



TOHO²⁰²⁵ INTEGRATED REPORT BANK

Integrated Report



For the Sake of Our Communities

The Toho Bank, Ltd.

C O N T E N T S

PURPOSE

For the Sake of Our Communities

Introduction

The Toho Bank Group's Growth Strategy
(Improvement of the Bank's Corporate Value)

About the Toho Bank Group

Management Strategy of the Toho Bank

The Toho Bank Group's Growth Strategy
(Enhancement of Human Capital)

Social Issue Initiatives Toward Sustainable Growth

Co-Creation of Value with the Region and Customers

The Basis Supporting Sustainable Growth

Corporate Data

Cautionary Note Regarding Future Outlook

This integrated report contains descriptions of the Bank's future results and plans. As these descriptions are written hypothetically based on information available at the time of writing the document, predictions of impact on future results, and uncertain factors, they do not guarantee the Bank's future results. Actual results may vary significantly due to a variety of factors.

Editorial Policy

Toho Bank has now created the TOHO BANK INTEGRATED REPORT 2025 (Integrated Report) to help our all stakeholders to further understand our initiatives. The report was created with reference to the International <IR> Framework offered by the International Integrated Reporting Council (IIRC, currently the IFRS Foundation) and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation, etc.



Message from the President

TX PLAN 2030

TOP MESSAGE

Minoru Sato

Making a decision and
communicating it:
Roles and responsibilities
of a leader

President Minoru Sato



I believe that the role of top management are encapsulated in two words: “deciding” and “communicating.” While these things seem obvious, they require great resolve and sustained effort to be implemented. For the Japanese economy to break out of its prolonged recession, we must bring about various innovations, or “discontinuous change.” The most important element in this is the decision of top management. Decision-making is selecting one option from countless possibilities and discarding the others. This naturally comes with responsibility. We have to accept all the consequences of our choices, regardless of the outcome.

Shortly after I became president in 2020, Toho Bank was faced with a difficult situation, having posted its first deficit in two decades. As the person entrusted with management, I made the bold decision to overhaul the system that had been in use for decades and enter into a comprehensive business partnership with Nomura Securities to provide financial product brokerage services. Of course, these choices did not come without a little pain. Unless regional financial institutions take the initiative in reform, however, regional economies cannot change. That was my thinking at the time.

It is also important to “communicate.” I believe that the significance of having many people gather at a company lies in individuals with diverse personalities and abilities working together synergistically to achieve greater results than they would independently. To do so, however, requires everyone in the organization to be aligned and share a vision. Another key role of top management is communicating the vision they have set themselves to the entire organization and ensuring it is shared by everyone.

Since I became president, I have visited quite a few branches and actively talked with younger bank employees. What I often heard, however, was that, “Even if the president thinks so, that idea has not been communicated to the front-line staff members.” Given this, on the recommendation of a younger employee, I began posting on social media on February 28, 2022. This was immediately after Russia invaded Ukraine. Since then, I have continued, almost on a daily basis, to write down my thoughts and feelings in approximately 250 words or less. I now have more than 770 posts, so it has become an important means of communication for the front line.

Three years have passed since I began posting. There was a time, though, when I considered stopping my daily posts. However, when I shared this thought on social media, I received many responses such as, “I start my day by reading this, so it would be a problem if you suddenly stopped.”

Since then, I have continued writing daily without a break. I myself do not want to become someone who is far removed from others. Even as president, I hope to foster an organizational culture in which we can share our thoughts and feelings on the same level as each employee.



For the Sake of
Our Communities

For the community, for tomorrow—embracing discontinuous change

Since the bubble collapsed, the Japanese economy has been in a long period of stagnation referred to as the “lost 30 years.” The world has undergone rapid, significant change, and I believe that companies and financial institutions have had fewer opportunities to take on new challenges. Instead, I think we’ve been stuck in an extended period of maintaining the status quo and waiting to see what happens. Now, finally, the Bank of Japan has raised interest rates, however, and we are starting to see significant changes for the first time in quite some time. Now is the time for us to embrace discontinuous change. I feel that we are at a watershed moment.

The Great East Japan Earthquake that struck in March 2011 plunged all of Fukushima Prefecture into a state of crisis and left it facing a host of issues. Companies continued to declare bankruptcy, and many disaster recovery projects came to a standstill. Amidst these conditions, our bank also faced more than a few major challenges as a financial institution based in Fukushima Prefecture. In this environment, we had no choice but to record 11 billion yen as credit costs in our financial results for the fiscal year ended March 31, 2021. Around that

time, I was appointed president and decided to take the necessary measures to restructure the company’s finances—even if it meant recording a loss—to lay a sound foundation for the Bank’s future growth. I was sure that this should be the first step toward overcoming these challenges together with local businesses and individuals.

Then the long-standing ultra-low interest rate policy was revised in 2024, and the Bank of Japan raised its benchmark interest rate. As a regional financial institution, this change was a major turning point for us. The reason for this is that the asset scale and management structure that we had built up over many years finally entered a phase where they directly impact earnings.

The balance of deposits at the Bank immediately after the earthquake was 3 trillion yen, but has now reached 6 trillion yen. Even nationally, there are few regional financial institutions that have experienced such a large increase in deposits. Having deposits on this scale is evidence that we have earned the trust of the people in the region. And, to live up to that trust and deliver results, it is important that we take a proactive approach in leveraging it.

Message from the President

TX PLAN 2030

In the fiscal year ended March 31, 2025, we achieved significant increases in revenue and profit. By the fiscal year ending March 31, 2030, the final year of TX PLAN 2030, we project consolidated profit of 17.0 billion yen and return on equity (ROE) of 7–8%. I feel that results are beginning to emerge through our steady efforts.

Relying solely on shifts in monetary policy, however, will not lead to sustainable growth. We will create new opportunities for revenue in a diverse range of business areas, such as asset management, individual asset formation support, and corporate consulting. Among these, business loans and problem-solving proposals for corporate customers are expected to become core functions of regional banks.

With this in mind, we are planning to increase our loan sales staff by 200 people, expanding our current sales force of 400 to 600. Moreover, by collaborating with Nomura Securities, we have further strengthened our proposal ability in the areas of asset management and asset succession. I believe that establishing such a personnel structure is directly linked to stabilizing profitability and raising corporate value.

Our corporate value lies in enhancing the value of our customers' businesses and creating abundant lifestyles

Corporate value is not represented merely by market capitalization or financial figures. We believe that corporate value for regional banks such as ours lies in the extent to which we can contribute to the region—namely the economy of Fukushima Prefecture—and the extent of our presence.

In the long-term management plan TX PLAN 2030, launched in 2024, we have set as our goals “improving the value of every customer’s business” and “creating abundant lives for each individual customer” to boost our corporate value. Put another way, we contribute to corporate customers by supporting their growth, and to individual customers by aiding them in building their assets. This is the key to revitalizing the regional economy overall, and it is our role to see this mission through.

As the specific initiatives to achieve this, we have set the following 10 Targets: (1) addressing personnel shortages; (2) support for the promotion of decarbonization; (3) financial

consulting; (4) support for business creation, growth, and management; (5) business feasibility assessment and provision of useful information; (6) cashless transactions (payments); (7) life event support (loans); (8) asset building and management (assets on deposit); (9) inheritance and trusts; and (10) improvement of financial literacy.

I believe that our competitive advantage lies not simply in being located locally, but in the quality of the relationships we have formed in the community over many years. It is about the number of business partners, and the depth and volume of information we can obtain from them. We cannot build these things overnight.

Over the course of doing business for more than 80 years in Fukushima Prefecture, we have formed deep relationships with local companies and governments, as well as individual customers. The information we have gathered and the relationships we have built are our greatest strengths. There is nothing stopping us from taking advantage of this.

Moreover, the fact that talented young people who grew up in Fukushima Prefecture are joining the Bank is also an element of our competitive advantage. We need to receive trust from the region in terms of personnel, information, and funds, and return that trust. I am confident that we will remain an indispensable part of the local economy as long as this cycle continues.

Strengthening consulting ability as a company that contributes to regional communities

“A Company That Contributes to the Regional Community”—this is the key message of the vision set forth in Toho “Kagayaki” Plan, the medium-term management plan I announced immediately after being appointed president. Initially, expressions such as “the bank of choice” and “community-based financial institution,” which conform to the conventional framework, were also candidates, but we purposely omitted the word “bank.”

The reason for this is clear. Our aim is to become a “regional revitalization consulting company” that transcends the boundaries of banking and creates the region’s future. What is necessary now to maintain and develop regional communities is a type of support that goes beyond the financial realm. There are limits to what the banking industry alone can do to address structural issues such as population decline, changes in industrial structure, super-aging, and the labor shortage. That is why we have proclaimed our evolution into a “regional revitalization consulting company” and have begun taking steps to bring this vision to fruition.

For this reason, in addition to our banking business, we are strengthening our consulting ability. As measures toward achieving this, we established Toho Consulting Partners in October 2022 and Toho IT Human Solutions in July 2025 to

strengthen our support for business succession, digital technology, and human resources.

It is not realistic, however, for us to handle everything in-house. We believe that alliances are important, as we have limited resources in terms of personnel, expertise, and time, and need to be able to flexibly draw on external resources when needed. With regard to securities, we have made the important decision to begin a partnership with Nomura Securities which would then take over the customer base of Toho Securities. Moreover, we are promoting collaboration with regional banks taking part in the TSUBASA Alliance, a broad partnership framework comprising 10 regional banks, of which Toho Bank is also a member. We will take the lead in areas where we have strengths, and collaborate with reliable partners in areas where we lack expertise. I believe that expanding the breadth of consulting with this kind of idea is the evolution that we need now.

Meanwhile, there are many areas of our operations at which we need to take another look. We will question aspects of our existing operations that are considered “givens,” review them thoroughly, and promote business process reengineering (BPR) to enhance productivity. It is this kind of structural development that enables us to provide our clients with the best service possible.

We will review the nature of our branches in light of the progress of digitalization. We need our customers to understand that we will not provide all services at all branches. Rather, we are attempting to transition to a structure where we gather highly specialized personnel at core branches and provide services to other branches remotely.

A “regional revitalization consulting firm” that shapes the region’s future



Message from the President

TX PLAN 2030



Extracting the potential of the region and investing in growth

In my view, Fukushima Prefecture has tremendous potential. The Great East Japan Earthquake and the nuclear accident certainly dealt a severe blow to the economy and society. It is also true, however, that this has given rise to a series of “buds for the future.” These include reconstruction assistance, strategic national investment, and innovative technological development.

The Fukushima Innovation Coast Framework is a representative example of this. Currently, more and more research institutions and companies are gathering in the coastal area of Fukushima Prefecture to conduct research and social implementation of new technologies. Facilities that will serve as innovation hubs, such as the Fukushima Robot Test Field and the Fukushima Hydrogen Energy Research Field, have been developed, and in April 2023, the Fukushima Institute for Research, Education and Innovation (F-REI) was established. The government has allocated a considerable reconstruction budget and is promoting research and development in new industries including decommissioning technology, drones, the space industry, and agritech. I feel that, beyond the immediate economic benefits, this trend has significant implications for Fukushima’s future.

We intend to actively participate in this new industry creation movement. As evidence of this, we established the Soso New Industry Promotion Office in April 2024 to function as the core for collaboration and cooperation with companies, organizations, and municipalities operating primarily in the Soso region along the coast of Fukushima Prefecture.

Meanwhile, in the Aizu region, an inland area of the prefecture, we will participate in the Aizu model. This involves collaboration with external companies such as Accenture to conduct field testing on new services and infrastructure that will contribute to resolving social issues in the region. Utilizing digital technology, even in regions

experiencing population decline and aging, we will maintain social infrastructure such as healthcare, distribution, and finance, enabling a high quality of life. The goal is to solve issues that exist in many regions of Japan and create model regions that can be replicated nationwide.

Advances in digital technology hold great potential for the financial industry. Technologies such as big data, AI, RPA, and cloud can serve as tools to streamline existing business processes and enable highly precise proposals. Using digital technology, we can expect to see improved quality of life amidst a declining population, bolstering of the local economic circulation, and streamlining of administrative services. Examples include the establishment of a local production for local consumption model for agricultural products and, in collaboration with medical institutions, the field testing of remote monitoring. How can we practice “regional sustainability” through this field testing? This is precisely where we believe our mission lies. Furthermore, we believe that we can utilize the large volume of data obtained through these initiatives in developing new financial products and services. Utilizing the power of big data not merely for improving efficiency but for providing creative value—I believe this is what will be required of financial institutions going forward.

Investing in human capital and creating an organizational culture that drives reform

Regardless of how well-conceived a management strategy may be, ultimately it is carried out by “people.” This is why I regard “investment in human capital” as one of our most important management themes.

Improvements in employee compensation, including base salary increases and higher bonus payout rates, are clearly outlined in TX PLAN 2030. Compensation has been steadily increasing compared to the levels of the past 20 years.

Moreover, we are augmenting our training programs and our open recruitment and career challenge systems as mechanisms to promote self-growth. Actively incorporating external perspectives and accumulating diverse experiences will lead to the nurturing of employees with new perspectives. We believe that such personnel will lead the next transformation.

Another major theme is “reform of corporate culture.” In a corporate culture where everything is discussed at the Head Office and decisions are communicated to the workplace, it is difficult to realize change. We believe it is necessary to break away from a bank-specific culture and evolve into an independent organization. This initiative involves restructuring into a framework that encourages spontaneous action from the workplace.

Bank employees who interact directly with customers have the most information and insight about them. We believe that we should transform into a framework in which employees think and act autonomously for the benefit of our customers, and this information is communicated to upper management, leading to new management decisions and evolution. While change doesn’t happen overnight, we want to work together to create a new organizational culture, sharing the reasons why change is necessary.

From expectations to results: Our responsibility to stakeholders

We have established ourselves as a bank of which people have high expectations. Since the earthquake in 2011, we believe that we have been able to come this far due to the support and expectations of the people of the region, our shareholders, and our business partners.

What we need in the coming era, however, is to transform into a “bank that delivers.” We must deliver on our promises with clear results, and not rely on words or slogans. This is the only way to truly increase corporate value.

The results we must deliver are financial figures, customer satisfaction, and social impact. We believe that by comprehensively improving these, we can evolve from being an entity for which people have expectations to one they trust.

Fukushima Prefecture still has a great deal of untapped potential. Natural resources, research and development infrastructure, and human capital all hold the potential to support the region’s future. We want to be a financial catalyst that extracts the maximum value from those assets.

Finally, I would like to convey to everyone reading this integrated report that the real work is yet to come. After having endured difficult situations such as the earthquake and economic stagnation, we have finally entered a phase in which we can deliver results. From this point forward, the question becomes the extent to which we can give back to the region and to which we can enhance our corporate value.

We will continue to take on new challenges to create a future that is not merely the continuation of past practices. We will continue to move forward steadily and earnestly to enable all stakeholders to feel that things have changed and we are generating results.

We sincerely ask for your continued understanding and support.



Fukushima Prefecture's Features and Attractions

Major Economic Indicators: Before and Immediately After the Disaster and Recent Situation

		Before the disaster (2010)	Immediately after the disaster (2011)	Recent situation	Statistical year
Population	Population (Source: Fukushima Prefecture)	2.02 million	1.97 million	1.732 million (as of March 1, 2025)	2024
	Total fertility rate (National average) (Source: Ministry of Health, Labour and Welfare)	1.52 (1.39)	1.48 (1.39)	1.21 (1.20)	2023
Economy	Total production in the prefecture (nominal) (Tohoku average) (Source: Cabinet Office "Prefectural Accounts")	¥7.1815 trillion (¥5.0788 trillion)	¥6.5881 trillion (¥4.9666 trillion)	¥7.8650 trillion (¥5.7809 trillion)	2022
	Ratio of job openings to job applicants (National average) (Source: Ministry of Health, Labour and Welfare)	0.42 times (0.52 times)	0.59 times (0.65 times)	1.27 times (1.25 times)	2024
Industry	Amount for contracts for public works (Source: East Japan Construction Surety Association)	¥181.7 billion	¥245.3 billion	¥368.4 billion	2024
	Number of new house construction started (Source: Fukushima Prefecture)	8,912	8,093	7,517	2024
	Amount for manufactured goods shipped, etc. (Source: Ministry of Economy, Trade and Industry "Census of Manufacture")	¥5.0900 trillion (1st in Tohoku)	¥4.3209 trillion (1st in Tohoku)	¥5.4610 billion (1st in Tohoku)	2022
	Amount for agricultural production (Source: Ministry of Agriculture, Forestry and Fisheries "Statistics of Agricultural Income Produced")	¥233.0 billion	¥185.1 billion	¥197.0 billion	2022

Strengths of Fukushima Prefecture

Talented Workforce

With the largest number of high school students taking technical courses among the prefectures in the Tohoku and Northern Kanto regions, Fukushima is highly praised by corporations located there for the large number of serious-minded and hard-working local people.

No.1

Number of high school students taking technical courses among the prefectures in the Tohoku and Northern Kanto regions

3rd in Japan

Number of inquiries for relocation to Fukushima Prefecture
(From the fiscal year ended March 31, 2021 to the fiscal year ended March 31, 2024)

Four consecutive years

Over 100,000

Number of visitors to Fukushima Robot Test Field
(from July 2018)

Superior Access

Located 200 km from the Tokyo Metropolitan area in the south end of the Tohoku region, Fukushima Prefecture provides superior transportation access through land, ocean, and air routes.

from the Tokyo Metropolitan area
Within a **200 km range**

Tohoku Shinkansen Line (Koriyama to Tokyo)

Approx. 75 mins.

Expressway (Koriyama IC to Tokyo)

Approx. 3 hrs.

Generous Financial Support

Support research and development, cooperation, and transactions, and provide diverse support for corporate business activities as well as corporate management.

Independence & recovery support employment creation business siting subsidy (National system)
Targeting the evacuation zone, etc.

Maximum ¥5.0 billion

Fukushima industry enhancement company siting promotion subsidy
Mainly for manufacturers, including those related to next-generation automobiles, medical instruments, and aerospace technology

Maximum ¥0.5 billion

Regional revitalization implementation and development promotion cost subsidy
Support practical development in the primary areas of the Fukushima Innovation Coast Framework

Maximum ¥0.7 billion

Challenge and Recovery

World share of gastrointestinal endoscopes **70%**

Amount for aircraft engine parts, fixtures, and accessories shipped **2nd in Japan**
(Source: Fukushima Industrial Location Guide)

Industry Agglomeration in Fukushima Prefecture

Fukushima Prefecture is developing a base for research and development and industry creation, including energy-related and ICT businesses, medical industry, agribusiness, and robot development.

Northern Fukushima Area

Faculty of Food and Agricultural Sciences, Fukushima University
Fukushima Global Medical Science Center
School of Health Sciences, Fukushima Medical University

Fukushima Global Medical Science Center, Fukushima Medical University
(Source: Fukushima Medical University)

Aizu Area

ICT Office "Smart City AiCT"
Certified decarbonization leading area
University of Aizu Laboratory for leading-edge ICT in Aizu "LICTIA"

Smart City AiCT
(Source: Fukushima Prefecture)

Central Fukushima Area

Fukushima Medical Device Development Support Centre
Fukushima Renewable Energy Institute
Industrial Technology Institute, Fukushima Prefectural Government

Fukushima Medical Device Development Support Centre
(Source: Fukushima Prefecture)

Southern Fukushima Area

Fukushima Prefectural Industrial Park, Industrial Forest and Shin-shirakawa Construction Area A
Electronic device related industries
Shirakawa Industry Support

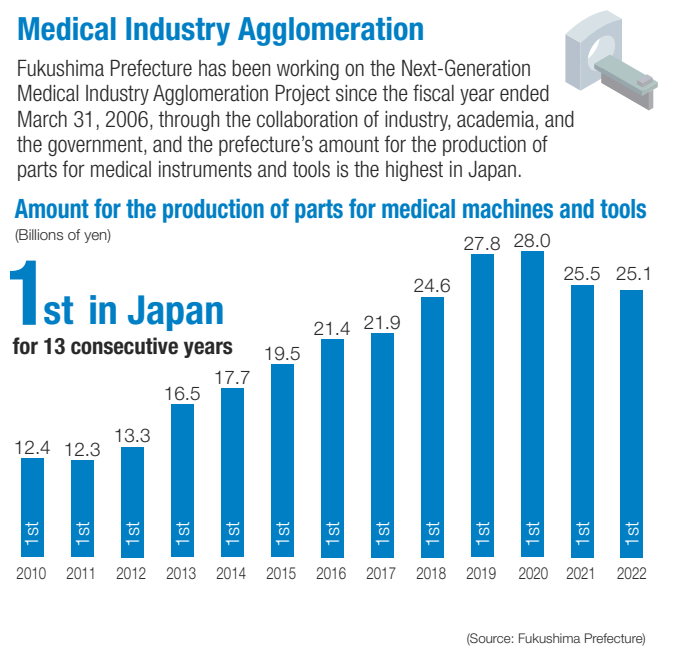
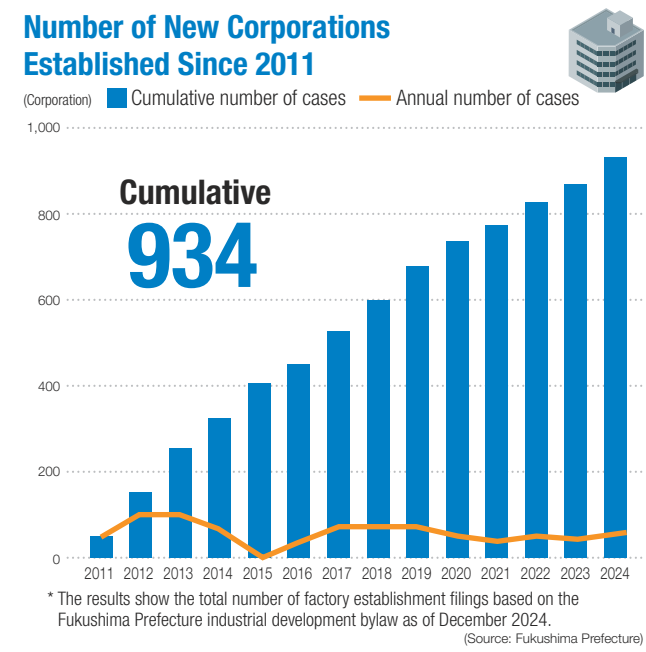
Soso Area

Fukushima Robot Test Field
Fukushima Institute for Research, Education and Innovation (F-REI)
Fukushima Hydrogen Energy Research Field

Fukushima Robot Test Field
(Source: Fukushima Prefecture)

Iwaki Area

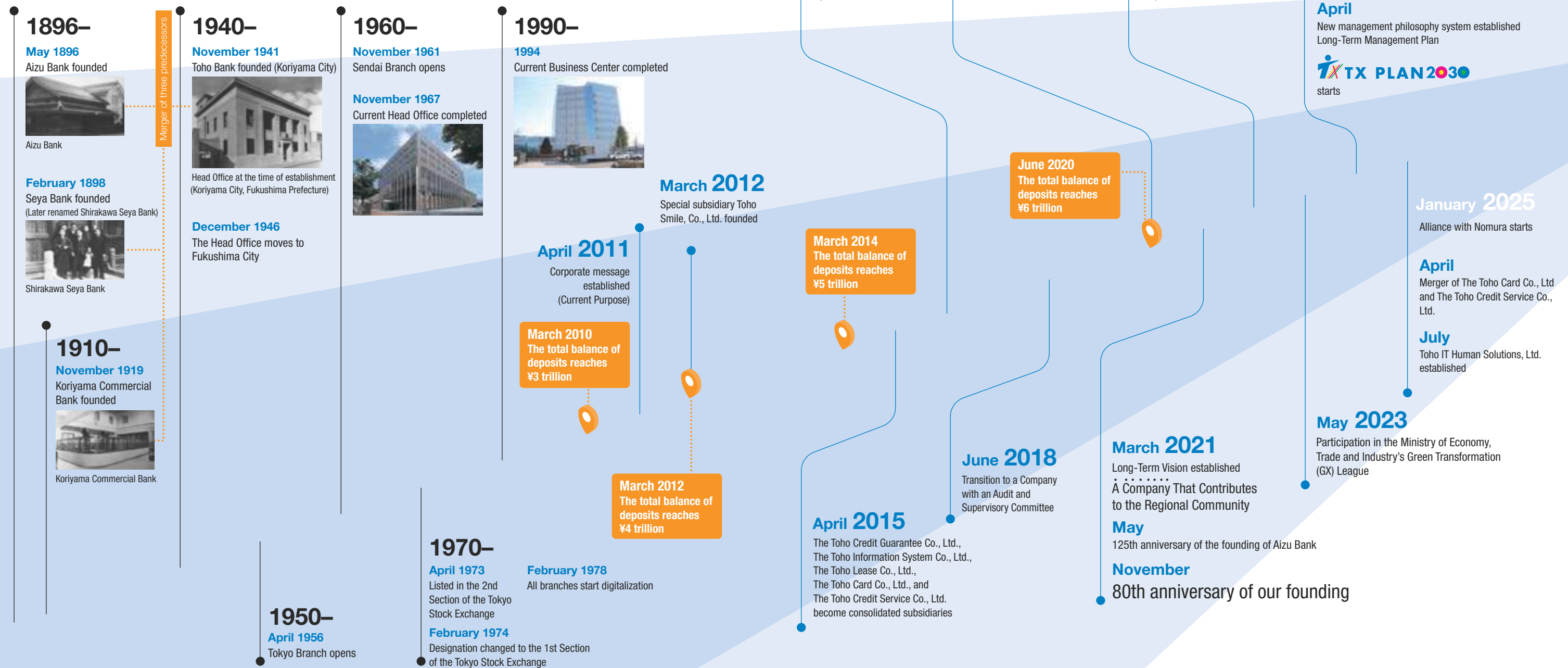
Fukushima Prefectural Fisheries and Marine Science Research Centre



The History of Toho Bank

Toho Bank was formed on November 4, 1941, by the merger of its three predecessors, Koriyama Commercial Bank, Aizu Bank, and Shirakawa Seya Bank.

It was named Toho Bank in the hope that it would be a bank that would progress and develop with the light from the east behind it. ("Toho" means "eastern country" in Japanese.) Since then, the Bank has contributed to regional development and creating abundant lives for its customers, resulting in steady growth that contributes to the regional community, all officers and employees will continue working with the regional community.



Social Trends

1907 Slump of Tokyo stock market (Postwar depression)
 1914 Outbreak of World War I

1920 Outbreak of reactionary panic, Bank runs intensified in the Tokyo area
 1939 Outbreak of World War II

1973 First oil shock
 1991 Collapse of Japan's economic bubble
 1995 The Great Hanshin-Awaji Earthquake

2008 Global financial crisis
 2011 The Great East Japan Earthquake

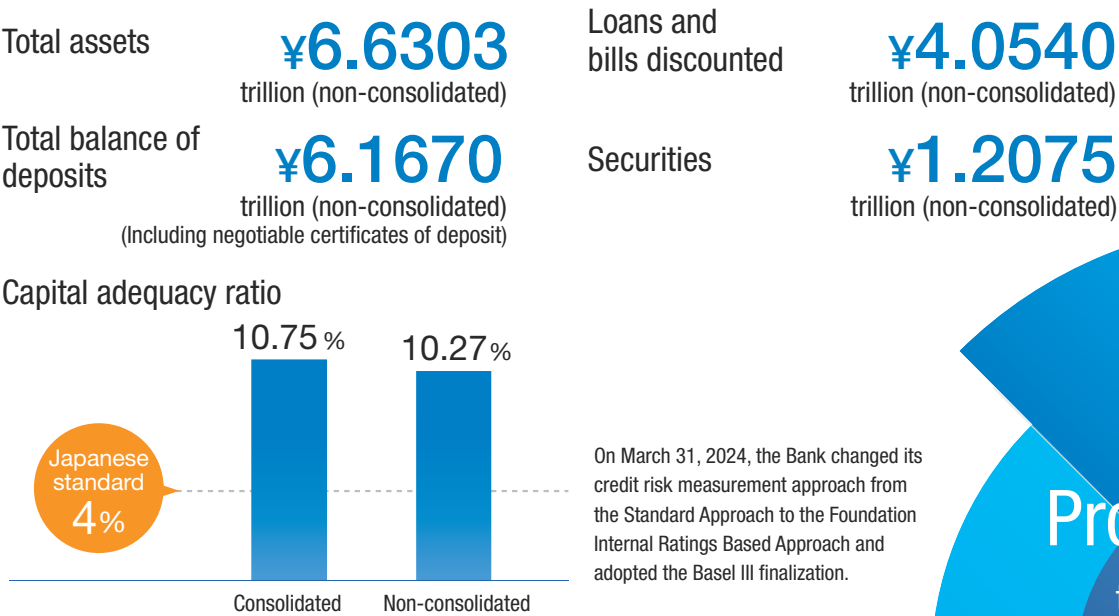
2016 BOJ decided interest rate
 2020 Spread of COVID-19

Toho Bank's Strengths

The Toho Bank Group will contribute to the realization of a sustainable society by making the fullest use of its financial capital, human capital, intellectual capital, and social capital to provide value to regional customers.

(Items with no particular notes are results at the end of March 2025 or for the fiscal year ended March 31, 2025)

A sound financial/revenue base



Extensive financial-related services

Number of Group companies **7**
(Toho Consulting Partners Co., Ltd., The Toho Lease Co., Ltd., The Toho Card Co., Ltd., The Toho Credit Guarantee Co., Ltd., The Toho Information System Co., Ltd., Toho IT Human Solutions, Co., Ltd., Toho Smile, Co., Ltd.)

Asset succession consulting using trust function

Trust licensed since 1994, accumulated expertise in the trust business

- The Bank itself handles testamentary trusts, estate liquidation services, testamentary substitute trusts, calendar-year gift type trusts, and Kazoku no Kizuna Trust.

Number of trust-related consultations in the fiscal year ended March 31, 2025 **817**

Number of wills in custody as of the end of March 2025 **879**

Customer support through business feasibility assessment

Expertise in business revitalization/support for management improvement through recovery from the Great East Japan Earthquake

- Customer support in improvement plans based on understanding of current situation through business feasibility assessment
- Cooperation with external organizations including the Regional Economy Vitalization Corporation of Japan and Council to Support Revitalization of Small and Medium Enterprises of Fukushima Prefecture

TSUBASA Alliance

(Framework for regional cooperation with 10 regional banks participating; Launched in October 2015)

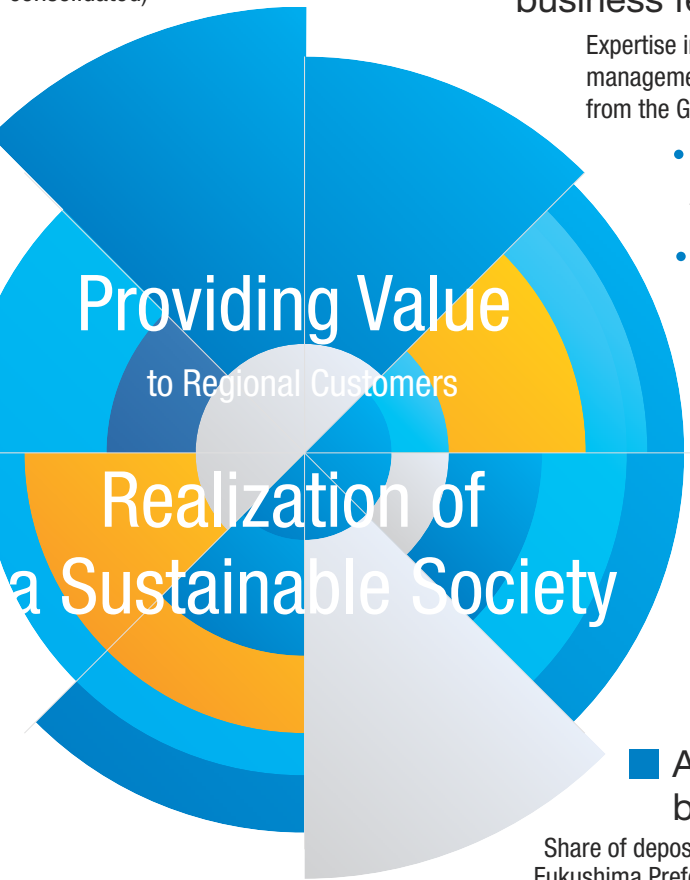
- Cooperation with participating banks and their group companies in a wide range of fields including fintech, administrative/systems sharing, inheritance-related business, and international business

Alliance with Nomura

Human resources with diverse, sophisticated financial knowledge

Small and medium enterprise management consultants	18	Holders of an FP1/2 level	1,077
Real estate transaction specialists	96	Percentage of female managers*2	26.3%
Securities analysts	15	Number of employees hired with previous work experience	19
CFP/AFP*1	67	Number of employees with disabilities	69.5

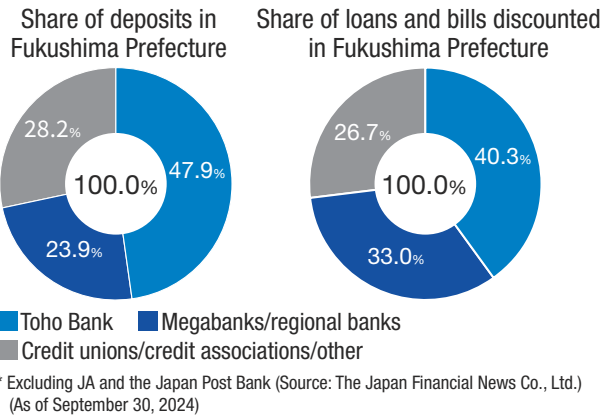
*1 CFP/AFP (Certified Financial Planner/Affiliated Financial Planner): Financial planning qualifications managed by the Japan Association for Financial Planners
*2 Percentage of female managers: The number of female managers divided by the total number of managers (assistant manager level or higher)



A stable business base

A complete network of branches
Head office and branches **123** branches
(including one internet branch and five sub-branches)

An overwhelming customer base in Fukushima



Accounts for salary deposits (as of March 31, 2025) **397,032** accounts

Accounts for pension deposits (as of March 31, 2025) **175,039** accounts

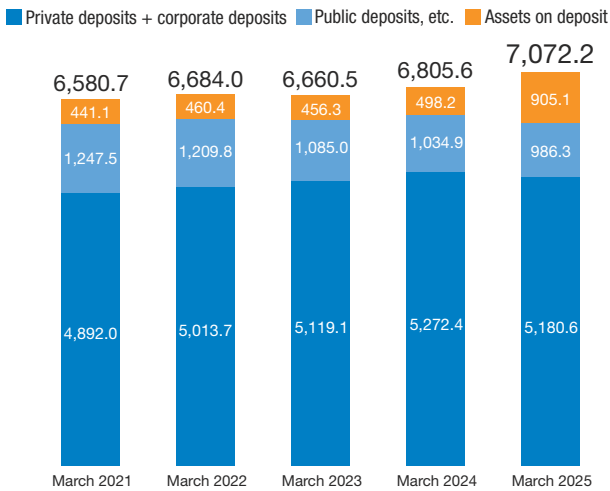
Companies using the Bank as their main bank **9,104** (40.25% share)
Source: Teikoku Databank (Surveyed in 2024)

Number of municipalities designating us as their financial institution **31 / 60** (including rotation systems)

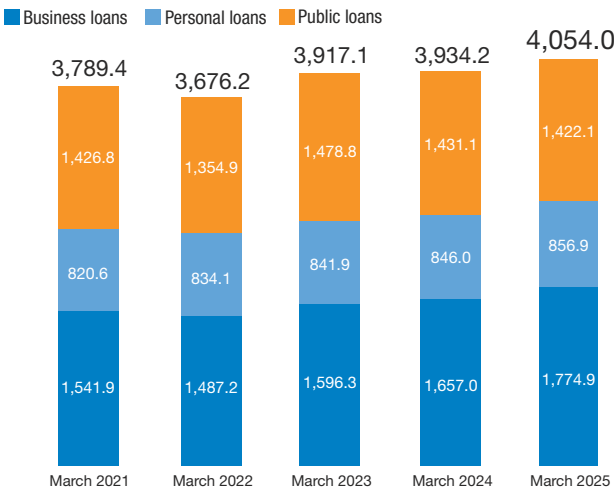
Number of municipalities with which we have concluded a partnership agreement for regional revitalization **29 / 60**

Financial Highlights

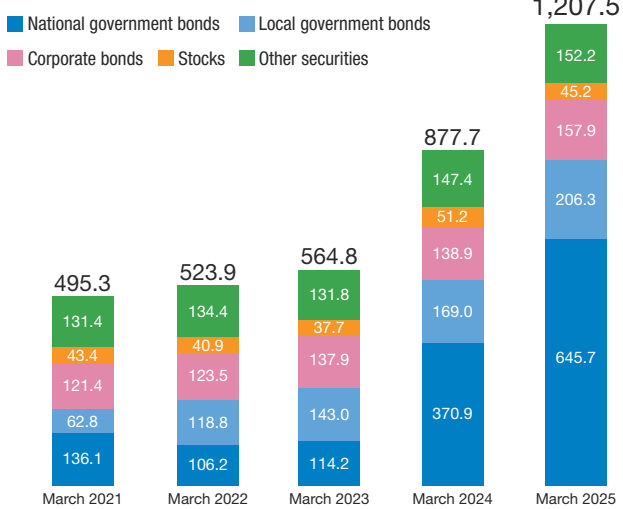
Balance of total assets on deposit (Non-consolidated) (Billions of yen)



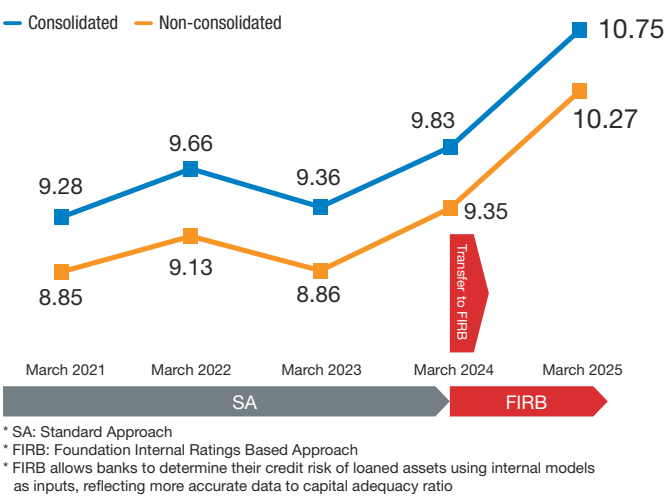
Balance of loans and bills discounted (Non-consolidated) (Billions of yen)



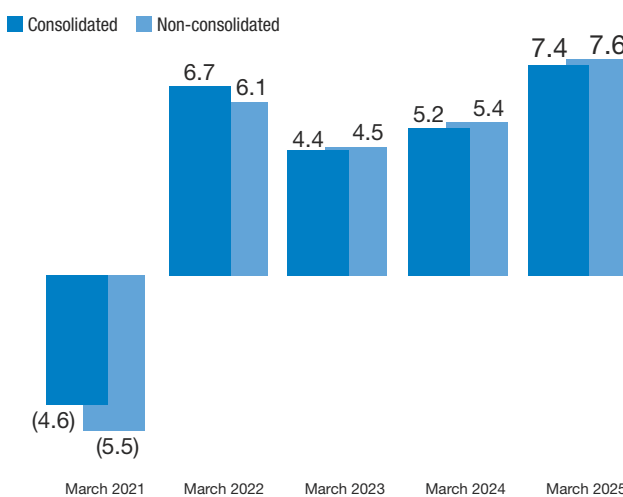
Balance of securities (Non-consolidated) (Billions of yen)



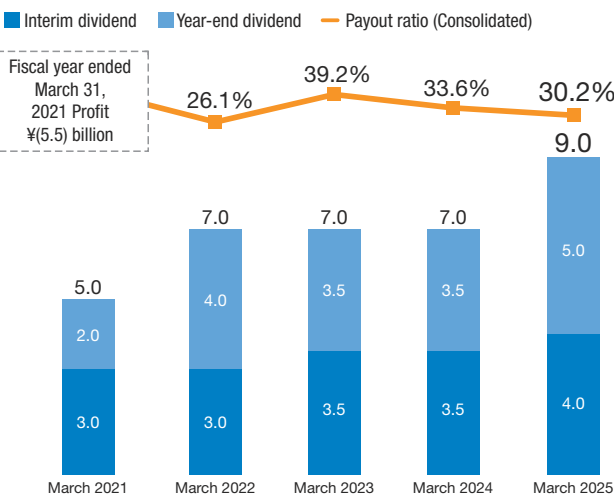
Capital adequacy ratio (Consolidated and non-consolidated) (%)



Profit (Consolidated and non-consolidated) (Billions of yen)



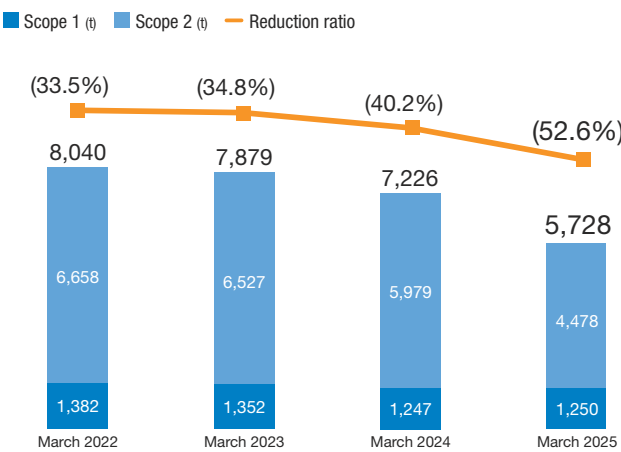
Shareholder returns (Yen)



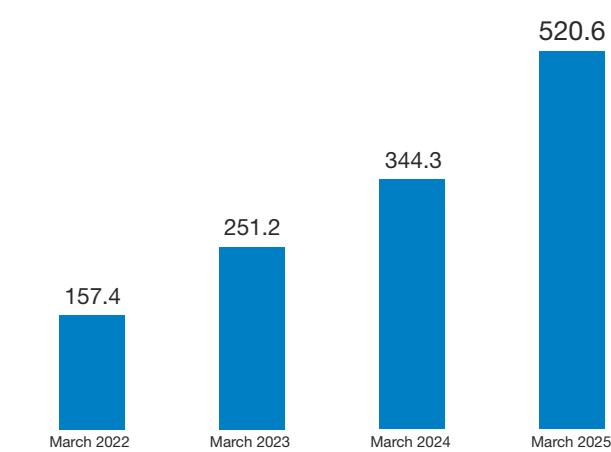
Non-Financial Highlights

Sustainability Management

Changes in CO₂ emissions reduction ratio

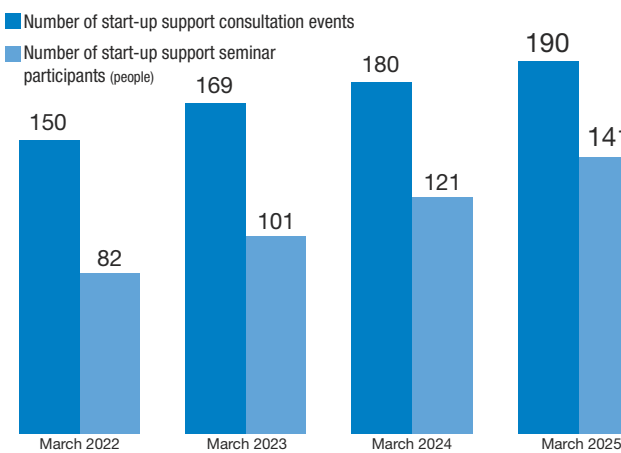


Sustainable finance (Billions of yen)

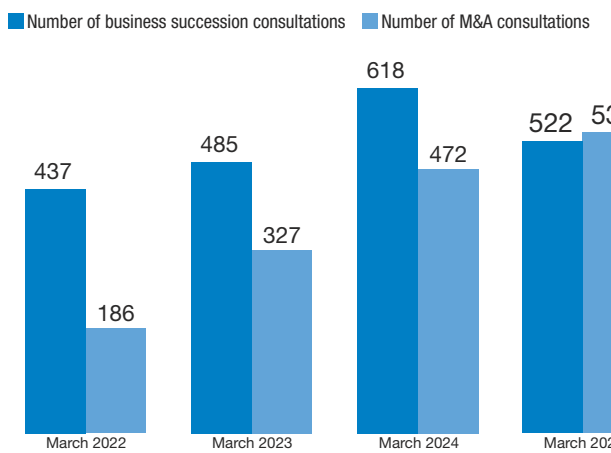


Corporate Consulting

Start-up support

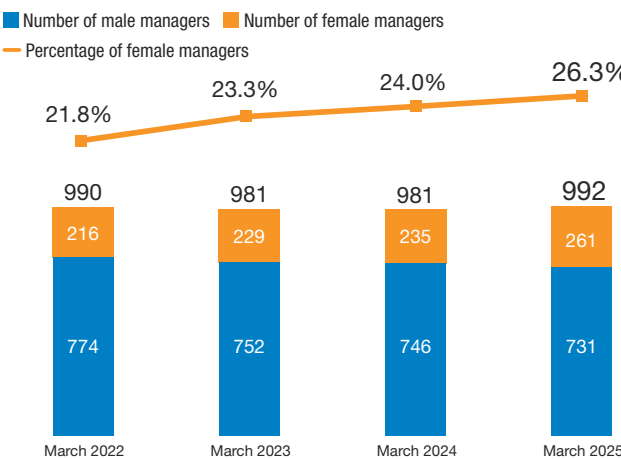


Business succession/M&A support

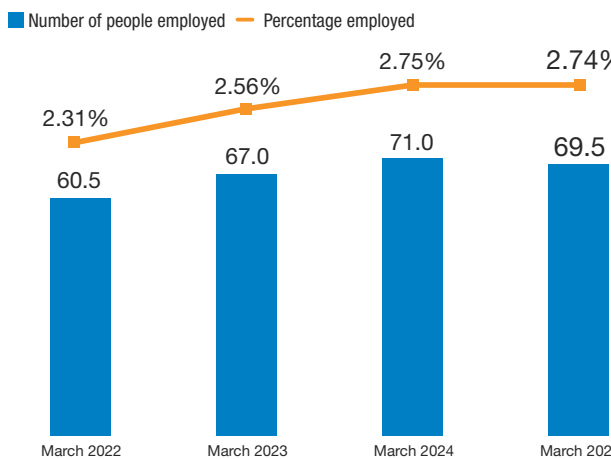


Diversity

Female managers



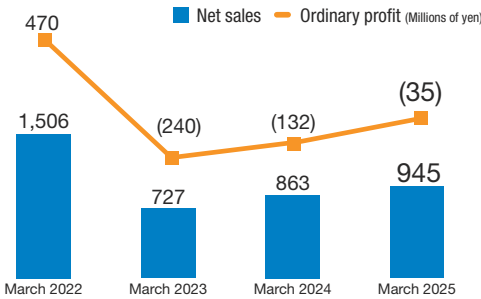
Employment of people with disabilities



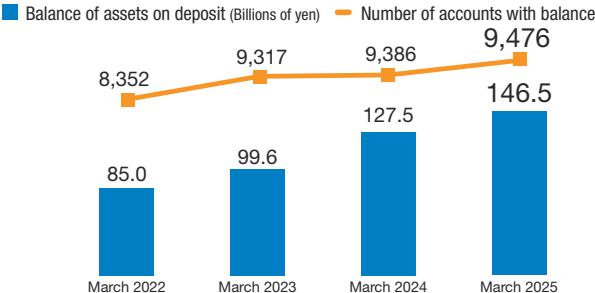
Financial and Non-Financial Highlights of Group Companies

Toho Securities Co., Ltd. (Securities)

