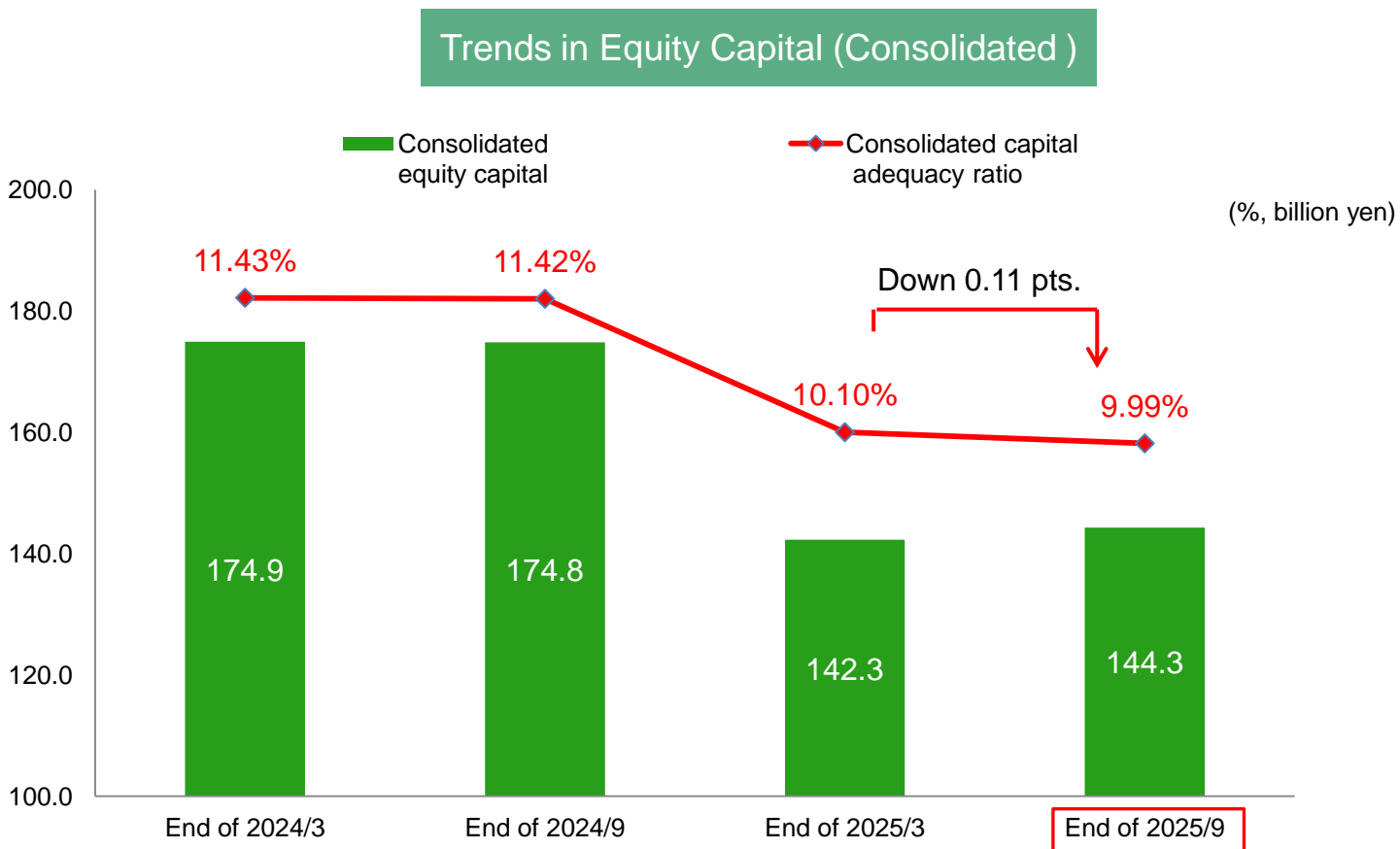
Trends in Non-performing Loan Ratio (Non-consolidated)



	(Billion yen)	2025/3	2025/9	Change	% Change
Loans based on the Banking Act and Financial Reconstruction Act		47.0	48.4	1.4	2.8%
Bankrupt and quasi-bankrupt loans		2.0	2.9	0.9	40.3%
Doubtful loans		44.1	43.4	(0.7)	-1.7%
Special attention loans		0.8	2.0	1.2	160.9%
Normal assets		2,172.8	2,396.6	223.8	10.2%
Total (total claims)		2,219.9	2,445.0	225.1	10.1%

## 11. 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.
- As of the interim period ended September 2025, the consolidated capital adequacy ratio decreased by 0.11 percentage points from the end of March 2025 to 9.99%, primarily due to an increase in risk assets such as loans.