Net sales and ordinary profit

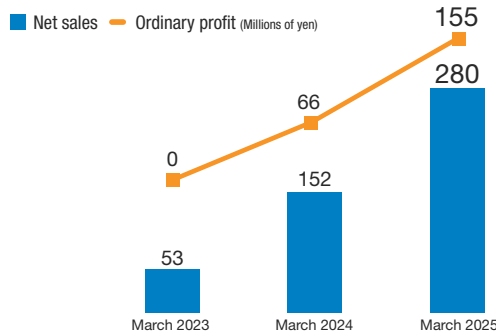


Balance of assets on deposit and number of accounts with balance

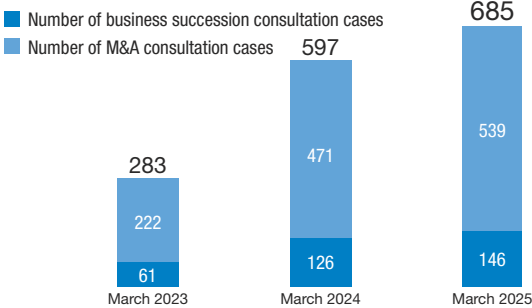


Toho Consulting Partners Co., Ltd. (Business succession and M&A support services, business started in October 2022)

Net sales and ordinary profit

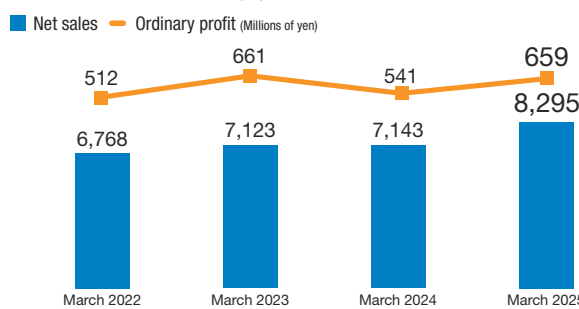


Number of business succession consultation cases and M&A consultation cases

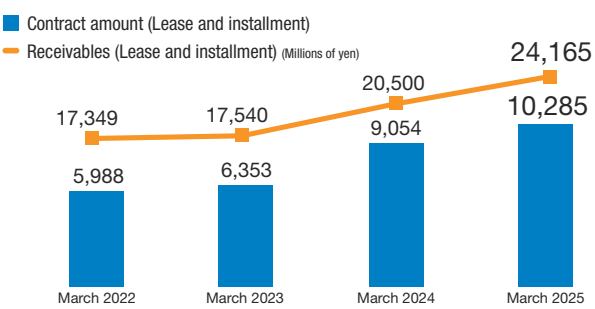


The Toho Lease Co., Ltd. (Leasing)

Net sales and ordinary profit

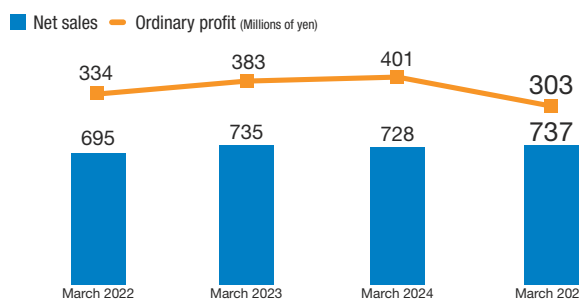


Lease and installment contract amount and receivables

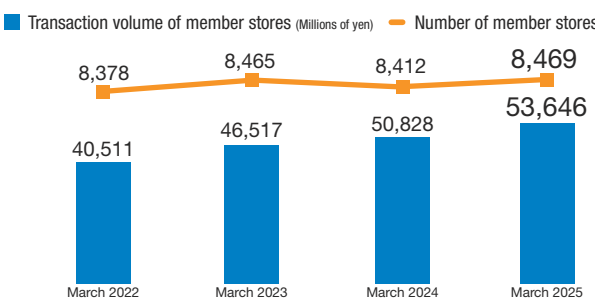


The Toho Card Co., Ltd. (Credit card business and credit guarantee business)

Net sales and ordinary profit

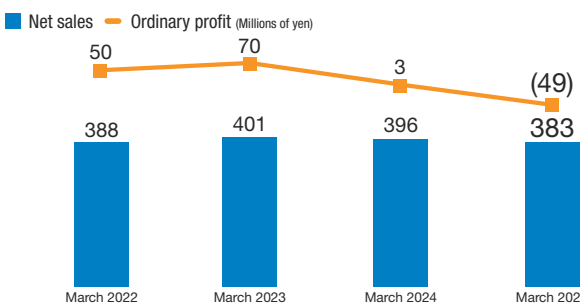


Transaction volume and number of member stores

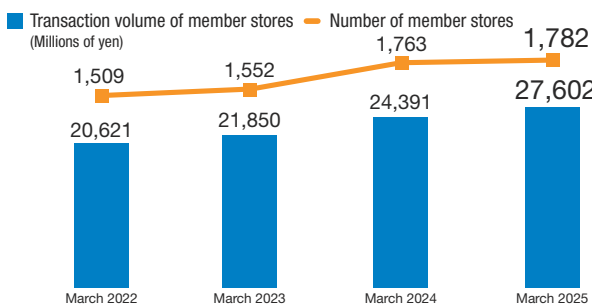


The Toho Credit Service Co., Ltd. (Credit card business and credit guarantee business)

Net sales and ordinary profit

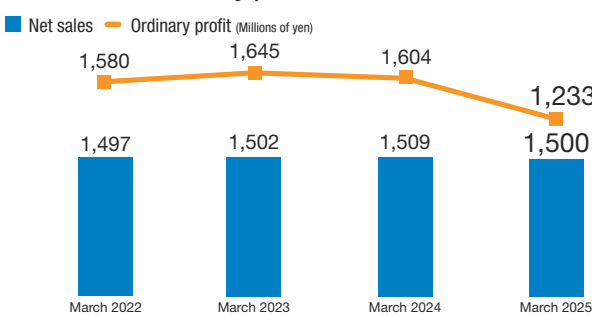


Transaction volume and number of member stores

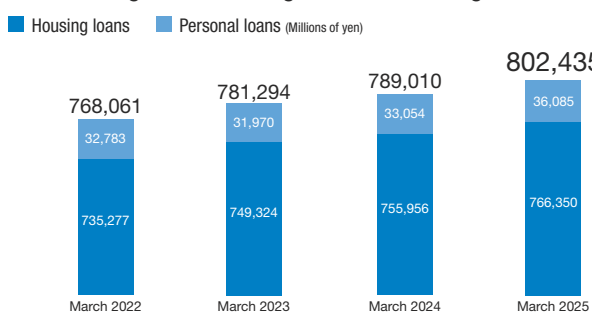


The Toho Credit Guarantee Co., Ltd. (Credit guaranteeing)

Net sales and ordinary profit

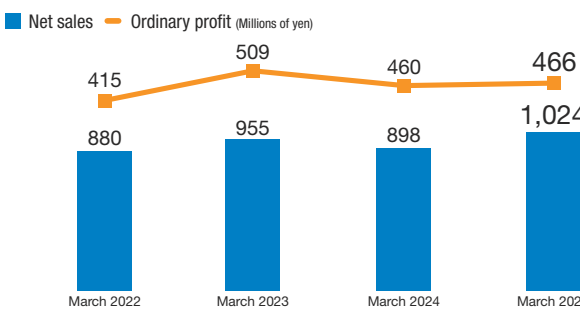


Balance of guarantee obligation outstanding

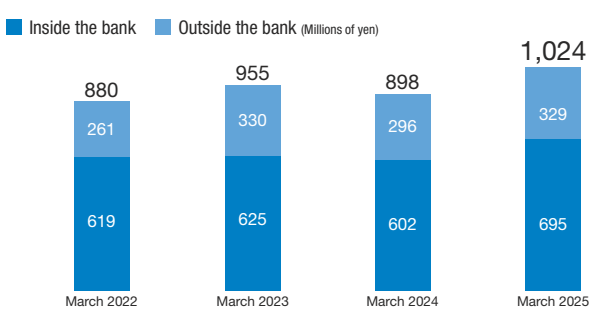


The Toho Information System Co., Ltd. (Planning and development for IT implementation)

Net sales and ordinary profit



Breakdown of net sales



Profit and Dividends of Group Companies for the Fiscal Year ended March 31, 2025					(Millions of yen)
Company name	Services	Ordinary profit	Profit	Group dividend amount ^{*1}	
Toho Securities Co., Ltd.	Securities	(35)	(39)	0	
Toho Consulting Partners Co., Ltd.	Business succession and M&A support services	155	105	0	
The Toho Lease Co., Ltd.	Leasing	659	567	482	
The Toho Card Co., Ltd.	Credit card business and credit guarantee business	303	252	313	
The Toho Credit Service Co., Ltd.		(49)	(51)	0	
The Toho Credit Guarantee Co., Ltd.	Credit guaranteeing	1,233	944	1,194	
The Toho Information System Co., Ltd.	Planning and development for IT implementation	466	447	450	
Toho Smile, Co., Ltd. (Special subsidiary)	Printing and binding of business forms and other documents	2	1	0	
Total		2,736	2,227	2,441	

*1 Dividends paid from each Group company to the banking entity and Group companies

Management Philosophy System

With the launch of our long-term management plan, TX PLAN 2030, Toho Bank established a new management philosophy system with the objective of ensuring that all officers and employees share the same values and work together as a united force to contribute more than ever to the regional community.

Returning to our roots as a bank that will progress and develop with the light from the east behind it (“Toho” means “eastern country” in Japanese), Toho Bank will contribute to the realization of a sustainable society through the resolution of social issues by always putting our customers first.

TOHO BANK

Management Philosophy System

For the Sake of Our Communities



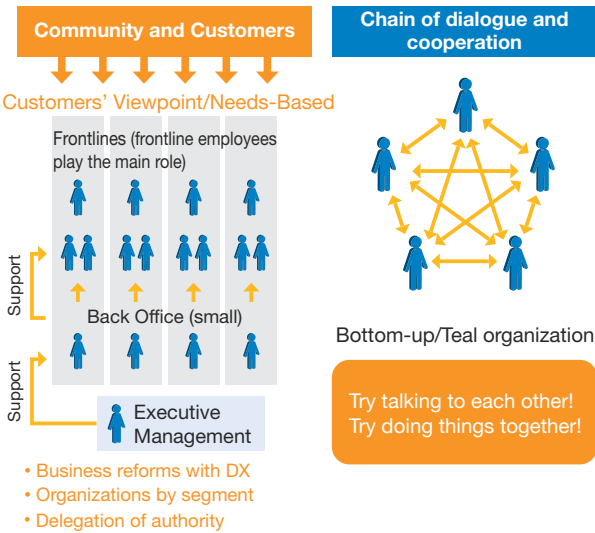
MISSION	Sustainability Declaration	
	① Revitalization of regional economy/society ② Response to declining birthrate and aging population ③ Promotion of digital transformation (DX) ④ Vigor of diverse human resources ⑤ Decarbonization and nature positive	
VISION	A Company That Contributes to the Regional Community Transcending the Framework of Financial Services	
VALUES	Action Guidelines and Values	
	We will contribute to the realization of a sustainable society through the resolution of social issues by always putting our customers first.	
	Passion	We value our passion for contributing to the regional community above all else and strive for the growth of Fukushima.
	Dialogue	We value profound dialogue with customers and an attitude of empathy toward them.
	Challenge	We will continue to learn and take on new challenges without fear of failure, for our own growth and the development of our customers.
	Integrity	We will maintain high ethical standards and deal with customers with integrity.
	Visionary	We will look toward the future together with our customers from broad, long-term perspectives, without being biased toward short-term perspectives.

Reform of Corporate Culture

Transformation into an independent organization

Co-creation

Under our Purpose of “For the Sake of Our Communities”,
Toho Bank will
work to reform our corporate culture
to become a company that contributes to regional communities.
We will engage in
co-creation of new value
through dialogue with our diverse stakeholders.



Initiatives that bring about reform

① Task Force

A committee comprising primarily young bank employees, formed with the goal of offering management candid advice concerning the future operation of the Bank.



Major measures launched

- President’s Tweet: The president shares his thoughts with all employees.
- Start-Up Award: Establishment of new award program for employees with five years or fewer of service
- Monthly MVP: New monthly awards system (twice a year)
- 39 Cards: A tool for easily sharing gratitude and congratulatory messages introduced on the Bank intranet.
- Dialogue with the Taskforce: Content of dialogue between the president and the management strategy task force published internally in newsletter

② Town Hall Meeting

Held to improve motivation and foster a sense of unity within the organization by giving management the opportunity to engage in free exchange of opinions with employees on matters such as management policies.

2024 Town Hall Meeting Overview

- (1) Event period: July 1 to September 12, 2024
- (2) Branches participating: All branches
- (3) Number of questions and comments received: 458



③ New Action Contest



Giving presentations to the management team



Distributing kokeshi-doll sake cups at the Bank’s individual award ceremony as a measure to contribute to the development of traditional culture in Fukushima Prefecture.

System established to allow employees to freely propose ideas, including business efficiency enhancement, system introduction and functional improvement, and strategy formulation. Highly evaluated proposals will be reflected in measures and other initiatives. The system will be used to further cultivate a bottom-up organizational culture and heighten employee motivation.

In the fiscal year ended March 31, 2025, branch and Head Office employees contributed significantly to the development of traditional culture in Fukushima Prefecture through initiatives resulting from this contest.

MISSION (Five Material Issues)

We have long been engaged in activities that contribute to regional growth and development. We have now set priorities for material issues from two perspectives: issues that are important to the region and our customers, and those that are important to Toho Bank.

Process of identifying material issues

① Extraction of key issues

Comprehensively extract regional social and environmental issues, in addition to matters that have recently been recognized around the world as social and environmental issues, and select important issues as candidates.

② Narrowing down and prioritizing of key issues

Based on the selected candidate key issues, we comprehensively assess them from the viewpoints of “issues that are important to the region and our customers” and “issues that are important to Toho Bank,” and narrow down the list.

③ Identification of key issues

We collect opinions from sales offices, branch managers’ opinion exchange meetings, project teams, and other sources through a bottom-up process. We then evaluate the relevance to our vision and management strategy, and identify key issues to address as a priority through management-level discussions.



Identification of material issues



Material issues of the Bank	Risks and opportunities	
Response to declining birthrate and aging population	Risks	- Termination of transactions due to failure to grasp changes in an aging society with a declining birthrate and a lack of consideration for diversity, etc. - Financial crimes targeting seniors - Outflow of deposits to urban areas due to inheritance, etc. - Contraction of business base and decrease in customers - Loss of business opportunities with young people, the Bank's future customer base
	Opportunities	- Support for government policies including the plan to double asset income and NISA expansion - Diverse services and appropriate customer service to satisfy changing needs, such as asset formation - Securing consulting opportunities originating with inheritance - Reinforcing connections with a broad range of generations through measures such as financial education - Supporting customers in realizing life events - Expanding usage among younger people by reinforcing connections
Decarbonization and nature positive	Risks	- Market, reputational, and other risks related to the transition to a low-carbon economy - Risks related to physical changes resulting from climate change (loss of the Bank's and its customers' business foundations)
	Opportunities	- Raising environmental awareness in local communities - Support for responding to decarbonization and other societal demands (introduction of renewable energy, new materials and technologies, etc.) - Providing solutions related to environmental laws and regulations
Revitalization of regional economy/society	Risks	- Slowdown of recovery - More businesses closing down due to shortage of successors, causing decline in regional economy - Decline in regional employment opportunities - Loss of business opportunities - Decline in regional engagement due to insufficient action and activity in consideration of the region
	Opportunities	- Significant support from the national and prefectural governments for industrial promotion and agglomeration - More people connected to the area and more visitors due to the revitalization of the Fukushima Innovation Coast Framework - New business development and increased transactions by local companies - Securing revenue by discovering new financial business - Restructuring of regional business - Securing additional employment opportunities through new business ventures
Promotion of digital transformation (DX)	Risks	- Loss of existing business domains as DX advances - Lost opportunities owing to shortage of appropriate channels or services - Decrease in productivity due to labor shortage
	Opportunities	- Simplification of procedures through the utilization of digital technology - Adapting to the diversification of payment methods including cashless payments - Enhanced productivity through introduction of IT
Vigor of diverse human resources	Risks	- Decline of regional companies due to shortage of core human resources - Decline in employee motivation and brain drain because of delays in adaptation to diversifying values and social structural change - Decline in contribution to regional community due to labor shortage - Brain drain caused by diversification of career perspectives and insufficient involvement in personnel development
	Opportunities	- Further corporate growth through securing of core personnel - Organizational culture reform and new value creation through securing of diverse personnel - Creation of an environment conducive to innovation through diversity - Practicing health & productivity management - Respect for human rights - Cultivation of personnel who can offer value to customers - Boosting of employee motivation through increased personnel investment - Promotion of understanding of LGBTQ

10 Targets	KPIs in fiscal year ending March 31, 2030	Related SDGs
Addressing personnel shortages	■ Number of talent referrals and IT consulting proposals (six-year cumulative): 3,200	7 AFFORDABLE AND CLEAN ENERGY
Support for the promotion of decarbonization	■ Number of GHG emission calculation cases (six-year cumulative): 2,100 ■ Number of GHG emission reduction plan formulation cases (six-year cumulative): 1,000	8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION
Financial consulting	■ Average business loan balance: ¥1.8 trillion	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Support for business creation, growth and management	■ Number of consultations on business start-ups, business succession, M&A, and management support (six-year cumulative): 10,700	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Business feasibility assessment and provision of useful information	■ Number of business feasibility assessments conducted (six-year cumulative): 5,000	13 CLIMATE ACTION
Cashless transactions (payments)	■ Card payments (Group total): ¥94.0 billion (¥116.5 billion)	17 PARTNERSHIPS FOR THE GOALS
Life event support (loans)	■ Number of housing loans and general consumer loans executed: 12,000	1 NO POVERTY
Asset management (assets on deposit)	■ Assets on deposit: ¥1.1 trillion	4 QUALITY EDUCATION
Inheritance and trusts	■ Number of testamentary trust applications: 210	10 REDUCED INEQUALITIES
Improvement of financial literacy	■ Number of participants in finance and economy education (six-year cumulative): Over 54,000 (total attendance)	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

Value Creation Process

PURPOSE For the Sake of Our Communities

Invested Capital

Business Activities

Value Offered

External Environment

Regional community

- Declining birthrate and aging population, depopulation
- Advancement of DX
- Addressing climate change risks
- Penetration of sustainability management
- Prolonged geopolitical risks

Financial Institutions

- Changes in monetary policy
- Creation of business opportunities and entry of different industries due to deregulation
- Social demand for customer-oriented business operations

Fukushima Prefecture

- Measures against depopulation
- Fukushima Innovation Coast Framework
- Establishment of Fukushima Institute for Research, Education and Innovation (F-REI)
- Carbon neutrality

Social Capital

Number of branches: 123 (including one internet branch and five sub-branches)

Natural Capital

Fukushima Prefecture's natural charms

Financial Capital

Balance of deposits: ¥6.1670 trillion (non-consolidated)
Loans and bills discounted: ¥4.0540 trillion (non-consolidated)
Capital adequacy ratio
Consolidated: 10.75%
Non-consolidated: 10.27%

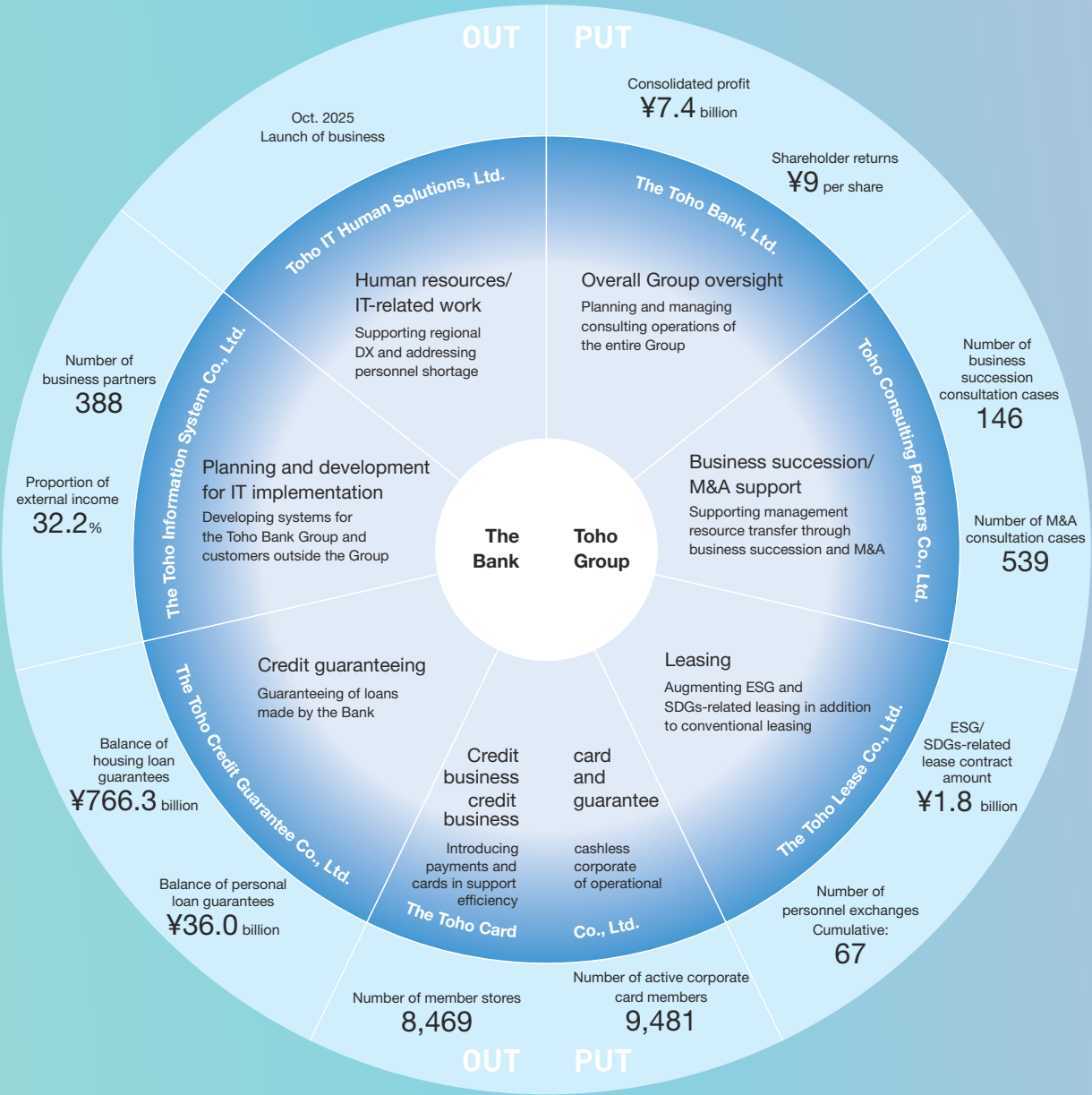
* On March 31, 2024, the Bank changed its credit risk measurement approach from the Standard Approach to the Foundation Internal Ratings Based Approach and adopted the Basel III finalization.

Human Capital

Employees: 1,873
Consulting personnel
Small and medium enterprise management consultants: 18
CFP/AFP: 67
FP1 level/FP2 level: 1,077

Intellectual Capital

Diverse financial approaches
Group-wide comprehensive consulting capabilities
TSUBASA Alliance
Alliance with Nomura



Regional community

- Contributing to sustainable development
- Regional revitalization
- Solutions to social issues through core business

Environment

- Reduction of region's CO₂ emissions
- Environmental conservation in the region
- Maintenance and enhancement of tourism resources

Customers

- Improving the value of every customer's business
- Creating abundant lives for each individual customer

Shareholders

- Medium- and long-term improvement of corporate value
- Stable shareholder returns
- Enhancement of information disclosure and active dialogue

Employees

- Diverse and rewarding work styles
- Promotion of DE&I
- Support for human resources development tailored to each employee's career vision

Long-Term Management Plan



See pages 25-26

MISSION

- 1 Revitalization of regional economy/society
- 2 Response to declining birthrate and aging population
- 3 Promotion of digital transformation (DX)
- 4 Vigor of diverse human resources
- 5 Decarbonization and nature positive

VISION

A Company That Contributes to the Regional Community Transcending the Framework of Financial Services

VALUES

Passion Dialogue Challenge Integrity Visionary

Long-Term Vision

With the needs of the region and customers diversifying more and more in the future, the duties customers require of the Toho Bank Group are not limited to existing, traditional financial services but extend across various fields.

In addition, now that 14 years have passed since the Great East Japan Earthquake, the Bank's unchanging mission is to contribute to Fukushima's further recovery. Social contributions and initiatives for environmental issues are also required more than ever before, based on the Sustainability Declaration.

The Bank intends to clear a path to new fields of business as well as strive to be a company contributing to regional society in fields other than financial services to fulfill the duties required by the region and customers, while actively taking on trends in social change, technological innovation, and deregulation with new ways of thinking.

Long-Term Vision

Striving for the further recovery of Fukushima

A Company That Contributes to the Regional Community

Transcending the Framework of Financial Services



(TOHO TRANSFORMATION (X) PLAN 2030)
Plan period: April 2024–March 2030

Three meanings behind the Xs
TRANS(X)FORMATION
EXPANSION
CROSS (X)

Progress stage

April 2024–March 2027

The 17th medium-term management plan



Reform stage

April 2021–March 2024

3rd driver of growth

2nd driver of growth

1st driver of growth

The Toho Bank Group's Growth Strategy
Three Drivers of Growth

Long-Term Management Plan

We formulated a long-term management plan, "TX PLAN 2030," in the fiscal year ended March 31, 2025. In this plan, the three Xs represent our resolve to progress beyond the "Reform" that we undertook during the previous medium-term management plan to achieve "Progress" and "Co-creation" of new value with the region and our customers.

There are two major pillars to this long-term plan—Basic Policy I, which aims for "co-creation of value with the region and our customers," and Basic Policy II, which is the Toho Bank Group's growth strategy. We have launched this plan toward these basic policies' two goals of "Improving the value of every customer's business" and "Creating abundant lives for each individual customer."

Corporate

GOAL (1)

Improving the value of every customer's business

Individuals

GOAL (2)

Creating abundant lives for each individual customer

Basic Policy I

Co-Creation of Value with the Region and Customers

10 Targets to Achieve Sustainable Growth of the Regional Economy

The driving force behind achieving the 10 Targets

Page 28

- Expanding sustainable finance to enhance the sustainability of local communities
- Group-wide comprehensive consulting system that co-creates value with customers
- Enhancing asset deposit services for customers by Alliance with Nomura

Basic Policy II

The Toho Bank Group's Growth Strategy

Improvement of the Bank's Corporate Value

- Bolstering initiatives to improve PBR
- Strengthening sales abilities through sales system reforms (area-based sales system x in-branch tablets)
- DX (Vision, branch reform, next-generation channels)
- Alliances (TSUBASA, Nomura Securities, Fukushima Institute for Research, Education and Innovation (F-REI))

Enhancement of Human Capital

- Cultivating autonomous personnel to implement management strategies
- Utilizing diverse personnel (DE&I)
- Acquiring personnel who contribute to the community (recruitment, etc.)
- Improving the workplace environment (Well-being)

April 2027

March 2030

Co-creation stage

April 2027–March 2030

Consulting fields for deepening and exploration toward commercialization
(New consulting services and new company handling services provided by the banking entity)

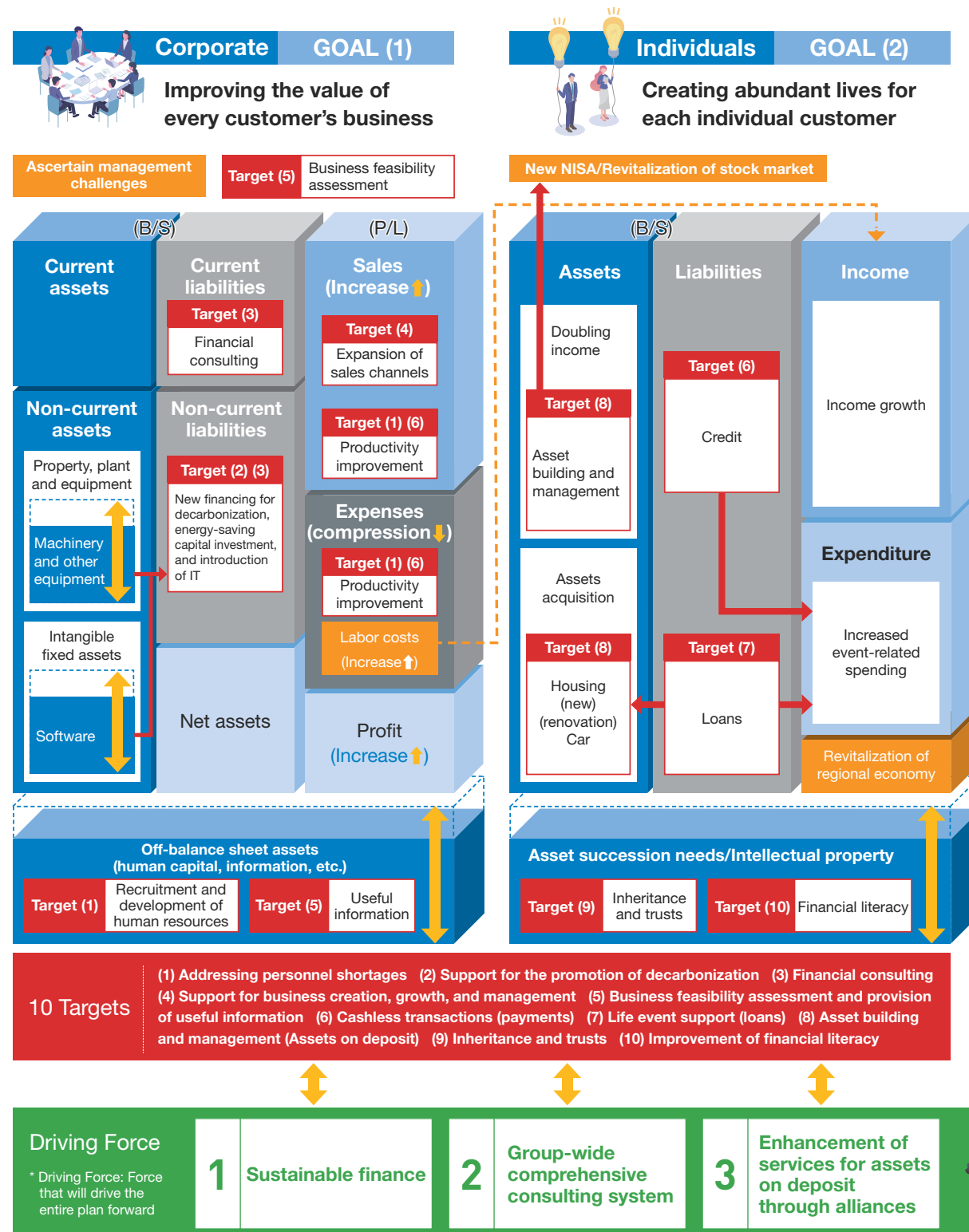
A wide range of consulting fields, including the businesses of Group companies

Conventional core business focused on deposits and loans

10 Targets and Three Driving Forces

Through the 10 Targets initiatives, we will enhance regional communities' balance sheets (corporate and individual) and circulate profit, and in doing so, contribute to the revitalization of the regional economy.

Then, via the three driving forces of "Sustainable finance," "Group-wide comprehensive consulting system," and "Enhancement of services for assets on deposit through alliances," we will work to achieve TX PLAN 2030.

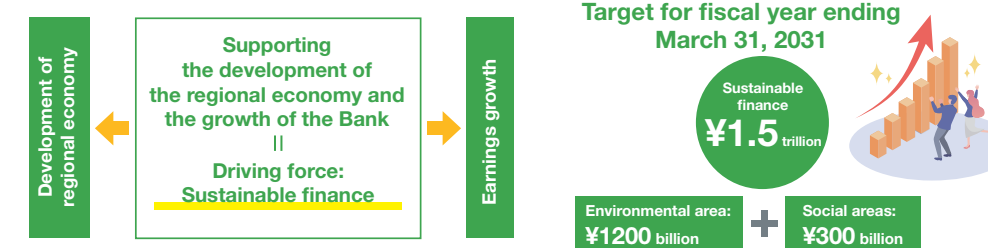


<The driving force behind achieving the 10 Targets>

Driving Force (1)

Sustainable finance

Starting in the fiscal year ended March 31, 2025, to strengthen efforts in the environmental and social fields that contribute to solving issues outlined in the Fukushima Prefecture Comprehensive Plan, we will expand our sustainable finance target from 1 trillion yen to 1.5 trillion yen. We will also foster and transform industrial structures that lead to regional economic development, and promote community development and infrastructure improvement, thereby contributing to Fukushima Prefecture's sustainable growth.



Results of initiatives in fiscal year ended March 31, 2025 (cumulative)

¥520.6 billion

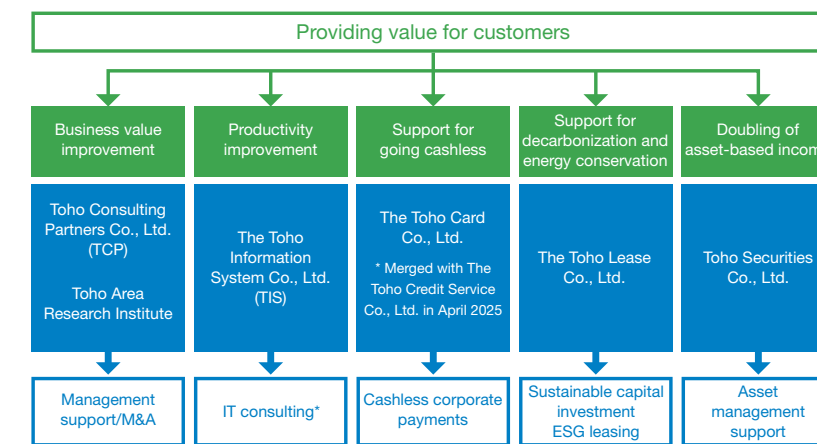
Progress rate 34%

See page 50 Sustainable finance

Driving Force (2)

Group-wide comprehensive consulting system

We have defined five areas of providing value for our customers as the roles of each group company. We will work together as a group to contribute to improving the value of every customer's business and creating abundant lives for each individual customer.



Major initiatives in fiscal year ended March 31, 2025

- Jun. 2024**: Initiated Group solution questionnaire
 - Sep. 2024**: ESG lease promotion project: Recognized with Certification of Excellent Efforts for the fiscal year ended March 31, 2025
 - Oct. 2024**: Business alliance agreement related to M&A with The Fukushima Bank
- See pages 55-56 Group strategy

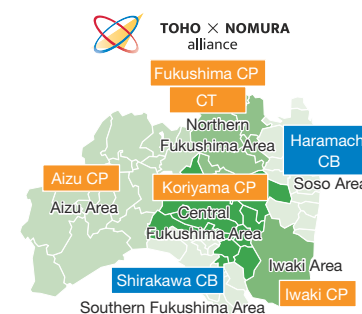
Driving Force (3)

Enhancement of services for assets on deposit through alliances

By taking maximum advantage of the mutual strengths of the Toho Bank Group and Nomura Securities to roll out quality consulting that supports customers, we aim to provide diverse products and solutions tailored to customers' life cycles.

- Jul. 2024**: Agreement concluded
- Jan. 2025**: Launch of business alliance (transfer of Nomura Securities customer accounts)
- Jul. 2025**: Toho Securities joins (Transfer of Toho Securities customer accounts)
- Oct. 2025**: Complete transition to business alliance structure (Transfer of Toho Bank's counter sales customer accounts)

* CP: Consulting plaza
CB: Consulting branch
CT: Contact team



In October 2025, we will open two new specialized bases, Haramachi CB and Shirakawa CB, to establish a robust sales network

Initiatives for fiscal year ended March 31, 2025

Received approximately 70 employees seconded from Nomura Securities

Establishment of consulting plaza contact team

See pages 57-58

Alliance strategies

10 Targets to Achieve Sustainable Growth of the Regional Economy

10TARGETS

To enhance the sustainability of regional communities through TX PLAN 2030, the Bank has established the 10 Targets as priority areas. By engaging in the 10 Targets and co-creating new value with the region and our customers, we will achieve the two goals of “improving the value of every customer’s business” and “creating abundant lives for each individual customer.”

Progress of regional contribution KPIs (providing value to customers)

The Toho Bank Group's
growth strategy
(1st and 2nd drivers
of growth)

 (1) Addressing personnel shortages	Against a background of a declining birthrate and aging population, addressing personnel shortages is an important challenge for regional communities. In addition to talent referral services to help customers secure human resources, Toho Bank will provide services such as support for the development of personnel systems and employee welfare and benefits schemes aimed at human resource retention and assistance with in-house education. We will also actively support customers' utilization of IT and DX for productivity improvement and labor-saving objectives.
 (2) Support for the promotion of decarbonization	With the increase in natural disasters caused by extreme weather events, companies have an obligation to engage in decarbonization as a response to global warming. The Bank will support customers' decarbonization initiatives with an extensive menu of solutions tailored to the steps of “learn,” “measure,” and “reduce and communicate.”
 (3) Financial consulting	Toho Bank has positioned business loans as the 1st driver of growth in its growth strategy and is actively working on it as a mainstay of its earnings. By gaining an understanding of customers' actual circumstances through business feasibility assessment, we identify customers' management issues and employ diverse approaches for the speedy supply of funds.
 (4) Support for business creation, growth, and management	The Bank offers consulting services that enhance business value. We offer services tailored to the stage of development of our customers and respond to the various management issues they face. In addition to support for the establishment of businesses aimed at creating innovation in regional communities and support for the growth of companies that will propel regional communities forward, we assist companies in straitened circumstances with their management.
 (5) Business feasibility assessment and provision of useful information	With the aim of improving the value of every customer's business, the Bank employs promotion activities with business feasibility assessment and provision of useful information as starting points, for the implementation of proposal-based business for management issues, to solve customers' various issues, and provides one-stop solutions on both financial and management fronts.
 (6) Cashless transactions (payments)	In light of the government's target of achieving a cashless ratio of around 80%, the penetration and expansion of cashless transactions is a significant mission for the Bank. The Bank actively makes proposals for cashless services to give individual customers a sense of convenience and to help corporate customers improve operational efficiency and resolve their personnel shortages.
 (7) Life event support (loans)	The Bank provides support to create abundant lives for each individual customer by responding carefully to their needs according to their life stages. This includes the provision of funds for purchasing a car, education, and for buying a home. We also contribute to the revitalization of the regional economy by boosting consumer activity.
 (8) Asset building and management (assets on deposit)	In the Doubling Asset-Based Income Plan, the Japanese government has set forth a variety of measures, including the new NISA system, to realize a shift from savings to investment, with the aim of creating a virtuous cycle of economic growth and increases in asset-based income. Under these circumstances, we provide products and services that meet customer needs to realize the creation of abundant lives for our customers.
 (9) Inheritance and trusts	With the progression of society's aging, there are growing needs related to passing on of assets from the elderly to future generations. At Toho Bank, we make proposals based on our trust banking functions in the provision of asset inheritance consulting and preparation for nursing care and dementia as forms of end-of-life support for the era of the 100-year lifespan.
 (10) Improvement of financial literacy	For creating abundant lives, the popularization of financial and economic education is crucial. As well as lessons about finance for children, who represent the bright future of regional communities, the Bank conducts financial and economic education activities for a wide range of generations, from working adults to senior citizens, according to their respective life stages.

		Results for the fiscal year ended March 31, 2025	Achievement rate			
Improving the value of every corporate customer's business	Target (1)	Number of talent referrals and IT consulting proposals	477	125%	Stock	Flow Page 31
	Target (2)	1. Number of GHG emission calculation cases 2. Number of GHG emission reduction plan formulation cases	60	100%	Stock	Flow Page 32
	Target (3)	Average balance of business loans	¥1,698.1 billion	100%	Stock	Flow Page 33
	Target (4)	Number of consultations on business start-ups, business succession, M&A, and management support	1,967	124%	Stock	Flow Page 34
	Target (5)	Number of business feasibility assessments conducted	365	91%	Stock	Flow Page 37
	Target (6)	Card payment amount (Group total)	¥100.5 billion	94%	Stock	Flow Page 38
Creation of abundant lives for each individual customer	Target (7)	Number of housing and general consumer loans executed (total)	9,433	108%	Stock	Flow Page 39
	Target (8)	Balance of assets on deposit (excluding alliance with Nomura)	¥670.9 billion	105%	Stock	Flow Page 40
	Target (9)	Number of testamentary trust applications	146	91%	Stock	Flow Page 41
	Target (10)	Number of participants in financial and economy education	7,117	94%	Stock	Flow Page 42

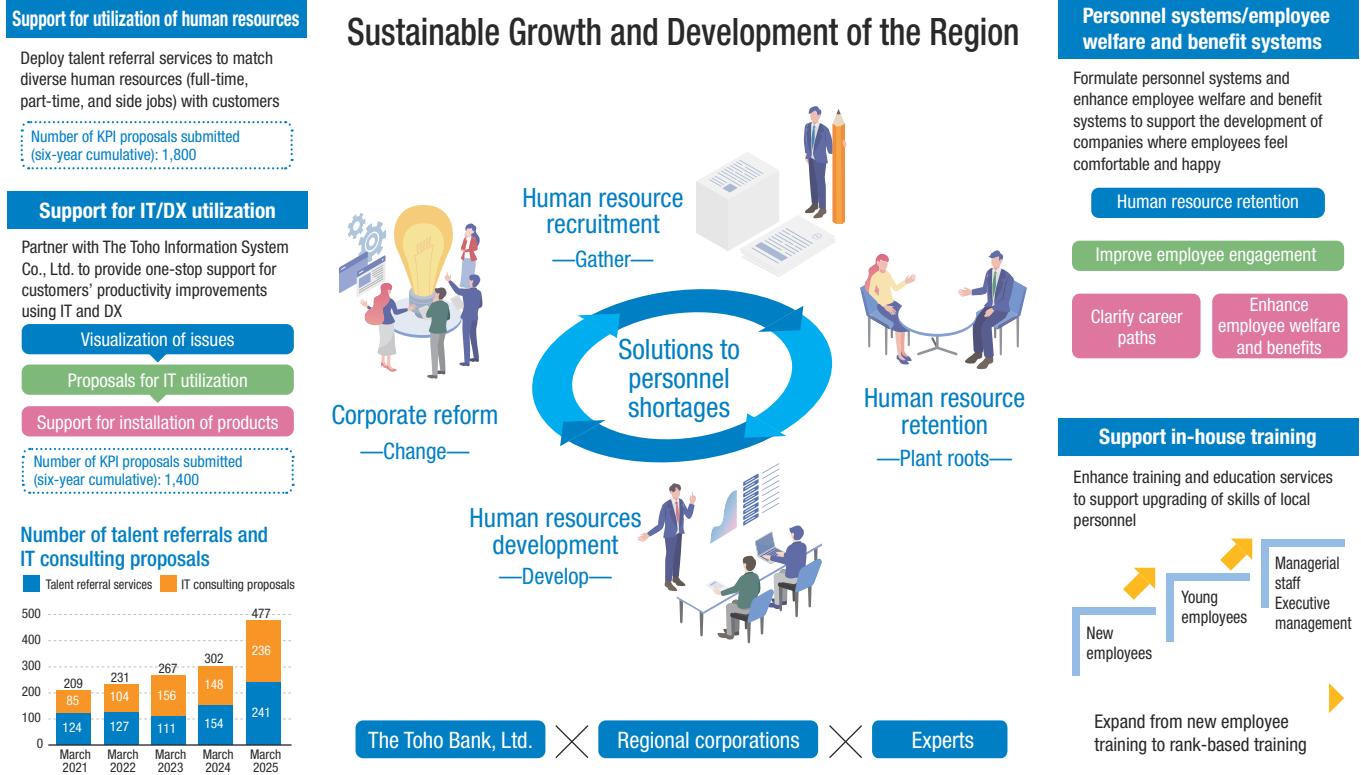
10 TARGETS

Target (1) Addressing Personnel Shortages

Regional contribution KPIs (targets)	Number of talent referrals and IT consulting proposals	KPIs in fiscal year ending March 31, 2030 (six-year cumulative)	Plan for fiscal year ended March 31, 2025	Results for fiscal year ended March 31, 2025	Achievement rate
		3,200	380	477	125%

The personnel shortages and lack of successors due to the declining birthrate and aging population are the most important issues facing regional communities. Toho Bank is working to resolve these issues with a variety of solutions, including recruitment support through talent referral services and productivity improvements through IT consulting. In addition, as support for the development of comfortable workplace environments aimed at the retention of recruited personnel, we assist with the development of personnel systems and with in-house training aimed at cultivating local human resources with both the basic skills required of working adults and more specialized skills.

In this context, in the interest of improving regional sustainability, we established Toho IT Human Solutions (TIH) on July 1, 2025, as a company that uses IT and human power to connect the future of the region. The company has two core businesses: IT-related services that leverage IT to promote complete regional digitalization and support improved customer productivity, and personnel-related services that address the labor shortage, the region's most pressing issue. (See page 56)



Talent Referral

The Bank obtained a license and approval for a fee-based employment placement business in April 2019 and is working to support customers in securing the human resources necessary for the sustainable growth of regional companies.

To respond to diverse management issues, we assist with the matching of human resources suited to the needs of our clients, such as executives, managers, and people with specialized skills.

We also propose new approaches to the utilization of human resources, such as referring people with side jobs and part-time jobs to fill ad hoc needs for highly specialized human resources for specific tasks and projects.

IT Consulting

We are strengthening our IT consulting services for our clients based on the belief that improving operational efficiency through productivity improvements is essential to address personnel shortages.

In particular, we have seen an increase in consultations about systems such as attendance management and electronic storage, as well as about reducing the burden of entering billing data into systems. As a result, the cumulative total of IT consultations reached 729 in the fiscal year ended March 31, 2025.

Business succession and M&A support initiatives

To address the lack of successors and shortages of management personnel, we are strengthening our efforts to support customers' business succession initiatives.

We have concentrated our staff who specialize in business succession in Toho Consulting Partners Co., Ltd. (TCP), which opened for business in 2022, and built a stronger support system.

We contribute to regional communities as a reliable partner for the resolution of customers' issues.

10 TARGETS

Target (2) Support for the Promotion of Decarbonization

Regional contribution KPIs (targets)	1. Calculation of GHG emissions (number of cases) 2. Formulation of GHG emission reduction plans (number of cases)	KPIs in fiscal year ending March 31, 2030 (six-year cumulative)	Plan for fiscal year ended March 31, 2025	Results for fiscal year ended March 31, 2025	Achievement rate
		1. 2,100 2. 1,000	1. 50 2. 10	1. 42 2. 18	1. 84% 2. 180%

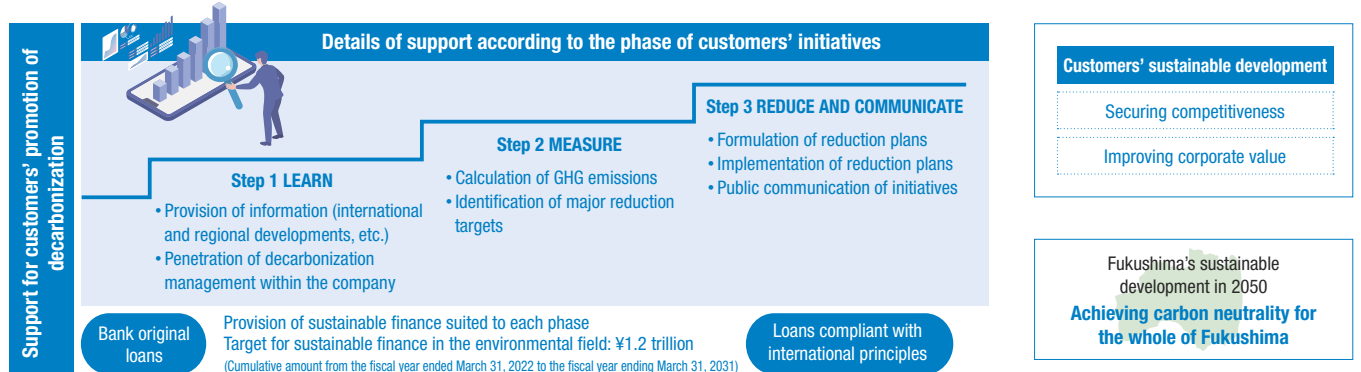
Initiatives to support for the promotion of decarbonization

Natural disasters caused by extreme weather events have increased the importance of addressing climate change.

As global moves toward achieving carbon neutrality (reducing greenhouse gas emissions to net zero) accelerate, in October 2020, the Japanese government declared its intention to achieve carbon neutrality by 2050. Social momentum toward the realization of a decarbonized society is also building.

Under these circumstances, along with our own decarbonization efforts, we are working to support our business partners' decarbonization initiatives as one of the targets of our long-term management plan, TX PLAN 2030.

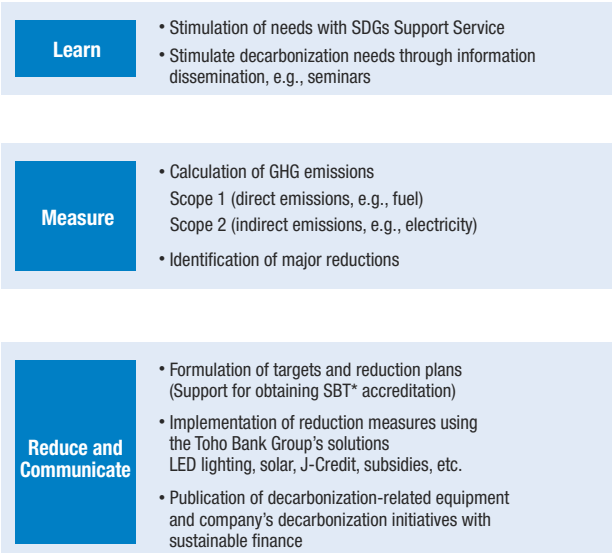
As a regional financial institution, the Bank will contribute to the realization of carbon neutrality in the region through these initiatives.



Decarbonization consulting service

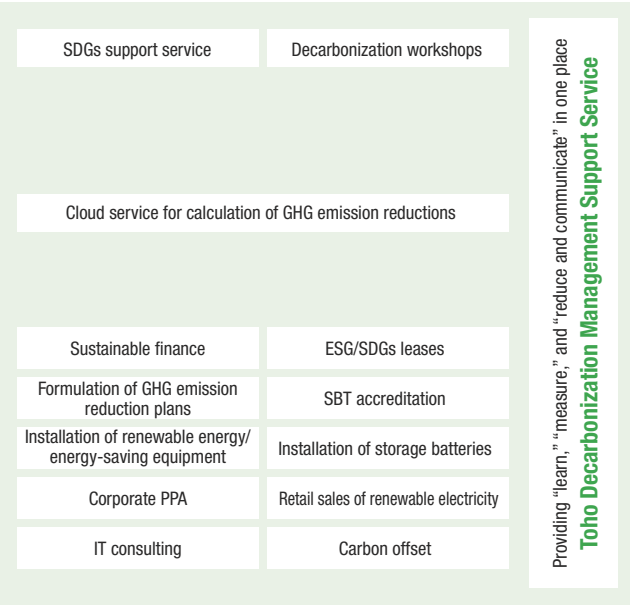
Toho Bank has declared support for the promotion of decarbonization as one of the targets of the long-term management plan, TX PLAN 2030.

Based on customers' wishes, the nature of their business, and the state of their initiatives, we will support their decarbonization initiatives with our extensive menu of solutions tailored to the steps of "Learn," "Measure," and "Reduce and Communicate," from both financial and non-financial fronts.



* SBT (Science Based Targets)
• GHG emissions reduction target in line with reduction scenario that aims to achieve targets of Paris Agreement

Toho Bank's solutions menu

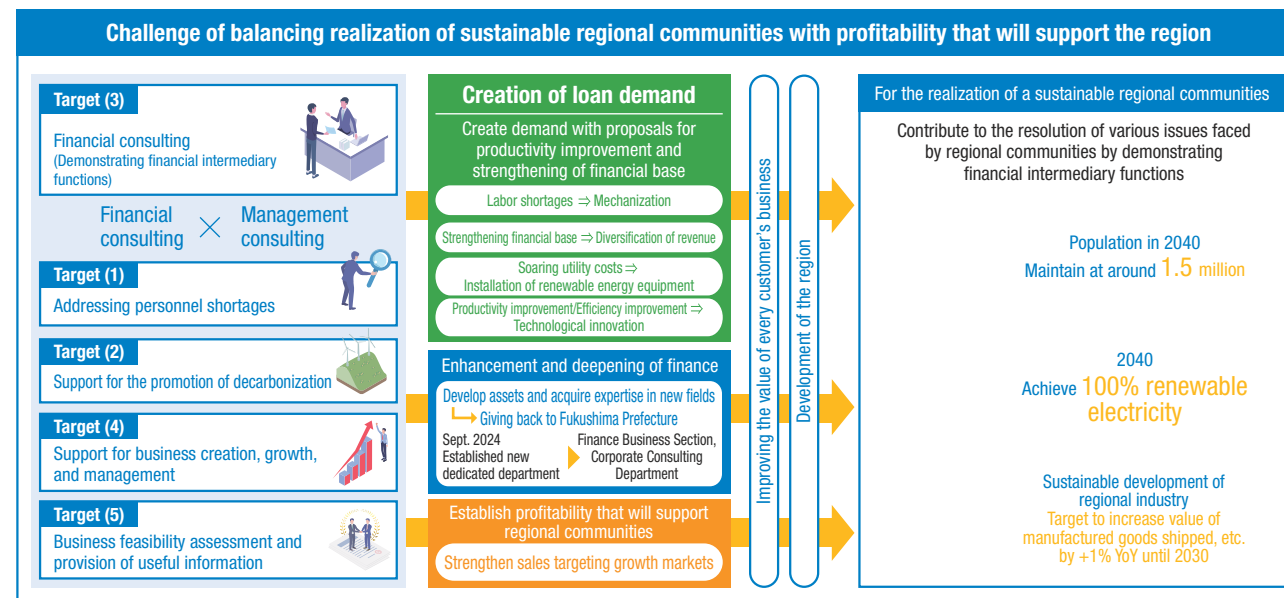


10 TARGETS

Target (3) Financial Consulting

Regional contribution KPIs (targets)	Average balance of business loans	KPIs in fiscal year ending March 31, 2030	Plan for fiscal year ended March 31, 2025	Results for fiscal year ended March 31, 2025	Achievement rate
		¥1,800.0 billion	¥1,692.0 billion	¥1,698.1 billion	100%

Toho Bank has positioned business loans as the 1st driver of growth in its growth strategy and is actively working on it as a mainstay of its earnings. In response to customers' actual circumstances and management issues identified in Target (5) Business feasibility assessment, we provide speedy supply of funds through various financing approaches.



Provision of advanced financial consulting services

● Establishment of New Finance Business Section

In September 2024, we have established a new Finance Business Section in the Corporate Consulting Department for the enhancement of financial consulting functions. In this way, Toho Bank will further strengthen sustainable finance initiatives (see page 50 for details) and meet customers' increasingly diverse and sophisticated financial needs with one-stop services for the further development of the regional economy and communities.

● Project Finance and Syndicated Loans

We assist smooth fundraising for large projects through project financing and syndicated loans with the aim of accelerating efforts to create and agglomerate growth industries, particularly the renewable energy industry that is bolstering the recovery of Fukushima Prefecture. Syndicated loans set up by the Bank amounted to ¥532.5 billion with 98 cases (cumulative total).

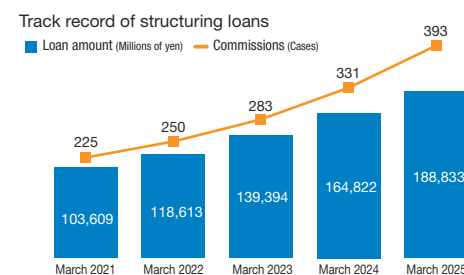
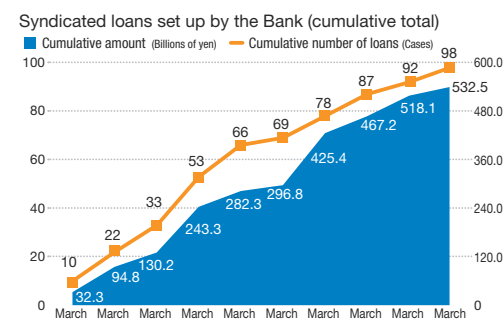
● Structuring Loans

Toho Bank is actively engaging in structuring loans to respond meticulously to a wide variety of customers' needs. As a result of providing customers with tailor-made solutions for their management issues, Toho Bank's track record of structuring loans now stands at 393 cases worth a total of ¥188.8 billion.

● Donation-Type Privately Placed Bonds

For donation-type privately placed bonds, such as the Toho Privately Placed Bonds to Support Full Participation in the Region, a portion of the underwriting commission for customer-issued privately placed bonds is donated to various entities such as schools and medical institutions.

In the fiscal year ended March 31, 2025, Toho Bank established a framework for donation-type privately placed bonds and worked on the Toho Tadami Line Utilization Promotion Privately Placed Bonds with the aim of revitalization of areas along the JR Tadami Line, and the Toho J-Village Support Privately Placed Bonds.



Donation-Type Privately Placed Bonds

Total number of bonds underwritten: 385

Cumulative amount donated to regional schools, etc.: Approx ¥91 million

(From May 2016 to end of March 2025)

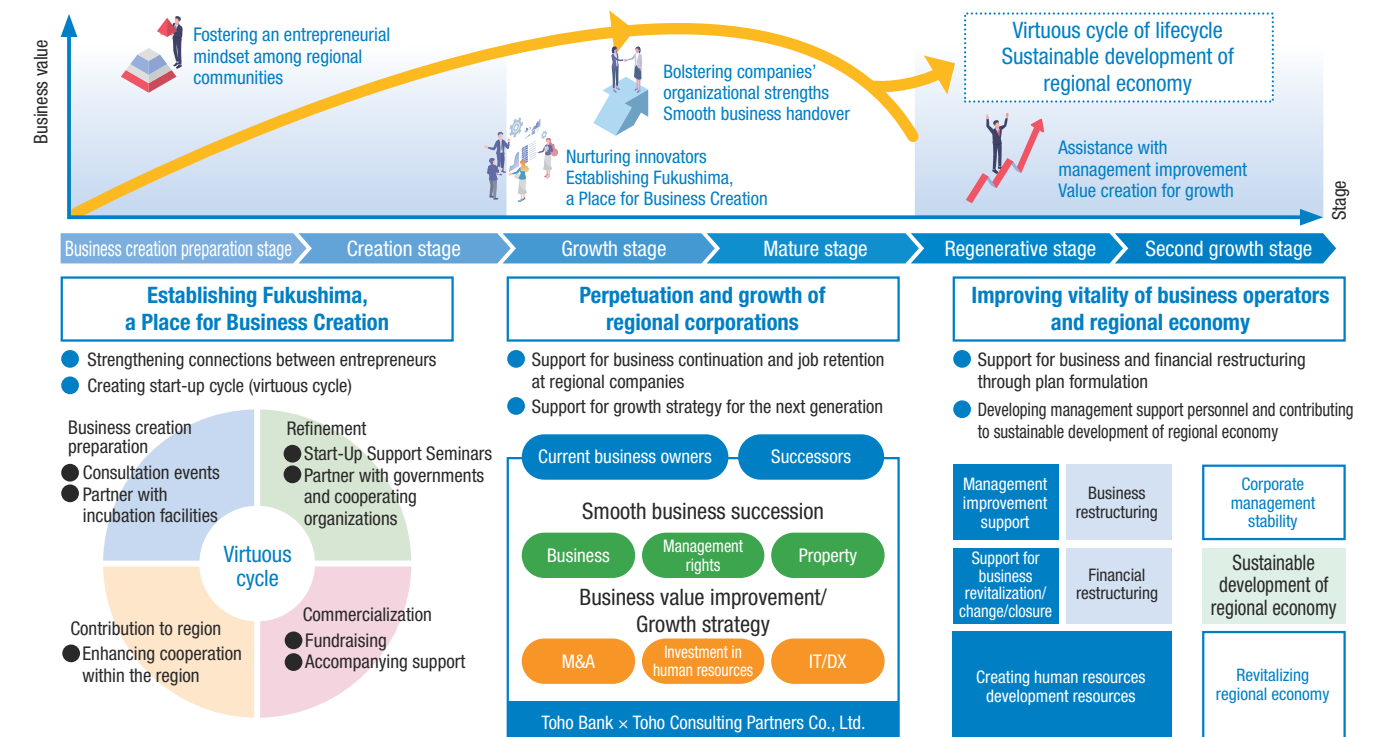


10 TARGETS

Target (4) Support for Business Creation, Growth, and Management

Regional contribution KPIs (targets)	Number of consultations on business start-ups, business succession, M&A, and management support	KPIs in fiscal year ending March 31, 2030 (six-year cumulative)	Plan for fiscal year ended March 31, 2025	Results for fiscal year ended March 31, 2025	Achievement rate
		10,700	1,600	1,967	124%

We respond to the various management issues faced by customers and provide consulting services to improve business value according to the stage that they are at. We implement comprehensive proposals according to customer needs by developing and deploying human resources with specialized skills in each area.



Business creation support

We are working on various initiatives with the objective of total support for people seeking to start a new business, including new business creation, start-ups, and new farm businesses.

● Toho "Support Entrepreneurs" Consultation Events/ Toho Start-Up Support Seminars

We received 190 consultations on start-ups and business creation at Toho "Support Entrepreneurs" Consultation Events and are working on other initiatives to establish Fukushima, a Place for Business Creation, including holding Toho Start-Up Support Seminars in cooperation with local governments.

● Fukushima Innovation Program

We held the "Fukushima Innovation Program," a project to support the creation of new businesses in Fukushima Prefecture, with the objective of nurturing local entrepreneurs who will contribute to solving social issues. In cooperation with the Fukushima Prefectural Government and Nomura Research Institute, we are actively involved in the creation of new businesses in the region.

● TOHO Next Stage Fund

We established the "Toho Next Stage Fund" with the objectives of supporting the challenges of start-up companies that will lead the future of Fukushima and contributing to the revitalization of the local economy and regional revitalization. By utilizing Toho Bank's various consulting services and Spurple Inc.'s expertise and networks for the support of start-up companies, we will provide accompanying support for investees' growth.

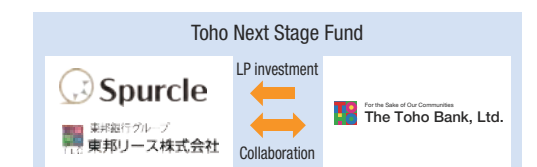


Approximately 40 employees took the course and created nine new business initiatives!!

Founded companies

Dividends, interest, and capital gains

Investment (shares and corporate bonds)



10 TARGETS

Target (4) Support for Business Creation, Growth, and Management

Growth support

● Business matching

The Bank provides support to solve customers' management issues by coordinating with outside experts in a wide range of fields.

Examples of expert services

- | | | | |
|---|--|---|--|
| ☐ Management plan formulation/business management | ☐ Security/BCP | ☐ Payment services/cashless | ☐ Overseas development |
| ☐ Fundraising/leases | ☐ Opening/expanding markets | ☐ Use of subsidies/grants | ☐ Disposal/use of unused real estate |
| ☐ Market research/marketing | ☐ Supplier/subcontractor development | ☐ Managing/guaranteeing receivables | ☐ Surveys/appraisals of owned real estate |
| ☐ Production reform/logistics rationalization | ☐ Safeguarding/use of intellectual property | ☐ Acquiring/relocating business sites | ☐ SDGs support service |
| ☐ Productivity improvement/work efficiency improvement | ☐ Energy conservation/reduction of electricity charge | ☐ New construction/remodeling of offices/factories | ☐ Employee welfare and benefits services |

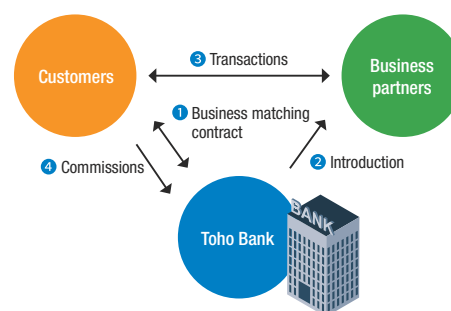
● Business matching service for sales channel development

We leverage our customer network to provide business matching service for sales channel development, which involves introducing customers to business partners.

Cumulative results since handling began

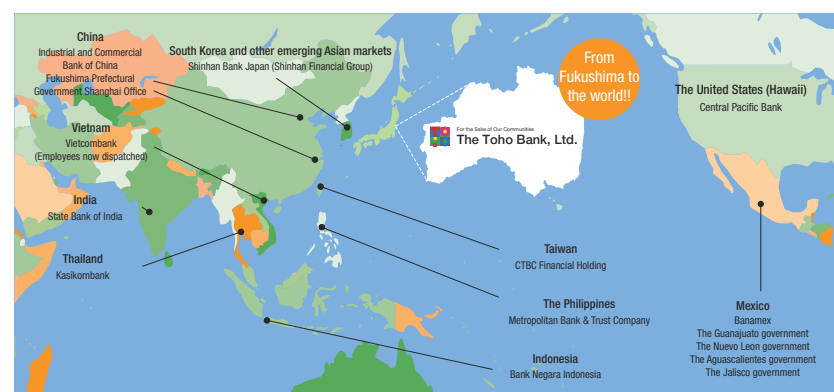
Number of introductions: **262**
(From the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2025)

Number of contracts concluded: **106**
(From the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2025)



● Support for expansion into foreign markets

In line with the progress of globalization, the Bank forms business partnerships with foreign banks and other entities on location and dispatches employees to actively support business partners' business development overseas.



● Japan International Cooperation Agency (JICA) SME/SDGs Business Support Program

In cooperation with Kanda Package Co., Ltd., Toho Bank was selected for a regional financial institution collaboration project under JICA's SME/SDGs Business Support Program, based on which we assisted our customer with a needs confirmation survey in Zambia. Kanda Package is planning to develop a business using the portable cardboard medical treatment rooms that it produces to help improve healthcare environments for pregnant women, new mothers, infants, and others living in rural areas with limited access to medical services. In November 2024, a team visited Zambia for nine days to conduct a feasibility study into the introduction of the cardboard medical treatment rooms.

● Vietnam business meetings (on site: September 2024)

We held manufacturing business meetings in cooperation with Fukushima Prefecture with the aim of advancing the foreign market expansion of companies in the prefecture. The Bank will endeavor to respond to the needs of customers developing business abroad as well as contribute to globalization of the Fukushima Prefecture economy.



Visit to a mothers' shelter
(Center) Mr. Ishizawa, General Manager, Kanda Package
(Right) Ms. Nagase, Assistant Manager, Toho Bank



Management support

● Approach to supporting business partners' management

In addition to its efforts to provide financial services tailored to the needs of regional customers, the Bank will provide consultations to customers more appropriately to assist the facilitation of regional finance amid the recent changes in the economic and employment environments. For customers who require management support, the Bank will place importance on relationships and provide business consultation, management guidance, and support for initiatives such as for management improvement, appropriately and proactively, according to the actual state of the customer's management.

Number of borrowers for whom Toho Bank formulated management improvement plan

Report items	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY
Number of borrowers for whom Toho Bank formulated management improvement plan	24	46	59	102	43

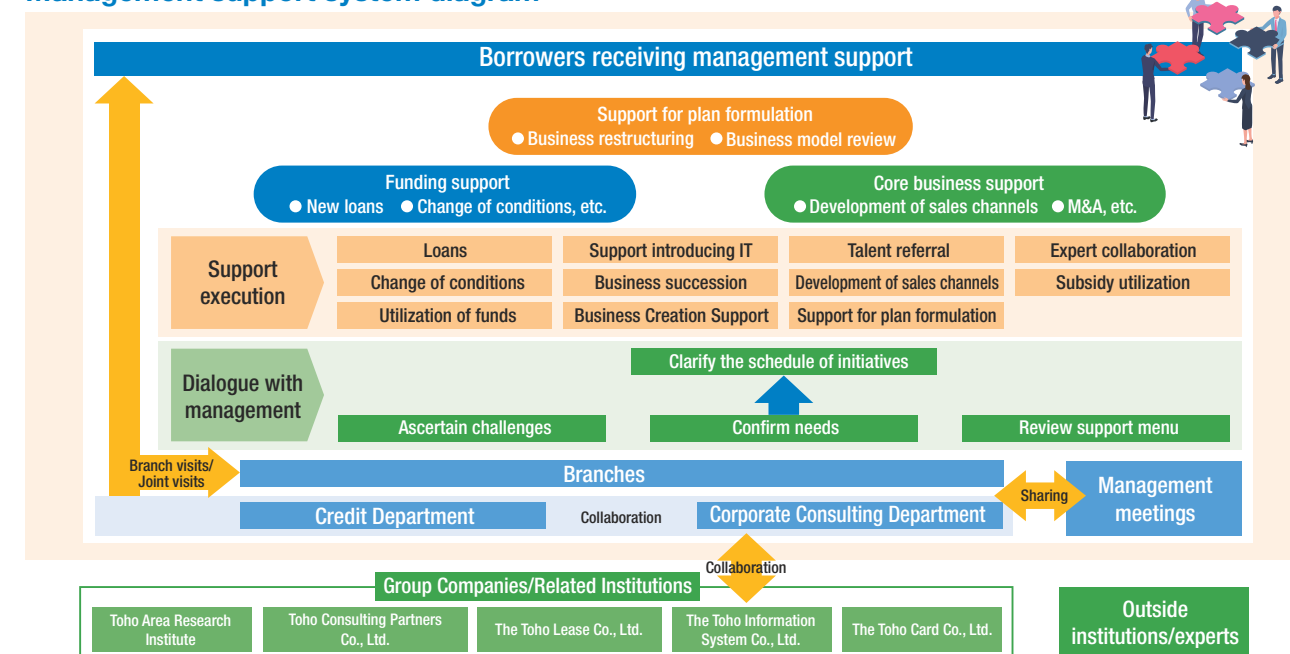
(Unit: Borrowers)

● Support for Customers Requiring Management Improvement, Business Revitalization, etc.

Our business partners continue to face a challenging business environment, including the delay in business recovery due to rising prices and labor shortages, and the emergence of problems such as excessive debt.

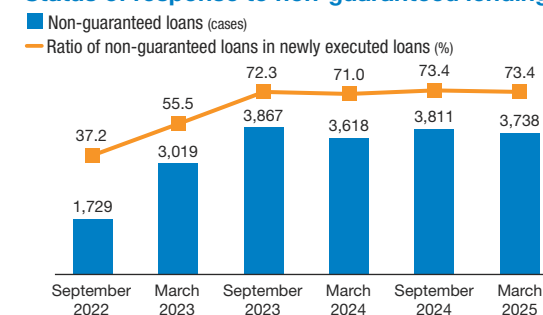
We will continue to provide them with management support for improving their business performance, such as financial support, core business support, and support for the formulation of management improvement plans, as initiatives to support and contribute to the growth of the regional economy.

Management support system diagram



Status of Handling of Personal Guarantees by Business Owners

Status of response to non-guaranteed lending



Policy for handling personal guarantees by business owners (Announced on May 16, 2023)

In line with the Guidelines for Personal Guarantee Provided by Business Owners (hereinafter the "Guidelines"), the Bank does not, in principle, require a personal guarantee from an owner of a business when providing financing to corporate customers. This is to promote and entrench financing practices that are not excessively dependent on collateral and guarantees.

Also, based on the Guidelines and other references, when asking customers for a guarantee, we explain properly and in detail what areas the customer is lacking in that creates the need for a guarantee agreement and how they can make improvements that will raise the possibility of such an agreement being adjusted or dissolved.

10 TARGETS

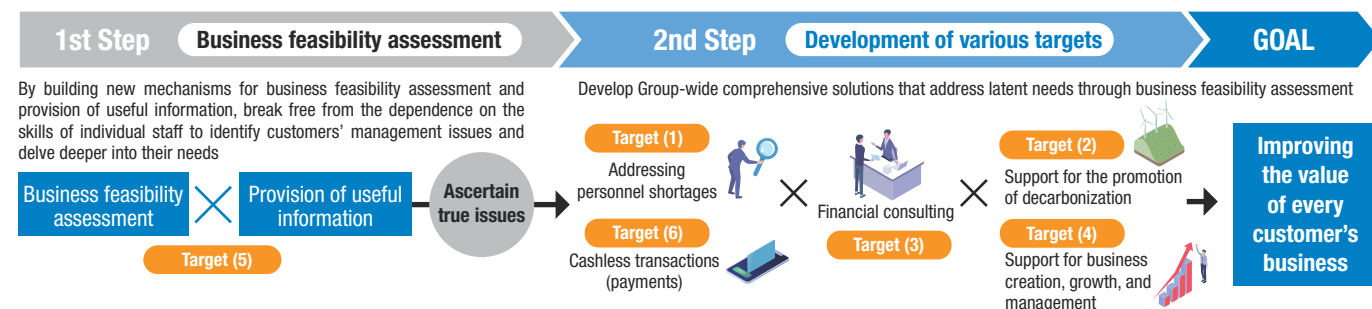
Target (5) Business Feasibility Assessment and Provision of Useful Information

Regional contribution KPIs (targets)	Number of business feasibility assessments conducted	KPIs in fiscal year ending March 31, 2030 (six-year cumulative)	Plan for fiscal year ended March 31, 2025	Results for fiscal year ended March 31, 2025	Achievement rate
		5,000	400	365	91%

With the aim of improving the value of every customer's business, the Bank employs promotion activities with business feasibility assessment and provision of useful information as starting points, for the implementation of proposal-based promotions directed at management issues, to solve customers' various issues, and provides one-stop solutions on both financial and management fronts.

The Corporate Consulting Department plays a central role in our efforts to enhance our service offerings and functions that will meet diverse needs, including talent referral, decarbonization, finance, business creation and growth support, and cashless transactions, in partnership with external organizations in various fields.

Business feasibility assessment and provision of useful information oriented toward the enhancement of customers' business value



Business feasibility assessment

We create a business model map based on our understanding of the actual situation through dialogue with our customers. We then conduct a business feasibility assessment that focuses on their commercial distribution and profit structures, as well as their strengths and weaknesses. This leads to concrete actions such as proposals and support for solutions to issues.

We also strive to provide financial services, including funding support, by appropriately assessing customers' growth potential and sustainability, without relying any more than is necessary on past finance, collateral, and guarantees. In the past, we have provided loans without a guarantor based on the qualitative evaluation results of business feasibility assessments, as well as in cases where business improvement was achieved by linking business feasibility assessments to support for the formulation of business plans.

Provision of useful information

The Bank holds seminars in individual categories to address customers' management issues and various social issues.

So that every single employee of the Bank is able to provide useful information to customers, Head Office takes the lead in holding seminars about social issues and training sessions about various solutions.

Credit Department Trainees

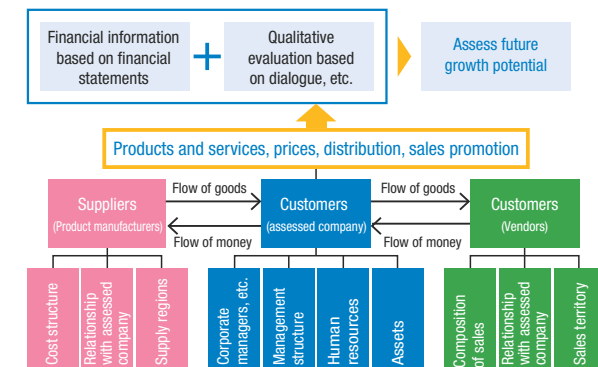
From the perspective of developing human resources who will lead the growth of the region and our customers, we conduct a Credit Department Trainee program as a practical training framework that can be put to use on the frontlines. Credit Department Trainees deepen their understanding of business potential and of the key points to credit decisions for individual cases through circular-based credit assessments.

After interviews with corporate managers and on-site surveys, the program culminates with a Company Research Presentation Seminar, attended by the trainees, at which the trainees strive to improve their discernment abilities by sharing the outcomes of their surveys and analysis.

In the fiscal year ended March 31, 2025, we established the "Business Loan Super Basic Course" for female employees. The course always gets fully booked on the very day participation is called for, which is evidence of the growing motivation of employees to learn.



Process of business feasibility assessment



For customers

- Corporate**
 - Overseas expansion seminars
 - SDGs and decarbonization seminars
 - Personnel utilization seminars
 - PFI seminars
 - Work style reform seminars
 - IPO seminars
 - Regional revitalization seminars
 - Next-generation managers seminars
 - Subsidy seminars
- Individual**
 - Inheritance and testamentary trust seminars
 - Life after retirement seminars
 - Asset management seminars
 - Asset building seminars
 - Workplace seminars

In-house

- Key points of tax reform in fiscal year ending March 31, 2025
- Use of DX to help resolve SMEs' issues
- Decarbonization and SDGs lectures
- Turn inheritance knowledge into proposal skills!
- Diversity & unconscious bias
- Roles of financial institutions in transition to decarbonization-oriented management
- How to observe markets/How to advise on asset management
- International operations practical lectures
- Business succession and M&A brush-up seminars
- Essence of management improvement and business revitalization / Demonstration of consulting functions

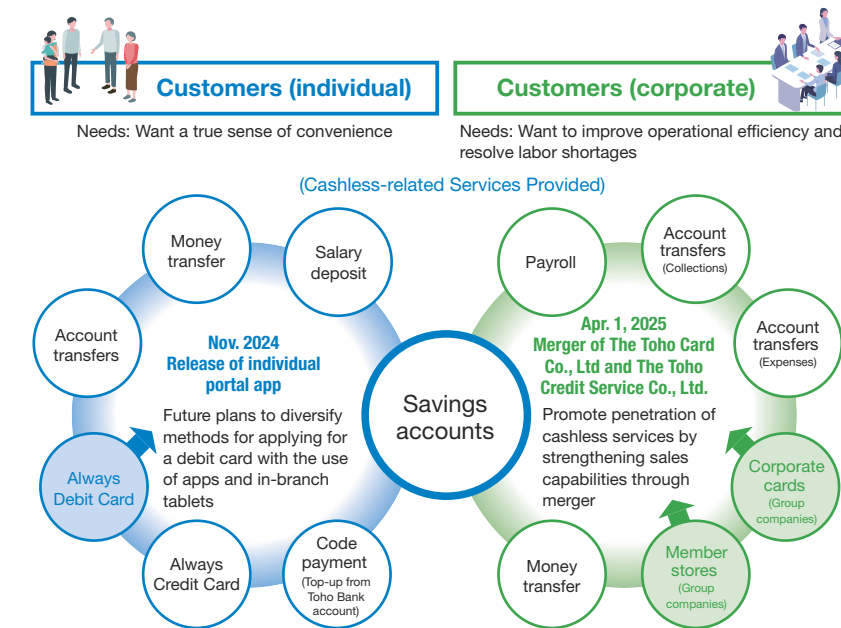
10 TARGETS

Target (6) Cashless Transactions (Payments)

Regional contribution KPIs (targets)	Card payment amount (Group total)	KPIs in fiscal year ending March 31, 2030	Plan for fiscal year ended March 31, 2025	Results for fiscal year ended March 31, 2025	Achievement rate
		¥94.0 billion (¥116.5 billion)	¥106.0 billion (Group total)	¥100.5 billion (Group total)	94%

The Toho Bank Group's cashless-related services operations

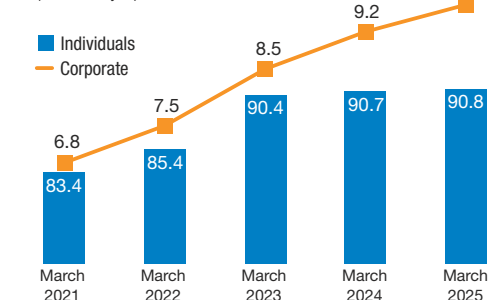
With the view that the penetration and expansion of cashless transactions is a significant mission for regional financial institutions, the Toho Bank Group provides various cashless services according to customer needs. To give individual customers a true sense of convenience and to help corporate customers solve issues such as improving work efficiency and solving personnel shortages, we proactively make proposals for cashless services.



The Toho Bank Group develops credit card and debit card services for individual customers through the Bank itself. We also develop credit card services for individual and corporate customers through affiliated companies.

Payment amounts have been steadily increasing for both individual and corporate customers, growing to a combined corporate/individual total of approximately ¥100.0 billion.

Credit Card/Debit Card payments



Responding to a cashless society

From the perspective of the popularization of cashless services, the Toho Bank Group promotes the linking of accounts with various payment services, in addition to credit cards and debit cards, and proposes merchants who accept J-Coin Pay (smartphone settlement app) and credit cards.

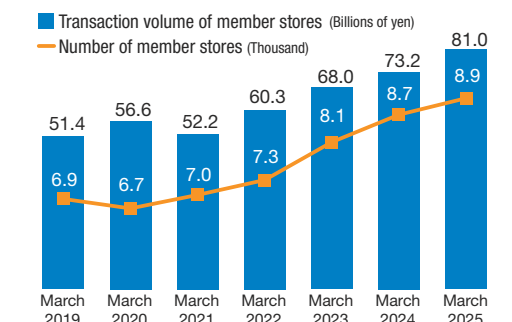
Due to the penetration of cashless transactions, the number of member stores and their transaction volume are steadily increasing. The number of member stores and transaction volume reached 8,900 stores and ¥81.0 billion respectively in the fiscal year ended March 31, 2025.

Promoting cashless transactions in the region not only improves convenience, but also leads to a wider range of sales opportunities, more efficient operations, and greater productivity. Therefore, we will recommend cashless options to our customers.

Payment accounts

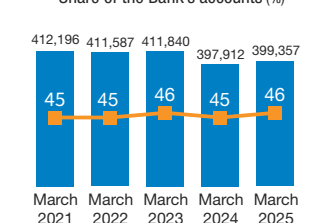
When customers use our various payment services, it is extremely important that they designate our bank account as their bank account for salary and pension transfers. While the number of salary deposits accounts is decreasing due to the decline in the working generation in line with population aging, the number of pension accounts is increasing due to the increase in the number of senior citizens.

Transaction volume and number of member stores



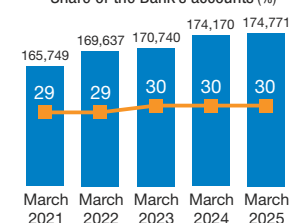
Change in the number of salary deposits accounts

- Number of salary deposits accounts
- Share of the Bank's accounts (%)



Change in the number of pension accounts

- Number of pension accounts
- Share of the Bank's accounts (%)



10 TARGETS

Target (7) Life Event Support (Loans)

Regional contribution KPIs (targets)	Number of housing and general consumer loans executed (total)	KPIs in fiscal year ending March 31, 2030	Plan for fiscal year ended March 31, 2025	Results for fiscal year ended March 31, 2025	Achievement rate
	12,000		8,700	9,433	108%

We actively meet our customers' needs through both face-to-face and non-face-to-face channels to realize the creation of abundant lives for each individual customer by providing appropriate funds in accordance with customers' life events.

Housing loans

A home is the largest purchase most people will make in their lives, so we reliably assist each customer by providing the housing loan that is the best fit for their individual needs.

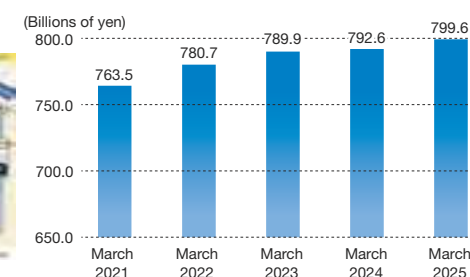
We are also working to be able to provide services in accordance with changes in the social environment, such as soaring housing prices, energy saving preferences, and the increase in vacant houses.

Amid a decline in the number of new house construction starts, we make proposals that are tailored to each customer.

The balance of housing loans is currently strong, increasing by ¥7.0 billion year on year to ¥799.6 billion.

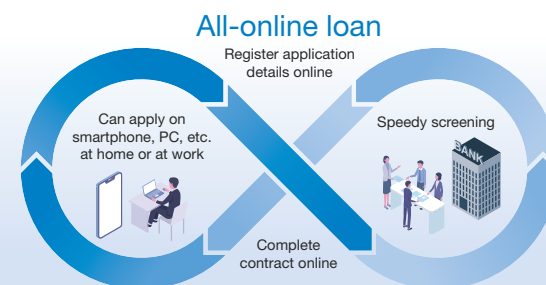
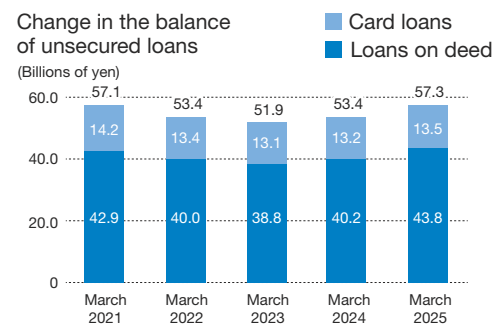


Change in the balance of housing loans

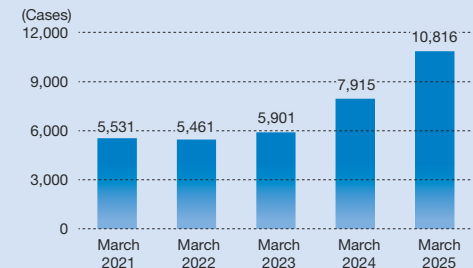


Unsecured loans

With the diversification of application methods resulting from changes in the social environment, many customers choose our all-online loans (a comprehensive service that enables customers to carry out procedures from application to making a contract without needing to visit a branch). Due to the popularity of this service, the balance of unsecured loans increased by ¥3.9 billion year on year to ¥57.3 billion.



Number of all-online loan applications



Support for consultations on loans (Branches specialized in loans)

Our branches specialized in loans also open on Saturdays and Sundays to serve customers who find it difficult to visit a branch on weekdays. We are providing customers with personalized proposals through consultations with staff possessing specialist knowledge.

	Branches specialized in loans
In Fukushima Prefecture	Loan Plaza Fukushima Branch Koriyama Loan Center (inside the Yatsuyamada Branch) Shirakawa Loan Center (inside the Shinshirakawa Branch) Aizu Loan Center (inside the Takizawa Branch) Iwaki Kashima Loan Center (inside the Iwaki Kashima Branch)
In Miyagi Prefecture	Sendai Loan Center (inside the Sendai Branch)



10 TARGETS

Target (8) Asset Building and Management (Assets on Deposit)

Regional contribution KPIs (targets)	Assets on deposit (Alliance with Nomura total)	KPIs in fiscal year ending 31, March 2030	Plan for fiscal year ended March 31, 2025	Results for fiscal year ended March 31, 2025	Achievement rate
	¥670.9 billion (excluding alliance with Nomura)	¥1.1 trillion	¥635.0 billion	¥670.9 billion (excluding alliance with Nomura)	105%

Contributing to "Creating abundant lives for each individual customer"

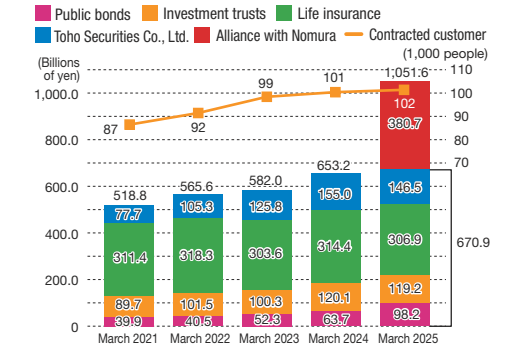
The Bank offers a variety of products and services to respond to customers' life events and diverse needs.

In the area of asset building and management, we conduct consulting operations from medium- to long-term perspectives, with a focus on lifelong support. Through bank-securities collaboration with our securities subsidiary and by strengthening the promotion of transactions targeting individual employees at our corporate customers' workplaces, the balance of assets on deposit for the whole Group has now exceeded ¥670 billion with more than 100,000 customers.

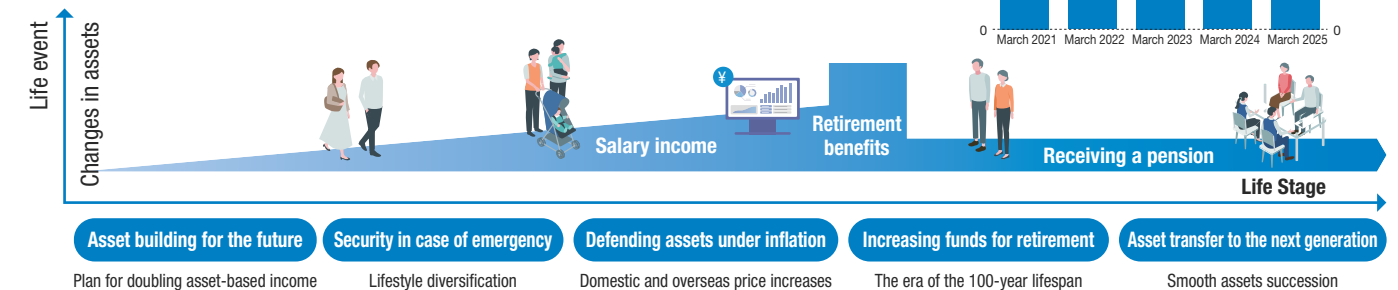
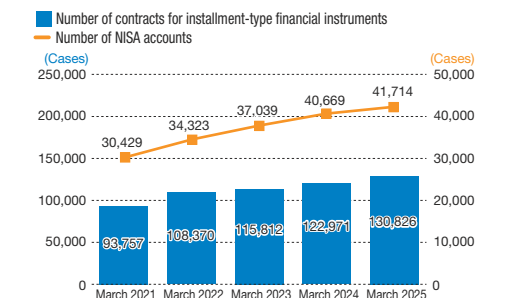
To facilitate stable asset building, we actively provide guidance of installment-type financial instruments (installment-type investment trusts/level-premium insurance) that allow investments starting with a small amount from the point of view of "long-term, decentralized, and in installments."

In addition, we are strengthening guidance related to the new NISA system that was revised in January 2024 as asset building support to customers, particularly for the current working generations age in the region. The number of NISA accounts now exceeds 40,000.

Balance of the Group's assets on deposit and number of contracted customers



Number of installment-type financial instruments/NISA accounts



Began business alliance with Nomura Securities

<Alliance Slogan>

Providing the highest level of financial services to each and every customer

On July 26, 2024, the Group (Toho Bank and Toho Securities) concluded a final agreement with Nomura Securities Co., Ltd. for a comprehensive business alliance in financial products intermediary services.

In January 2025, the Alliance with Nomura framework was launched based on this business alliance, under which approximately 70 persons were seconded from Nomura Securities, and operations began at five dedicated locations in Fukushima Prefecture.

By demonstrating the strengths of both the Group and Nomura Securities to the full, we will provide optimal, high value-added (best) financial services tailored to the various needs of our customers.

Synergies generated by the business alliance



Strengths of the Toho Bank Group

- Strong ties with the regional communities and customers
- Accumulated information on the region
- Solid network of branches built across the region

Strengths of Nomura Securities

- Know-how in the trading of financial instruments
- Wide-ranging lineup of products and services
- Abundant information and consulting tools

More sophisticated customer-oriented business operations than ever before

Strengthen consulting abilities

- Development of human resources/ Joint visits
- Extensive product lineup

Enhance fiduciary duty responses

- Advanced compliance system
- Unified operational flow
- Sharing of know-how and information
- Paperless operations

Increase points of contact with customers

- Expansion of points of contact using digital technology
- Environment that allows employees to concentrate on financial instruments operations

Reduce indirect costs

- Sharing of financial instruments operations-related systems
- Consolidation of sales bases
- Consolidation of middle-office operations

Create new value

- Integration of different cultures and personnel
- Strengthening of cooperation in wide range of fields

10 TARGETS

Target (9) Inheritance and Trusts

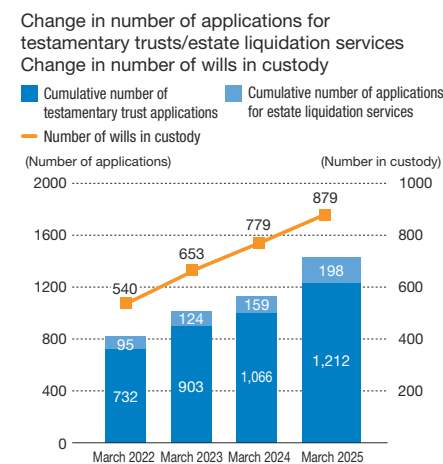
Regional contribution KPIs (targets)	Number of testamentary trust applications	KPIs in fiscal year ending March 31, 2030	Plan for fiscal year ended March 31, 2025	Results for fiscal year ended March 31, 2025	Achievement rate
		210	160	146	91%

At Toho Bank, we utilize our trust banking functions to provide asset inheritance consulting regarding succession and preparation for nursing care and dementia as forms of end-of-life support for the era of the 100-year lifespan.

Inheritance-related and trust business by the banking entity

To respond to the need for smooth asset succession, Toho Bank handles Toho Testamentary Trust and Toho Estate Liquidation Services. We have received approximately 7,800 inquiries over the past eight years through consultation events and seminars regarding inheritance and trusts.

To respond to the need for inheritance measures and preparation for nursing care and dementia, Toho Bank also handles the monetary trusts, Toho Testamentary Substitute Trust, Toho Calendar-Year Gift Type Trust, and Toho Kazoku no Kizuna Trust. With the receipt of inquiries from many customers, the total number of applications for monetary trusts has risen to approximately 1,100, amounting to ¥12.1 billion.



Succession-related products using trusts

Testamentary trust	Creation of property ledgers Creation of will drafts Presence of witness	Storage of wills Execution of wills (proxy succession procedures)	Estate liquidation services	Proxy succession procedures Creation of property inventory Support for the preparation of agreements on division of inheritance
Testamentary substitute trust	Issuance of money to family members immediately after succession is invoked Preparation of funeral funds Family living funds		Calendar-year gift type trust	Support for procedures of gifting money No need to prepare a gift agreement Inheritance measures through inter vivos gift
Kazoku no Kizuna Trust	① Preparation ② Monitoring ③ Bequests	Deliver to a proxy the funds required for nursing care, medical expenses, etc. if the customer is in a state requiring nursing care or is suffering from dementia Enables family members to track account withdrawals by the customer and proxies Deliver money to designated family members when the need for inheritance occurs		

Various initiatives for elderly customers

To respond to customers' varied needs in the era of the 100-year lifespan, we will expand our partnerships with many specialized contractors and offer a variety of products and services.



Holding Inheritance and Testamentary Trust Individual Consultation Events

We hold Inheritance and Testamentary Trust Individual Consultation Events as a consultation service for individual customers about issues including inheritance and wills. These are conducted by specialist staff of the Bank. Attendees are presented with a Toho Kizuna Notebook, a notebook that facilitates end of life preparations.