(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)

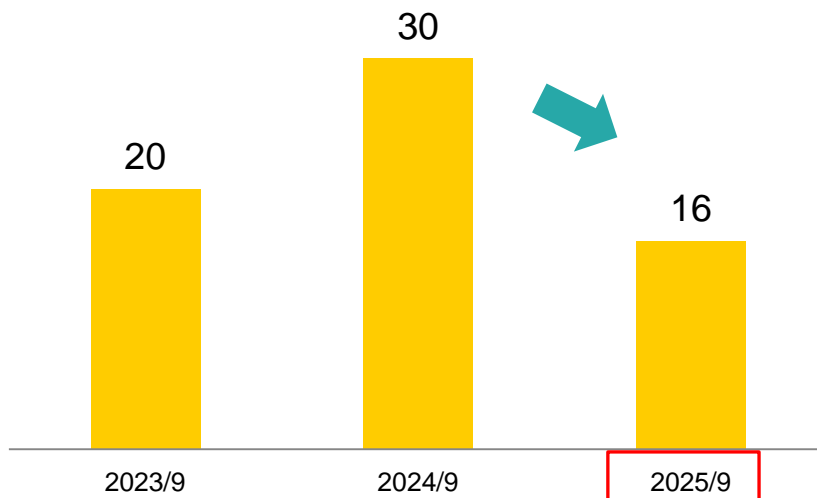
Based on the 11th Medium-term Management Plan started in April 2023, we are creating a sustainable future for the region together with all people in the region by making group-wide efforts to solve issues facing us. These efforts include gaining the region's trust and taking on a challenge of new business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

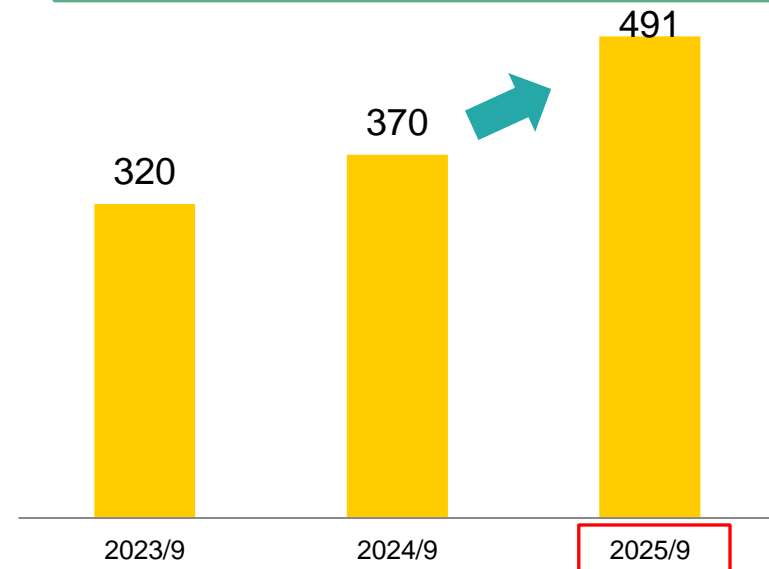
In addition, the Bank offers a business matching service to connect customers with potential business partners, providing information and services to meet diverse customer needs.

Furthermore, we continue to invest human resources in face-to-face business operations (in person and online channel) that are only possible for humans, thereby offering highly specialized solutions.