Individual consultation events held in the fiscal year ended March 31, 2025

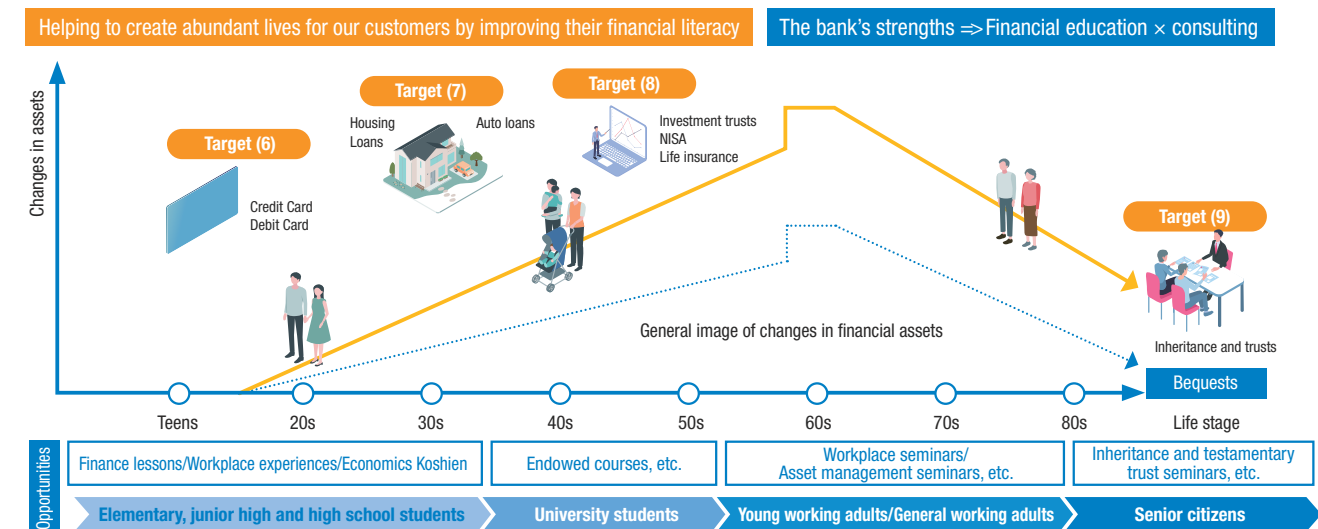
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10 TARGETS

Target (10) Improvement of Financial Literacy

Regional contribution KPIs (targets)	Number of participants in financial and economy education	KPIs in fiscal year ending March 31, 2030 (six-year cumulative)	Plan for fiscal year ended March 31, 2025	Results for fiscal year ended March 31, 2025	Achievement rate
		Over 54,000	7,500	7,117	94%

We share knowledge that serves as a base for creating abundant lives for each individual customer by providing financial education to a wide range of generations.



Finance and economics classes for children who will create Fukushima Prefecture's future

● Financial classes for elementary, junior high school, senior high school, and university students
In addition to working to improve the financial literacy of elementary, junior high, senior high, and university students through guest lectures at schools, we also visited children's cafeterias with a kitchen car during the "TOHO Kids Café Caravan," a community-based mobile class initiative. Classes are provided free of charge so that they can take place in a wide range of age groups and locations. They involve explanations of the structure of money and banks, life plans, cashless payment, and other relevant topics in a manner that is easy to understand.



● Courses offered by Fukushima University

As an education support project under a partnership agreement with Fukushima University, a special course, "Theory of Regional Finance," sponsored by Toho Bank, has been held by the university every year since 2011. In this course, officers and employees of the Bank and employees of Group companies serve as lecturers to deliver a total of 15 lectures on the management of regional banks and the role of regional finance. About 200 students attend this course every year.

● Provision of places for learning by generation in the fiscal year ended March 31, 2025

Targets	Details	Number of times	Number of participants
Elementary, junior high and high school students	Guest lectures, workplace experiences, events, children's cafeteria support, etc.	33	1,189
University students	Endowed courses, etc.	18	2,732
Working adults and parenting generations	Training for new employees, workplace seminars, asset management seminars, asset building seminars with childcare services, etc.	47	2,735
Senior citizens	Life after retirement, inheritance, testamentary trust seminars, etc.	21	461

Initiatives for improvement of financial literacy for working adults, parenting generations, and senior citizens

For the improvement of financial literacy in the region, in addition to programs targeting students, Toho Bank proactively holds workplace seminars for working adults, asset building seminars with childcare services for parenting generations, and various seminars for senior citizens. As a result, the number of participants in our finance and economy education programs exceeded 7,000 in the fiscal year ended March 31, 2025. Going forward, we will continue to actively roll out opportunities to learn about finance and the economy, with the aim of increasing the total number of participants to 54,000 or more from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2030.



Improvement of the Bank's Corporate Value

The Toho Bank Group's
Growth Strategy

GROWTH STRATEGY



Sustainability Management

The Toho Bank Group's approach to sustainability

Under the management philosophy system (Management Philosophy, Sustainability Declaration, Long-Term Vision, Guidelines for Action, and Values), the Toho Bank Group seeks to comply thoroughly with laws, regulations, and other rules, ensure sound business operations, and establish unwavering trust.

Against such backdrop, we are working to promote sustainability in the areas of environment (E), social (S), and governance (G) to realize a sustainable local community. In addition to creating a virtuous cycle of social and economic values, we are striving to increase corporate value over the medium to long term to meet the expectations of a wide range of stakeholders, including local customers and shareholders.

Specifically, we believe that it is essential to work on climate change and other environmental issues, and social issues such as regional disparities and declining population, as well as human capital and diversity initiatives, which are prerequisites for addressing these issues.

Based on this belief, the Toho Bank Group established the ESG Initiatives Policy in 2019, and endorsed the Task Force on Climate-related Financial Disclosure (TCFD) recommendations in 2020. In 2023, we also participated in the Ministry of Economy, Trade and Industry's Green Transformation (GX) League and Fukushima Prefecture's Fukushima Zero Carbon Declaration project, in order to further promote organizational efforts.

In April 2024, the Toho Bank Group launched a new management philosophy system, incorporating into it the Sustainability Declaration that sets out five material issues to be addressed as its mission to achieve the sustainable development of the region. The Bank will cooperate and collaborate extensively with Fukushima Prefecture and other relevant organizations, and contribute to the sustainable development of the region.

ESG Initiatives Policy

To achieve the Sustainable Development Goals (SDGs), the Toho Bank Group is committed to addressing social issues such as environmental and human rights issues and building a governance structure to address these issues. Based on the Sustainability Declaration, we are tackling social and environmental issues in the region, utilizing the knowledge gathered through the TSUBA-SA Alliance.

1 Environmental initiatives (Environment)

We actively work on environmental issues by practicing efficient use of resources and waste reduction, as well as providing financial services that contribute to environmental conservation.

6 Communication with society (Governance)

We disclose management and other information actively, effectively, and fairly. Through constructive dialogue with a wide range of stakeholders surrounding the Bank, we will strive to enhance our corporate value and communicate broadly with society to ensure the understanding and trust of society.

SDGs Sustainable Development Goals - 17 goals to change the world -

2 Provision of high-quality financial services (Social)

In addition to functioning as an infrastructure that supports economic activities, we utilize our creativity and ingenuity to meet the needs of our customers. We also contribute to developing the economy and society in Japan and overseas through high-quality financial services designed to protect our customers' interests, such as ensuring business continuity in preparation for terrorism, cyberattacks, natural disasters, and other threats to the lives of citizens and corporate activities.

3 Social participation and contribution to development (Social)

Recognizing that a bank can survive and develop only in society, we actively participate in society and contribute to its development as a good corporate citizen that walks with society.

4 Respect for human rights (Social)

We respect the human rights of all people.

5 Work style reform and enhancement of employees' work environment (Social)

We realize work styles that respect the diversity, personality, and individuality of employees and ensure a comfortable work environment that takes health and safety into consideration.

Sustainability Declaration

Based on the SDGs adopted by the United Nations, the Group has set out five material issues as the Sustainability Declaration. We will work toward the realization of sustainable growth in the region.

Sustainability Declaration

- 1 Revitalization of regional economy/society
- 2 Response to declining birthrate and aging population
- 3 Promotion of digital transformation (DX)
- 4 Vigor of diverse human resources
- 5 Decarbonization and nature positive

Participation in initiatives

The Group actively participates in initiatives in Japan and overseas toward the realization of a sustainable regional community.

	Task Force on Climate-related Financial Disclosures (TCFD)	In 2020, the Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and actively promotes information disclosure regarding initiatives related to climate change.
	Principles for Financial Action for the 21st Century	In 2011, the Group became a signatory to the Principles for Financial Action towards a Sustainable Society led by the Ministry of the Environment. As a regional financial institution, we will fulfill the responsibilities and roles necessary for the formation of a sustainable society.
	GX League	In 2023, we participated in the Ministry of Economy, Trade and Industry's Green Transformation (GX) League. In support of the aims of the GX League, we will strengthen various initiatives aimed at making the region, customers, and the Group carbon-neutral.
	Taskforce on Nature-related Financial Disclosures (TNFD) Forum	In April 2025, the Group endorsed the initiatives of the Taskforce on Nature-related Financial Disclosures (TNFD) and participated in the TNFD Forum. Through participation in the TNFD Forum, we will contribute to the establishment of a framework for the disclosure of nature-related financial information.
	Impact Consortium	In May 2025, we joined the Impact Consortium (secretariat: Financial Services Agency and the Ministry of Economy, Trade and Industry), which was established to promote broad collaboration among industry, academia, government, and finance with the aim of creating a virtuous cycle that links the generation of social and environmental impact to economic and social growth and the improvement of sustainability. In cooperation with relevant organizations, we will further promote initiatives to resolve regional issues.

ESG-related external evaluation

The Group has been selected as a constituent stock of the FTSE Blossom Japan Sector Relative Index. (ESG index selected by GPIF)

The FTSE Blossom Japan Sector Relative Index is one of the ESG indexes established by FTSE Russell, a global index provider, and is an index that reflects the performance of Japanese companies that demonstrate superior environmental, social, and governance practices relative to their peers within each sector.

TOPICS

Case 1

Fukushima Prefecture's Fukushima Prefecture Regional Decarbonization Promotion Consortium

As a regional financial institution, we participate in the consortium established in 2025 to support the decarbonization of companies in Fukushima Prefecture. Working in collaboration with the prefectural government, economic organizations, and other related institutions, we are promoting initiatives to reduce greenhouse gas emissions by local companies.

Case 2

Fukushima Prefecture's Fukushima Zero Carbon Declaration project

The Group has been participating in this project since 2023. At the Fukushima Zero Carbon Award 2024 (the Civil Affairs category), the Bank received the Award of Excellence in recognition of its efforts toward carbon neutrality.

Sustainability Management

Environmental Conservation

Initiatives for Climate Change and the TCFD Recommendations

The Group has declared its support for the TCFD recommendations in 2020. We will continue to actively disclose information on our initiatives for climate change according to the TCFD recommendations.

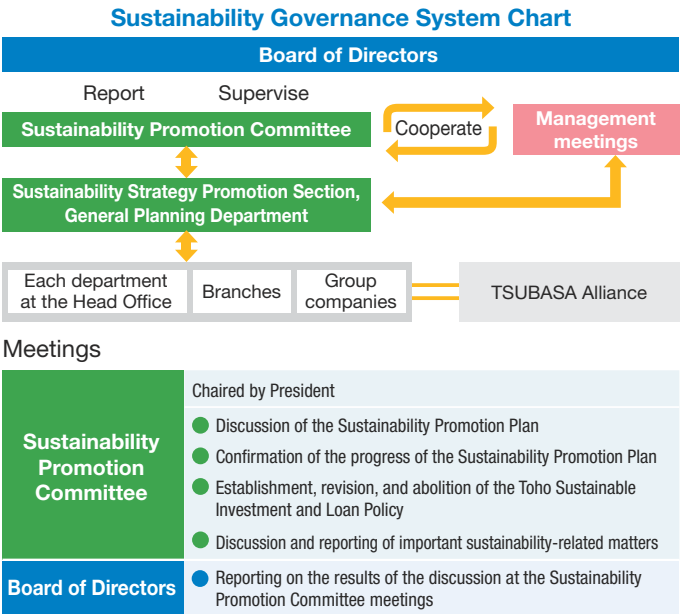
Governance

The Group recognizes sustainability initiatives, including those addressing climate change, as a key management priority.

In order to appropriately address these issues, we have established the Sustainability Promotion Committee (chaired by the President) as one of the committees under the Board of Directors of the Bank, which deliberate on particularly important management issues with the active involvement of the management team.

The Committee deliberates on the Sustainability Promotion Plan, which relates to bank-wide sustainability initiatives, and manages the progress of these initiatives on a semi-annual basis.

In addition, the results of deliberations by the Sustainability Promotion Committee are reported to the Board of Directors, and the Board of Directors supervises the status of initiatives related to sustainability.



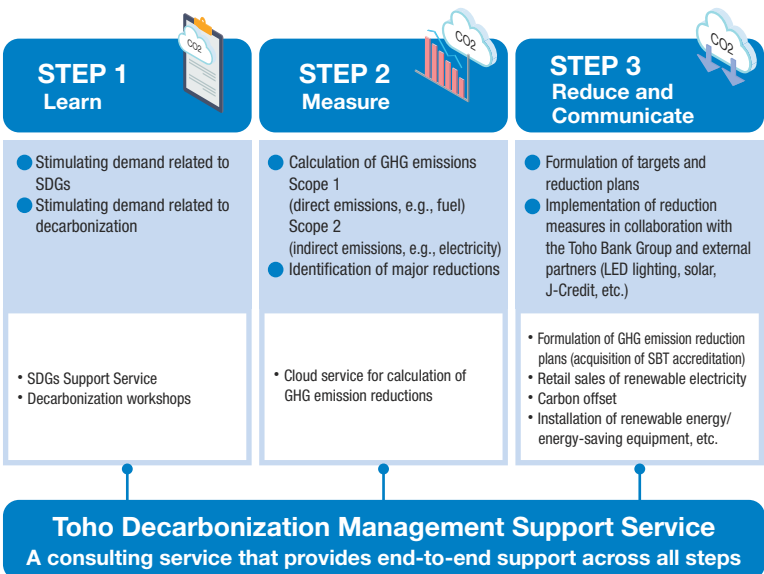
Strategy

The Toho Bank Group established the Sustainability Declaration to further promote initiatives that contribute to the resolution of social and environmental issues and contribute to the sustainable growth of regional community. The declaration positions decarbonization, including climate change, as a key management issue, and we will advance initiatives from the perspective of both opportunity and risk.

Opportunities

Alongside its own decarbonization initiatives, the Bank has set “support for the promotion of decarbonization” of its customers as one of the targets of the long-term management plan, TX PLAN 2023. Based on customers’ wishes, the nature of their business, and the state of their initiatives, we will provide support that accompanies customers’ decarbonization initiatives with our extensive menu of solutions tailored to the steps of “Learn,” “Measure,” and “Reduce and Communicate,” from both financial and non-financial fronts.

In terms of accompanying support, we have prepared a menu of solutions tailored to customer needs for each step of “Learn,” “Measure,” and “Reduce and Communicate,” and from March 2025, we began handling the Toho Decarbonization Management Support Service, which provides comprehensive, end-to-end support across all steps.



* Began handling in March 2025

Risks

We recognize the physical and transition risks associated with climate change.

Physical risks

Physical risks include the impact on the business activities of our business partners brought about by climate change, increased credit risks due to changes in business conditions, and operational risks due to damage to branches.

Transition risks

Transition risks include increased credit risks for companies we invest or provide loans to as the transition to a low-carbon society, such as tighter climate-related regulations, impacts them.

Carbon-related assets

We measured the degree of concentration of carbon-related assets’ credit exposure, which showed that the percentage of carbon-related assets (Note) in the Bank’s credit balance was 16.1%.

(Note) Based on the industry classification by the Bank of Japan, we selected the Energy, Transportation, Materials and Structures, and Agriculture, Food, and Forest Products sectors as target industries for the measurement.

Scenario analysis

To understand the impact of climate change risks on our credit portfolio, we perform scenario analysis based on certain assumptions.

Physical risks

Scenario	IPCC’s RCP8.5 scenario (4°C scenario)
Analysis methodology and overview	Assuming damage from floods (river flooding), which account for the majority of natural disasters stemming from climate change and have a high probability of occurring in Japan, we analyze the impact on credit costs associated with the loss of value of collateral real estate and the suspension of customers’ business activities due to flooding by utilizing hazard maps.
Analysis period	To 2050
Credit costs	Credit costs increased by around ¥2.0 billion.

Transition risks

Scenario	IEA sustainable development scenario (below 2°C scenario)
Analysis methodology and overview	Targeting companies in the power sector with high CO ₂ emissions, we analyzed the additional amount of credit costs due to the increase in additional capital investment costs for renewable energy.
Analysis period	To 2040
Credit costs	There is limited impact on credit costs.

Going forward, we will continue working to enhance our scenario analysis through our support for the promotion of decarbonization of our clients and based on the calculation results of CO₂ emissions (Scope 3 Category 15) by companies we invest in or provide loans to.

Risk management

In pursuit of achieving TX PLAN 2030, the Group conducts a comprehensive identification of potential risk events that could have a significant impact on management by assessing both internal and external environments. We then evaluate them in terms of likelihood of occurrence and magnitude of impact (residual risk) to designate our top risks.

Top risks	We have established a framework that enables agile responses by defining risk appetite and response policies for each risk category in alignment with our financial plans and business strategies, based on anticipated risk scenarios. Sustainability-related risks, such as “climate change risk” and “insufficient response to DE&I,” are also included among our top risks.
Climate change risks	With an awareness of the physical and transition risks, we are responding to them with the framework of an integrated risk management system, including credit risk management and operational risk management.
Investment and loan policy	Based on the Sustainability Declaration, we have established the Toho Sustainable Investment and Loan Policy to strive to expand positive impacts and reduce or avoid negative impacts on the environment, society, etc., as well as to promote investments and loans that contribute to the sustainable development of our home Fukushima and other regional communities. For details, please refer to the Bank’s website.



Sustainability Management

Metrics and targets

The Toho Bank Group uses the following indicators regarding its climate change policy.

Carbon dioxide (CO₂) emissions

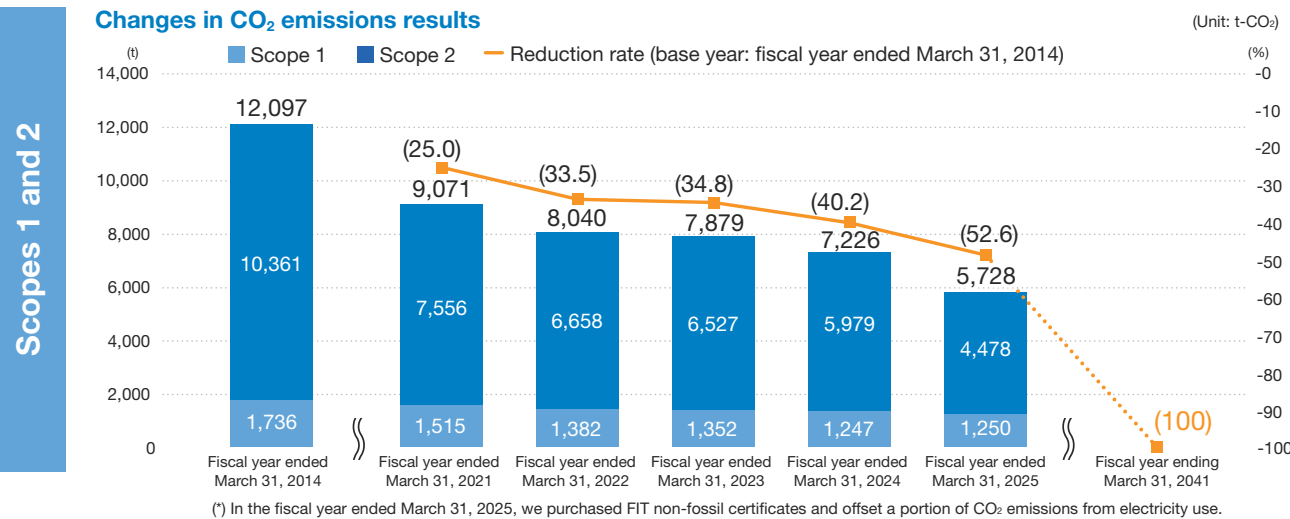
We have been working on the achievement of a decarbonized society, with the following targets set for the reduction of CO₂ emissions from the Bank's energy use (Scopes 1 and 2), with the aim of reducing CO₂ emissions. In the fiscal year ended March 31, 2025, CO₂ emissions decreased by 52.6% compared to the fiscal year ended March 31, 2014 and by 1,498 t-CO₂ compared to the previous fiscal year.

We are promoting the construction of new branches based on ZEB designs, improving the energy efficiency of air conditioning and lighting systems at existing branches, and replacing sales vehicles with environmentally friendly models.

In addition to the calculation of CO₂ emissions in Scopes 1 and 2, we are also working on the calculation of Scope 3 (Categories 1–7 and 15).

Targets for the reduction of CO₂ emissions (Scopes 1 and 2)

- Achieve carbon neutrality by the fiscal year ending March 31, 2041
- Achieve a 60% reduction of CO₂ emissions by the fiscal year ending March 31, 2031 compared to the fiscal year ended March 31, 2014



CO₂ emissions results (Unit: t-CO₂)

Scope 3	Scope 3		Fiscal year ended March 31, 2025
	Category 1	Purchased goods and services	13,467
	Category 2	Capital goods	6,175
	Category 3	Fuel- and energy-related activities not included in Scopes 1 and 2	1,062
	Category 4	Upstream transportation and distribution	386
	Category 5	Waste generated in operations	226
	Category 6	Business travel	355
	Category 7	Employee commuting	381
	Category 15	Investments	6,281,229

TOPICS

Case 3 Creating environmentally friendly branches

In December 2024, we relocated and reopened the Shirakawa Branch, Shirakawa-Nishi Branch, and Shirakawashiyakusho Branch as branches adopting the ZEB design.

- Fewer windows with more eaves, use of LED lighting with motion sensors (energy saving)
- Installation of solar power generator (energy creation)
- Installation of quick electric vehicle battery charger for customers
- Use of Fukushima Prefecture's wood, Introduction of electric vehicles for sales activities



Calculation of CO₂ emissions at companies we invest in or provide loans to (Scope 3 Category 15)

Indirect emissions through investments and loans (Scope 3 Category 15) account for a large proportion of CO₂ emissions by financial institutions. It is therefore important to work on the calculation, monitoring, and reduction of such emissions. The Bank refers to the PCAF Standard's measurement method and calculates CO₂ emissions associated with loans to Japanese corporations.

(Unit: t-CO₂)

Sector	Main industry	Fiscal year ended March 31, 2025
Energy	Petroleum and gas	113,988
	Coal	–
	Electricity utilities	1,623,055
Transportation	Air freight	2,701
	Passenger air transportation	–
	Marine transportation	12,572
	Railway transportation	13,623
	Truck services	213,083
	Automobiles and parts	69,928
	Metals and mining	325,720
Raw materials, building materials, capital goods	Chemical	400,187
	Construction materials	770,225
	Capital goods	909,492
	Real estate management and development	51,919
Agriculture, food, and forestry products	Beverages	12,310
	Agriculture	26,321
	Processed food and processed meat	170,314
	Paper and forestry products	162,677
Other		1,403,106
Total		6,281,229

Sustainable finance

To promote the transition to a decarbonized society and a new industrial and social structure to realize a sustainable society, we have been engaged in sustainable finance since the fiscal year ended March 31, 2022, including investments and loans for the Bank of Japan's climate change response operations and our investments and loans related to the environmental sector.

In March 2024, we expanded the scope of sustainable finance from the fiscal year ended March 31, 2025 from the conventional environmental field to include the social field, and raised the sustainable finance target up to the fiscal year ending March 31, 2031 from ¥1 trillion to ¥1.5 trillion (¥1.2 trillion for the environmental field and ¥0.3 trillion for the social field). The purpose of these is to contribute to resolving issues in the environmental and social fields, in light of the importance of addressing regional disparities, population decrease, and other social issues.

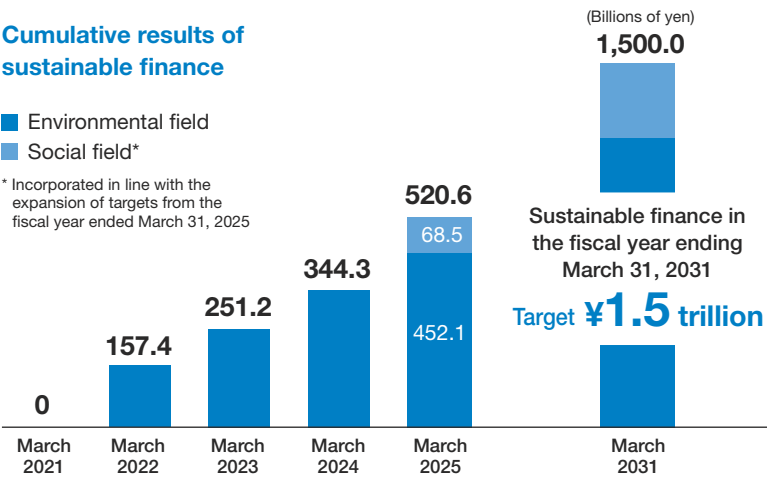
In addition, with respect to sustainable finance in line with international principles, we established the Toho Sustainability Finance Framework and started handling Toho Positive Impact Finance in March 2024.

Furthermore, to actively support customers working to address social issues, including efforts toward decarbonization, we have been working to enhance our product lineup, such as by starting to handle the Toho Mirai Connect Loan in March 2025.

Cumulative results of sustainable finance

- Environmental field
- Social field*

* Incorporated in line with the expansion of targets from the fiscal year ended March 31, 2025

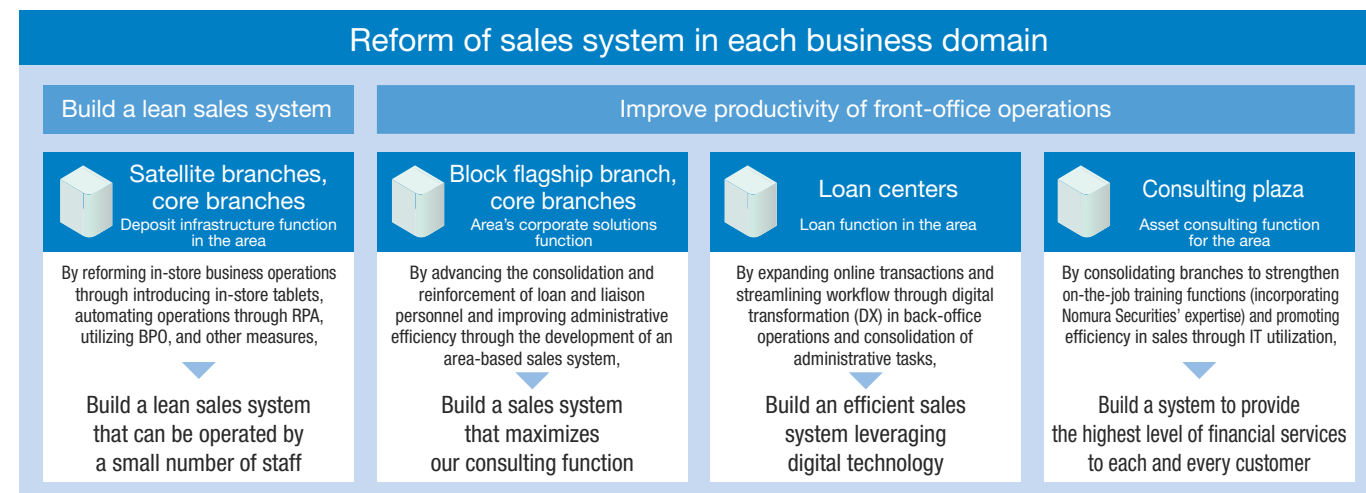


Period
Fiscal year ended March 31, 2022 to fiscal year ending March 31, 2031 (10 years)
Target
¥1.5 trillion (¥1.2 trillion for the environmental field and ¥0.3 trillion for the social field)

Examples of target investments and loans
Environment ● Green loans and bonds ● Private placement bonds related to the environment ● Investments and loans related to renewable energy ● Environmentally conscious investments and loans such as energy-saving housing loans
Society ● Social loans and bonds ● Investments and loans to address social issues, including those contributing to the achievement of sustainable regional communities

Sales system/organizational structure

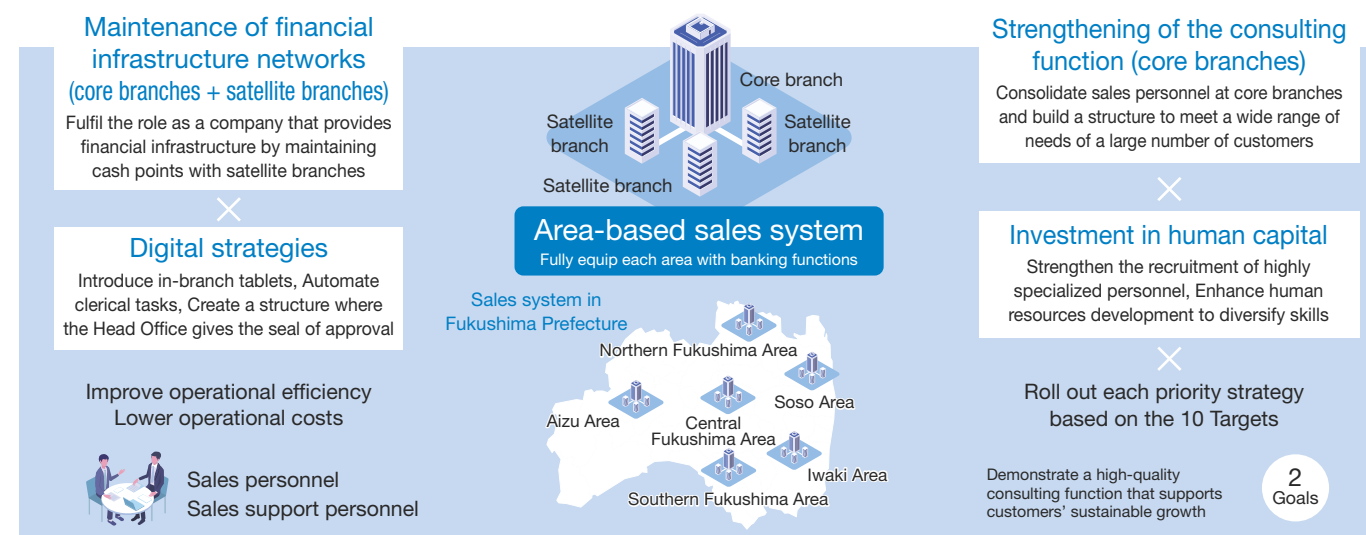
We will advance business reforms across our business domains of deposits and foreign exchange, business loans, and assets on deposit, with the aim of enhancing overall organizational productivity. At the same time, through the rollout of an area-based sales system, we will strengthen the functions of each sales office and build a sales framework that can maximize results with limited personnel.



Area-based sales system

We will build a new system (area-based sales system) that makes the most of our extensive branch network and solid business base in each region.

By utilizing the branch network consisting of flagship branches, core branches, and satellite branches, we will develop efficient and specialized sales activities, and contribute to improving the value of every customer's business and creating abundant lives for each individual customer.



Started a new system in the southern area of Fukushima City (from April 2025)
Core branch: Minami-Fukushima Branch
Satellite branches: Horai Branch, Fukushima Medical University Hospital Branch

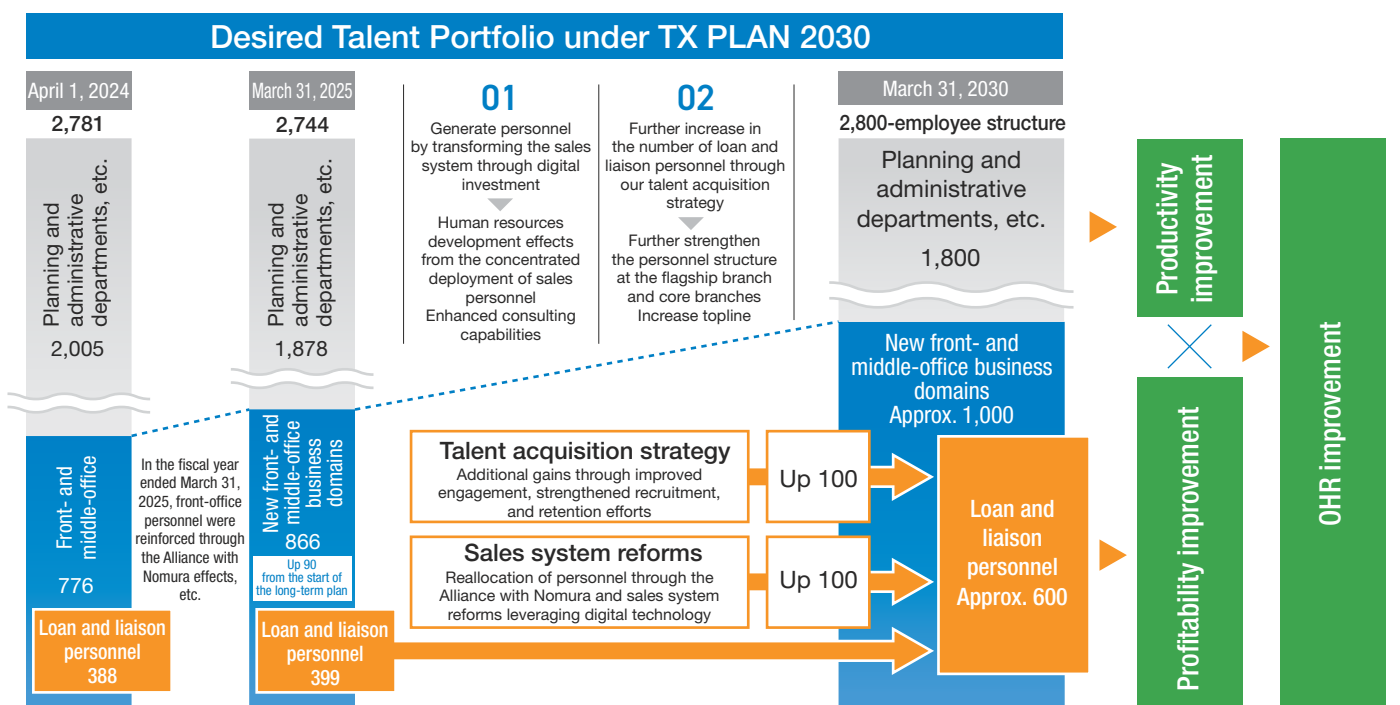


Personnel Structure to Strengthen Sales Capabilities (Desired Talent Portfolio)

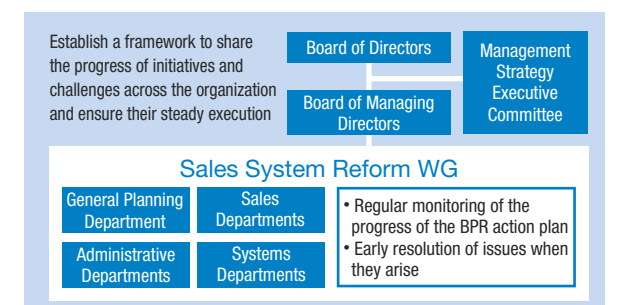
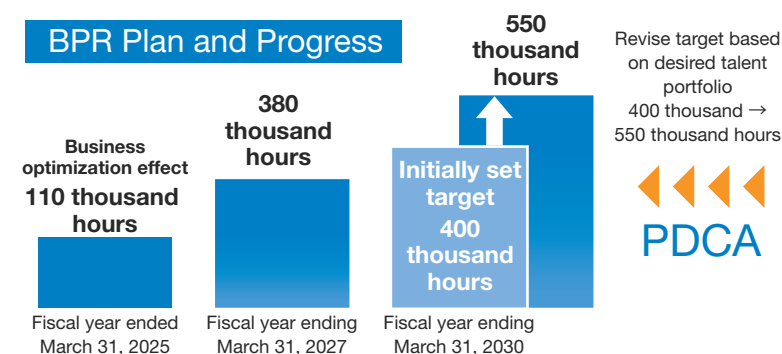
Desired talent portfolio

In addition to improving the productivity of the entire organization through fundamental business reforms, we will build a system to effectively allocate management resources by, among other initiatives, rolling out our area-based sales system, while also working to further strengthen our front- and middle-office business domains.

Through personnel reassignments associated with sales system reforms, such as the Alliance with Nomura and the area-based sales system, we will strengthen our front- and middle-office framework, while also enhancing our consulting capabilities by consolidating staff at our flagship branches and core branches. In addition, by steadily implementing our talent acquisition strategy, we will secure overall staffing levels and work toward establishing a team of 600 loan and liaison personnel.



BPR Plan and Progress

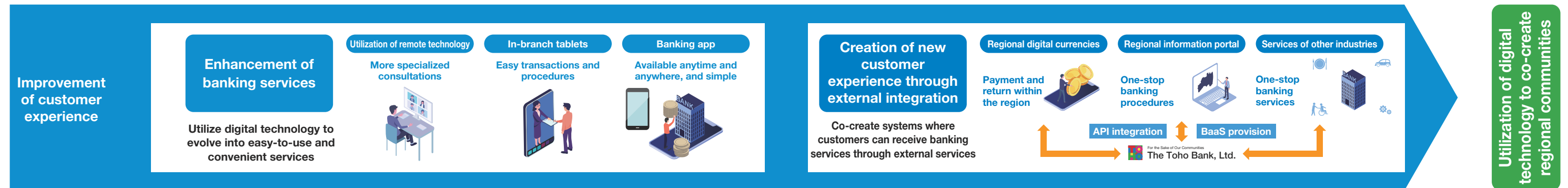


Digital Transformation (DX)

Under the long-term management plan TX PLAN 2030 that started from the fiscal year ended March 31, 2025, we seek to enhance banking services by continuing various measures, mainly the banking strategy we have been working on since the previous medium-term management plan Toho "Kagayaki" Plan. In addition, we have been considering and discussing the

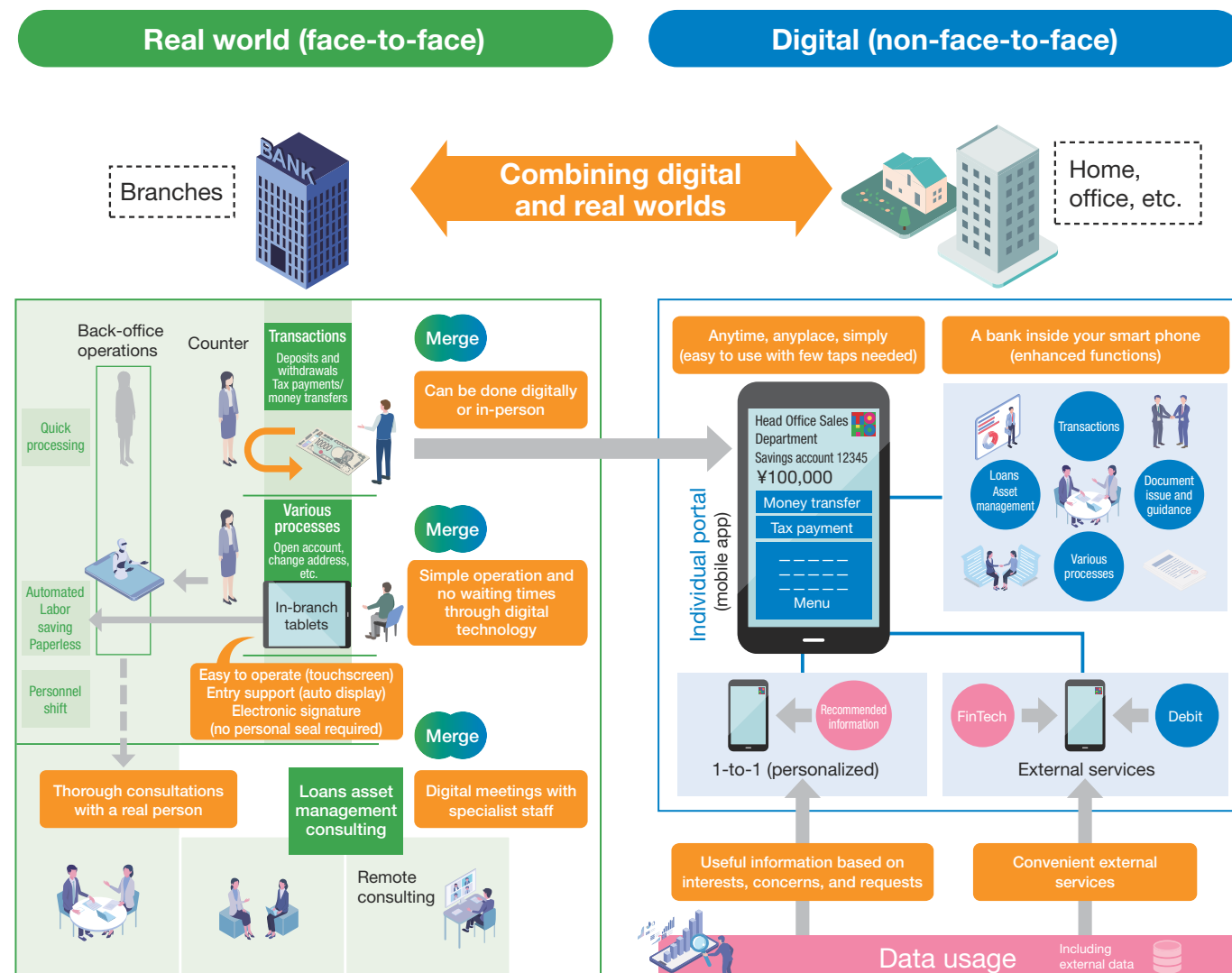
creation of new customer experience through external integration.

By taking the above measures, we intend to improve customer experience, as well as utilize digital technology to co-create regional communities.



Enhancement of banking services

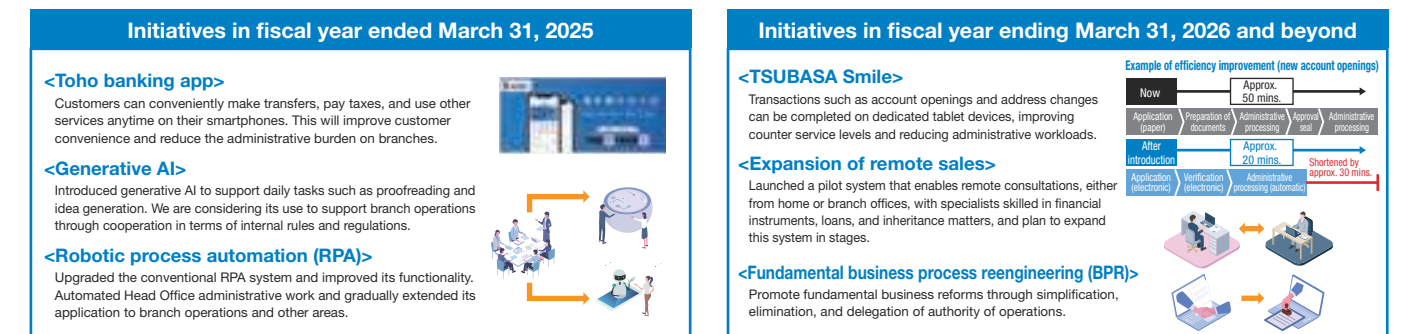
At branches, which are the real-world banking channels, and on the banking app, etc., which are the digital channels, we will offer services that utilize digital technology to achieve ease of operation, convenience, and specialization, thereby improving customer experience.



Specific measures

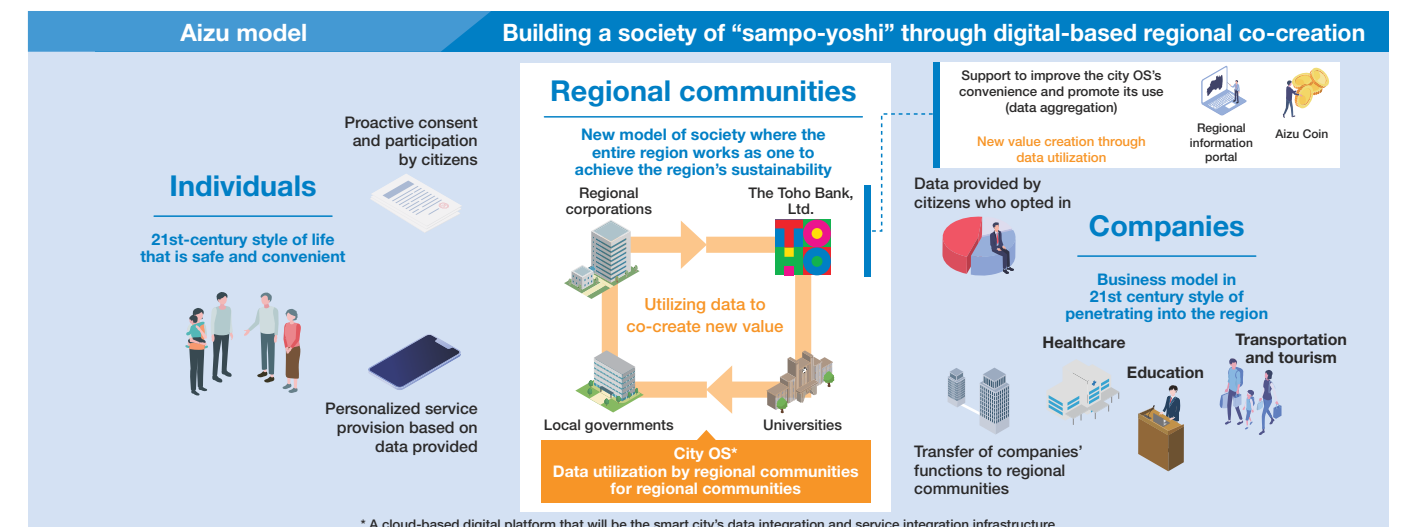
As for "service DX" for customers, we are working on in-branch tablets, individual portal app, and other measures with the aim of enhancing banking services.

When it comes to "in-bank DX" for the Bank, we are working on the utilization of digital technology, such as RPA and generative AI, to optimize business operations and develop human resources.



Creation of new customer experience through external integration

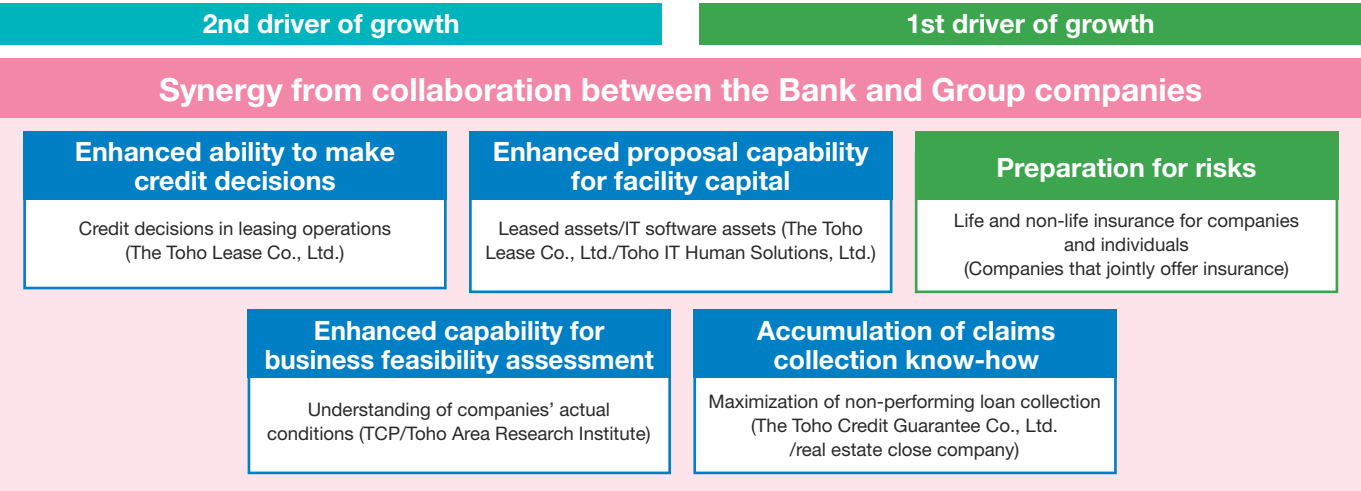
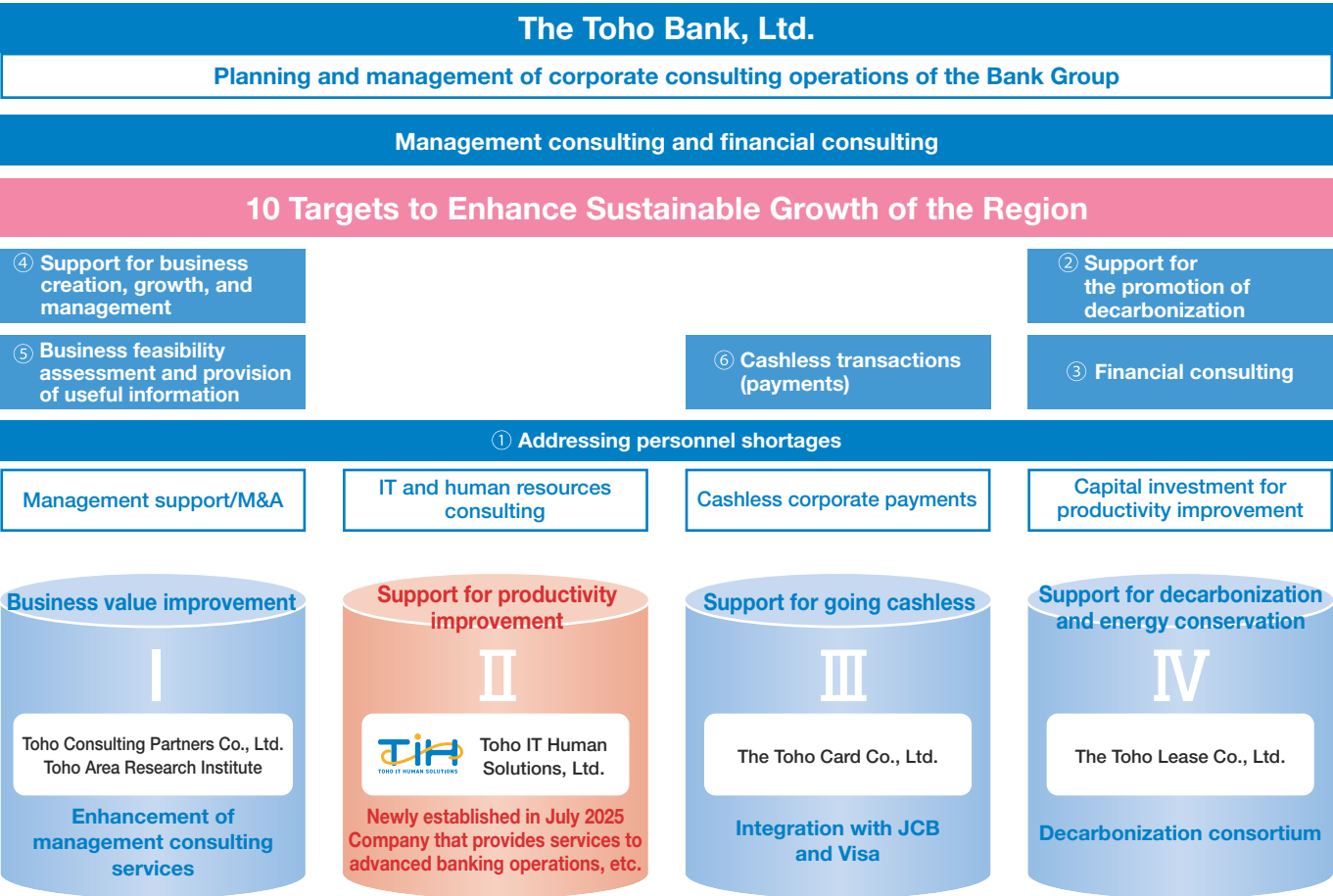
We seek to improve the convenience of users by co-creating systems where they can use one-stop banking functions and services through channels outside banking. Simultaneously, we intend to contribute to resolving regional issues and revitalizing regional communities by utilizing data and taking other measures to create new value. We aim to contribute to the creation of an attractive community by participating in the Aizu model, a smart city vision promoted by Aizuwakamatsu City, Fukushima Prefecture, which aims to resolve social issues through digital technologies.



Group strategy

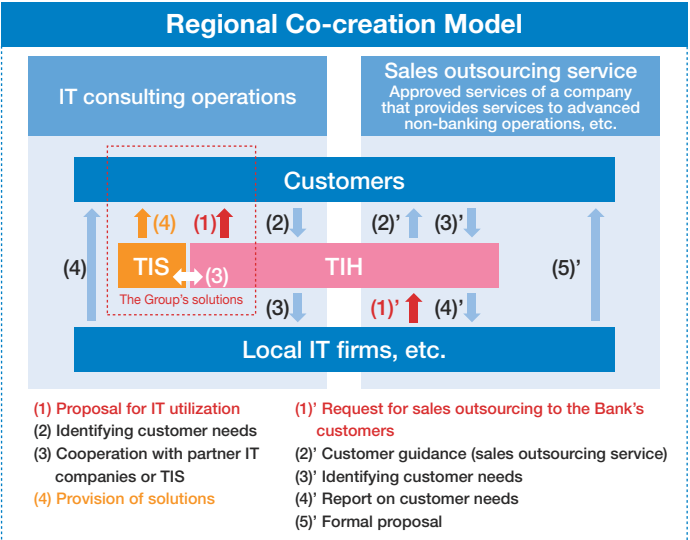
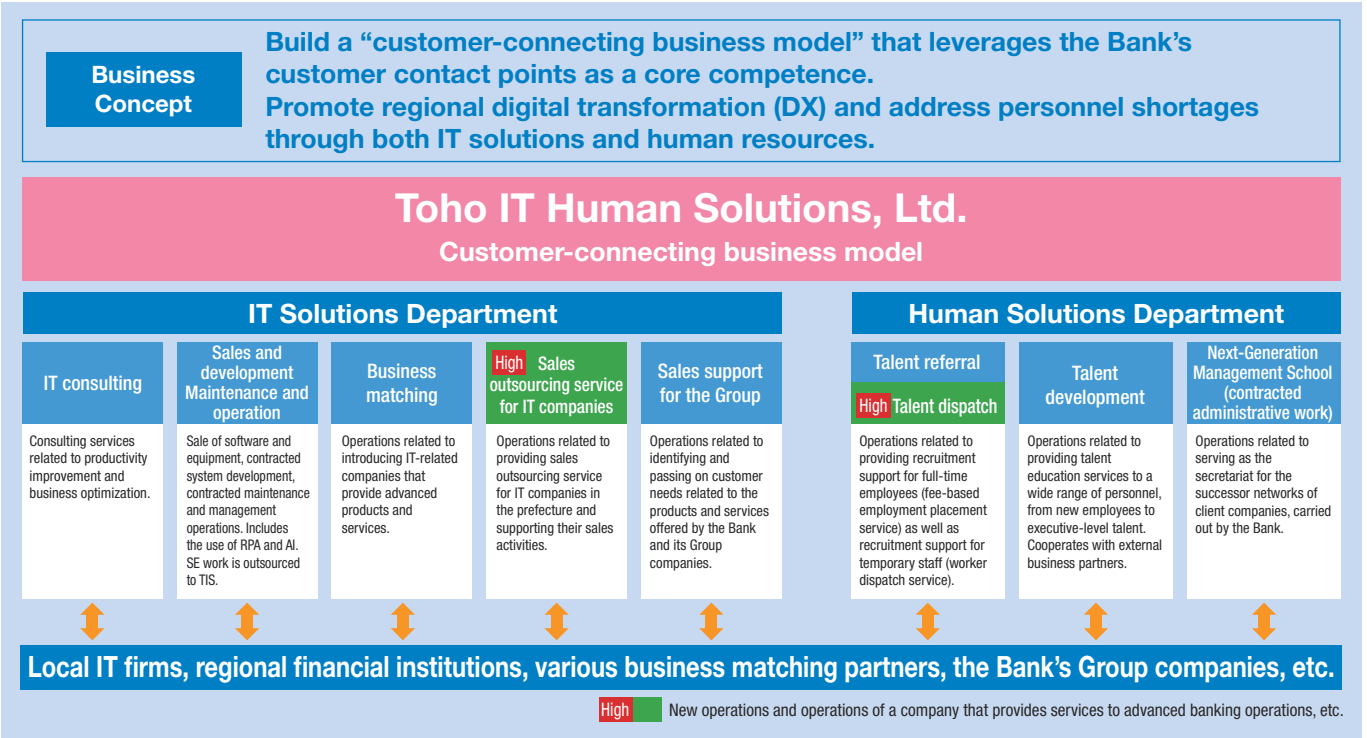
The Toho Bank Group has a Group-wide comprehensive consulting system in place, where the Bank plans and manages consulting operations of the entire Group and Group companies provide a variety of specialized consulting services. The TX PLAN 2030 has one goal, namely “Improving the value of every customer’s business” and “Creating abundant lives for each individual customer.” Toward this goal, Group companies will work on the 10 Targets to achieve sustainable growth of the regional economy, alongside which they will offer customers specialized consulting services that lead to business value improvement, support for productivity improvement, support for going cashless, and support for decarbonization and energy conservation.

The Toho Bank Group aims to improve its corporate value by letting Group companies collaborate and demonstrate synergy with the Bank as the first and second drivers of growth in the Toho Bank Group's growth strategy.



Establishment of Toho IT Human Solutions, Ltd.

On May 9, 2025, the Bank decided to establish Toho IT Human Solutions, Ltd. (TIH), a wholly-owned subsidiary of the Bank. TIH will be established on July 1 and begin operation on October 1. The Group's IT consulting sales will be consolidated at TIH, and from April 2026, the talent referral service conducted at the Bank will be handled by TIH. From the perspective of enhancing regional sustainability, TIH will begin operation as a company that uses IT and human power to connect the future of the region, after obtaining approval as a company that provides services to advanced non-banking operations, etc. The company has two core businesses: IT-related services that leverage IT to promote complete regional digitalization and support improved customer productivity, and personnel-related services that address the labor shortage, the region's most pressing issue. Furthermore, in addition to IT and human resource solutions, we will work extensively with our Group companies and business-matching partners to build a “customer-connecting business model” that leverages our customer contact points as a core competence. Through this, we aim to provide solutions that address a wide range of needs and help enhance the business value of each and every client.



Business description

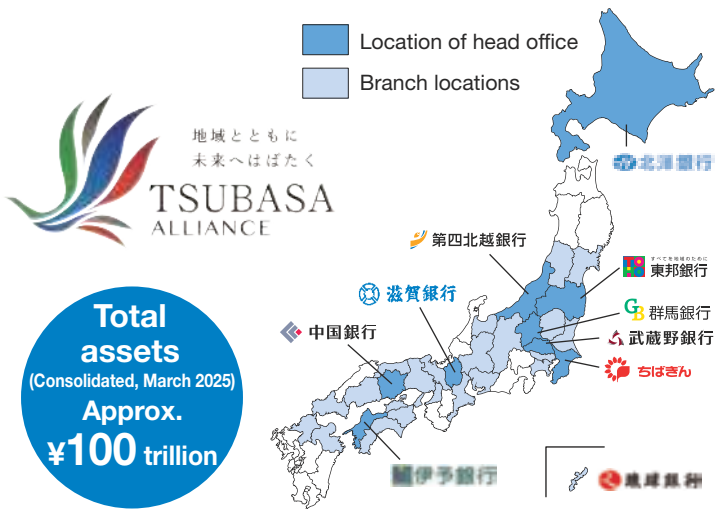
In the IT-related business, in addition to consulting related to the use and introduction of IT, TIH will work on operations including contracted system development and sale of hardware and software. Also, by newly launching a sales outsourcing service (approved services of a company that provides services to advanced non-banking operations, etc.), the company will also focus on the issue of sales personnel shortages at local IT firms, and build a “regional co-creation model of IT-related businesses” through the sales outsourcing service to promote digital transformation (DX) across the region as a whole. Specifically, TIH will work to improve convenience for local residents through the digitalization of municipal services, while also supporting municipalities and SMEs in enhancing operational efficiency and productivity.

Alliance strategies

TSUBASA Alliance

This is a broad partnership of 10 participating regional banks (The Toho Bank, The Chiba Bank, Daishi Hokuetsu Bank, The Chugoku Bank, The Iyo Bank, North Pacific Bank, The Musashino Bank, Shiga Bank, Bank of The Ryukyus, and The Gunma Bank) launched in October 2015 to enhance sustainable regional growth and financial systems, to plan and promote joint measures to contribute to the increased corporate value of participating bank groups, and to plan and discuss measures that contribute to strengthening the top line and reducing costs for participating banks.

The Bank joined in March 2016 and is expanding the scope of collaboration across various areas, while maximizing the benefits of the broad partnership and the advantages of scale.



Major collaborative measures

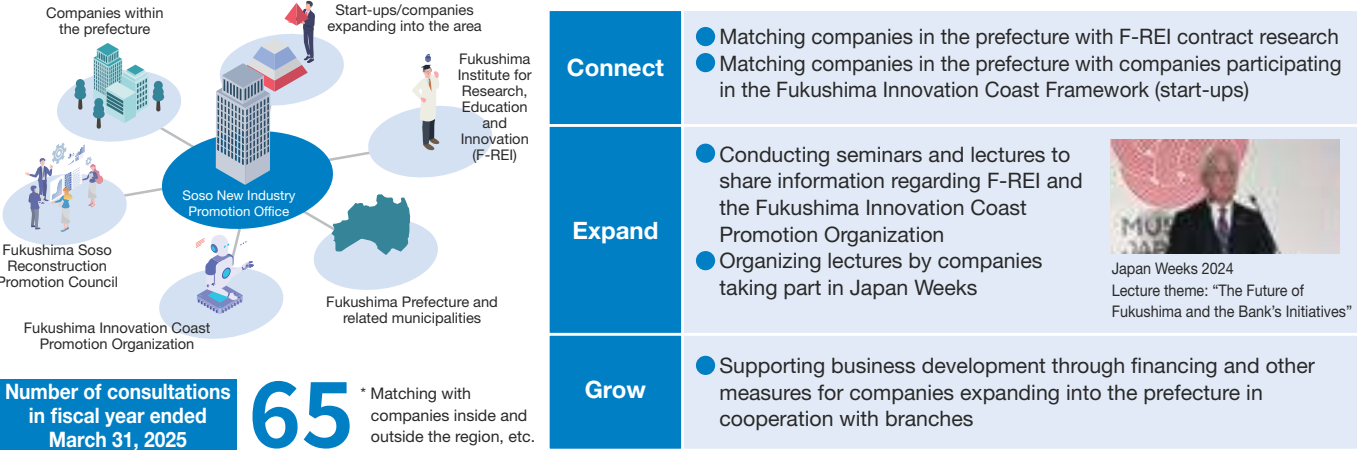
Consolidation of systems and administration	● TSUBASA Core Banking System^{*1} collaboration Core banking system which is jointly developed, operated, and maintained; transition completed in January 2024 ● Ways to share common tasks, such as subsystems and ATM monitoring, among banks currently under consideration
Enhancement of financial services	● Syndicated loan arrangements, succession-related business partnerships, asset management business partnerships, business partnerships related to public money storage services for local governments, M&A information collaboration, mutual customer introduction, and collaboration in other areas
Realizing a sustainable society	● “Joint purchase of non-fossil certificates^{*2}” (March 2025) By jointly purchasing non-fossil certificates and utilizing them to reduce CO₂ emissions from electricity usage (offsetting), the Bank contributes to local production for local consumption of environmental value, the revitalization of the renewable energy price trading market, and promoting the spread of non-fossil certificates.

^{*1} The TSUBASA Core Banking System : A system built by The Chiba Bank, Ltd., Daishi Hokuetsu Bank, Ltd., The Chugoku Bank, Ltd., and IBM Japan, Ltd., to be jointly developed, operated, and maintained.

^{*2} Non-fossil certificate : A security that represents the environmental value of electricity generated from renewable energy sources such as solar and wind power.

Established Soso New Industry Promotion Office, a new alliance for regional revitalization

As a local financial institution, Toho Bank has established the Soso New Industry Promotion Office in support of the creation of new industries in the Soso region, as well as to promote increased interaction and permanent residency. The office will focus its work around the three pillars of “connect,” “expand,” and “grow” and draw on our strengths as a regional financial institution to play an active role in helping connect businesses in Soso area with those in all other parts of the prefecture, as well as supporting business foundation start-ups, and companies looking to expand into the area.



Alliance with Nomura TOHO X NOMURA alliance

Interview Providing the highest level of financial services to each and every customer

Difference in corporate culture

Kitajima: I have been seconded from Nomura Securities to the Bank, where I am co-head of the Asset Consulting Department. Under the slogan “Providing the highest level of financial services to each and every customer,” I am committed to establishing a system through which we can provide optimal, high-value-added services to all customers.

One key to a successful alliance is “co-creation by people from different corporate cultures.” Though it is still in its early stages, our aim through the alliance is to establish a culture of mutual respect and harmony, with employees complementing each other’s shortcomings, always being considerate of one another, and mutual praising of successes.



Saito: I have been with the bank for 10 years, and prior to being assigned to the Fukushima Consulting Plaza, I was at a branch office, engaged mainly in asset management. Frankly, before the alliance was launched, I felt rather anxious. The people seconded from Nomura Securities were so positive, though, that my anxiety turned quickly to anticipation. At Nomura Securities, when customers enter into a contract with us, the culture is such that we share the joy with everyone, and it pleases me that others are as happy as if it were their own achievement. I feel that this is a very positive culture.

Takagi: I have also been seconded from Nomura Securities to the Bank under this alliance. One difference I noticed in corporate culture was that banking procedures here are very detailed and meticulous. I felt that this resulted in high administrative abilities and precision, which in turn led to the Bank having gained its customers’ trust. Meanwhile, many bank operations are still paper-based, so I believe there is room for improvement in terms of efficiency.

The strengths and synergies of each

Kitajima: We believe that the partnership between Toho Bank, with its overwhelming network and sales base in Fukushima Prefecture, and Nomura Securities, with expertise in the asset management business and a diverse product and service lineup, is very complementary and will enable us to achieve high-level synergy. The employees of Toho Bank, who have close relationships with its customers, will be able to meet their needs even better than previously by understanding not only their deposits at the Bank but their overall assets—including other financial assets and real estate—and supporting them in bringing their long-term goals to fruition.

Saito: At Fukushima Consulting Plaza, they hold daily study sessions led by seconded employees and practical role-playing exercises. Moreover, they actively conduct two-way on-the-job training (OJT) between regular employees and seconded employees, where they share knowledge and expertise. The members around me are also experiencing tremendous

growth, and I myself was surprised that I could grow this much in just a few months. Those who participate in OJT are both colleagues and seniors, and they can also be considered good rivals in a positive sense, as they can help each other improve.

Takagi: As a member of Toho Bank, when I talk with customers, I feel that they feel even more comfortable with me than before. I believe that this constitutes clear evidence of the trust we have forged in the community over the years. The strength of Nomura Securities is speed. We are confident, for instance, in our ability to quickly contact customers when the stock market fluctuates significantly and to offer proposals when new trends and themes become hot topics. Add to that Toho Bank’s meticulous, precise administrative work, and you have a truly formidable combination.



Future initiative policy

Kitajima: While financial assets are abundant in Fukushima Prefecture, I feel that there is still room for improvement with regard to raising awareness among customers about how important asset formation and management are. Given this, Fukushima Prefecture has tremendous potential from an asset management business perspective, and we believe that, through this alliance, we will be able to fully capitalize on the advanced management proposals and solutions. Through each region’s newly established consulting plazas, we will contribute to the creation of a rich future for our customers in the region by leveraging the strengths of both companies.

Saito: A consulting plaza is a hub that specializes in the assets-on-deposit business, so I feel that it has become possible to focus much more on our work. Demand for asset management is increasing due to the spread of NISA and rising interest rates. I believe that my role



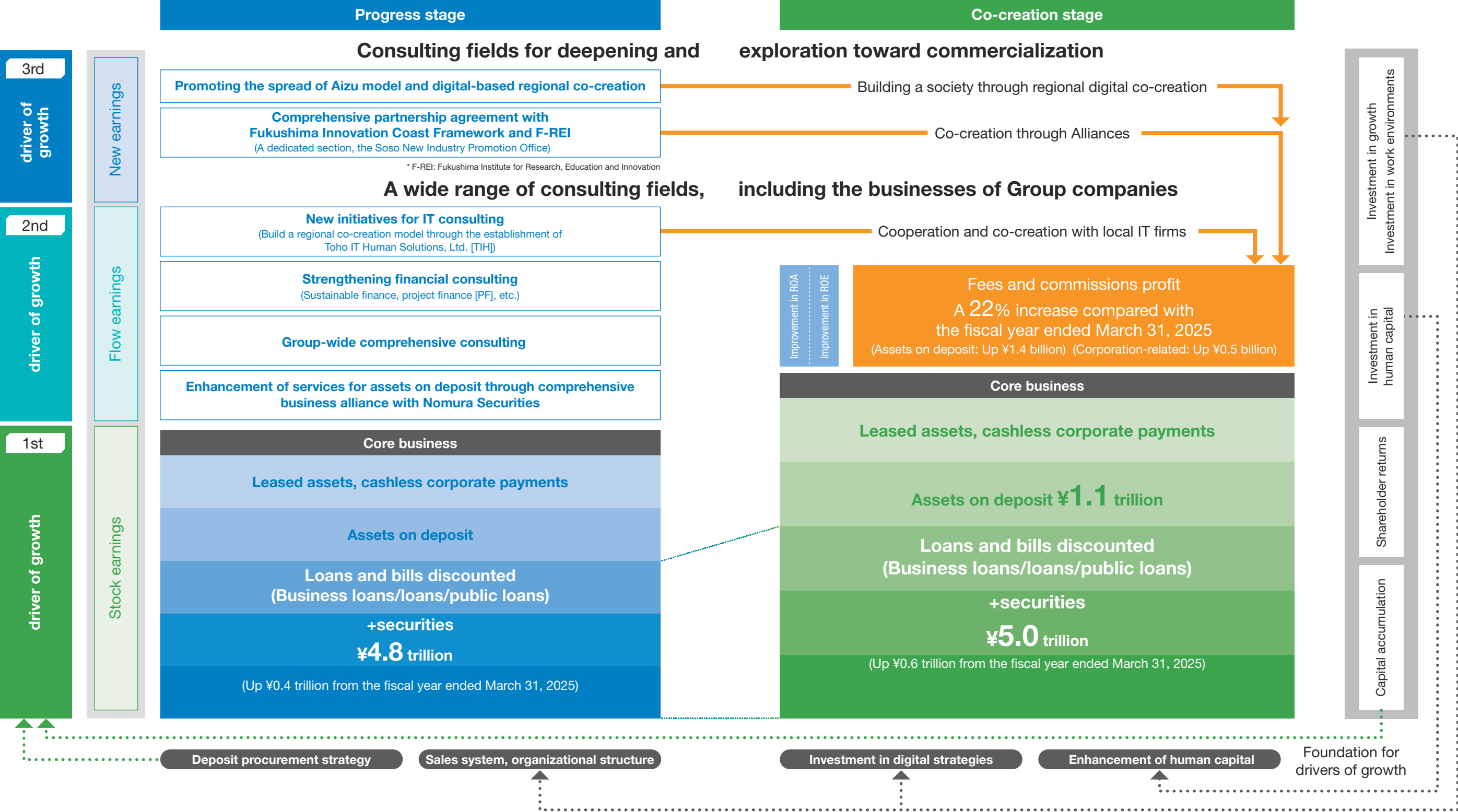
is to listen carefully to the voices of our customers and provide them with appropriate and comprehensive information to make sure they are satisfied.

Takagi: Currently, inflation is a serious issue faced by both individual and corporate customers. Amidst these conditions, I hope our customers share with us their vision for the future, and I will thoroughly ascertain their needs, and then make proposals tailored appropriately. I believe that, in this way, we can contribute to the prosperity of the region we serve and Fukushima Prefecture as a whole.

The Whole Picture of Growth Strategy

The whole picture of the Toho Bank Group's growth strategy is made up of the following: the first driver of growth, which is the expansion of stock earnings by accumulating the amounts of business loans, loans, public loans, securities, assets on deposit, leased assets, and cashless corporate payments; the second driver of growth, which is the expansion of earnings from Group-wide comprehensive consulting and fees and commissions; and the third driver of growth, which include "promoting the spread of Aizu model that utilizes digital currency and regional digital co-creation," "industry creation and development in cooperation with the Fukushima Innovation Coast Promotion Organization and the Fukushima Institute for Research, Education

and Innovation (F-REI), and other new businesses. The Toho Bank Group will realize a virtuous profit cycle to enhance the corporate value of the Group by improving profitability through these three drivers of growth, investing in growth, investing in human capital, accumulating equity capital, and returning profits to shareholders. The Group will also work to improve productivity under the new sales system and organizational structure and by investing in digitization, further strengthen human capital, and foster a diverse organizational culture by securing and developing core human resources to lay a solid foundation for drivers of growth.



Message from the CFO

TX PLAN 2030

CFO MESSAGE
Shinji Takano

Fiscal year ended March 31, 2025
to significantly exceed initial
estimates—business loan balance
reaches new high

Managing Director Shinji Takano



The fiscal year ended March 31, 2025 marks the first year of long-term management plan TX PLAN 2030, and it has gotten off to a very smooth start. Reviewing the past year, external factors including the benchmark interest rate hike also acted as tailwinds. Through the combined efforts of our Head Office and branches, Group companies, and administrative departments, we achieved consolidated net income for the fiscal year under review of ¥7.4 billion, exceeding the initial forecast of ¥4.7 billion. We achieved a ¥2.1 billion increase compared with the previous fiscal year, marking two consecutive years of increased revenue and profits. As a result, we succeeded in achieving our profit target of ¥6.0 billion for the fiscal year ending March 31, 2027 two years ahead of schedule, a significant achievement.

What is noteworthy is the excellent performance of our business lending, with the business loan balance exceeding ¥1.77 trillion (peak balance), a new record. The balance of securities also rose significantly. Moreover, yield improvements resulting from changes in the Bank of Japan's monetary policy and deposits, including current account deposits at the Bank of Japan, also contributed to earnings. As a result, net interest income increased by ¥3.7 billion compared with the previous fiscal year, expanding stable sources of revenue

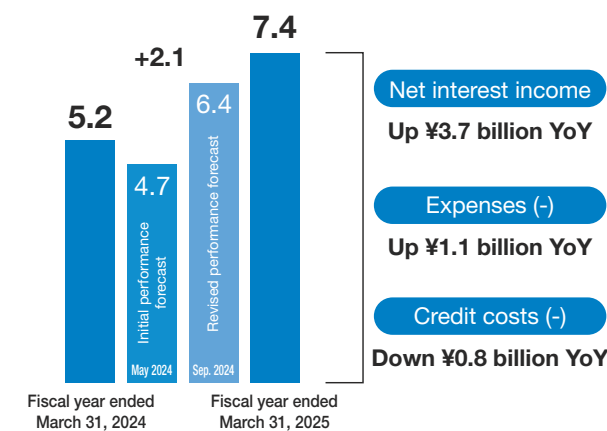
and strengthening the company's earnings base.

Looking at expenses, we have been making planned investments in growth, digital technology, and human capital, resulting in an increase of ¥1.1 billion compared with the previous fiscal year. Expenses rose due in particular to an increase in depreciation expenses related to the TSUBASA Core Banking System collaboration implemented in January 2024 and active investment in human capital. These growth investments are, however, important initiatives for the Bank's future sustainable growth. By securing profits that surpassed the investment total, we feel that we have been able to achieve a strategy of being aggressive while also being prudent.

Meanwhile, income from fees and commissions through services provided to corporations did not quite reach the anticipated level. Given this, in October last year, to strengthen our solution provision capabilities, we established a new Finance Business Section within the Corporate Consulting Department. We believe that these enhancements will serve as a foundation for future co-creation with regions.

Looking back, we believe that the fiscal year ended March 31, 2025 was a year in which we realized growth that surpassed our plans.

Consolidated profit (Billions of yen)



Stock earnings departments

	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Result		Result	Increase/decrease compared with the fiscal year ended March 31, 2024
Business loans	1,618.1		1,698.1	+79.9
Personal loans	842.7		852.4	+9.7
Public loans (excluding loans to the government)	809.9		823.4	+13.4
Securities (including privately placed bonds)	719.2		1,036.1	+316.9
Subtotal	3,990.1		4,410.2	+420.1
Assets on deposit	653.2		1,051.6	+398.4
Total	4,643.3		5,461.8	+818.5

* Business loans, personal loans, public loans, securities: Average balance / assets on deposit: Balance at the end of the fiscal year
* Includes Alliance with Nomura and Toho Securities balances based on assets on deposit for the fiscal year ended March 31, 2025.

	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Result		Result	Increase/decrease compared with the fiscal year ended March 31, 2024
Lease contract amount (ESG/SDGs leases)	998		1,828	+830
Corporate cashless payment amount	9,200		9,708	+508

Revision of numerical assumptions for TX PLAN 2030—Forecasting further growth

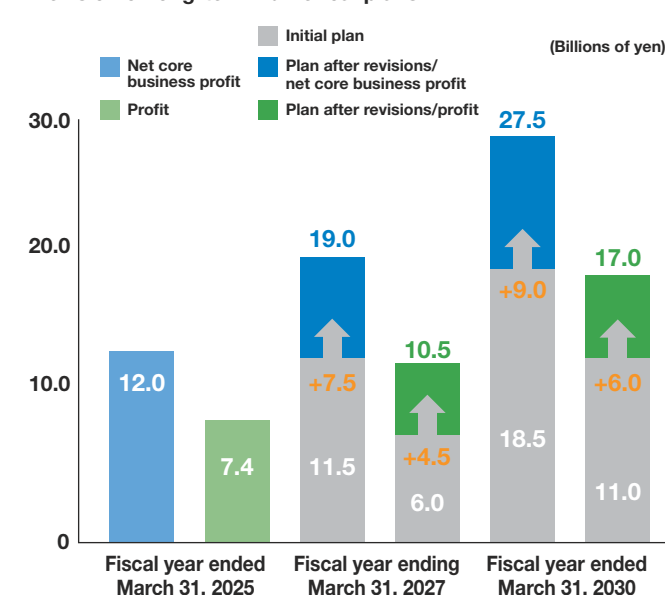
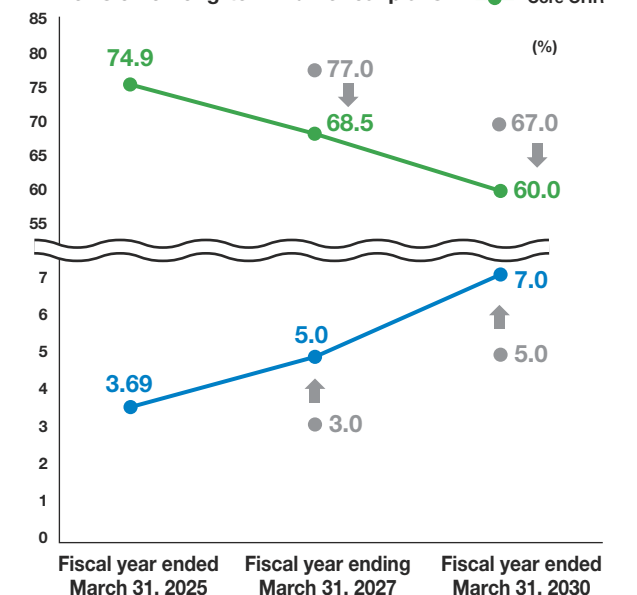
Long-term management plan TX PLAN 2030, launched in April 2024, is a long-term management vision that sets milestones every three years, continuing from the previous medium-term management plan Toho “Kagayaki” Plan (from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024). The plan is structured into three stages: “TRANS(X)FORMATION” or reform (fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024), “E(X)PANSION” or progress (fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027), and “CROSS(X)” or co-creation (fiscal year ending March 31, 2028 to the fiscal year ending March 31, 2030). The fiscal year ended March 31, 2025 was the first year of the second stage, “E(X)PANSION.”

As mentioned earlier, the recently ended fiscal year was very

strong, and we achieved results that exceeded the plan for the fiscal year ending March 31, 2027. As a result, we revised the numerical assumptions of TX PLAN 2030 in May 2025.

Plans were initially formulated based on the assumption that negative interest rates would continue for six years, but they were lifted, and the benchmark interest rate has been raised to 0.5% after the changes in the rate in July 2024 and January 2025. We have updated our plans in line with current interest rates and expected further increases.

As a result, the profit target for the fiscal year ending March 31, 2030 has been revised upward by ¥6.0 billion, from the previous ¥11.0 billion to ¥17.0 billion. We have also established a target of 7% for consolidated return on equity (ROE), up from the current level of approximately 3.7%.

Net core business profit and profit
Revision of long-term numerical plansROE and core OHR
Revision of long-term numerical plans

Message from the CFO

TX PLAN 2030

This revision reflects the Group's commitment to further improving profitability through in-house efforts while considering the impact of external factors. Right now, we are really focused on optimizing the allocation of funds to growth areas like investment in human capital and digital technology, improving profitability, managing costs, heightening operational efficiency, and offering community-based financial support.

The Bank is currently undergoing a major transformation, breaking away from its traditional revenue structure and establishing a new revenue base. In TX PLAN 2030, growth drivers are classified into three categories: "stock earnings," "flow earnings," and "creation of new areas," and we are implementing strategic initiatives in each area.

Regarding stock earnings, the first growth driver, we are steadily building up our business through traditional business loans, securities, and assets on deposit.

The second growth driver is the strengthening of flow earnings. We are strengthening the capabilities of the Corporate Consulting Department to provide proposals tailored to client companies' management issues. We are working, for instance, to increase income from fees and commissions by providing services that transcend mere financing, including financial improvement support, capital policy proposals, recruitment support, DX promotion, and business succession measures.

The Finance Business Section, established in October 2024, is also part of this initiative, and we are promoting new financial initiatives. We are expanding our flow-based earnings sources by diversifying our financial solutions in this way.

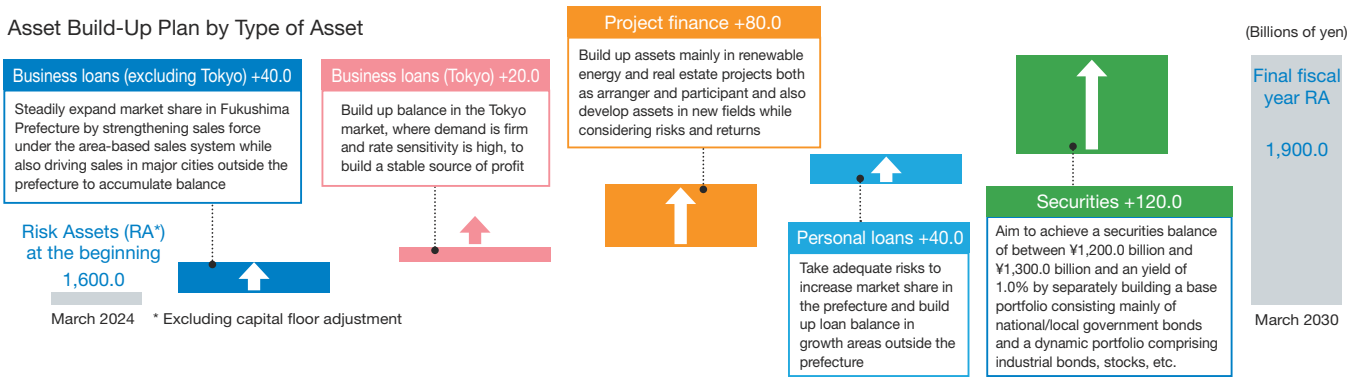
As the third growth driver, we are also focused on creating value in new areas. We are taking part in the Aizu model mutual assistance-based smart city initiative and promoting collaboration with the Fukushima Institute for Research, Education and Innovation (F-REI) and the Fukushima Innovation Coast Promotion Organization to work with the region in creating new industries. Rather than being merely a business expansion, it is an initiative oriented toward creating a new ecosystem to support the Tohoku region's future.

Through these three growth drivers, we are executing a portfolio strategy that evolves our existing strengths while nurturing new ones. By the fiscal year ending March 31, 2030, we will build a multi-layered, sustainable revenue structure in which there are well-balanced contributions from stock, flow, and new areas.

Furthermore, we are promoting the value provision of comprehensive solutions by collaborating with Group companies. We maximize synergies within the Group in areas such as business succession, leasing, and cashless payments, and offer complex solutions perfectly suited to customer needs. Support for capital investment and business succession in small- and medium-sized enterprises in particular is closely linked to leasing and M&A.

Established in August 2022, Toho Consulting Partners, which is responsible for business succession and M&A, achieved profitability rapidly after its launch and is contributing to the continued revitalization of the regional economy. And, in 2025, we established Toho IT Human Solutions, which will integrate IT and human resources support to assist regional companies in improving productivity and formulating sustainable human resources strategies.

These multi-layered growth drivers are not solely aimed at diversifying earnings. We believe that our core financial value is the total value created by solving regional issues.

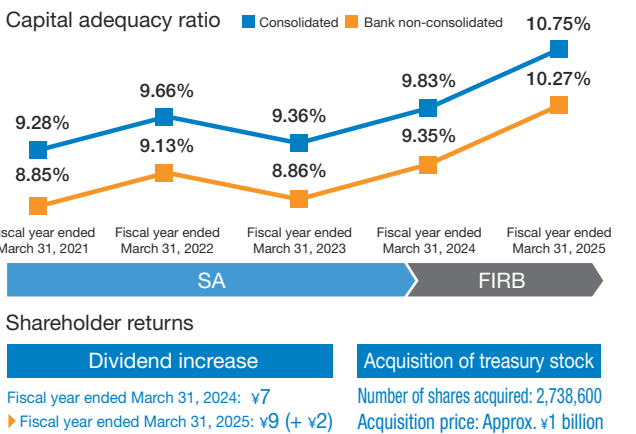


Concerning the control of risk assets, we will establish a structure within which we can efficiently utilize assets while maintaining a stable capital adequacy ratio. Last year, we switched to calculating our capital adequacy ratio based on a Foundation Internal Ratings Based Approach (FIRB), and currently maintain a ratio of 10.2%. We will continue maintaining a balance between risk-taking and profit growth without compromising our financial soundness.

We are also considering reviewing our dividend policy and diversifying our capital allocation—including share buybacks—to boost shareholder returns. The Bank aims for a payout ratio of 30% and plans to raise dividends gradually in line with business performance.

Enhancing the quality and quantity of investor engagement and information disclosure are vital in improving PBR. We will enhance market trust and our reputation by conducting management conscious of capital costs as well as highly transparent IR activities, and establishing a clear stance on shareholder returns.

Naturally, as a regional financial institution, our most important task is to secure a stable financial base and provide



long-term regional community support. Therefore, shareholder returns must be sustainable rather than temporary.

From this perspective, as CFO, I am keenly aware of the importance of accurate, timely information disclosure and dialogue with the market and investors. I believe that the foundation for building relationships of trust with the capital markets is created by ensuring transparency in management decision-making and fostering a common understanding.

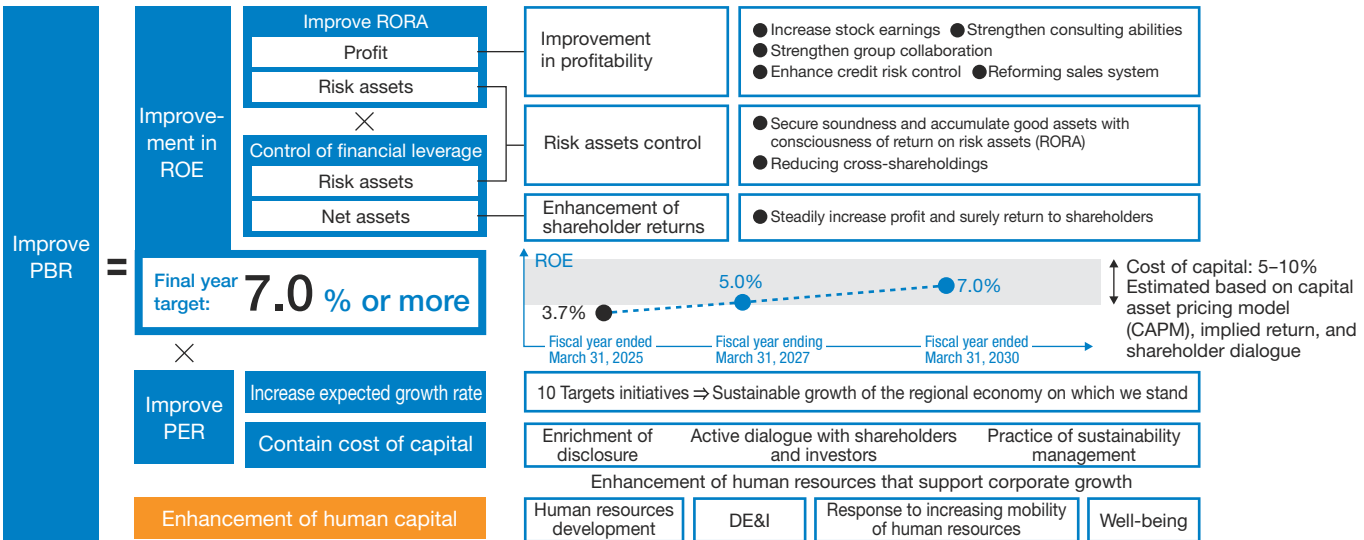
Steadily implement three financial measures to improve ROE and PBR

We have established clear financial targets from the perspective of enhancing corporate value. We place particular emphasis on improving return on equity (ROE) and price book-value ratio (PBR).

While our ROE is currently around 3.6%, we aim to raise it to 7% by the fiscal year ending March 31, 2030. We believe that it is important to steadily implement three measures to realize this: improve profitability, control risk assets, and enhance shareholder returns.

To improve profitability, it is essential to boost stock earnings, the first growth driver I mentioned earlier. Given the current environment of rising interest rates, we will continue improving our portfolio while closely monitoring risk. In concrete terms, we plan to systematically accumulate risk assets including business loans, loans, and securities, with a target of about ¥300 billion by the fiscal year ending March 31, 2030.

Overview of initiatives to improve PBR



Message from the CFO

TX PLAN 2030

Strengthening consulting ability to transform into a company that contributes to the regional community

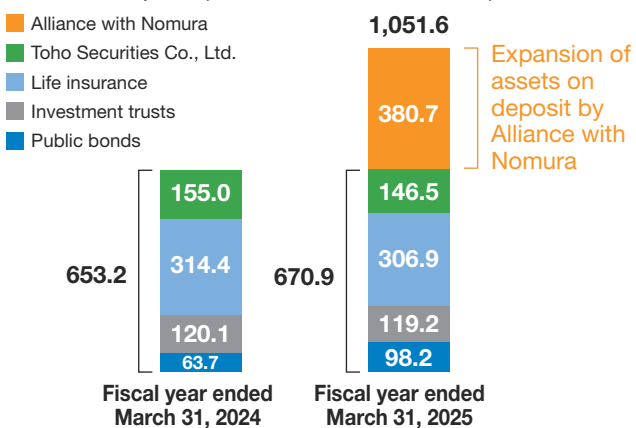
We have established the 2 Goals: “Improving the value of every customer’s business” and “Creating abundant lives for each individual customer.” With our vision of “becoming a company that contributes to the regional community,” bolstering our consulting capabilities to aid in solving the challenges faced by local companies is one of our core strategies.

Fukushima Prefecture faces a host of structural challenges, including a declining birthrate and aging population, a labor shortage, and the aftereffects of the Great East Japan Earthquake and nuclear accident. Amidst these circumstances, we believe that regional financial institutions are being asked to provide value that transcends mere funding.

Therefore, we plan to reorganize our Corporate Banking Department and augment our sales structure by area. By providing community-based full banking services, we have established a structure that allows us to offer high-quality proposals and support. Moreover, we are simultaneously promoting initiatives to efficiently allocate human capital and improve sales productivity by leveraging digital technologies through DX.

We are particularly focused on expanding assets on deposit. Through our partnership with Nomura Securities, we provide sophisticated solutions for asset formation and succession planning, enhancing our ability to make proposals in alignment with our clients’ life plans. We believe that this transcends the scope of financial services and contributes to the realization of an abundant life for residents of the region.

Assets on deposit (Alliance with Nomura total) (Billions of yen)

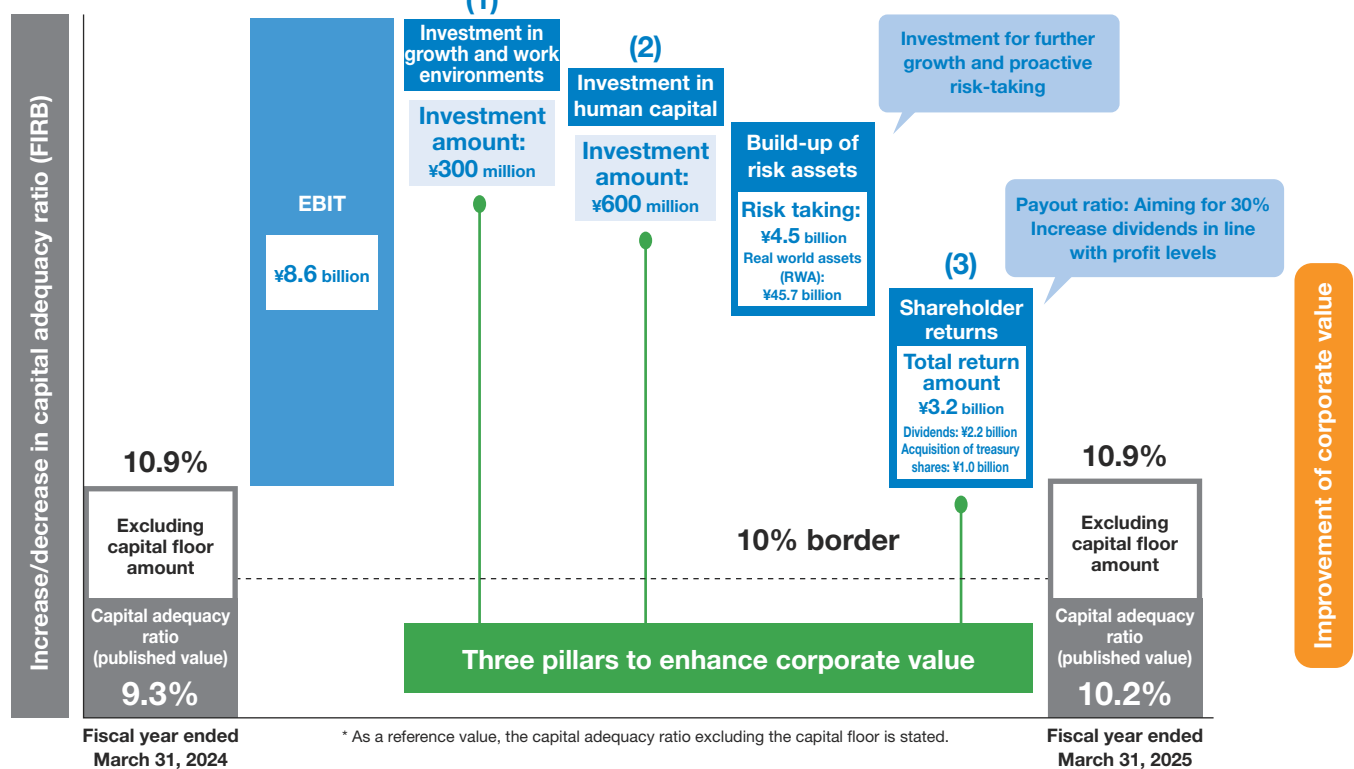


Capital allocation policy: Investment in growth and work environments, investment in human capital, and shareholder returns

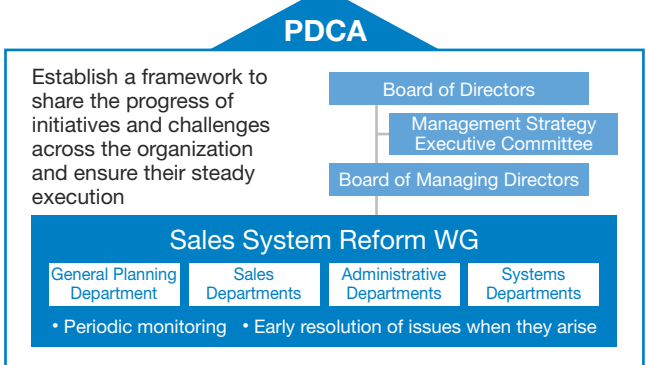
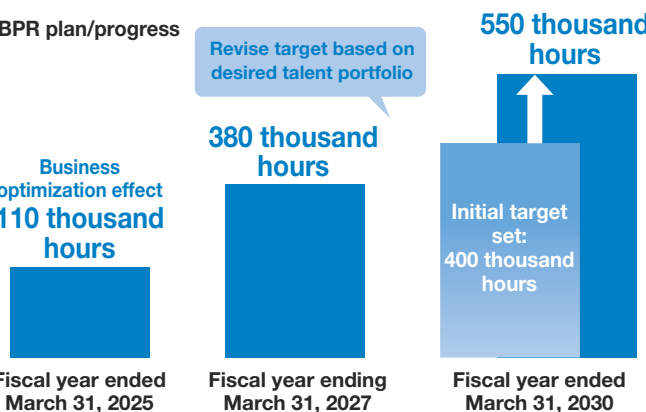
Strategic capital allocation is vital in achieving sustainable growth and maximizing corporate value. The Bank has established

three pillars to its policy for the utilization of retained earnings: “investment in growth and work environments,” “investment in human capital,” and “shareholder returns.”