Number of Business Succession  
and M&A Contracts



Number of Business Matching Contracts

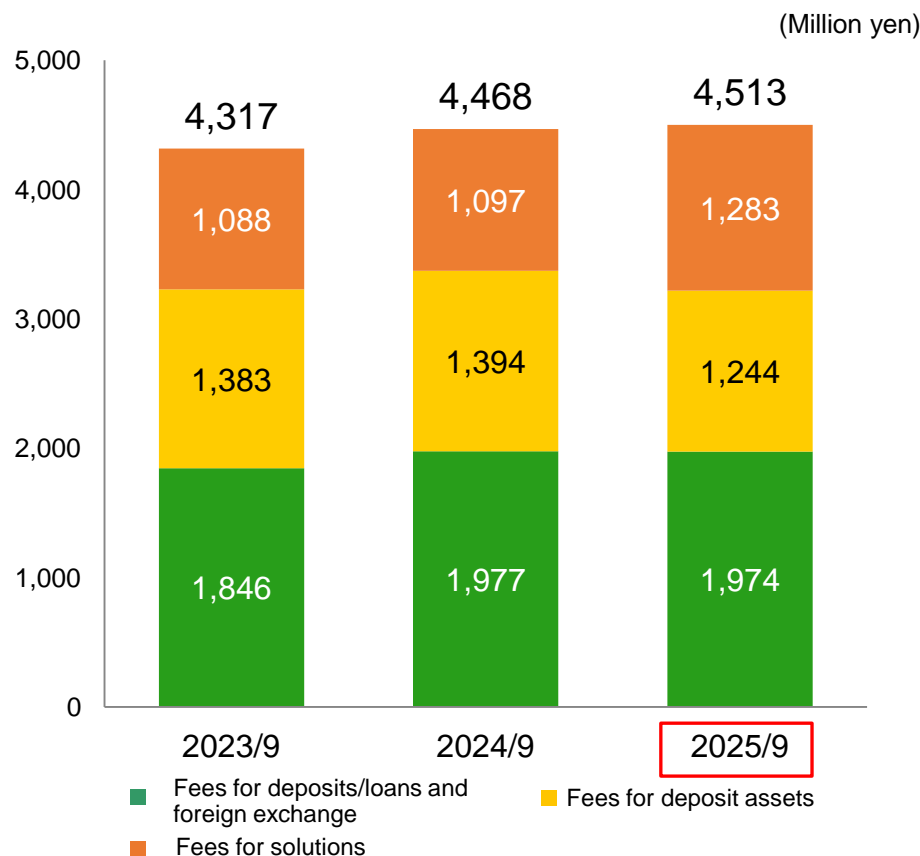




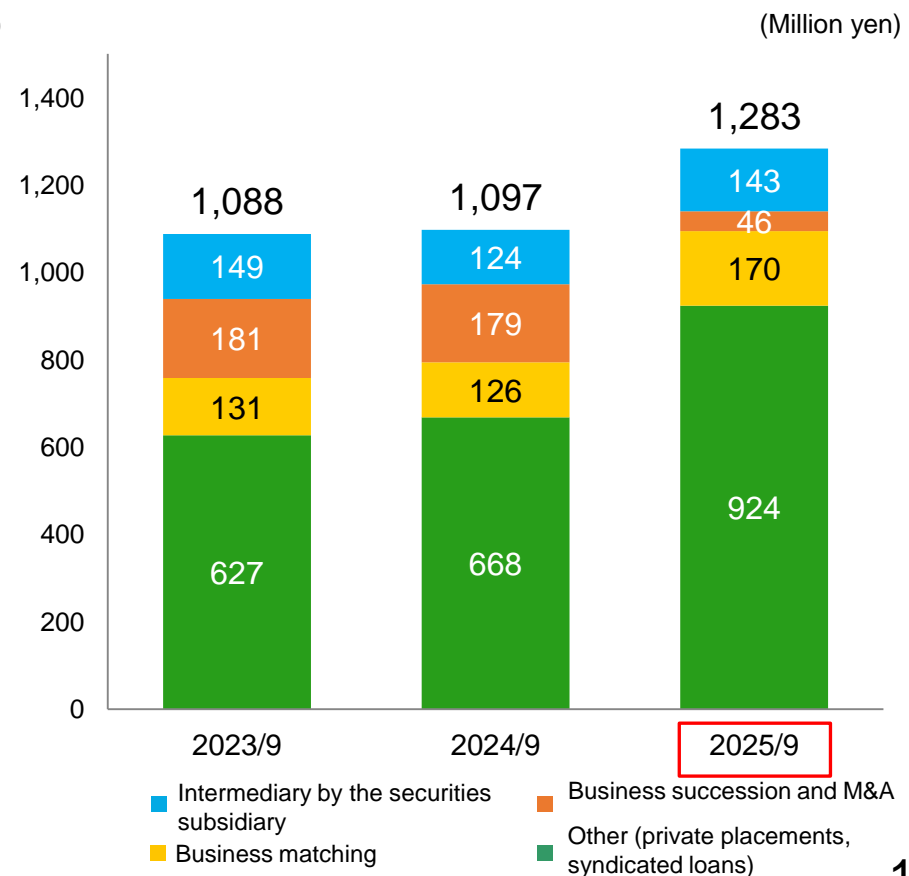
## 2. Realize the Provision of New Value (Trends in Fees and Commissions Income)

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



Breakdown of Fees for Solutions





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