Results for the fiscal year ended March 31, 2025 (1)



First, regarding investment in growth and work environments, we are forecasting a total of ¥10 billion over the six years from the fiscal year ended March 31, 2025 through the fiscal year ending March 31, 2030. Under TX PLAN 2030, we will actively invest in digital technology and promote fundamental business process reengineering (BPR) with the goal of improving operational efficiency by 550 thousand hours over the six-year period.



We expect to invest ¥3.5 billion in human capital. Raising the quality of human resources and revitalizing the organization are essential to achieving sustainable growth. The Bank has positioned investment in human capital as one of its key management themes, and we are actively promoting reform of the personnel system and support for career development. We will improve our compensation system by raising starting salaries and increasing base pay, and by offering special incentives through our stock ownership plan. We will also invest in personnel development, DE&I, and well-being to enhance employee engagement.

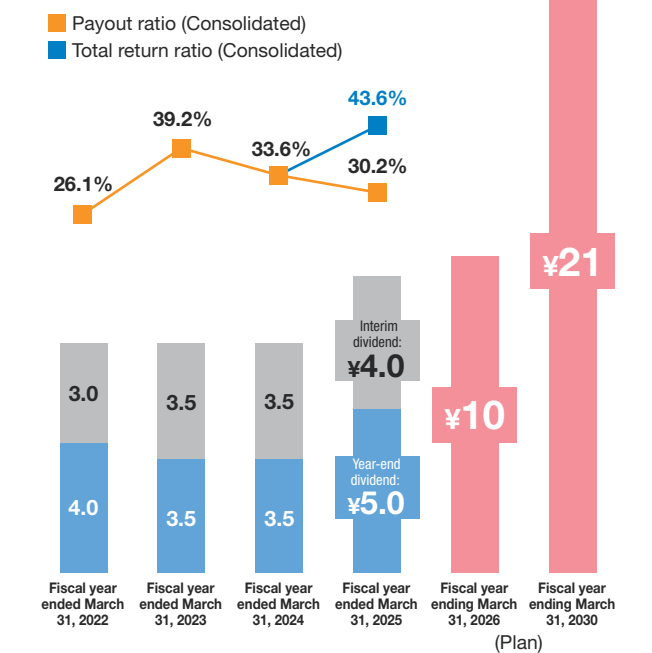
Meanwhile, concerning shareholder returns, we will maintain a policy of paying stable dividends while flexibly responding to circumstances in consideration of the balance with the capital adequacy ratio. As I mentioned earlier, the Bank is currently targeting a payout ratio of 30%. In the fiscal year ended March 31, 2025, we paid a dividend of ¥9 per share. We plan to pay a dividend of ¥10 per share in the fiscal year ending March 31, 2026. If profit reaches ¥17.0 billion in the fiscal year ending March 31, 2030, we expect to increase the



dividend to about ¥21 per share, more than double that paid in the fiscal year ended March 31, 2025.

We are also considering options—taking into account discussions with shareholders and market trends—such as the acquisition of treasury stock and the introduction of a progressive dividend policy.

Changes in dividends



Beyond simply returning profits, it is important to determine the most effective use of capital from the viewpoint of maximizing corporate value.

We strive to achieve a balance between our responsibility to the regional economy and shareholder returns. We will continue maintaining a capital adequacy ratio of about 10% while implementing strategic, flexible capital policies.

Message from the CFO

TX PLAN 2030

As a company that grows together with the region, we value our relationships with our increasingly diverse shareholder base.

Over the past several years, there have been significant changes in shareholder composition. We have approximately 25,000 shareholders, of which around 4,000 are newly added retail shareholders. The increase in retail shareholders outside the prefecture, mainly in Kanto area, is a particularly notable trend. I believe that this resulted from our efforts to enhance information disclosure and upgrade investor relations activities. To ensure that these developments are not just temporary, but lead to ongoing engagement, we must continue sincere, strategic dialogue.

In addition to strengthening relationships with retail shareholders, we also value our bonds with corporate shareholders in the region. Toho Bank is closely linked to the regional economy, and we at the Bank are convinced that maintaining a shareholder structure that contributes to the medium- to long-term development of regional companies will result in sustainable value creation as a regional financial institution.

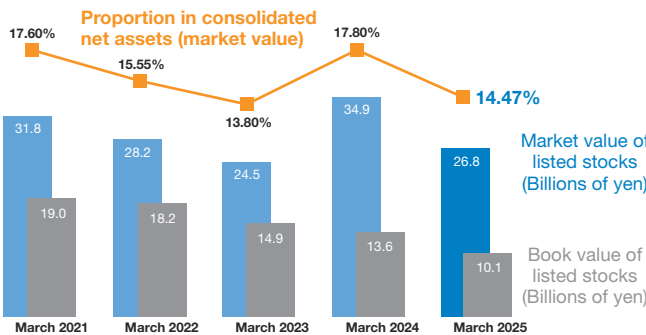
In this way, as our shareholder base becomes increasingly diverse, we continue to ask ourselves, “What is a sound capital structure?” and “What kind of shareholders do we need to support us?” This is not simply the pursuit of financial rationality; rather, it is a posture unique to Toho Bank as a company that grows together with the region and practices management that fosters social empathy.

Ensuring soundness as a financial institution while boosting capital efficiency is an essential issue in enhancing management sustainability. We consider the review of cross-shareholdings to be a particularly important issue in terms of both capital optimization and acquiring the trust of the market.

The Bank's cross-shareholding ratio currently stands at about 14.4% of consolidated net assets, and we aim to reduce this to 10% by 2030. It is our view that reducing cross-shareholdings should not be a mere adjustment of numbers; rather, it should be a strategic decision after

having considered issues such as which companies to support and how to support the region. We will continue improving capital efficiency while maintaining a balance between soundness and public interest.

Changes in cross-shareholdings



Basic policy on reduction of cross-shareholdings

- STEP 1** Establishment of stable, long-term business relationships with partners as a regional financial institution
Holding shares when deemed beneficial to the medium- to long-term enhancement of the Bank's corporate value, such as through the development and strengthening of cooperative relationships for business strategy
- STEP 2** Examine the significance and economic rationality of holding at the Board of Directors' meeting
- STEP 3** If a holding is deemed unworthy, we reduce such holding after through discussion with the investee company.

Our goal under TX PLAN 2030

Proportion of cross-held shares in the consolidated net assets (market value) down to below 10%

Gain on sale of securities	Focus on areas such as investments in human capital and digital technology that will serve as a foundation for future growth
Risk asset allocation	Based on a return on risk asset (RORA) analysis, accumulate risk assets primarily in profitable areas



Sustainability management and Toho Bank's social mission

Regional financial institutions are facing even greater responsibilities from an environmental, social, and governance (ESG) perspective.

Our mission is to promote the “Sustainability Declaration,” which comprises five pillars: 1) Revitalization of regional economy/society, 2) Response to declining birthrate and aging population, 3) Promotion of digital transformation (DX), 4) Vigor of diverse human resources, and 5) Decarbonization and nature positive.

The Bank is implementing a variety of initiatives with the goal of reducing CO₂ emissions by 60% compared with the level in the fiscal year ended March 31, 2014 by the fiscal year ending March 31, 2031 and achieving carbon neutrality by the fiscal year ending March 31, 2041.

In the fiscal year ended March 31, 2025, we invested a total of approximately ¥1.0 billion in growth and work environments, and human capital. This enabled us to enhance the quality of our support for social issues such as aiding local companies in pursuing DX, enhancing productivity, and securing personnel through digitalization and human resource enhancement.

Meanwhile, ensuring soundness and controlling risk are also vital in promoting these initiatives. We will maintain a capital adequacy ratio of about 10% while building a well-balanced portfolio of regional risk assets to ensure a stable supply of finance. We believe that this posture is the foundation of a bank that is trusted by the people in the region.

As CFO, I am always conscious of the importance of timely and appropriate disclosure of information and honest dialogue

Results of dialogue with investors

Period	Item		Details	Presenter
May 2024	Large meeting held (institutional investors)	Held in Tokyo 31 participants	Summary of financial results for fiscal year ended March 31, 2024 / Long-term management plan TX PLAN 2030	President
	Interview with major shareholders	Seven participants		Senior Managing Director
Jul. 2024	Integrated report published	—	Message from an Outside Director	Outside Directors
Sep. 2024	Institutional investor meeting	Five participants	Summary of financial results for fiscal year ended March 31, 2024 / Long-term management plan TX PLAN 2030	Senior Managing Director, General Planning Department
Oct. 2024	Participated in Japan Weeks	Held in Tokyo		
Nov. 2024	Held IR event for residents (shareholders and customers residing in Fukushima Prefecture)	Held at six locations within the prefecture 784 participants	Summary of interim results for fiscal year ended March 31, 2025 and initiatives to enhance corporate value	President
Dec. 2024	Interview with major shareholders	Six participants		Senior Managing Director
Feb. 2025	Institutional investor meeting	Seven participants		Senior Managing Director

“To remain a financial institution that supports the region's future.” That is our most important mission. To accomplish this, we will continue our earnest pursuit of the essence of finance, without fearing change or shying away from taking on new challenges. This is the foundation of my role as CFO, and my resolve will not waver.

Achieving carbon neutrality

Creating environmentally friendly branches

From the perspective of carbon neutrality, we have adopted net zero energy building (ZEB) design for the construction of new branches.

Engagement with business partners

Based on the knowledge gained from our participation in the Ministry of the Environment's Portfolio Carbon Analysis Support Project for Financial Institutions, we engaged with 300 business partners. We recognize the status of our business partners' decarbonization initiatives—“learn,” “measure,” and “reduce and communicate”—and promote decarbonization consulting activities.

Participation in Fukushima Prefecture's Fukushima Zero Carbon Declaration project

Received the Excellence Award in the Civil Affairs Category at the Fukushima Zero Carbon Award 2024

Discussion of the Sustainability Promotion Plan at management meetings

Discussed the contents and progress of the Sustainability Promotion Plan at the Sustainability Promotion Committee and off-site meetings.

with stakeholders. I believe that we have a responsibility to maintain financial soundness while also developing capital strategies that contribute to boosting corporate value and communicating these strategies in a way that is easy to digest.

I am aware that, as CFO, my primary responsibility is to establish a system that enables us to be accountable to our customers, shareholders, and institutional investors in a transparent, convincing manner.

Under TX PLAN 2030, the Toho Bank Group is steadily advancing its efforts while reaffirming its mission as a financial institution that grows with the region. We must flexibly adapt as times change and take the initiative in reform. This is the purpose of our existence.

Enhancement of Human Capital

The Toho Bank Group's
Growth Strategy

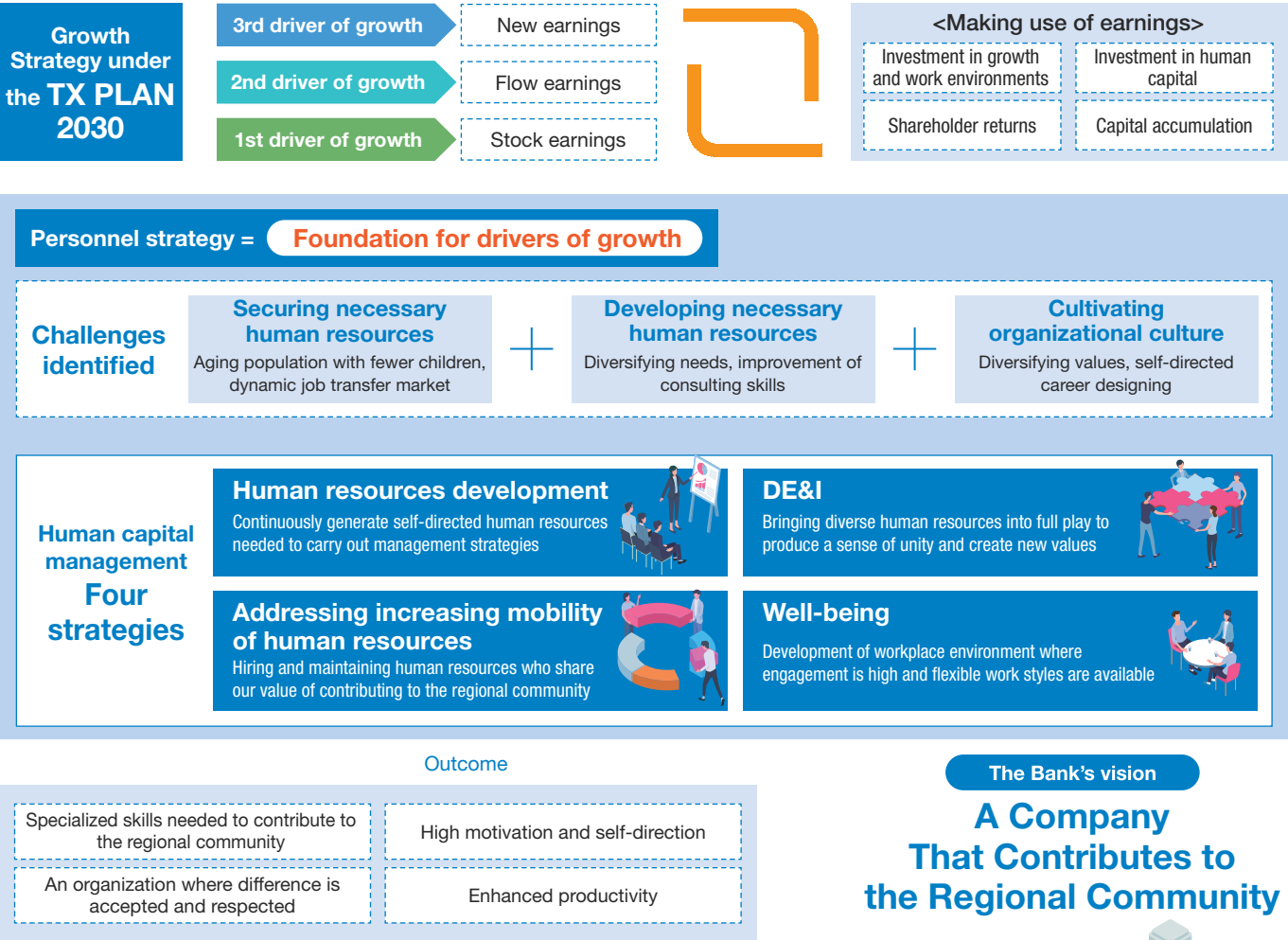
GROWTH STRATEGY

Four Strategies of Human Capital Management

“Human Resources Development,” “DE&I,” “Addressing Increasing Mobility of Human Resources,” and “Well-being”

Personnel strategy provides a foundation for drivers of growth in the TX PLAN 2030.

By implementing the four strategies, we aim to reform our corporate culture and become a company that offers more added values to the regional community and our customers.



Human resources development

Human resources development policy

We recognize that the Group's people are our most important management capital.

The long-term management plan TX PLAN 2030 that began from the fiscal year ended March 31, 2025 has two basic policies: “Co-creation of value with the region and customers,” and “The Toho Bank Group's growth strategy.” Under this plan, we aim to work together with the region and our customers to realize a sustainable regional communities, while fostering human resources who possess specialized skills, high motivation, and self-direction. By fostering an organization that embraces diversity and pursuing productivity improvements, we will continue to evolve into a company that contributes to regional communities.

Number of holders of specialist certifications (as of March 31, 2025)

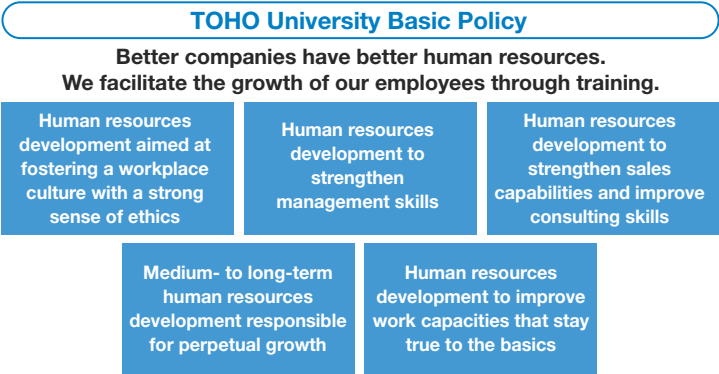
FP1 level	FP2 level	Small and medium enterprise management consultants	CFP / AFP
47	1,030	18	67



Basic approach to human resources development

To realize our Vision of becoming a company that contributes to the regional community, each one of our employees need to think for themselves and acquire highly sophisticated and specialized skills that our customers expect from them through their actions and by taking on challenges.

At TOHO University, we continuously offer human resources development initiatives that allow our employees to autonomously challenge themselves towards earning the knowledge and skills expected by the region and customers.



Development of women and younger employees

With a view to reforming our sales system, including Alliance with Nomura and area-based sales system, we have developed new training programs and seminars and launched human resource development initiatives to strengthen consulting capabilities of women and younger employees.

The women-only “Business Loan Super Basic Course,” newly established in the fiscal year ended March 31, 2025, is a training program that always gets fully booked on the very day participation is called for, demonstrating the strong eagerness to learn among our employees.

Business Loan Super Basic Course

Annual number of classes held	Cumulative total participants
5	29



TOPICS

Employee level-up course for third-year employees: Knowing Fukushima Today

Many employees join the Bank hoping to contribute to the reconstruction of Fukushima. To give them opportunity to think what they as a bank employee can do for the regional community and how they can demonstrate leadership, we take them on a field work visit to the areas affected by the Great East Japan Earthquake and the nuclear disaster.



Learning about the reality of the disaster and the recovery progress at the Great East Japan Earthquake and Nuclear Disaster Memorial Museum



Feeling the threatening power of tsunami at the remains of the earthquake Namie Town Ukedo Elementary School



Observing the cutting-edge research and development taking place at the Fukushima Robot Test Field

Four Strategies of Human Capital Management

Diversity, Equity & Inclusion (DE&I)

We aim to build an organization that supports sustainable growth, where diverse human resources can play active roles in an environment that allows them to choose their own work style.

Promotion of diverse work styles

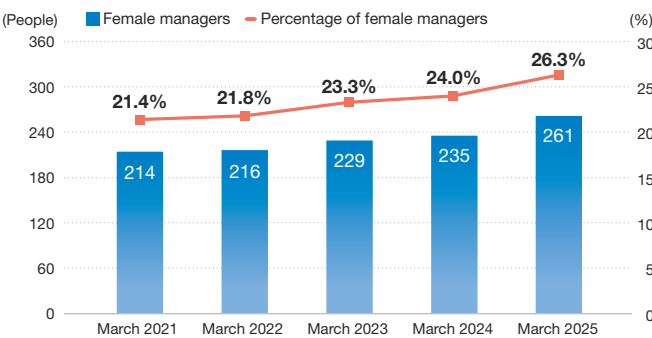
We recognize that adapting to change by securing diverse human resources is important for realizing medium- and long-term improvement of corporate value. We will increase efforts to promote DE&I in order to enable each individual employee to demonstrate their abilities to the fullest.

Promoting the active participation of women

We are promoting the active participation of women in our business by providing ongoing support in various areas, including training programs to support self-directed career formation and seminars to support those returning to work after a break, to enable our female employees to work with enthusiasm and peace of mind. The number of active women is increasing.

In the fiscal year ended March 31, 2025, we revised the requirements for promotion with regard to the period of childcare leave.

Increase in female managers



Establishment of Diversity Block Meeting

We have launched the Diversity Block Meeting, a new initiative designed to provide female employees with opportunities for interpersonal exchange to explore solutions to challenges and concerns related to career development and work-life balance.

Through roundtable discussions with female branch managers and officers who serve as role models, female employees have also been gaining greater motivation toward promotion and other career advancement.

Activities in the fiscal year ended March 31, 2025

Annual number of meetings held	23	Cumulative total participants	602
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Support seminars for returning to work

Senior female employees provide advice for employees planning to return to work about balancing work and childcare and career development.

DE&I (Allowing diverse human resources to play active roles)

Status as of March 31, 2025

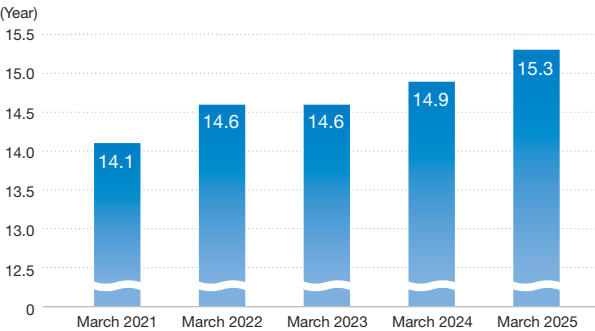
Percentage of female senior managers	5.8%
Percentage of female managers*	26.3%
The average number of consecutive years of employment at the Bank for women	15.3

* Female managers are those in positions at the assistant manager level or higher. The Bank actively supports women's career advancement to management positions, which forms the foundation for future appointments to senior management roles.

Active promotion of women

Officers	2
Branch managers	5
Assistant branch managers and section managers	7

The average number of consecutive years of employment at the Bank for women



Expanding opportunities for long-time employees and seniors

In order to allow seasoned, long-time employees to demonstrate their abilities, we have established a scheme to enable those who have passed the compulsory retirement age of 60 to fulfill roles such as general manager or branch manager and an environment for employees to continue working up to the age of 70. We are also actively working to improve the treatment of employees.

Number of employees aged 60 and over (end of March 2025)

Re-employed bank staff	Part-timers in leadership positions	Senior supporters
53	139	40

Active involvement of people with disabilities

We are actively working to promote the employment of people with disabilities and to provide employment assistance. At our special subsidiary Toho Smile, Co., Ltd., which was established in March 2012, a growing number of employees with disabilities are actively involved in leveraging their high-level skills.

Number of people with disabilities employed	Employment ratio of people with disabilities
69.5 people	2.74%

Statutory employment ratio under the Act to Facilitate the Employment of Persons with Disabilities: 2.5%

Major outside evaluations of initiatives

September 2016	Received the "Eruboshi" certification (2nd stage) (Ministry of Health, Labour and Welfare)
May 2017	Received the Platinum "Kurumin" certification (Ministry of Health, Labour and Welfare)
December 2017	Received the Prime Minister's commendations at the fiscal 2017 awards for women empowering companies (the Cabinet Office)
December 2017	Received the Excellence Award in the Family-friendly Enterprises Category of the Minister Prize in Equal Employment/Work-Life Balance (Ministry of Health, Labour and Welfare)
March 2018	Received the Executive Committee Special Award at the Most Valued Companies in Japan awards (Hito o Taisetsu ni Suru Keiei Gakkai)
November 2018	Received the Good Career Company Award 2018 Innovation Prize (Ministry of Health, Labour and Welfare)
February 2019	Received the Gleaming Initiative Award at the Comfortable and Productive Company / Workplace Awards (Ministry of Health, Labour and Welfare)
March 2019	Received the New Diversity Management Selection 100 award (Ministry of Economy, Trade and Industry)



TOPICS

Establishing in-office childcare facilities

To support the creation of an environment where employees can work with peace of mind and return to work from maternity and childcare leave, the in-house childcare facility TOHO Kids Land was established in October 2014, and is currently operating at three locations.

Cumulative total number of users since opening

436

(As of March 31, 2025)



Special subsidiary Toho Smile, Co., Ltd.

Sports for people with disabilities

Mana Sasaki (visually impaired), an athlete who holds an all-Asia record, belongs to the TOHO Athletics Club and is actively involved in competitions both in Japan and internationally. Sasaki represented Japan at the Paris 2024 Paralympic Games and advanced to the final in the T13 class 400 m for visually impaired runners, finishing in 7th place.



Four Strategies of Human Capital Management

Addressing increasing mobility of human resources

Diversity in hiring

Through active recruiting of new graduates and mid-career talents on multiple fronts, we are striving to hire and maintain human resources who share our value of contributing to the regional community. In the hiring of new graduates, we seek to obtain digital transformation human resources on whom our future depends as well as those who are capable of contributing to the regional community. As for the recruitment of mid-career talents aimed at enhancing the level of specialization and diversity of our human resources, we hired 19 persons in the fiscal year ended March 31, 2025. We are actively recruiting human resources regardless of age, gender, nationality, or other factors by closely examining and judging a candidate's skills and aptitude. We also make active use of hiring by referral and rehiring of former employees, as well as organizing our alumni.

Hiring in the fiscal year ended March 31, 2025

New graduates hires	Plan	Actual	Mid-career hires	Plan	Actual
	90	93		20	19

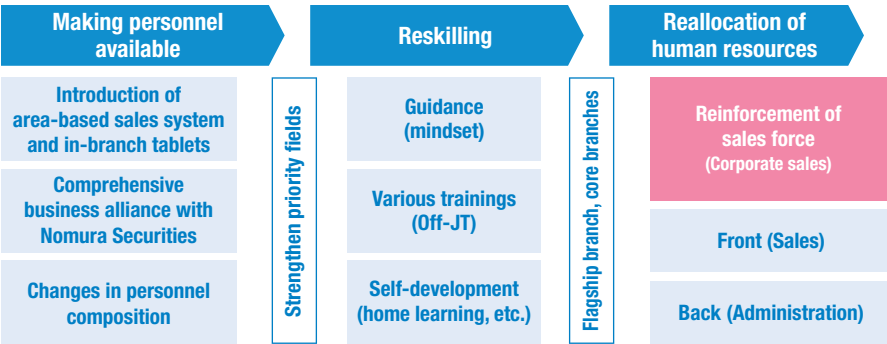
Change in personnel composition

In our medium- to long-term personnel plan, we are aiming to build an organizational structure that can accommodate changes in personnel composition, such as coping with the anticipated growth in the number of younger and elder employees.

	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2030
Younger age group	15%	20%
Older age group	25%	30%

Personnel structure

In addition to improving operational efficiency and preventing attrition to secure a stable workforce, we will reskill employees and reassign them to key areas, such as the consulting sales division.



Investment in human capital

Under the TX PLAN 2030, we plan to invest approximately ¥3.5 billion in human capital over the six-year period of the plan. In the fiscal year ended March 31, 2025, the first year of the plan, we invested ¥0.66 billion in human capital (progress rate: 19.0% of the total plan). We view human capital investment as an investment in “acquiring,” “developing,” and “retaining” talent who can contribute to the regional communities. By building an organization in which each employee can fully demonstrate their abilities, we aim to enhance our corporate value over the medium to long term.



Well-being

We are working to create a workplace where members sympathize with the Bank's purpose, accept and respect differences among them, and can work in good mental and physical health and financial stability.

Improving engagement

We are working to create a highly motivated workplace where employees feel comfortable and have high job satisfaction.

Implementation of engagement survey (Wevox)

Build a relationship of mutual trust between the organization and employees by visualizing and analyzing employees' job satisfaction and eagerness for growth.

Engagement score

March 2024	March 2025
69 points	72 points (up 3 points)

* Average benchmark score of financial institutions introducing Wevox: 71 points

Improving 1-on-1 meetings

- Boost both the quantity and quality of communication between supervisors and subordinates to actually support the growth of employees.
- Compiled a handbook as a guide for holding high quality meetings with employees who have varying values.
- Provide opportunities for 1-on-1 meetings with external career consultants.

Promoting flexible and self-directive work styles (support for balancing work and family)

Efforts are under way to provide a workplace environment where each employee accepts and respects differences with others and can balance work and family life.

Complete flextime system

Employees can proactively decide their daily working hours and work flexibly.

Telework

Utilizing ICT, employees can make effective use of time and various locations as they work.

Part-time work/Side business

We allow part-time work and side businesses so that each individual can utilize their skills, contribute to the region, and build connections.

Dress code liberalization

Leads to improved productivity through the creation of a free and open workplaces that are conducive to flexible ideas.

Significantly reducing overtime work

Average monthly overtime work in the fiscal year ended March 31, 2016: 30 hours 11 minutes

Average monthly overtime work in the fiscal year ended March 31, 2025: 15 hours and 40 minutes

Support for balancing work and family

- In-office childcare facilities (3 locations)
- Family worry-free leave
- Couple transfer program
- Support seminars for returning to work
- Grandchild care leave
- Career support leave system
- Nursing care seminars
- Reduced working hour system/Reduced working day system

Improving financial wellness

For the medium- to long-term asset building of our employees, we are encouraging them to join the employee stock ownership plan, utilize the corporate-type defined contribution pension plan, etc.

To help employees design their life plans, we regularly hold life plan seminars on the themes of employee benefits and welfare such as comprehensive retirement benefit package (retirement gratuity, corporate pension plan) and employee loan scheme, among others.

Promoting health & productivity management

Our people are the source of our business activities, and that source is founded on the wellness of people working for the Group. It is based on this belief that we are promoting health & productivity management. We have organized a Health & Productivity Management Project headed by the officer in charge of personnel matters and consisting of members from the Personnel Department, the health insurance association as well as the employees' union, under which labor and the management are working together to promote good health.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Target for fiscal year ending March 31, 2030
Percentage of "highly stressed"	11.2%	11.8%	9.7%	10% or less
Percentage of employees taking medical checkup	99.6%	99.8%	99.9%	100%

* Percentage of "highly stressed" is an indicator based on the totaled result of stress checks conducted by the Bank via outsourcing.

Initiatives for Social Contribution

Mutual support initiatives for the community

● Children's cafeteria support

(Holding TOHO Kids Café Caravan)

As a support project for children who represent the bright future of regional communities, a caravan visited children's cafeterias around the prefecture to hold finance/SDGs lessons and support nutrition education activities.



Handing out boxed lunches from a kitchen car

● PR project showing the appeal of communities and customers

We produce videos to disseminate and promote the appeal of communities and customers.

The completed videos are provided to customers and can be used freely in advertisements. They are widely disseminated on the Bank's website, YouTube channel, etc., to convey the goodness of the region.



Corporate customers



The Toho Bank, Ltd. Provision of images Use for advertising

● Supporting the operation of the Panda House

We continue to support the operation of the Panda House, an accommodation facility for families visiting their children who are struggling with illness at Fukushima Medical University Hospital. In addition to donating items such as furniture, Bank employees volunteer to set up Christmas trees and perform other services.



Environmental conservation initiatives

● Afforestation and conservation activities

Since its inception in 2009, the Toho Minna no Mori Zukuri project has collaborated with municipalities and other entities in Fukushima Prefecture to restore forests and improve the environments, such as coastal disaster prevention forests, to pass on a lush green hometown to the next generation.

Cumulative number of trees planted:

4,900 trees
(As of March 31, 2025)



● Cleaning activities

We conduct the company-wide cleaning activities, actively engaging in regional communities' environmental clean-up activities. Over 300 officers and employees in Fukushima City participated in May 2024.



Initiatives for the promotion of culture and sports

● Implementation of "Employee Cheering Days" to cheer on local professional sports teams

We hold "Employee Cheering Days" to cheer on professional teams in Fukushima Prefecture, such as Fukushima United FC and Iwaki FC (J. League), as well as Fukushima Firebonds (B. League). Our officers and employees work together to support local professional sports.



● Track and field lessons held by the Athletics Club

The Athletics Club, which consists of top Japanese athletes who are active in global competitions, holds track and field lessons every year for elementary and junior high school students.

They contribute to the promotion of regional sports through guidance on running techniques and practice methods.



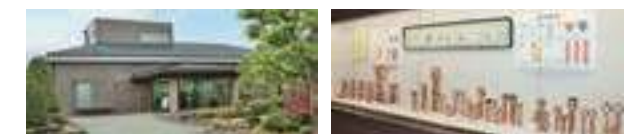
● Contribution to local sporting events

We support Fukushima City Half Marathon and other various sports events held in Fukushima Prefecture as a sponsoring company, contributing to the advancement of competitiveness in regional sports.



● Genkyo no Kokeshigun Nishida Memorial Museum

The Toho Bank Foundation for Education and Culture operates and manages the Genkyo no Kokeshigun Nishida Memorial Museum. It is an exhibition hall for traditional kokeshi dolls to commemorate the late Mr. Minekichi Nishida who was devoted to the Michinoku region (old name for the current area covering the prefectures of Fukushima, Miyagi, Iwate, and Aomori) and kokeshi dolls. The collection totals approximately 10,000 kokeshi dolls including 3,500 dolls from the Nishida collection. The hall showcases approximately 1,000 kokeshi dolls and introduces the history of kokeshi dolls, traditional kokeshi dolls by area, valuable pre-war kokeshi dolls, and more.



Initiative for the reduction of food loss issue

● Toho Food Drive

We donate food and other items that are not planned to be used brought together by our officers and employees to local children's cafeterias and welfare facilities through social welfare organizations.



● SDGs market for direct delivery goods

Space is available in the Bank's branches for customers to use free of charge to sell agricultural products that would otherwise be disposed of and other non-standard goods.



Corporate Governance

Basic approach

Under the management philosophy system (Management Philosophy, Sustainability Declaration, Long-Term Vision, Guidelines for Action, and Values), the Toho Bank Group seeks to comply thoroughly with laws, regulations, and other rules, ensure sound business operations, and establish unwavering trust.

In addition, from the viewpoint of sustainable growth of the Group and enhancement of corporate value over the medium to long term, we are working to realize effective corporate governance in line with the following basic policies.

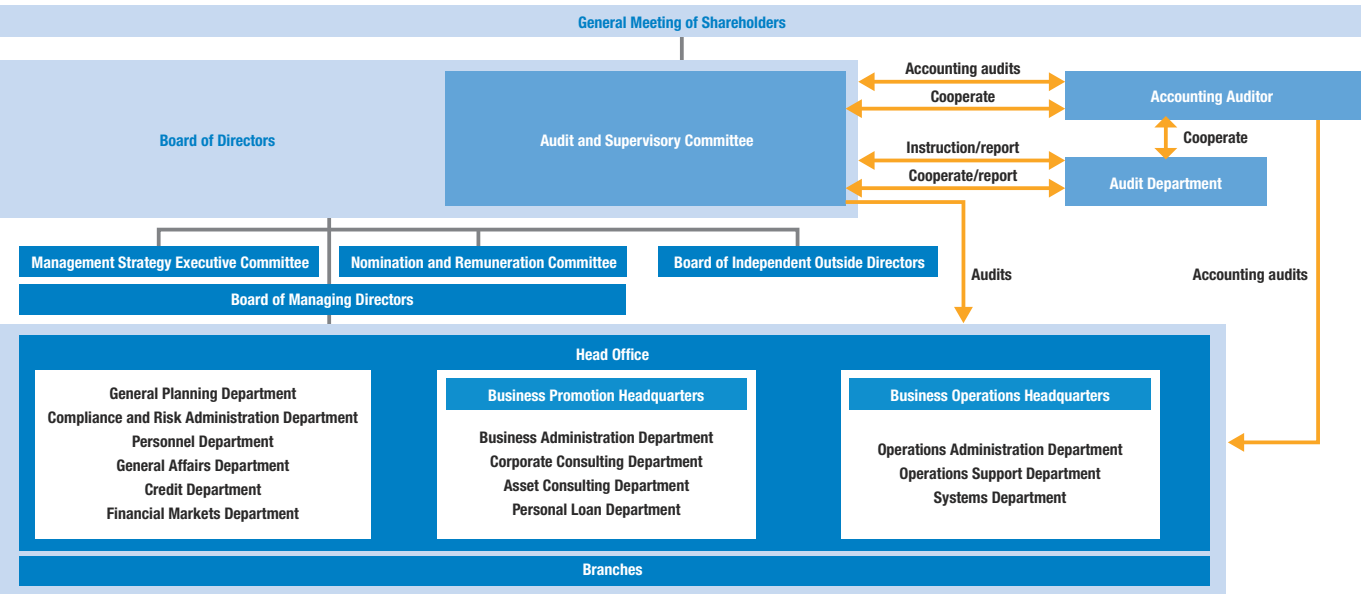
- (1) Respect the rights of shareholders, work to create an environment in which shareholders can exercise their rights appropriately, and ensure substantial equality of shareholders.
- (2) Strive for appropriate collaboration with various stakeholders, including shareholders, customers, employees, and regional communities, and foster a corporate culture and atmosphere for conducting sound business operations.
- (3) Endeavor to ensure appropriate disclosure of corporate information, including non-financial information, and transparency in bank management, to build a foundation for constructive dialogue with stakeholders.
- (4) The Board of Directors will indicate an overall direction for management strategy, etc., and create an environment that supports appropriate risk-taking by senior management. In addition, the Board shall conduct highly effective supervision of management from an independent and objective standpoint.
- (5) Engage in constructive dialogue with shareholders to contribute to sustainable growth and improvement of corporate value over the medium to long term.

Initiatives to strengthen corporate governance

June 2018	● Transitioned to a Company with an Audit and Supervisory Committee	June 2023	● Established the restricted stock remuneration plan
June 2019	● Raised the ratio of Independent Outside Directors to one-third	May 2024	● Implemented the Board of Directors effectiveness assessment utilizing an external evaluation agency (ongoing thereafter) ● Launched large meeting initiatives
June 2022	● Established the Board of Independent Outside Directors ● Selected the Lead Independent Outside Director ● Raised the ratio of Independent Outside Directors to one-half	July 2024	● Launched off-site meetings by Directors
February 2023	● Commenced SR initiatives based on the substantial shareholder survey	April 2025	● Introduced a succession plan

Corporate governance system

The Bank has adopted the governance structure of a Company with an Audit and Supervisory Committee. By enabling Directors serving as Audit and Supervisory Committee Members to exercise voting rights, we seek to strengthen the Board of Directors' audit and supervisory functions. At the same time, by delegating authority to Executive Directors, we aim to improve management efficiency and strengthen management functions. Through these measures, we expect to further enhance our corporate governance and increase corporate value.



Board of Directors meetings (14 meetings held in the fiscal year ended March 31, 2025)

As of June 30, 2025, the Board of Directors is comprised of ten members—six Directors other than Directors serving as Audit and Supervisory Committee Members (two Outside Directors), and four Directors serving as Audit and Supervisory Committee Members (three Outside Directors)—and in principle meets once per month. In addition to making decisions on matters defined in laws and regulations and the Articles of Incorporation, as well as key management items, such as determining basic policy related to management policy, compliance, and risk management, the Board of Directors also supervises the execution of duties by each Director.

Ratio of Independent Outside Directors on the Board of Directors	Independent Outside Directors (5)		= 50%
	Independent Outside Directors (5)	+ Inside Directors (5)	

The main matters resolved by the Board of Directors are as follows:

- Convening and holding of General Meetings of Shareholders, as well as agenda items to be submitted to such meetings
- Matters related to shareholder returns
- Matters related to personnel affairs and remuneration of officers
- Matters concerning the introduction of succession plans
- Matters related to the management framework for cyber security risks
- Formulation of the annual basic policy and annual numerical targets
- Formulation of the internal audit policy (audit plan)
- Preparation of the Corporate Governance Report
- Matters related to revisions of the Head Office organization
- Matters concerning the establishment of a startup support fund, etc.

Audit and Supervisory Committee meetings (15 meetings held in the fiscal year ended March 31, 2025)

The Audit and Supervisory Committee has four Directors (three Outside Directors), in principle meets once per month, and is responsible for supervising business execution and auditing the execution of duties by each Director.

The Audit and Supervisory Committee formulates annual audit policies and audit implementation plans, and reports them to the Board of Directors. The key audit items based on the audit policies of the fiscal year under review are as follows:

- Details of the resolution of the Board of Directors regarding the basic policy for internal control
- Development and operation of internal control systems
- Post-transition adoption status of TSUBASA Core Banking System
- Degree of penetration and understanding, and the status of execution of the long-term management plan, TX PLAN 2030
- Status of adoption of improvement measures based on the employee awareness survey

Nomination and Remuneration Committee meetings (4 meetings held in the fiscal year ended March 31, 2025)

We have established the Nomination and Remuneration Committee, comprised of Representative Directors and Independent Outside Directors, as an optional committee equivalent to a nomination committee and remuneration committee. This Committee holds deliberations on matters such as election of candidates for Directors and determination of remuneration for each Director other than Directors serving as Audit and Supervisory Committee Members, which are then resolved at the Board of Directors after ensuring fairness, objectivity, and transparency.

The main matters discussed at the Nomination and Remuneration Committee meetings are as follows:

- Matters related to the election of candidates for Directors, etc.
- Matters related to compensation for Directors, etc. not serving as Audit and Supervisory Committee Members
- Matters concerning the revision of the Rules of the Nomination and Remuneration Committee
- Matters concerning the formulation of development and assignment plans for successor candidates, etc.

Management Strategy Executive Committee meetings (2 meetings held in the fiscal year ended March 31, 2025)

The Management Strategy Executive Committee is comprised of the President, Directors other than Directors serving as Audit and Supervisory Committee Members, Directors serving as Audit and Supervisory Committee Members, Executive Officers, and Head Office general managers, and conducts deliberations on the formulation of the medium-term management plan and fiscal year management plans, and provides reports concerning progress management.

The main matters deliberated at the Management Strategy Executive Committee meetings are as follows:

- Summary of the fiscal year ended March 31, 2025 and policy for initiatives to be taken in the fiscal year ending March 31, 2026
- Strategies for strengthening initiatives under the 10 targets in TX PLAN 2030
- Talent portfolio strategy
- Overall strategy for the area-based sales system
- Initiatives for fundamental business reform
- Initiatives to enhance human capital
- Ideal framework for the medium - to long-term award system

Corporate Governance

Assessment of Board effectiveness

Since 2024, the Bank has conducted effectiveness assessments of the Board of Directors utilizing an external evaluation agency. This year as well, the Bank conducted an assessment of the Board effectiveness using the same method, incorporating a third-party perspective in deepening discussions on the ideal state of the Bank’s management and the Board of Directors, with a view to further enhancing governance.

Status of responses to issues identified in the 2024 assessment of the effectiveness of the Board of Directors

In the effectiveness assessment of the Board of Directors conducted in June 2024, six issues were identified: (1) enhancing discussions on human resource strategy linked to management strategy (including succession plans), (2) further advancing the supervisory function of the Board, (3) enriching discussions on strategy from a broader perspective, (4) officer training that contributes to elevating the quality of Board discussions, (5) operation of meetings to foster more active discussions at the Board, and (6) deepening discussions based on dialogue with shareholders and investors. In the fiscal year ended March 31, 2025, we implemented the following initiatives in response to these issues, working to further enhance our governance.

(1) Enhancing discussions on human resource strategy linked to management strategy (including succession plans)

A. Formulation of succession plans
Defined the qualities required of Executive Officers and Directors, established a framework to objectively evaluate officers’ appointment and operate such system, and developed an internal system for the selection, development, and appointment of successor candidates.

B. Partial revision of the skill matrix
As a skill to realize the basic policy of TX PLAN 2030, “co-creation of value with the region and customers,” an item titled “region/co-creation” (Note) has been added to the skill matrix.

(Note) Knowledge, experience, and capabilities related to value creation through a deep understanding of the characteristics and challenges of regional communities and economies, and through effective collaboration and cooperation with diverse stakeholders.

C. Formulation of the desired talent portfolio
Toward the achievement of TX PLAN 2030, we have engaged in extensive discussions on the optimal sales system and personnel structure, and formulated the talent portfolio the Bank aims to realize by the fiscal year ending March 31, 2030.

(2) Further advancing the supervisory function of the Board of Directors
With respect to important agenda items of the Board of Directors, off-site meetings (Note) were held to allow for free discussion in advance, enabling the sharing of information that forms the basis of deliberations and the clarification of key points in execution and supervision, thereby enhancing the Board’s supervisory function.

(Note) An off-site meeting composed of Directors was introduced in the fiscal year ended March 31, 2025.

(3) Enriching discussions on strategy from a broader perspective
In addition to the Board of Directors, important themes, such as the business portfolio, talent portfolio, capital policy, and top risk management, were placed on the agenda at the Management Strategy Executive Committee and off-site meetings, where discussions were held on the appropriate allocation of management resources aimed at sustainable growth and the enhancement of corporate value over the medium to long term.

(4) Officer training that contributes to elevating the quality of Board discussions
At the Board of Executive Officers, information was shared on trends in corporate governance, asset/liability management (ALM), and capital policy approaches and developments, while important themes related to future business strategy were also discussed.

(5) Operation of meetings to foster more active discussions at the Board
Clarification of key points for Board deliberation, securing sufficient time for deliberation of important agenda items by managing explanation time according to their significance, and promoting more active discussions.

(6) Deepening discussions based on dialogue with shareholders and investors
Shared engagement content from large meetings and Shareholder Relations (SR) activities with the Board, and, reflecting opinions on profitability and capital cost levels of the Bank, discussed these matters in the review of the long-term numerical targets.

Evaluation results for 2025

Based on a questionnaire covering six themes, an analysis and assessment of the effectiveness of the Board of Directors for the fiscal year ended March 31, 2025 was conducted, confirming that the effectiveness of the Board has been generally secured, with the evaluation index also showing a significant improvement from the previous assessment.

<Questionnaire themes>

“Composition and operation of the Board of Directors,” “Management strategy and business strategy,” “Corporate ethics and risk management,” “Evaluation and remuneration of senior management,” “Dialogue with shareholders, etc.,” and “Evaluation of issues recognized in the previous effectiveness assessment”

At the same time, in order to further enhance the functions of the Board of Directors, we have identified the following four items as issues to be addressed going forward: (1) operation of meetings to foster more active discussions at the Board, (2) enhancing Group governance, (3) enhancing discussions on the officer evaluation process, and (4) officer training based on succession plans. We will continue to work on these matters with a view to ongoing improvement.

The Board of Directors will continue to engage in discussions toward resolving issues and strive to further improve the effectiveness of the Board of Directors.

Succession plans

Starting in April 2025, the Bank has introduced succession plans, establishing a framework for the selection, development, and appointment of successor candidates for the Representative Directors, Directors, and Executive Officers, thereby advancing initiatives related to the appointment and dismissal of senior management.

Flow of selection and development of successor candidates

Selection of successor candidates
(Approx. 40 persons were selected in the fiscal year ending March 31, 2026)

Formulation and implementation of development and assignment plans

Progress evaluation of development and assignment plans

Monitoring

Board of Directors

Replacement of successor candidates and review of development and assignment plans

Qualities required of Executive Officers and Directors

On the premise of providing courage and hope to the entire organization, and possessing fairness, impartiality, and the personal qualities befitting a leader, the following attributes are required.

● Strong leadership that drives the entire organization toward the future vision to be pursued

● Ability to identify changes in the business environment and promote a review of the business portfolio

● Ability to grasp the essence of matters from multifaceted viewpoints and logical thinking

● Information-gathering ability leveraging a broad network, and conceptual ability to utilize such information

● Ability to constantly explore opportunities for improvement and actively take on new challenges through appropriate risk-taking

● A strong commitment to achieving goals, grounded in a healthy sense of competition and sound ethics

● Thorough pursuit of the principle of always putting our customers first

Officer remuneration

Directors other than Directors serving as Audit and Supervisory Committee Members

For Directors other than Directors serving as Audit and Supervisory Committee Members, remuneration for Executive Directors consists of fixed monthly remuneration determined according to duties and responsibilities of each position; restricted stock remuneration granted annually; and performance-linked remuneration granted annually based on single-year performance.

Remuneration for Non-executive Directors consists solely of fixed remuneration.

Fixed remuneration is paid monthly to each Director according to position, within the annual limit of ¥345 million (of which up to ¥30 million for Outside Directors) as resolved at the 115th Annual General Meeting of Shareholders held on June 22, 2018.

Restricted stock remuneration is granted annually to Executive Directors according to position, within the annual limit of ¥70 million as resolved at the 120th Annual General Meeting of Shareholders held on June 26, 2023.

Performance-linked remuneration is positioned as an incentive to encourage management’s contribution to improving business performance, with consolidated profit for a single fiscal year adopted as the performance indicator. Within the limit for performance-linked remuneration resolved at the 120th Annual General Meeting of Shareholders held on June 26, 2023, such remuneration is granted annually to Executive Directors as follows.

The details of fixed remuneration, restricted stock remuneration, and performance-linked remuneration are deliberated by the Nomination and Remuneration Committee, and the results of the deliberation are reported to the Board of Directors. The Board of Directors then makes a resolution based on the report of the Nomination and Remuneration Committee.

Consolidated profit level	Maximum amount of performance-linked remuneration	Number of months of performance-linked remuneration payable
Less than ¥5.0 billion	¥0	0.0 months
¥5.0 billion or more and less than ¥6.0 billion	¥30 million	1.0 months
¥6.0 billion or more and less than ¥7.0 billion	¥40 million	1.5 months
¥7.0 billion or more and less than ¥8.0 billion	¥50 million	2.0 months
¥8.0 billion or more and less than ¥10.0 billion	¥60 million	2.5 months
¥10.0 billion or more	¥70 million	3.0 months

(Payment method) Amount of performance-linked remuneration = Fixed remuneration × Number of months of performance-linked remuneration payable

Directors Serving as Audit and Supervisory Committee Members

Remuneration for Directors serving as Audit and Supervisory Committee Members consists only of monthly fixed remuneration (basic remuneration).

The amount of remuneration for each Director serving as an Audit and Supervisory Committee Member is determined through consultation among Directors serving as Audit and Supervisory Committee Members within the annual limit of ¥80 million as resolved at the 115th Annual General Meeting of Shareholders held on June 22, 2018.

Outside Directors' Roundtable

TOHO BANK

Current assessment of TX PLAN 2030 and issues going forward: One year after the launch of the long-term management plan



—One year has passed since the launch of the long-term management plan, TX PLAN 2030. How would you assess things at present, and how do you view the issues yet to be faced?

Takashima: I was appointed as an outside director in June 2022. Discussions began immediately after that, and I was very surprised by the number of discussions within the company before the plan was formulated. Speaking frankly, it seemed a bit too detailed to me. I now realize, however, that the time we spent carefully discussing the matter culminated in the formulation of a well-conceived strategy that considered every detail.

And I feel that the process of carefully breaking down the plan and entrenching it in each department and region over the past year has been successful, and it has become thoroughly absorbed. In fact, when we visit a branch, the staff are able to clearly explain their purpose and role. The response of younger employees in particular has been quite positive, and they appear to be enthusiastic in their work. I believe that the time and effort invested in planning is now paying dividends.

Hisada: I was appointed as an outside director in June 2024, so I did not have direct involvement in the formulation of TX PLAN 2030. After having observed the implementation

process for a year, however, my impression is that it is being implemented quite rapidly. We are attempting to tackle high-priority issues head-on to realize our goal of rejuvenating the local economy—the mission of a regional financial institution. The rapid development of tools to achieve the plan, such as the alliance with Nomura Securities, participation in the TSUBASA Alliance, and the establishment of a new company to address labor shortages and other regional issues and promote DX, is highly commendable.

Quantitatively, riding on the tailwind of the rise in benchmark interest rates as an external factor, we significantly surpassed our initial earnings targets and were able to make an upward revision to our earnings plan, which is quite an achievement. In my view, the issue we face going forward is to accelerate this trend further.

Oda: I feel that the accumulated effort has blossomed all at once, thanks to the tailwind provided by the benchmark interest rate hike. I believe that we should credit our steady efforts in building up deposits, enhancing our sales structure, and establishing internal management systems for now being able to achieve these results.

There are areas that require further improvement, however, including the share of corporate loans and the consulting

field. As we do this, we must deepen the relationship of trust with our corporate clients. Just as patients disclose all of their symptoms to their physicians, I believe that building relationships where customers feel comfortable sharing their honest opinions about the company's situation will be the key to our next stage of growth. The Bank's deposits have doubled to approximately 6 trillion yen since the time prior to the Great East Japan Earthquake in 2011. Developing revenue, operational, and human resources capabilities commensurate with this scale makes the steady implementation of TX PLAN 2030 essential.

What is important in implementing the 10 Targets and Three Driving Forces initiatives

—TX PLAN 2030 sets forth 10 targets and three driving forces: 1) Sustainable finance, 2) Group-wide comprehensive consulting system, and 3) Enhancement of services for assets on deposit through alliances, as key initiatives. Do you feel that these growth measures are sufficient?

Hisada: My current assessment would be that it has been a year focused on establishing systems and cultivating an environment. There is still room for improvement in terms of fully achieving the 10 Targets and Three Driving Forces, but we believe that the current set of measures has sufficient potential. We will contribute to resolving the issues our local customers face utilizing the Three Driving Forces. We believe it is important to cultivate relationships that will result in profits for the Bank.

Sustainable finance is currently growing steadily, and we will fully launch our asset deposit services with Nomura Securities by the end of this year. For the Group-wide comprehensive consulting system, I believe that establishing a new company specializing in human resources and IT is a proper step forward.

Over roughly the past 10 years, the Bank of Japan's prolonged ultra-low interest rate policy has resulted in a very challenging earnings environment for financial institutions in the country. This environment has changed—we have returned to a world with positive interest rates for the first time in quite a while. And, while the pandemic was a major setback, it has come to an end. Now, with the measures outlined in TX PLAN 2030, we are putting in place a system to efficiently leverage 6 trillion yen in deposits. If we continue to improve our asset management capabilities, it will be entirely possible to boosting profits from both lending and securities operation.

Oda: We designed the measures included in TX PLAN 2030 based on regional and customer needs, and we have incorporated a sufficient range of options. I think, however, that the challenge lies in execution. Sports coaches who

Unfortunately, the population of Fukushima Prefecture is trending downward. If, however, we can achieve the goals embodied by the slogans of TX PLAN 2030, namely, "improving the value of every customer's business" and "creating abundant lives for each individual customer," and if each company's value increases by 10% and our customers' prosperity improves by 10%, then the appeal of the Fukushima market may not decline as rapidly as the population. We must execute this strategy with the determination and speed required to make it happen ourselves.

excel in their field do not point out every single thing that concerns them. Likewise, in corporate sales, it is not always best to propose all of the options you have available. We identify issues that our customers are most troubled by or concerned about, coordinate between the front line and headquarters, establish priorities, and propose solutions one by one. This is indeed a key point of coaching. It will be important to further enhance our ability to execute.

Another issue I feel is important is the promotion of diversity. Board of Directors' discussions are very lively, and I believe one reason for this is that we, the outside directors, are people with diverse experience and career paths. My view is that banks as a whole should actively hire people with diverse backgrounds and experience—including mid-career recruitment—in addition to promoting the advancement of women. Human resource diversity is extremely beneficial in fostering innovative ideas. To achieve this, in addition to developing highly specialized human resources, we must also be aware of diversity in personnel composition.

Takashima: I would like all employees to bear in mind that they are contributing to the development of the nation through the implementation of the 10 Targets and Three Driving Forces. As a financial institution that plays a role in supporting Fukushima Prefecture's financial infrastructure mainly, we are working to address population decline, a shortage of successors, and other issues in the region. We don't, however, want our employees to become people who can only see the tasks right in front of them. Taking on the regional challenges of Fukushima Prefecture—the third largest prefecture in Japan in terms of land area—means taking on challenges that affect Japan as a whole. I hope that we will all approach this task with a sense of pride, realizing that we are contributing to shaping our country's future.

Outside Directors' Roundtable

TOHO BANK

Corporate value will increase as banks prosper through the long-term revitalization of local economies

—What is the corporate value of Toho Bank? Please share this with us, including the fact that the price book-value ratio (PBR) is below 1.

Oda: I believe that market capitalization alone is not sufficient in assessing the corporate value of regional financial institutions. We should certainly continue efforts to improve profitability, control risk assets, and return profits to shareholders, should we continue to raise stock prices and increase market capitalization. As our bank's purpose is "For the Sake of Our Communities," however, I believe that our corporate value also lies in the extent of our contribution to the development of the community and how much the customers there need us.

Toho Bank has endured an experience unlike any other bank in the world. Fourteen years ago, our region was struck by two major events—the Great East Japan Earthquake and the Fukushima Daiichi nuclear disaster. Since then, we have long worked alongside the local community to negotiate



Robust discussion, human resource development, and diversity: Governance is being reinforced

—How do you feel about governance?

Takashima: I feel that things are changing quite a bit. When I first joined the Board in July 2022, meetings were more subdued than they are now. My impression was that bank president Mr. Sato was the one who most frequently responded to the questions and opinions raised by the outside directors. Now other directors, managing executive officers, and even those who are involved in the agenda

challenges including population decline, radioactive contamination, and reputational damage. As a regional financial institution, we may very well be the only bank in the world to have endured such hardships and, through the collective efforts of our employees and customers, emerged stronger. I believe that this fact is the very essence of Toho Bank's corporate value, and that every employee should more confidently promote this. This will result in higher expectations and greater trust in the Bank, which in turn will lead to an increase in PBR.

Hisada: We sometimes hear the opinion that "The reason for the existence of regional financial institutions is to provide financial services to their local communities, and therefore they should neither pursue profits nor be listed on the stock market." I believe, though, that being listed on the stock exchange brings the significant advantage of enforcing governance through the eyes of shareholders.

And as long as they are listed, even regional financial institutions should work to maximize profits. A simple short-term increase in the numbers is not enough, however. The Bank, as a financial institution that exists because of the community, will also find prosperity through the long-term revitalization of the local economy. Our shareholders need to see the actual growth of the Bank. I believe that this will lead to trust and higher expectations, which will ultimately result in an increase in PBR.

Takashima: I believe that the depth of the trust regional financial institutions have earned is the best gauge of their corporate value. Trust is difficult to evaluate, though, and doesn't have an ultimate goal in and of itself. What this means is that, to continue deepening trust, each employee must remain grounded and continue working hard. That effort means constantly reflecting on oneself and taking action to improve. The accumulation of these improvements builds trust and generates corporate value. I believe that PBR is merely the result of this.

attending meetings actively express their opinions, however, making discussions more lively. I feel that the resilience of President Sato and the other members of the management team is the reason for this shift. We are currently working to increase diversity on the Board. The Personnel Department is implementing a host of training programs with the intention of promoting women and nurturing the next generation of management. Even viewing this from an external critical perspective, I feel that governance is being strengthened.

Hisada: As I see it, our governance system has significantly improved since the establishment of the Audit and Supervisory Committee in 2018. Five of the 10 directors are outside directors, and looking back at the past year, I get the



impression that the Bank is making steady progress in establishing and augmenting cyber security-related regulations.

In terms of personnel, last fiscal year we initiated a project to devise a succession plan for Toho Bank, which involves the systematic selection and training of senior executives. While the kind of results this will yield and whether it will take root

Financial institutions are systems founded on trust: We must create an organizational culture that fosters trust

—There have recently been a series of scandals involving financial institutions. Please share your thoughts on society's expectations for financial institutions.

Hisada: Having served in finance for 45 years, I find the recent spate of scandals at financial institutions regrettable. Finance is a system based on trust, and the financial system has an incredibly significant impact on society overall. Disregarding that trust is tantamount to destroying the very foundation we stand upon. While there is an urgent need for financial institutions to restore this trust, there are no clear effective measures for achieving this. First, it is important to go back to basics, cultivate personnel, and create a sound organizational culture. The Bank has also made enhancing human capital a major pillar of TX PLAN 2030, and we are focusing our efforts on human resource development as well as DE&I. It is important that we continue vigorously promoting these initiatives. I believe that an outside director's role is to express opinions as appropriate at Board meetings and to support the cultivation of a proper organizational culture.

Oda: I used to be a bank employee, through which I gained a profound understanding of the importance of credit. When I was a new employee, I would go around collecting payments. Just by handing over a single piece of paper, people would entrust me, a 23-year-old 'kid,' with millions of yen in cash. The bank's creditworthiness surprised me. The financial crisis that followed the collapse of the bubble economy, however, taught us that once trust is lost, it can be destroyed

remain to be seen, I believe that personnel development is a key governance measure. Moreover, it is very important that human resources are managed fairly, based on evaluations that are as objective as possible, and that the most suitable people are selected in order for an organization to grow.

Oda: I often have the opportunity to talk with executives of companies, including other major regional banks, and it is my feeling that the Bank's governance is solid. I would say that the essence of governance lies in whether an organization is one where people can express their opinions freely without being restricted by job titles or their position in the hierarchy. In that respect, the Bank is in very good shape. In addition to the Board of Directors, there are a number of other meetings, such as the Board of Managing Directors, and we as outside directors can access the minutes of all such meetings. This in itself is evidence of openness and transparency, but a glance at the minutes reveals that the discussions have been lively and rather passionate.

in the blink of an eye, and that restoring it takes considerable time. We must repeatedly reflect on these lessons and learn from them. Peter Drucker, the father of modern management, famously said, "Culture eats strategy for breakfast." I believe this is absolutely true. The building of trust with customers and the maintenance of that trust must be established as part of corporate culture and the work environment. As an outside director, I believe that I need to more frequently visit workplaces to see things for myself and try to get a feel for the atmosphere.

Takashima: To me, it is important for every employee to understand what their own roles are if financial institutions are to avoid scandals. As a regional financial institution, we at Toho Bank believe it is vital to have a strong sense of purpose to enrich the local community. We must also constantly discuss internally what is necessary and effective to achieve this, thereby deepening and sharing our knowledge. And we will provide that knowledge to society. When local customers decide to get serious about sustainability, for instance, we need to be a resource that can provide consultation on financing while also advising them on where to start and how to move forward. For that reason, it is clear to me that we must take our trust one step further.



Directors, Executive Officers, and Officers on the Audit and Supervisory Committee

Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)



President (Representative Director)
Minoru Sato
Apr. 1983
Jun. 2012
May 2014
Jun. 2014
Jun. 2016
Jun. 2020
Joined the Bank
Director and General Manager, General Planning Department, and Manager, Management Strategy Coordination Office
Director and General Manager, Head Office
Managing Director and General Manager, Head Office
Senior Managing Director (Representative Director) and Head of Business Operations Headquarters
President (Representative Director) (current position)



Senior Managing Director (Representative Director)
Katsutoshi Endo
Apr. 1988
Jun. 2019
Jun. 2020
Jun. 2021
Mar. 2023
Jun. 2023
Mar. 2025
Joined the Bank
Executive Officer and Branch Manager, Sendai Branch
Executive Officer and Deputy Head, Business Promotion Headquarters
Managing Executive Officer and General Manager, Head Office
Managing Executive Officer
Senior Managing Director (Representative Director)
Senior Managing Director (Representative Director) and Head, Business Promotion Headquarters (current position)



Managing Director
Hiromi Meguro
Apr. 1988
Jun. 2009
Mar. 2012
Jun. 2014
Oct. 2014
Oct. 2016
Jun. 2019
Sep. 2019
Dec. 2019
Jun. 2020
Mar. 2023
Jun. 2023
Jun. 2024
Mar. 2025
Jun. 2025
Joined the Bank
Section Manager, Credit Section, Koriyama Branch
Branch Manager, Bange Branch
Deputy General Manager, Credit Department
Senior Assistant Manager in charge of Personnel Department (seconded to Ohara General Hospital)
Senior Manager in charge of Personnel Department (seconded to Ohara Memorial Foundation)
Executive Officer in charge of Personnel Department (seconded to Ohara Memorial Foundation)
Executive Officer and responsible for Audit Department
Executive Officer and Deputy Head, Business Promotion Headquarters
Executive Officer and Branch Manager, Onahama Branch
Executive Officer and General Manager, Koriyama Main Office
Managing Executive Officer and General Manager, Koriyama Main Office
Managing Executive Officer, stationed in Koriyama
Managing Executive Officer
Managing Director (current position)



Managing Director
Shinji Takano
Apr. 1989
Oct. 2007
Sep. 2011
Sep. 2013
May 2015
Aug. 2015
Oct. 2017
Mar. 2018
Jun. 2020
Mar. 2021
Jun. 2021
Jun. 2022
Mar. 2023
Mar. 2024
Jun. 2024
Mar. 2025
Jun. 2025
Joined the Bank
Section Manager, Personnel Section, Personnel Department
Branch Manager, Kabeya Branch
Branch Manager, Shirakawa-nishi Branch
Deputy General Manager, General Planning Department
Senior Assistant Manager in charge of Personnel Department (seconded to Toho Securities Co., Ltd.)
Senior Manager in charge of Personnel Department (seconded to Toho Securities Co., Ltd.)
General Manager, General Planning Department
Branch Manager, Kitakata Branch
Branch Manager, Kitakata Branch and Shiokawa Branch
Executive Officer and Branch Manager, Kitakata Branch and Shiokawa Branch
Executive Officer and Deputy Head, Business Promotion Headquarters, and General Manager, Corporate Consulting Department
Executive Officer and Deputy Head, Business Promotion Headquarters, and General Manager, Sales Management Department
Executive Officer and Head of Business Operations Headquarters
Managing Executive Officer and Head of Business Operations Headquarters
Managing Executive Officer
Managing Director (current position)



Outside Director (part-time)
Masako Konishi
Apr. 1981
Apr. 1989
Apr. 1998
Jun. 2001
Sep. 2005
Feb. 2017
Apr. 2017
Apr. 2022
Jun. 2022
Apr. 2023
Joined Announcement Department, Chubu-Nippon Broadcasting Co., Ltd.
Served as a caster and reporter at multiple broadcasting stations such as NHK, TBS, and CNN
Obtaining certificate of weather forecaster, served as a weather forecaster at MX TV, etc.
Joined Weathernews Inc.
Weather forecaster and producer, Contents Creation Department
Joined WWF Japan (current position)
Member of the Central Environment Council, Ministry of the Environment (current position)
Specially Appointed Professor, Department of Business Design, Faculty of Global Business, Showa Women's University
Specially Appointed Professor, Graduate School of Advanced Integrated Studies in Human Survivability, Kyoto University (current position)
Outside Director (Part-time), The Toho Bank, Ltd.
Specially Appointed Professor, Graduate Program in Welfare Co-creation Management, Showa Women's University (current position)



Outside Director (part-time)
Hideya Takashima
Apr. 1982
Mar. 2007
Mar. 2009
Sep. 2012
Mar. 2013
Mar. 2015
Jan. 2017
Mar. 2017
Mar. 2021
Mar. 2022
Jun. 2022
Jun. 2022
Jul. 2023
Joined Sapporo Breweries Limited ("SB")
General Manager, Sendai Brewery, SB
Executive Officer and General Manager, Corporate Strategy Headquarters, SB
Managing Executive Officer and General Manager, Hokkaido Headquarters, SB
Managing Executive Officer and General Manager, Hokkaido Headquarters and Representative, Hokkaido Head Office, SB
Director and Senior Managing Executive Officer, Pokka Sapporo Food & Beverage Ltd.
President & Representative Director, Sapporo Breweries Limited and Group Executive Officer, Sapporo Holdings Limited
President & Representative Director, Sapporo Breweries Limited and Managing Group Executive Officer, Sapporo Holdings Limited
Advisor, Sapporo Holdings Limited
External Auditor, Fuji Food Group Inc. (current position)
Outside Director (Part-time), The Toho Bank, Ltd. (current position)
External Auditor, Hokkaido Airport Terminal Co., Ltd. (current position)
Chairman, Rakuno Gakuen Educational Corporation (current position)

Directors Serving as Audit and Supervisory Committee Members



Director (Audit and Supervisory Committee Member)
Takuo Sato
Apr. 1985
Jun. 2018
May 2021
Jun. 2022
Jun. 2024
Joined the Bank
Executive Officer and General Manager, Operations Support Department
Executive Officer and Branch Manager, Tokyo Branch
Officers on the Audit and Supervisory Committee
Director (Audit and Supervisory Committee Member) (current position)



Outside Director (Audit and Supervisory Committee Member, Part-time)
Ichiro Kawano
Apr. 1985
Jul. 2013
Jul. 2014
Jul. 2015
Jun. 2016
Jun. 2018
Nov. 2021
Jun. 2022
Joined Ministry of the Treasury (current Ministry of Finance)
Director-General of the Chugoku Local Finance Bureau, Ministry of Finance
Deputy Secretary-General, Executive Bureau, Securities and Exchange Surveillance Commission, Financial Services Agency
Director-General of the Tohoku Local Finance Bureau, Ministry of Finance
Executive Managing Director and Member of the Board, Regional Economy Vitalization Corporation of Japan
Director & Managing Executive Officer, the Shoko Chukin Bank, Ltd.
Advisor, Aioi Nissay Dowa Insurance Co., Ltd.
Outside Director (Audit and Supervisory Committee Member, Part-time), The Toho Bank, Ltd. (current position)



Outside Director (Audit and Supervisory Committee Member, Part-time)
Takamasa Hisada
Apr. 1980
Mar. 2002
Mar. 2004
Jul. 2005
Jul. 2007
Jul. 2009
May 2011
Jun. 2012
Mar. 2015
May 2021
Apr. 2024
Jun. 2024
Joined Bank of Japan ("BoJ")
General Manager, Matsue Branch, BoJ
Associate Director-General, Bank Supervision Department, BoJ
Associate Director-General, Financial System and Bank Examination Department, BoJ
Deputy Director-General, International Department, BoJ
General Manager for Europe and Chief Representative in London, BoJ
Internal Auditor, Director-General, Internal Auditors' Office, BoJ
Managing Director, The National Association of Shinkin Banks
Deputy Governor, Deposit Insurance Corporation of Japan
Senior Advisor, Aflac Life Insurance Japan Ltd.
Fund management supervisor of Suginami City (Part-time) (current position)
Outside Director (Audit and Supervisory Committee Member, Part-time), The Toho Bank, Ltd. (current position)



Outside Director (Audit and Supervisory Committee Member, Part-time)
Toru Oda
Apr. 1985
Aug. 1992
Apr. 2006
Apr. 2008
Apr. 2011
May 2013
Jun. 2013
Jul. 2014
Apr. 2019
Apr. 2023
May 2023
Oct. 2023
Nov. 2023
Jun. 2024
Joined the Kyowa Bank, Ltd. (current Resona Bank, Limited)
Joined the Editorial Department of Kinzai Weekly Financial Affairs, Kinzai Institute for Financial Affairs, Inc. ("KIFA")
General Manager and Chief Editor, Editorial Department of Kinzai Weekly Financial Affairs, KIFA
General Manager, Tokyo Sales Department 2, Sales Division, Kinzai Corporation ("KC")
Director, Director of Education Business Center, KC
Secretary-general of Executive Officer and Director of the Education and Training Bureau, KIFA
Representative Director, Secretary-General of Managing Director, and Director of Education and Training Bureau, KIFA
Representative Director, Secretary-General of Senior Managing Director, and Chief Editor, Editorial Bureau, KIFA
Senior Managing Director and Director of Publishing Bureau, KC
Counselor and Senior Fellow, KIFA
External Advisor, StormHarbour Japan Ltd. (current position)
Special Advisor, PwC Japan LLC
Secretary-General, Fintech Association of Japan (current position)
Outside Director (Audit and Supervisory Committee Member, Part-time), The Toho Bank, Ltd. (current position)

Skill matrix of Directors

Name	Positions and responsibilities	Management strategy and sustainability	Corporate management	Sales/ Consulting	Community/ Co-creation	Human resources/ Diversity	Market operation/ International businesses	IT/DX
Minoru Sato	President (Representative Director)	●	●	●	●	●	●	●
Katsutoshi Endo	Senior Managing Director (Representative Director)	●	●	●	●	●		●
Hiromi Meguro	Managing Director	●	●	●	●			
Shinji Takano	Managing Director	●	●	●		●	●	●
Masako Konishi	Director (Part-time)	●		●		●	●	●
Hideya Takashima	Director (Part-time)	●	●	●	●	●		●
Takuo Sato	Director, Audit and Supervisory Committee Member	●	●	●	●	●		
Ichiro Kawano	Director, Audit and Supervisory Committee Member (Part-time)	●	●	●	●			
Takamasa Hisada	Director, Audit and Supervisory Committee Member (Part-time)	●	●			●	●	
Toru Oda	Director, Audit and Supervisory Committee Member (Part-time)	●	●	●		●		●

* The table above does not cover all knowledge and experience the Directors have.

Details of each item

Management strategy and sustainability	Knowledge, experience, and abilities related to corporate management and organizational operation, as well as ESG management (environmental, social, governance, etc.) that supports corporate sustainability
Corporate management	Knowledge, experience, and abilities related to business administration, including legal affairs, compliance, risk management, finance, and taxation
Sales/Consulting	Knowledge, experience, and abilities related to sales, such as providing solutions to revitalize local economies, and knowledge, experience, and abilities related to sales planning and marketing
Community/Co-creation	Knowledge, experience, and abilities related to value creation through deep understanding of the characteristics and issues of local communities and economies, and effective alignment and cooperation with diverse stakeholders
Human resources/Diversity	Knowledge, experience, and abilities related to human resource management, human resources development, diversity promotion, and other human resource-related operations
Market operation/International businesses	Knowledge, experience, and abilities related to securities management and international operations
IT/DX	Knowledge, experience, and skills related to the use and promotion of digital technology to improve productivity and add value to companies

Executive Officers and Officers on the Audit and Supervisory Committee

Managing Executive Officer (Head of Business Operations Headquarters)
Managing Executive Officer (General Manager, Iwaki Main Office)
Managing Executive Officer (General Manager, Koriyama Main Office)
Managing Executive Officer (General Manager, Aizu Main Office)
Managing Executive Officer (General Manager, Head Office)
Executive Officer (Tokyo Branch)
Executive Officer (General Manager, Audit Department)
Executive Officer (Deputy Head, Business Operations Headquarters and General Manager, Systems Department)
Executive Officer (Branch Manager, Sendai Branch)

Naoyuki Tanabe
Takashi Sekine
Satoshi Kanari
Hiroyuki Kikuchi
Masaru Uemuro
Masatomo Fujishima
Katsuyuki Suzuki

Tadashi Shimura
Kaoru Shirai

Executive Officer (Deputy Head, Business Promotion Headquarters and General Manager, Asset Consulting Department)
Executive Officer (General Manager, Credit Department)
Executive Officer (General Manager, Compliance and Risk Administration Department)
Executive Officer (Branch Manager, Sukagawa Branch, Sukagawa-nishi Branch, and Kagamiishi Branch)
Executive Officer (Branch Manager, Shirakawa Branch, Shirakawa-Nishi Branch and Shirakawa City Hall Branch)
Officer on the Audit and Supervisory Committee

Eiji Watanabe
Naoyuki Kodama

Yasuhiko Endo

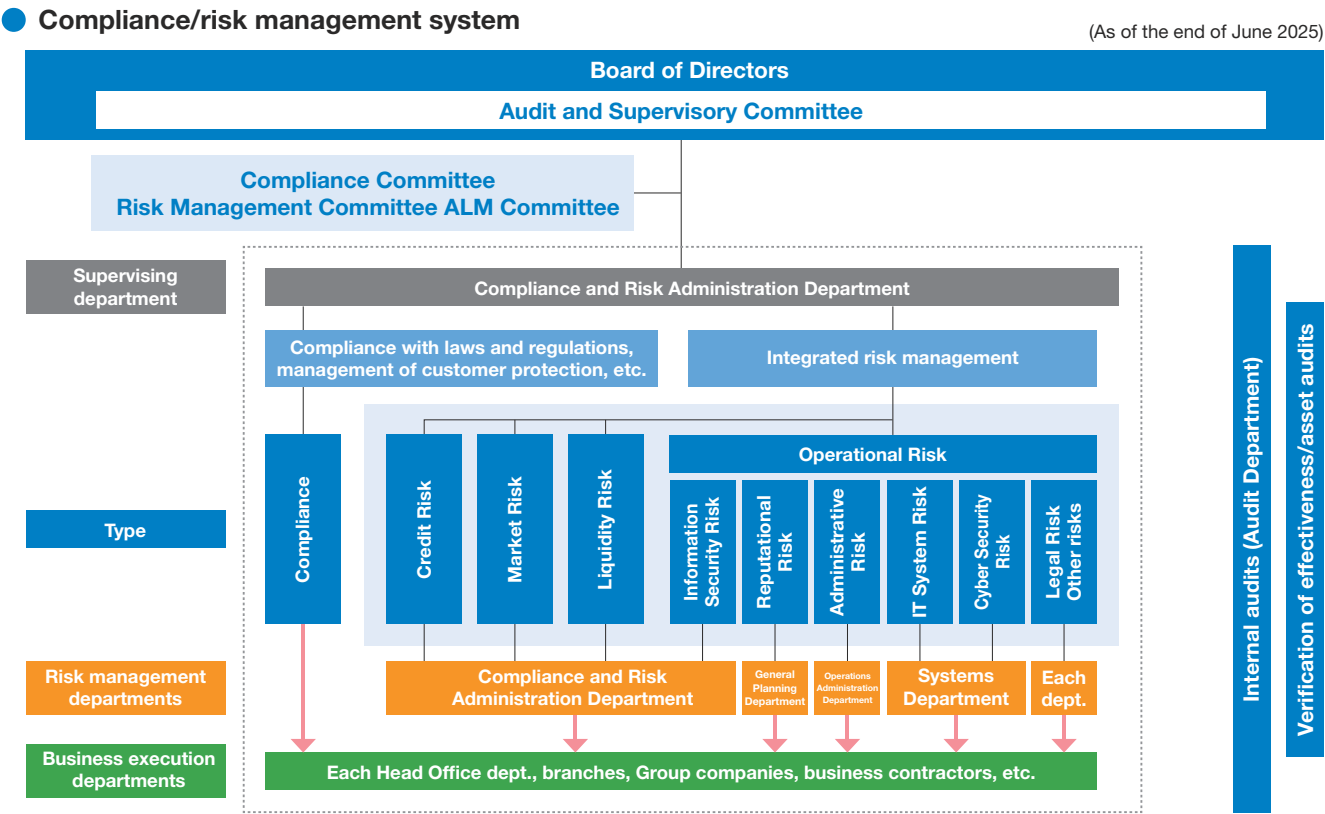
Yuki Sano

Masato Seino
Yumiko Takahashi

Risk Management

Risk management system

As financial services and operations become more diverse, the risks faced by banks are also becoming more complex. To improve the soundness of management and ensure appropriate business operations, the Bank has established a Basic Policy on Risk Management and strives to enhance and strengthen risk management based on the principle of self-responsibility. Specifically, targeting all risks arising from business operations, we establish management rules regarding the management method and management system for each risk category and operate this system appropriately. In particular, for risks that can be quantified we have established the Integrated Risk Management Policy to measure and aggregate quantitative risks using a common methodology, and strive to control risks in a way that is commensurate with our management strength, such as equity capital, to ensure the soundness of management. In addition, in terms of organization, mutual limitation functions are ensured through measures such as separating the revenue-producing departments and management departments and the establishment of an audit department independent of the rest of the organization. Also, the Risk Management Committee meets periodically to build a comprehensive risk management system that includes the risks of related groups.



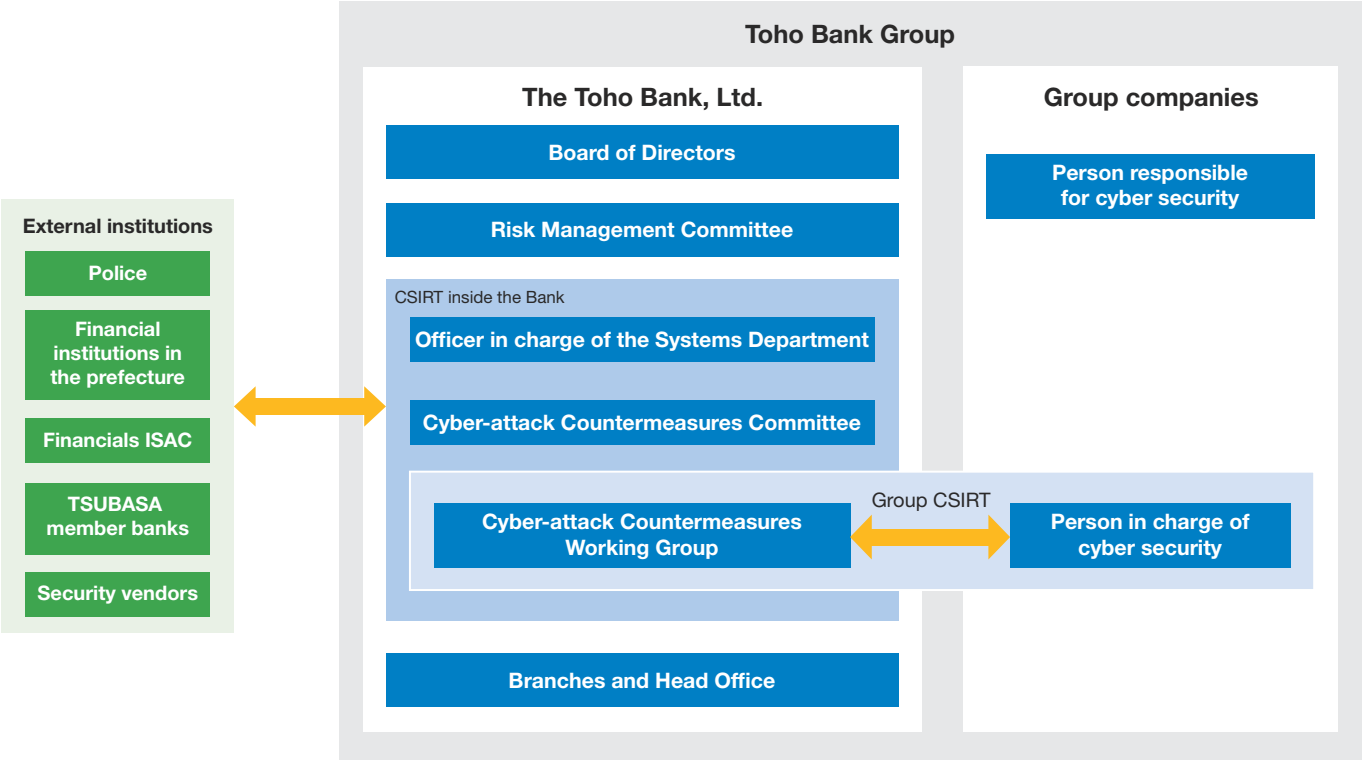
● Risk appetite framework (RAF)

In formulating its annual management plan, the Bank utilizes a risk appetite framework (RAF), through which it clarifies the types and levels of risk it is willing to accept based on its business and market investment strategies, and conducts management and risk control accordingly. Within the RAF, in pursuit of achieving TX PLAN 2030, we conduct a comprehensive identification of potential risk events that could have a significant impact on management by assessing both internal and external environments. We then evaluate them in terms of likelihood of occurrence and magnitude of impact to designate our top risks. In addition, taking into account the selected top risks, we establish risk appetite policies and risk appetite indicators and levels for each risk category in alignment with our financial plan and business strategy. By regularly monitoring these risk appetite indicators, we are able to ensure appropriate risk-taking and risk control.

Cyber security measures

As for cyber security measures, we have established system-wide measures and established a Computer Security Incident Response Team (CSIRT) to guarantee that we are ready to respond appropriately should a cyber incident occur. In addition, we are working to maintain the effectiveness of our responses by developing fixed protocols and conducting regular drills to prepare for possible incidents. Understanding that the situation is becoming increasingly complex and sophisticated day by day, we also work continuously to collect a wide range of information and improve our ability to respond.

● Cyber security management system



● Heat map of key risks

		Likelihood of occurrence		
		Low	Medium	High
Magnitude of impact	Low		Risks related to impairment of fixed assets, etc.	
	Medium	- Risks associated with the spread of infectious diseases - Risks associated with changes in laws, regulations, and policies	- Delay in recovery from the Great East Japan Earthquake - Credit risk - Market risk - Liquidity risk - Risks related to capital adequacy ratio - Risks associated with financial crime	- Intensifying competition due to changes in social and industrial structures - Climate change risks
	High	- Advances in digital technology - Risks associated with inappropriate conduct by officers and employees - Large-scale natural disasters and other risks	- Geopolitical risks - Inadequate response to DE&I - Cyber security risk - IT system risk	Top risks - Global and Japanese economic slowdown - Depopulation, declining birthrate and aging population

Compliance

Compliance system (Compliance with laws and regulations)

Banks are highly publicized to a degree exceeding private companies, and bear a large responsibility to contribute broadly to society. To that end, it is necessary not only to ensure thorough compliance (compliance with laws and regulations, ethics, social norms, etc.) but also to always act with propriety.

We have traditionally taken a strict stance on compliance with laws and regulations, and in addition to having established a Compliance/Legal/Financial Crimes Prevention Administration Section in the Compliance and Risk Administration Department, we have assigned a person in charge of legal and regulatory compliance at each Head Office department and each branch, thus strengthening cooperation between Head Office and branches. Also, in addition to regularly holding meetings of the Compliance Committee to formulate and review compliance programs and manage their implementation status, we have created a Compliance Manual which incorporates major laws and regulations, response rules, organizational structure, etc., and also conduct compliance-related training.

Management legal affairs are checked and audited by the Board of Directors and Audit and Supervisory Committee, and we also partner with legal advisers, public accountants, and other experts as necessary to ensure objectivity.

Based on the importance of compliance with laws and regulations, we will continue to improve the systems within the Bank.

Internal reporting system

In order to allow all officers and employees to report compliance violations such as violations of laws and regulations, acts of corruption, breaches of work rules, bullying or other acts of harassment, directly to the Compliance and Risk Administration Department or outside legal counsel, we have established a compliance reporting system. This system is compliant with the Whistleblower Protection Act, and we ensure the effectiveness of the system by protecting whistleblowers through maintaining confidentiality and prohibiting prejudicial treatment. We are thereby striving to build a framework for early detection of legal violations.

In addition, in order to make active use of the system, training for all officers, employees, and managers is conducted on a regular basis.

Initiatives to prevent money laundering, etc. and counteract financial crimes

The Bank considers countering money laundering, terrorist financing, proliferation financing, and sanctions violations to be a key management issue and is working to build an appropriate management system based on a risk-based approach. In addition, we are making various efforts to protect our customers from financial crimes such as counterfeiting or theft of ATM cards and bank transfer fraud.

We are also working together with the member banks of the TSUBASA Alliance to strengthen our measures.

Efforts to cut ties with antisocial forces

The Bank will always take a strict attitude toward antisocial forces, devote itself to proper administrative processing daily, strive to prevent trouble before it occurs, and in the unlikely event that antisocial forces attempt to intervene in some way the Bank shall handle matters appropriately, including legal measures, under a cooperative and collaborative system with the relevant departments, police authorities, and others.

In addition, we are actively promoting efforts to cut ties with antisocial forces by utilizing the organized crime exclusion clauses in various contracts and account deposit regulations.

Efforts to prevent bribery and other forms of corruption

The Bank has established rules on entertainment and gifts in its compliance manual, including the prohibition of providing entertainment, gifts, or other benefits to public officials, in an effort to maintain sound relationships with stakeholders such as shareholders, business partners, and regional communities. In addition, regular training sessions are held to ensure compliance by all officers and employees.

As a result of these initiatives, in the fiscal year ended March 31, 2025, there were zero disciplinary actions or dismissals related to corrupt practices, and no expenses were incurred for fines or settlements.

Initiatives to protect personal information

As a business that handles personal information, the Bank considers the protection of customers' personal information to be our most important duty to uphold the trust of customers, and we have established and published the Personal Information Protection Declaration (Privacy Policy) as an initiative policy on the appropriate and strict handling of personal information.

We will continue to review and improve our efforts to protect personal information so that we can continue to properly protect and use customers' personal information and ensure thorough safety management, thereby providing unchanging peace of mind to our customers.

Solicitation policy based on the Act on the Provision of Financial Services

We comply with laws and regulations and conduct customer-oriented solicitation, upholding the trust of our customers as our first priority.

- (1) We recommend products suitable for our customers based on their knowledge, experience, financial status, and investment objectives.
- (2) We will sufficiently explain important matters such as product details and risks so that customers can make transactions at their discretion.
- (3) We endeavor to provide proper information. We do not provide explanations that mislead customers, such as providing assertive judgments or information that is not factual.
- (4) We will not solicit customers at times or places that are inconvenient for them. In addition, we do not conduct one-sided solicitations.
- (5) We work to acquire product knowledge and achieve self-improvement so that we can solicit customers properly.

Regarding our solicitation policy as an operational management institution for the defined contribution pension plan system, the solicitation policy shall apply to both the "selection of investment methods and presentation to the participants or instructors" of "operational management services related to corporate-type pension plans" and "designation or change of an operational management institution for individual-type pension plans" under the Defined Contribution Pension Act.

Initiatives for the alternative dispute resolution system

When a customer makes a complaint, requests a consultation, etc., or files a dispute against the Bank, the Bank will work to promptly, sincerely, fairly, and appropriately resolve it, taking into account the alternative dispute resolution system in the financial sector (financial ADR system).

The Bank is working to improve its internal systems and has contracted with the following designated dispute resolution organizations to resolve disputes based on the agreement of the parties in mediation, conciliation, arbitration, etc.

- (1) Designated dispute resolution organizations under the Banking Act with which the Bank has a contract
Japanese Bankers Association (Contact: JBA Customer Relations Center, Phone: 0570-017109 or +81-3-5252-3772)
- (2) Designated dispute resolution organizations under the Trust Business Act and Act on Engagement in Trust Business by Financial Institutions with which the Bank has a contract
Trust Companies Association of Japan (Contact: Trust Consultation Center, Phone: 0120-81733 or +81-3-6206-3988)



Financial Alternative Dispute Resolution (ADR) system

ADR is a dispute resolution method based on the agreement of the parties in mediation, conciliation, arbitration, etc., and is expected to resolve disputes quickly, easily, and flexibly according to the nature of the case and the circumstances of the parties. Corporations and organizations that meet the requirements for designation in the Banking Act and other laws are designated as designated dispute resolution organizations, and conduct dispute resolution procedures based on the agreement of the parties in mediation, conciliation, arbitration, etc.

Financial Data (10 Years)

Business year ended March 31, 2025

(Billions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Performance Summary										
Gross business profit	50.6	46.5	46.3	44.9	45.7	40.9	42.8	39.1	42.3	43.9
Net interest income	38.8	38.9	38.6	36.3	34.3	32.4	34.1	33.3	35.0	38.7
Fees and commissions income	9.0	7.8	8.5	9.2	7.6	7.6	7.8	7.0	7.1	7.2
Other operating income	2.8	(0.2)	(0.8)	(0.6)	3.6	0.8	0.8	(1.2)	0.1	(2.0)
Of which, gains (losses) on bonds	3.6	0.1	(0.1)	(0.9)	3.4	(0.0)	0.0	(1.0)	0.2	(1.6)
Expenses	38.0	37.5	36.5	35.0	34.0	32.9	31.8	30.7	33.3	34.3
Net core business profit	9.0	8.8	9.9	10.8	8.1	8.0	10.9	9.3	8.7	11.2
Ordinary profit (loss)	15.9	10.6	10.1	5.9	3.8	(5.6)	8.9	6.1	7.9	10.8
Profit (loss)	10.0	7.3	7.0	4.0	2.5	(5.5)	6.1	4.5	5.4	7.6
Credit-related costs	(0.2)	0.9	1.3	6.6	6.9	11.3	2.3	2.2	1.8	0.6
Profit (loss) attributable to owners of the parent (Consolidated)	18.2	7.0	7.3	3.5	2.7	(4.6)	6.7	4.4	5.2	7.4
Balance Sheets Summary										
Loans and bills discounted	2,930.9	3,228.7	3,265.4	3,564.5	3,862.8	3,789.4	3,676.2	3,917.1	3,934.2	4,054.0
Loans to small and medium-sized enterprises	1,523.9	1,648.2	1,767.7	1,841.1	1,883.6	1,915.8	1,908.6	1,934.6	1,963.1	2,021.6
Housing loans	642.2	680.2	719.4	748.7	761.8	763.5	780.7	789.9	792.6	799.6
Securities	1,540.2	1,529.6	1,199.7	574.9	363.9	495.3	523.9	564.8	877.7	1,207.5
Deposits	5,135.9	5,236.8	5,229.8	5,195.9	5,323.6	5,790.8	5,748.9	5,776.9	5,832.1	5,770.9
Negotiable certificates of deposit	391.5	398.3	446.5	474.1	472.8	348.7	474.6	427.3	475.3	396.0
Total shareholders' equity	167.3	172.7	177.9	180.0	180.7	174.5	179.0	182.1	185.7	190.7
Total valuation and translation adjustments	26.3	18.5	15.9	10.0	4.9	8.0	2.6	(2.8)	5.3	(9.5)
Indicator Summary										
ROE (%) (Consolidated)	9.5	3.6	3.7	1.8	1.4	(2.4)	3.5	2.3	2.6	3.7
Core OHR(%) (Consolidated)	—	—	—	—	—	77.8	73.1	76.3	78.9	74.9
Capital adequacy ratio (%) (Consolidated)	10.11	9.22	9.03	8.74	8.96	9.28	9.66	9.36	9.83	10.75
Net assets per share (Yen) (Consolidated)	786.61	778.22	793.34	774.13	757.70	759.30	764.67	757.81	817.31	789.86
Basic earnings (loss) per share (Yen) (Consolidated)	72.48	28.07	29.11	14.22	10.82	(18.50)	26.79	17.82	20.82	29.78
Dividend per share (Yen) (Consolidated)	8.50	8.00	8.00	8.00	6.00	5.00	7.00	7.00	7.00	9.00
Payout ratio (%) (Consolidated)	11.7	28.5	27.4	56.2	55.4	— (*)	26.1	39.2	33.6	30.2

(*) The payout ratio (consolidated) for the fiscal year ended March 31, 2021 is not stated because a loss attributable to owners of parent was recorded.

List of Group Companies

Organization



Status of subsidiaries, etc.

(As of July 31, 2025)

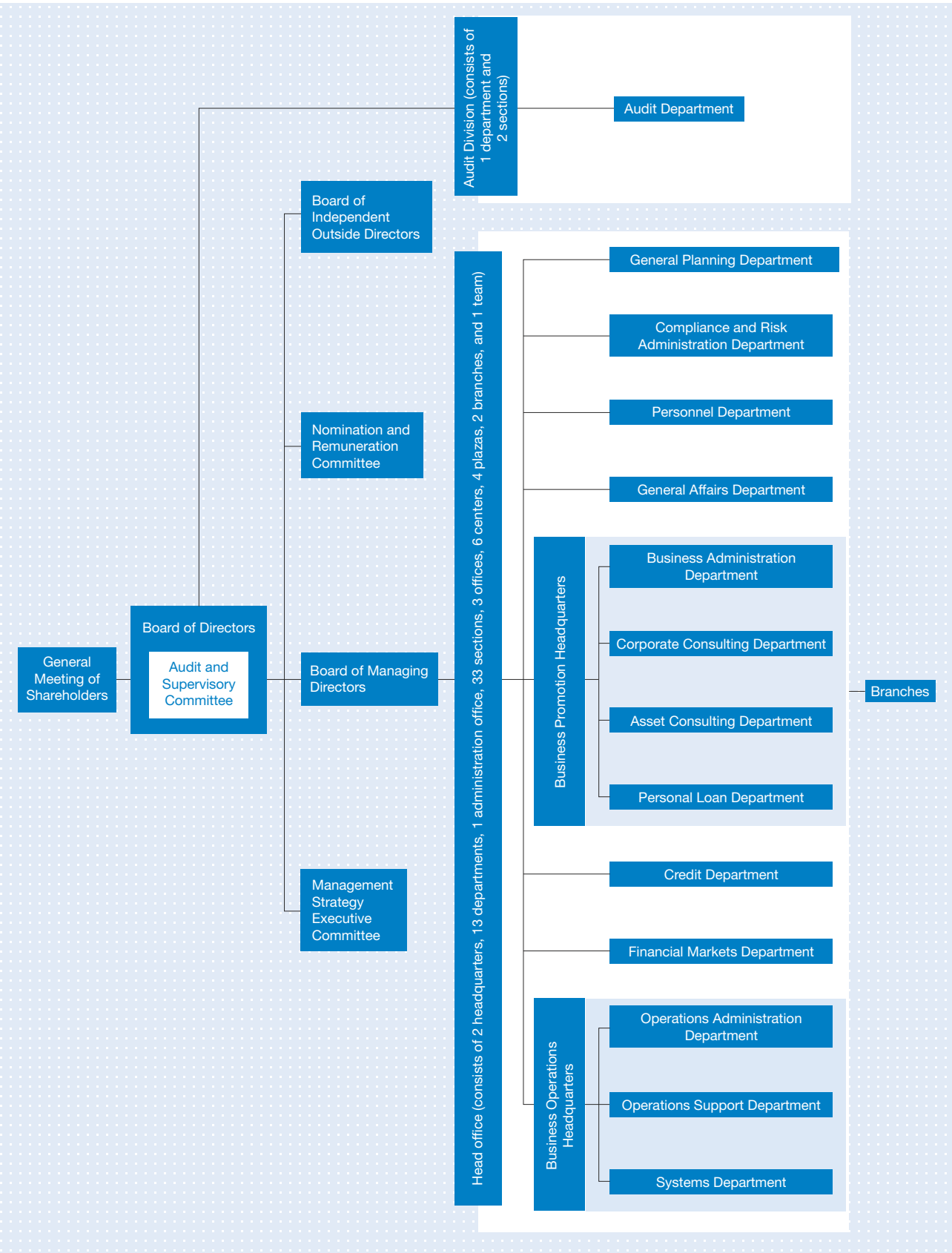
Company name	Location	Primary business	Date established	Capital (Millions of yen)	Ratio of voting rights of the Bank (%)	Ratio of voting rights of subsidiaries, etc. (%)
Toho Securities Co., Ltd. (liquidated)	3-25, Ohmachi, Fukushima	In the midst of liquidation procedures associated with business alliance related to financial instruments with Nomura Securities Co., Ltd.	August 28, 2015	3,000	100%	0%
Toho Consulting Partners Co., Ltd.	4-4, Ohmachi, Fukushima	Business succession and M&A support services	August 2, 2022	100	100%	0%
Toho IT Human Solutions, Ltd.	3-4, Aza Sakurada, Hirano, Iizakamachi, Fukushima	IT-related business Human resources-related business	July 1, 2025	300	100%	0%
The Toho Lease Co., Ltd.	3F, Uwamachi Terrace, 5-6, Uwamachi, Fukushima	Leasing	March 20, 1985	60	50%	50%
The Toho Card Co., Ltd.	4-4, Ohmachi, Fukushima	Credit card business and credit guarantee business	April 15, 1985	30	50%	50%
The Toho Credit Guarantee Co., Ltd.	4-4, Ohmachi, Fukushima	Credit guaranteeing	March 20, 1985	110	50%	50%
The Toho Information System Co., Ltd.	3-4, Aza Sakurada, Hirano, Iizakamachi, Fukushima	Planning and development for IT implementation	October 14, 1983	60	39.6%	60.3%
Toho Smile, Co., Ltd.	3-4, Aza Sakurada, Hirano, Iizakamachi, Fukushima	Printing and binding of business forms and other documents	March 1, 2012	30	100%	0%
Limited Liability Partnership for Regional Industries Promotion Investment	1-6-35, Chuo, Aoba-ku, Sendai	Investment in companies in growth, maturity, and renewal stages	September 14, 2018	1,563	-%	-%

Related institutions

(As of July 31, 2025)

Institution name	Location	Date established
Toho Area Research Institute	4-4, Ohmachi, Fukushima	July 1, 1982
Toho Bank Foundation for Education and Culture	3-183, Aza Yokozuka, Arai, Fukushima	April 1, 1993

(As of July 31, 2025)



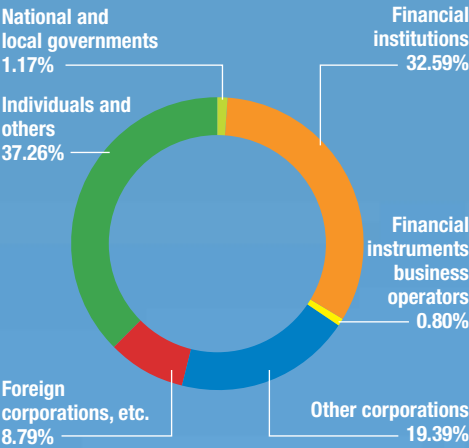
Corporate Profile (As of March 31, 2025)

Name	The Toho Bank, Ltd.
Location of head office	3-25, Ohmachi, Fukushima, Fukushima Prefecture
Date of foundation	November 4, 1941
Capital	¥23.519 billion
Total assets	¥6,630.3 billion
Total balance of deposits	¥6,167.0 billion
Loans and bills discounted	¥4,054.0 billion
Capital adequacy ratio	Non-consolidated: 10.27%, Consolidated: 10.75% (domestic standard)
Number of branches	123 (105 branches in Fukushima Prefecture, 12 branches outside Fukushima Prefecture, 1 internet branch, 5 sub-branches)
Number of employees	1,873

Stock Information (As of March 31, 2025)

Stock code	8346
Stock listing	Tokyo Stock Exchange
Total number of shares issued	252,500,000 shares
Number of authorized shares	798,256,000 shares

Breakdown of shares held



Status of Major Shareholders

Name	Number of shares held (Thousand of shares)	Ratio of number of shares held to total number of shares issued (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	20,501	8.21
Custody Bank of Japan, Ltd. (Trust Account)	10,783	4.31
Meiji Yasuda Life Insurance Company	9,924	3.97
Toho Bank Employee Stock Ownership Association	9,364	3.75
Fukushima Shoji Co., Ltd.	8,436	3.37
Nippon Life Insurance Company	7,938	3.17
Nitto Boseki Co., Ltd.	4,746	1.90
Sumitomo Life Insurance Company	3,939	1.57
JPMorganChase Bank 385781	2,610	1.04
The Chiba Bank, Ltd.	2,605	1.04
Total	80,849	32.37

(Note) 1. The number of shares held is rounded down to the nearest thousand.
2. The breakdown of shares held is calculated by deducting the number of shares of treasury stock from the total number of shares issued, and is rounded down to the second decimal place.
3. As of March 31, 2025, the Bank held 2,794 thousand shares of treasury stock, which were excluded from the above list of major shareholders.

TOHO BANK

Financial Statements

Consolidated Balance Sheets
As of March 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2025	2024	2025
Assets:			
Cash and due from banks (Notes 16 and 21)	¥ 1,235,480	¥ 1,795,566	\$ 8,262,980
Monetary claims bought	12,547	12,794	83,917
Trading account securities (Notes 21 and 22)	55	43	372
Money held in trust (Note 23)	7,150	7,950	47,819
Securities (Notes 4, 7, 10, 21 and 22)	1,209,460	878,246	8,088,952
Loans and bills discounted (Notes 5, 7, 8, 21 and 28)	4,039,402	3,922,052	27,015,797
Foreign exchanges (Note 21)	1,544	932	10,332
Lease receivables and investment assets (Note 20)	16,177	14,181	108,193
Other assets (Notes 7, 21 and 24)	74,414	76,842	497,689
Tangible fixed assets (Note 9)	35,511	34,884	237,501
Intangible fixed assets	12,411	13,348	83,010
Net defined benefit assets (Note 18)	10,510	7,872	70,293
Deferred tax assets (Note 17)	15,925	10,700	106,510
Customers' liabilities for acceptances and guarantees (Note 6)	7,841	8,068	52,447
Allowance for loan losses (Note 21)	(25,192)	(24,914)	(168,490)
Total assets	¥ 6,653,240	¥ 6,758,569	\$ 44,497,329
Liabilities:			
Deposits (Notes 7 and 21)	¥ 6,152,659	¥ 6,292,935	\$ 41,149,405
Borrowed money (Notes 7, 21 and 30)	216,339	192,933	1,446,890
Foreign exchanges (Note 21)	313	223	2,094
Borrowed money from trust account (Note 11)	5,714	6,010	38,221
Other liabilities (Notes 21, 24 and 30)	68,736	48,151	459,716
Net defined benefit liability (Note 18)	164	151	1,101
Provision for reimbursement of deposits	298	327	1,996
Provision for contingent loss	692	560	4,632
Provision for customer point program	220	217	1,474
Reserve under special laws	1	0	9
Deferred tax liabilities (Note 17)	1,029	822	6,886
Deferred tax liabilities for land revaluation (Note 17)	1,993	1,984	13,331
Acceptances and guarantees (Note 6)	7,841	8,068	52,447
Total liabilities	6,456,005	6,552,389	43,178,209
Commitments and contingent liabilities (Note 8)			
Net Assets (Note 15):			
Capital stock	23,519	23,519	157,298
Capital surplus	13,653	13,653	91,315
Retained earnings	164,248	158,582	1,098,503
Treasury stock	(1,012)	(77)	(6,772)
Shareholders' equity	200,408	195,677	1,340,344
Valuation difference on available-for-sale securities (Note 22)	(9,149)	7,353	(61,193)
Deferred gains or losses on hedges (Note 24)	2,130	—	14,247
Revaluation reserve for land (Note 2(f))	(898)	(731)	(6,009)
Remeasurements of defined benefit plans (Note 18)	4,744	3,880	31,730
Total accumulated other comprehensive income	(3,173)	10,502	(21,224)
Total net assets (Note 19)	197,234	206,179	1,319,119
Total liabilities and net assets	¥ 6,653,240	¥ 6,758,569	\$ 44,497,329

See notes to consolidated financial statements.

Consolidated Statements of Income
For the years ended March 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2025	2024	2025
Income:			
Interest income:			
Interest on loans and discounts	¥ 30,855	¥ 26,683	\$ 206,361
Interest and dividends on securities	7,417	4,751	49,611
Other interest income	4,579	2,621	30,630
Fees and commissions income	15,428	14,846	103,189
Other operating income	9,618	8,594	64,331
Other income (Note 13)	2,607	1,784	17,438
Total income	70,508	59,283	471,563
Expenses:			
Interest expenses:			
Interest on deposits	3,833	262	25,639
Interest on borrowings and rediscounts	190	(56)	1,276
Other interest expenses	1,210	3	8,097
Fees and commissions expenses	5,575	5,311	37,287
Other operating expenses	10,485	7,373	70,129
General and administrative expenses (Note 12)	35,956	35,150	240,482
Other expenses (Note 14)	2,549	3,242	17,053
Total expenses	59,803	51,288	399,968
Profit before income taxes	10,704	7,995	71,594
Income taxes (Note 17):			
Current	2,548	3,745	17,046
Deferred	710	(1,003)	4,750
Total	3,259	2,742	21,796
Profit	7,445	5,252	49,797
Profit attributable to owners of parent (Note 19)	¥ 7,445	¥ 5,252	\$ 49,797

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income
For the years ended March 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2025	2024	2025
Profit	¥ 7,445	¥ 5,252	\$ 49,797
Other comprehensive income (Note 25):			
Valuation difference on available-for-sale securities	(16,503)	8,636	(110,375)
Deferred gains or losses on hedges	2,130	—	14,247
Revaluation reserve for land	(57)	—	(387)
Remeasurements of defined benefit plans, net of tax (Note 18)	863	2,996	5,777
Total other comprehensive income (loss)	(13,567)	11,633	(90,737)
Comprehensive income (loss)	¥ (6,121)	¥ 16,885	\$ (40,939)
Total comprehensive income (loss) attributable to:			
Owners of parent	¥ (6,121)	¥ 16,885	\$ (40,939)
	¥ (6,121)	¥ 16,885	\$ (40,939)

See notes to consolidated financial statements.

Financial Statements

Consolidated Statements of Changes in Net Assets
For the years ended March 31, 2025 and 2024

	Millions of Yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity
BALANCE, April 1, 2023	¥ 23,519	¥ 13,653	¥ 155,160	¥ (145)	¥ 192,187
Changes of items during the year					
Dividends from retained earnings			(1,765)		(1,765)
Profit attributable to owners of parent			5,252		5,252
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock		(21)		68	46
Transfer from retained earnings to capital surplus		21	(21)		-
Reversal of land revaluation excess, net of tax			(43)		(43)
Net changes of items other than stockholders' equity during year					
Total changes of items during the year	-	-	3,421	68	3,490
BALANCE, April 1, 2024	¥ 23,519	¥ 13,653	¥ 158,582	¥ (77)	¥ 195,677
Changes of items during the year					
Dividends from retained earnings			(1,881)		(1,881)
Profit attributable to owners of parent			7,445		7,445
Acquisition of treasury stock				(1,000)	(1,000)
Disposal of treasury stock		(7)		65	58
Transfer from retained earnings to capital surplus		7	(7)		-
Reversal of land revaluation excess, net of tax			109		109
Net changes of items other than stockholders' equity during year					
Total changes of items during the year	-	-	5,666	(934)	4,731
BALANCE, March 31, 2025	¥ 23,519	¥ 13,653	¥ 164,248	¥ (1,012)	¥ 200,408

	Millions of Yen					
	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
BALANCE, April 1, 2023	¥ (1,283)	¥ -	¥ (775)	¥ 884	¥ (1,174)	¥ 191,012
Changes of items during the year						
Dividends from retained earnings						(1,765)
Profit attributable to owners of parent						5,252
Acquisition of treasury stock						(0)
Disposal of treasury stock						46
Transfer from retained earnings to capital surplus						-
Reversal of land revaluation excess, net of tax						(43)
Net changes of items other than stockholders' equity during year	8,636	-	43	2,996	11,677	11,677
Total changes of items during the year	8,636	-	43	2,996	11,677	15,167
BALANCE, April 1, 2024	¥ 7,353	¥ -	¥ (731)	¥ 3,880	¥ 10,502	¥ 206,179
Changes of items during the year						
Dividends from retained earnings						(1,881)
Profit attributable to owners of parent						7,445
Acquisition of treasury stock						(1,000)
Disposal of treasury stock						58
Transfer from retained earnings to capital surplus						-
Reversal of land revaluation excess, net of tax						109
Net changes of items other than stockholders' equity during year	(16,503)	2,130	(167)	863	(13,676)	(13,676)
Total changes of items during the year	(16,503)	2,130	(167)	863	(13,676)	(8,944)
BALANCE, March 31, 2025	¥ (9,149)	¥ 2,130	¥ (898)	¥ 4,744	¥ (3,173)	¥ 197,234

	Thousands of U.S. Dollars (Note 3)(Note 3)					
	Shareholders' equity					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity	
BALANCE, April 1, 2024	\$ 157,298	\$ 91,315	\$ 1,060,608	\$ (520)	\$ 1,308,701	
Changes of items during the year						
Dividends from retained earnings			(12,585)		(12,585)	
Profit attributable to owners of parent			49,797		49,797	
Acquisition of treasury stock				(6,688)	(6,688)	
Disposal of treasury stock		(48)		436	388	
Transfer from retained earnings to capital surplus		48	(48)		—	
Reversal of land revaluation excess, net of tax			730		730	
Net changes of items other than stockholders' equity during year						
Total changes of items during the year	—	—	37,895	(6,251)	31,643	
BALANCE, March 31, 2025	\$ 157,298	\$ 91,315	\$ 1,098,503	\$ (6,772)	\$ 1,340,344	

	Thousands of U.S. Dollars (Note 3)(Note 3)					
	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
BALANCE, April 1, 2024	\$ 49,181	\$ —	\$ (4,891)	\$ 25,953	\$ 70,243	\$ 1,378,944
Changes of items during the year						
Dividends from retained earnings						(12,585)
Profit attributable to owners of parent						49,797
Acquisition of treasury stock						(6,688)
Disposal of treasury stock						388
Transfer from retained earnings to capital surplus						—
Reversal of land revaluation excess, net of tax						730
Net changes of items other than stockholders' equity during year	(110,375)	14,247	(1,117)	5,777	(91,467)	(91,467)
Total changes of items during the year	(110,375)	14,247	(1,117)	5,777	(91,467)	(59,824)
BALANCE, March 31, 2025	\$ (61,193)	\$ 14,247	\$ (6,009)	\$ 31,730	\$ (21,224)	\$ 1,319,119

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Consolidated Statements of Cash Flows
For the years ended March 31, 2025 and 2024

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2025	2024	2025
Cash flows from operating activities			
Profit before income taxes	¥ 10,704	¥ 7,995	\$ 71,594
Depreciation expense	4,352	2,956	29,112
Impairment loss	284	485	1,902
Increase (decrease) in allowance for loan losses	277	(1,568)	1,857
Decrease in net defined benefit liability	(2,625)	(5,170)	(17,556)
Decrease in provision for reimbursement of deposits	(28)	(25)	(193)
Increase in provision for contingent loss	131	126	880
Increase in provision for customer point program	3	3	20
Interest income	(42,852)	(34,056)	(286,603)
Interest expenses	5,235	209	35,014
(Gain) loss on securities	544	(427)	3,641
Gain on money held in trust	(3)	(1)	(21)
(Gain) loss on foreign exchange	163	(1,522)	1,093
Gain on sale of fixed assets	(14)	(245)	(99)
Net increase in trading account securities	(12)	(25)	(82)
Net increase in loans and bills discounted	(117,349)	(14,016)	(784,839)
Net increase (decrease) in deposits	(62,001)	55,249	(414,668)
Net increase (decrease) in negotiable certificates of deposit	(78,275)	48,047	(523,509)
Net increase in borrowed money (excluding subordinated borrowings)	23,405	16,362	156,534
Net (increase) decrease in due from banks other than BOJ	(200)	370	(1,339)
Net (increase) decrease in call loans and bills bought	247	(52)	1,654
Net (increase) decrease in foreign exchange assets	(612)	1,513	(4,096)
Net increase in foreign exchange liabilities	89	69	598
Net increase in lease receivables and investment assets	(1,996)	(1,871)	(13,350)
Net increase (decrease) in borrowed money from trust account	(296)	115	(1,980)
Interest received	40,329	33,869	269,724
Interest paid	(4,058)	(201)	(27,144)
All other operating activities	21,153	9,325	141,477
Sub-total	(203,403)	117,514	(1,360,375)
Income taxes paid, net	(3,772)	(3,236)	(25,228)
Net cash provided by (used in) operating activities	(207,175)	114,278	(1,385,603)
Cash flows from investing activities			
Purchase of equity and other securities	(466,606)	(499,372)	(3,120,697)
Proceeds from sales of equity and other securities	81,371	153,156	544,215
Proceeds from maturities of securities	38,566	47,011	257,934
Increase in money held in trust	(600)	(4,400)	(4,012)
Decrease in money held in trust	1,400	5,200	9,363
Expenditures for tangible fixed assets	(3,380)	(1,578)	(22,606)
Proceeds from sales of tangible fixed assets	251	535	1,682
Expenditures for intangible fixed assets	(1,275)	(3,384)	(8,530)
Net cash used in investing activities	(350,273)	(302,831)	(2,342,652)
Cash flows from financing activities			
Dividends paid	(1,881)	(1,765)	(12,585)
Repayment of lease obligations	(13)	(13)	(90)
Purchase of treasury stock	(1,000)	(0)	(6,688)
Proceeds from sales of treasury stock	58	46	388
Net cash used in financing activities	(2,837)	(1,732)	(18,975)
Effect of exchange rate changes in cash and cash equivalents	-	-	-
Net decrease in cash and cash equivalents	(560,286)	(190,285)	(3,747,231)
Cash and cash equivalents at beginning of fiscal year	1,794,675	1,984,960	12,002,912
Cash and cash equivalents at end of fiscal year (Note 16)	¥ 1,234,389	¥ 1,794,675	\$ 8,255,680

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. Basis of Presentation

The accompanying consolidated financial statements of The Toho Bank, Ltd. (the “Bank”) and its consolidated subsidiaries (collectively the “Group”) have been prepared from the accounts and records maintained by the Group in accordance with accounting principles generally accepted in Japan which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. The accompanying consolidated financial statements have been compiled from the consolidated financial statements filed with the Prime Minister as required by the Financial Instruments and Exchange Act of Japan and the Banking Act of Japan.

For the convenience of readers outside Japan, certain items presented in the Japanese original financial statements have been reclassified and rearranged. In addition, certain prior year amounts have been reclassified for consistency with the current year presentation.

The amounts indicated in millions of yen are rounded down by omitting amounts of less than one million. As a result, the totals shown in the accompanying financial statements do not necessarily agree with the sums of the individual amounts.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation

Under the control or influence concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are consolidated, and those companies (affiliates) over which the Group has the ability to exercise significant influence are accounted for by the equity method.

(1) Scope of consolidation

The number of consolidated subsidiaries and unconsolidated subsidiaries as of March 31, 2025 and 2024 is as follows:

	2025	2024
Number of consolidated subsidiaries:	8	8
Number of unconsolidated subsidiaries:	2	1

The unconsolidated subsidiaries are excluded from the scope of consolidation since their exclusions do not preclude reasonable judgment on the Group’s financial position and financial performance in terms of their assets, net income (amount corresponding to the Bank’s equity interests), retained earnings (amount corresponding to the Bank’s equity interests) and accumulated other comprehensive income (amount corresponding to the Bank’s equity interests), etc.

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(2) Application of the equity method

The number of affiliates accounted for by the equity method and unconsolidated subsidiaries and affiliates not accounted for by the equity method as of March 31, 2025 and 2024 is as follows:

	2025	2024
Number of affiliates accounted for by the equity method	1	1
Number of unconsolidated subsidiaries not accounted for by the equity method	2	1
Number of affiliates not accounted for by the equity method	-	-

The unconsolidated subsidiaries not accounted for by the equity method are excluded from the scope of equity method since their exclusions do not have material effects on the consolidated financial statements in terms of their net income (amount corresponding to the Bank’s equity interests), retained earnings (amount corresponding to the Bank’s equity interests) and accumulated other comprehensive income (amount corresponding to the Bank’s equity interests), etc.

(3) Closing date of the consolidated subsidiaries

The closing date of the consolidated subsidiaries is the same as the consolidated closing date.

(b) Trading account securities

Trading account securities are stated at fair value at the end of the year.

The moving average cost method is used to determine the cost of securities sold.

(c) Securities

Held-to-maturity debt securities are stated at amortized cost using the moving average cost method.

Available-for-sale securities are stated at fair value. However, shares, etc. with no market price are stated at cost using the moving average cost method.

Valuation difference on available-for-sale securities is presented as a separate component of net assets, net of related tax effect. For foreign currency-denominated bonds under available-for-sale securities denominated in foreign currencies, of the fair value in foreign currency translated at the year-end exchange rate, the valuation difference due to the change in fair value in foreign currency (valuation difference in foreign currency translated at the spot exchange rate at year-end) is presented as valuation difference, while the remaining difference is presented as other operating income or expenses.

Securities included in “Money held in trust” are also classified and accounted for in the same method as stated above.

(d) Derivatives

The Bank’s derivatives are stated at fair value. The Bank holds groups of financial assets and financial liabilities that are exposed to market risks and to credit risk. The Bank manages those instruments on the basis of its net exposure to a particular market risk (or risks) or to a particular credit risk.

(e) Depreciation of fixed assets

(1) Depreciation of tangible fixed assets of the Bank (except leased assets) is computed under the straight-line method. The estimated useful lives of assets are as follows:

- Buildings: 6-50 years
- Others: 3-20 years

(2) Depreciation of intangible fixed assets (except leased assets) is computed under the straight-line method. Development costs for internally used software are capitalized and depreciated under the straight-line method over the estimated useful lives of 5-10 years, as set out by the Group.

(3) Depreciation of leased assets pertaining to finance lease transactions other than those in which the lease is deemed to transfer ownership of leased property to the lessee, included in “Tangible fixed assets” and “Intangible fixed assets,” is computed by the straight-line method based on the assumptions that the lease term is equal to the useful life and that there is no residual value except where residual value guarantees are stipulated in lease contracts.

(f) Revaluation of land

In accordance with the Act on Revaluation of Land enacted on March 31, 1998 (the “Act”), the land used for business owned by the Bank was revalued at March 31, 2000, and the unrealized gains, net of related tax effect, are reported as “Revaluation reserve for land” in the Net Assets section, and the deferred tax is included in the Liabilities section as “Deferred tax liabilities for land revaluation.”

The amount of excess of the revalued carrying amount over the fair value of the lands revalued as of March 31, 2025 and 2024 pursuant to Article 10 of the Act was ¥3,431 million and ¥4,331 million, respectively.

(g) Allowance for loan losses

The allowance for loan losses of the Bank is made in accordance with the Bank’s internal rules for self-assessment of asset quality and for providing reserve for possible credit losses. Pursuant to the rules, the allowance for loan losses has been provided as described below.

For loans to borrowers which are classified as substantially bankrupt (hereafter referred to as “effectively bankrupt”) or which are bankrupt in the formal legal sense (hereafter referred to as “bankrupt”), a reserve is provided based on the amount remaining after deduction of the collateral considered to be disposable and the estimated amounts recoverable under guarantees.

For loans to borrowers which, although not actually bankrupt in the legal sense, have experienced serious financial difficulties and whose failure is highly possible (hereafter referred to as “potentially bankrupt”), a reserve is provided for the estimated unrecoverable amount based on the amount remaining after deduction of the collateral considered to be disposable and the estimated amounts recoverable under guarantees.

For loans to potentially bankrupt and for restructured loans, if the remaining amount after deducting the estimated recoverable amount through collateral or guarantees from loans exceeds a specific amount, and the cash flow from the collection of the principal and the interest can be reasonably estimated, the discounted cash flow method is applied to calculate allowance for loan losses. Under this

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method, the amount of allowance for loan losses is determined as the difference between the book value of the loan and the present value of future cash flows, which are discounted by the contractual interest rate prior to the restructuring of the loan.

For other loans, a reserve is provided based on the Bank's historical loan loss experience.

The above procedures for providing reserves follow the Bank's internally established rules for self-assessment of the quality of all the Bank's loan assets, which have been audited by the Audit Department.

The allowance for loan losses of consolidated subsidiaries is made as follows: for general loans, a reserve is provided in the amount deemed necessary based on historical loan loss experience and for doubtful loans and other specified loans, a reserve is provided based on the individual collectability of specific claims.

(h) Provision for reimbursement of deposits

The provision for reimbursement of deposits is provided for the future reimbursement of dormant deposits which were recognized as income to depositors, based on the estimated reimbursement loss in accordance with the past reimbursement records.

(i) Provision for contingent loss

The provision for contingent loss is provided for possible losses from contingencies, which are not covered by other specific provisions.

(j) Provision for customer point program

The provision for customer point program is provided based on a reasonable estimate for expected future purchases to be made by customers with reward points which are granted when they use co-branded credit cards issued by the Group.

(k) Reserve under special laws

The reserve under special laws is provided by a consolidated subsidiary which engages in the securities business. The reserve is calculated in accordance with the provisions set forth in Article 46-5, Paragraph 1 of the Financial Instruments and Exchange Act and Article 175 of the Cabinet Office Ordinance on Financial Instruments Business, etc., to compensate for a loss incurred in a securities-related accident.

(l) Method for accounting for retirement benefits

The retirement benefit obligation is attributed to each period on a benefit formula basis. Amortization of prior service cost and actuarial gain or loss is computed as follows:

Prior service cost is amortized using the straight-line method over a period of 3 years from the year when incurred which is within the average remaining service period of active employees.

Actuarial gain or loss is amortized using the straight-line method over a period of 10 years from the year following the year when incurred which is within the average remaining service period of active employees.

For the calculation of net defined benefit liability and net pension cost, certain consolidated

subsidiaries apply the simplified method (the "simplified method") where the retirement benefit obligation is recognized at the amount that would be required to be paid for voluntary resignations at the end of the year.

(m) Translation of foreign currency assets and liabilities

Assets and liabilities are translated into Japanese yen mainly at the exchange rates prevailing at the consolidated balance sheet date. In addition, assets and liabilities of certain consolidated subsidiaries are translated at the exchange rates prevailing at the respective balance sheet dates of these subsidiaries.

(n) Leases

(Lessor)

The total amount equivalent to interest over the remaining term after the application of this accounting standard is allocated over the lease terms by the straight-line method.

(o) Income and expenses

- (1) Income and expenses associated with finance lease transactions are recognized as revenue and cost of sales when the lease fee should be received.
- (2) Primary performance obligations of the main businesses related to revenue arising from contracts with customers of the Bank and its consolidated subsidiaries include the provision of financial services. For domestic exchange services, deposits and loans, revenue is recognized at the time of the completion of provision of services as performance obligations are deemed to be satisfied at that point of time. Also, for safety deposit box services, credit card membership fees, and other services for which performance obligations are satisfied over the period of service provision, revenue is recognized over such period.

(p) Method of hedge accounting

- (1) Interest rate risks

Deferred hedge accounting is adopted for hedges carried out to control interest rate risk arising from financial assets and liabilities, as stipulated in "Treatment of Accounting and Auditing Concerning Accounting for Financial Instruments in the Banking Industry" (Japanese Institute of Certified Public Accountants (JICPA) Industry Committee Practical Guidelines No. 24, March 17, 2022). Regarding the hedge which is intended to offset the effects of market fluctuations, hedge effectiveness between hedged items (such as deposits and loans and bills discounted) and hedging instruments (such as interest rate swaps) are assessed individually. Hedge effectiveness is considered to be high as the major terms between designated hedged items and hedging instruments are almost the same, thus substituting for evaluation of hedge effectiveness. The effectiveness is also assessed by verifying the correlation of the interest rates.

The Bank applies the special treatment of hedge accounting for interest rate swaps for interest rate risk arising from certain financial assets (the "special treatment") and liabilities whereby interest is recognized on an accrual basis.

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(2) Currency risks

Deferred hedge accounting is adopted for hedges carried out to control the risk of currency fluctuations arising from foreign currency-denominated assets and liabilities, as stipulated in the “Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Committee Practical Guidelines No. 25, October 8, 2020). Currency swap transactions are carried out for the purpose of offsetting the risk of currency fluctuations arising from foreign currency-denominated monetary claims. The effectiveness of the hedge is evaluated by confirming the availability of an amount equivalent to the foreign currency position used to hedge the foreign currency-denominated monetary claims.

In addition, in order to hedge the risk of currency fluctuations arising from available-for-sale securities denominated in foreign currencies (excluding bonds), the securities subject to hedging are designated in advance, and on the condition that a spot or future liability exists to cover the acquisition cost denominated in foreign currency for the respective securities, fair value hedge is applied as comprehensive hedge.

(q) Statements of cash flows

In preparing the consolidated statements of cash flows, cash and due from the Bank of Japan are considered to be cash and cash equivalents.

(r) Accounting treatment of interim revenue distribution from securities investment trusts

Interim revenue distribution from securities investment trusts (including gains or losses arising at cancellation or redemption) are recorded as interest and dividends on securities. However, in case the interim revenue distribution results in a net loss, the amount is recorded as other operating expenses.

(s) Significant accounting estimates

- (1) The Bank recorded an allowance for loan losses of ¥25,192 million and ¥24,914 million in the consolidated balance sheets as of the fiscal years ended March 31, 2025 and 2024, respectively.
- (2) Information to facilitate understanding of details of the significant accounting estimates relating to identified items
 - (i) Method for calculation

The method for calculating allowance for loan losses is described in “2. Summary of Significant Accounting Policies, (g) Allowance for loan losses.”
 - (ii) Key assumptions

A key assumption made is the “outlook for the future performance of the borrowers in determining borrower category.” The outlook is determined based on an individual evaluation of each borrower’s ability to earn income, considering its financial condition, cash flows, sustainability of its business in light of the characteristics of the segment/industry, rationale and feasibility of its management improvement plan, support from financial institutions and other aspects.
 - (iii) Impact on the consolidated financial statements for the following year

Any changes in the assumptions used in the initial estimates due to factors such as changes in the performance of individual borrowers may significantly impact allowance for loan losses in the consolidated financial statements for the following year.

(t) New accounting pronouncements

“Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)

“Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)
and other revision of related Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance

- (1) Overview

These standards stipulate the treatment that requires a lessee to recognize assets and liabilities for all leases, just like the international accounting standards.
- (2) Application date

The Bank will apply these accounting standards from the beginning of the year ending March 31, 2028.
- (3) The impact from the application of the accounting standards

The Bank is currently assessing the impact on the consolidated financial statements by applying “Accounting Standard for Leases,” etc.

“Practical Guidelines on Accounting for Financial Instruments” (Revised Transferred Guidance No. 9, March 11, 2025)

- (1) Overview

It stipulates the treatment of evaluating shares with no market price at fair value, which are component assets of partnerships, etc. equivalent to venture capital funds
- (2) Application date

The Bank will apply the guidelines from the beginning of the year ending March 31, 2027.
- (3) The impact from the application of the accounting standards

The Bank is currently assessing the impact on the consolidated financial statements by applying “Practical Guidelines on Accounting for Financial Instruments,” etc.

3. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetic computation only, at the rate of ¥149.52 = U.S. \$1.00, the exchange rate prevailing on March 31, 2025. This translation should not be construed as a representation that yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

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4. Securities Lent under Unsecured Loan-for-Consumption Contracts

Securities lent under unsecured loan-for-consumption contracts (securities lent) are included in national government bonds in “Securities,” and the amount is as follows:

	Millions of Yen	
March 31	2025	2024
Securities lent under unsecured loan-for-consumption contracts	¥ 56,097	¥56,044

5. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2025 and 2024 included the following loans:

	Millions of Yen	
March 31	2025	2024
Loans to bankrupt or substantially bankrupt borrowers	¥ 23,313	¥ 18,227
Doubtful loans	29,833	29,245
Loans subject to monitoring	2,427	4,039
Loans past due 3 months or more	336	140
Restructured loans	2,090	3,899
Subtotal	55,574	51,513
Normal loans	4,068,372	3,954,195
Total	¥ 4,123,947	¥ 4,005,708

Loans to bankrupt or substantially bankrupt borrowers represent loans to borrowers that are bankrupt due to the declaration of bankruptcy proceedings, restructuring proceedings, etc., as well as loans equivalent thereto.

Doubtful loans represent loans to borrowers whose financial conditions and operating results are deteriorating and for which the principal and the interest of the loans are highly unlikely to be collected that are not loans to bankrupt or substantially bankrupt borrowers.

Loans past due 3 months or more are loans on which interest or principal payments are 3 months or more past due, but which are not included in loans to bankrupt or substantially bankrupt borrowers or doubtful loans.

Restructured loans are loans, other than loans to bankrupt or substantially bankrupt borrowers, doubtful loans or loans past due 3 months or more, on which the Bank has granted certain concessions such as a reduction of the contractual interest rates or principal or a deferral of payments of interest/principal, in order to assist the restructuring of the borrowers.

Normal loans are loans other than loans to bankrupt or substantially bankrupt borrowers, doubtful loans, loans past due 3 months or more or restructured loans, with no problems found in the borrowers’ financial conditions or operating results.

Bills discounted are accounted for as finance transactions in accordance with JICPA Industry Audit Committee Report No. 24. The Bank has rights to sell or pledge commercial bills discounted and foreign exchange bought without restrictions, and their total face amount was ¥4,041 million and ¥4,702 million

as of March 31, 2025 and 2024, respectively.

6. Acceptances and Guarantees

All contingent liabilities arising from acceptances and guarantees are included in the account “Customers’ liabilities for acceptances and guarantees,” which represents the Bank’s right of indemnity from the applicants, and is presented as a contra-account on the assets side of the consolidated balance sheets.

7. Pledged Assets

Assets pledged as collateral as of March 31, 2025 and 2024 were as follows:

	Millions of Yen	
March 31	2025	2024
Pledged assets:		
Securities	¥ 31,588	¥ 29,650
Loans and bills discounted	457,877	351,489
Total pledged assets	¥ 489,465	¥ 381,139
Liabilities covered by pledged assets:		
Deposits	¥ 21,576	¥ 17,741
Borrowed money	213,600	190,400
Total liabilities covered by pledged assets	¥ 235,176	¥ 208,141

In addition to the above, Other assets in the amount of ¥36,134 million and ¥50,291 million were pledged as collateral in connection with exchange settlements and derivatives, etc. as of March 31, 2025 and 2024, respectively.

Deposits to central counterparty in the amount of ¥4,845 million and nil, security deposits in the amount of ¥869 million and ¥824 million, and cash collateral for financial products transactions in the amount of ¥114 million and ¥114 million, were included in Other assets as of March 31, 2025 and 2024, respectively.

8. Commitments and Contingent Liabilities

Overdraft facilities and line-of-credit contracts are agreements under which, unless there is no breach of contract by the counterparty, the Bank or its consolidated subsidiaries are required to provide clients with funds up to a fixed limit upon submission of a loan application to the Bank or its consolidated subsidiaries. The unused amount related to such facilities/contracts stood at ¥848,602 million and ¥843,748 million as of March 31, 2025 and 2024, respectively. Of this amount, facilities/contracts which expire within one year at inception or which are unconditionally cancelable at any time, totaled ¥794,049 million and ¥785,758 million as of March 31, 2025 and 2024, respectively.

Most of these agreements expire without the clients having utilized the financial resources available under the facilities/contracts, and the unused amount does not necessarily impact the Bank or its consolidated subsidiaries’ future cash flows. Most of these facilities/contracts contain a clause which allows the Bank or its subsidiaries to reject a loan application or to reduce the upper limit requested in view of changing financial conditions, credit maintenance and other reasonable concerns.

When necessary, the Bank or its consolidated subsidiaries demand collateral such as real estate or

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marketable securities at the date on which the aforementioned agreement is entered into. In addition, after facilities/contracts are set forth, the Bank or its consolidated subsidiaries regularly assesses the business status of the clients, based on predetermined internal procedures and, when prudent, revises the agreements or reformulates policies to maintain creditworthiness.

9. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of Tangible fixed assets was ¥47,344 million and ¥47,496 million, and advanced depreciation on Tangible fixed assets was ¥740 million and ¥766 million as of March 31, 2025 and 2024, respectively.

10. Guarantees for Corporate Bonds

The amount of the guarantees for privately placed bonds in corporate bonds in accordance with Article 2, Paragraph 3 of the Financial Instruments and Exchange Act totaled ¥41,845 million and ¥47,049 million as of March 31, 2025 and 2024, respectively.

11. Borrowed Money from Trust Account

Borrowed money from trust account totaled ¥5,714 million and ¥6,010 million as of March 31, 2025 and 2024, respectively.

12. General and Administrative Expenses

General and administrative expenses for the years ended March 31, 2025 and 2024 principally consisted of the following:

March 31	Millions of Yen	
	2025	2024
Salaries and allowances	¥15,075	¥14,819
Net pension cost	30	346

13. Other Income

Other income for the years ended March 31, 2025 and 2024 principally consisted of the following:

March 31	Millions of Yen	
	2025	2024
Gain on sales of stocks and other securities	¥1,303	¥291
Gain on disposal of fixed assets	64	262
Compensation for forced relocation due to expropriation of land	—	36
Gain on recoveries of written off loans	15	17

14. Other Expenses

Other expenses for the years ended March 31, 2025 and 2024 principally consisted of the following:

March 31	Millions of Yen	
	2025	2024
Loss on disposal of fixed assets	¥ 273	¥ 138
Loss on impairment of fixed assets	284	485
Provision of allowance for loan losses	803	1,786
Provision to reserve for financial product transactions	0	0
Write-off of loans	67	29
Loss on sales of equity securities	221	104

The differences between the recoverable amount and the book value of the following assets were recognized as loss on impairment of fixed assets during the years ended March 31, 2025 and 2024:

(Millions of Yen)				
Area	Purpose of use	Type	Losses	
			2025	2024
Fukushima Area	Branch premises	Land	¥ 75	¥ 63
		Building	16	—
		Other tangible fixed assets	5	23
		Software	44	—
	Idle assets	Land	139	147
		Building	2	196
Outside Fukushima Area	Branch premises	Other tangible fixed assets	0	1
		Land	—	52
		Other tangible fixed assets	—	0
			¥ 284	¥ 485

The Bank uses for recognition of loss on impairment the estimated unrecoverable amount in its branch premises, company housings and idle assets, grouped based on individual branch unit (however, group of branches where the connection between income and expenditure is mutually complementary are identified as a group unit), which is the smallest unit of grouping used in revenue management.

In addition, each idle asset is treated as independent unit.

The recoverable amount of an asset group is calculated based on net realizable value. The net realizable value is principally based on real estate appraisals where net realizable value of immaterial

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real estate is determined by deducting the estimated costs of disposal from the amount calculated based on the index appropriately reflecting the market price such as land tax assessment.

15. Notes to Consolidated Statements of Changes in Net Assets

Changes in outstanding shares and treasury stock during the years ended March 31, 2025 and 2024 were summarized as follows:

(Thousand Shares)				
	Number of Shares as of April 1, 2024	Number of Shares Increased	Number of Shares Decreased	Number of Shares as of March 31, 2025
Outstanding Shares Common Stock	252,500	—	—	252,500
Treasury Stock Common Stock (*)	236	2,738	180	2,794

(*) Increase by 2,738 thousand shares in the number of treasury stock is due to purchase for acquisition of treasury stock, increase by 0 thousand shares is due to acquisition of odd-lot shares and additional purchase of odd-lot shares, and decrease by 180 thousand shares is due to disposal of treasury stock as restricted stock remuneration.

(Thousand Shares)				
	Number of Shares as of April 1, 2023	Number of Shares Increased	Number of Shares Decreased	Number of Shares as of March 31, 2024
Outstanding Shares Common Stock	252,500	—	—	252,500
Treasury Stock Common Stock (*)	443	0	207	236

(*) Increase by 0 thousand shares in the number of treasury stock is due to acquisition of odd-lot shares and additional purchase of odd-lot shares and decrease by 207 thousand shares is due to disposal of treasury stock as restricted stock remuneration.

Detailed information about cash dividends paid during the year ended March 31, 2025 was as follows:

Date of Approval	Type of Shares	Total Dividends (¥ million)	Dividend Per Share	Dividend Record Date	Effective Date
General Meeting of Shareholders on June 26, 2024	Common Stock	882	¥3.50	March 31, 2024	June 27, 2024
Board of Directors on November 8, 2024	Common Stock	998	¥4.00	September 30, 2024	December 5, 2024

Detailed information about cash dividends paid during the year ended March 31, 2024 was as follows:

Date of Approval	Type of Shares	Total Dividends (¥ million)	Dividend Per Share	Dividend Record Date	Effective Date
General Meeting of Shareholders on June 26, 2023	Common Stock	882	¥3.50	March 31, 2023	June 27, 2023
Board of Directors on November 10, 2023	Common Stock	882	¥3.50	September 30, 2023	December 5, 2023

Dividends with record dates on or before March 31, 2025 and effective dates on or after April 1, 2025 were as follows:

Date of Approval	Type of Shares	Total Dividends (¥ million)	Source of Dividends	Dividend Per Share	Dividend Record Date	Effective Date
General Meeting of Shareholders on June 26, 2025	Common Stock	1,248	Retained Earnings	¥5.00	March 31, 2025	June 27, 2025

Dividends with record dates on or before March 31, 2024 and effective dates on or after April 1, 2024 were as follows:

Date of Approval	Type of Shares	Total Dividends (¥ million)	Source of Dividends	Dividend Per Share	Dividend Record Date	Effective Date
General Meeting of Shareholders on June 26, 2024	Common Stock	882	Retained Earnings	¥3.50	March 31, 2024	June 27, 2024

16. Notes to Consolidated Statements of Cash Flows

(a) Cash and cash equivalents

A reconciliation between Cash and due from banks in the consolidated balance sheets as of March 31, 2025 and 2024, and Cash and cash equivalents in the consolidated statements of cash flows for the years then ended was as follows:

March 31	Millions of Yen	
	2025	2024
Cash and due from banks	¥ 1,235,480	¥ 1,795,566
Ordinary due from banks	(492)	(416)
Other	(598)	(474)
Cash and cash equivalents	¥ 1,234,389	¥ 1,794,675

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17. Deferred Income Taxes

The major components of deferred tax assets and liabilities as of March 31, 2025 and 2024 were summarized as follows:

March 31	Millions of Yen	
	2025	2024
Deferred tax assets:		
Allowance for loan losses	¥ 6,816	¥ 6,795
Net defined benefit liability	(48)	826
Valuation difference on available-for-sale securities	5,238	17
Depreciation	628	698
Others	6,711	6,678
Subtotal deferred tax assets	19,346	15,016
Valuation allowance for future deductible temporary difference	(2,402)	(2,075)
Subtotal valuation allowance	(2,402)	(2,075)
Total deferred tax assets	16,944	12,941
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	(1,063)	(3,036)
Deferred gains or losses on hedges	(957)	—
Others	(27)	(27)
Total deferred tax liabilities	(2,048)	(3,063)
Net deferred tax assets (liabilities)	¥ 14,895	¥ 9,877

Note: Net deferred tax assets (liabilities) are included in the following items in the consolidated balance sheets as of March 31, 2025 and 2024.

March 31	Millions of Yen	
	2025	2024
Deferred tax assets	¥ 15,925	¥ 10,700
Deferred tax liabilities	1,029	822

The following summarizes the significant difference between the statutory tax rate and the Bank's effective tax rate for the years ended March 31, 2025 and 2024.

Year ended March 31	2025	2024
Statutory tax rate	30.1%	30.1%
Non-deductible expenses	0.7	0.9
Elimination of dividends received from consolidated subsidiaries	6.8	9.6
Non-taxable income	(7.8)	(10.8)
Per capita inhabitant taxes	0.3	0.5
Valuation allowance	2.2	3.7
Increase in term-end balance of deferred tax assets due to tax rate changes	2.2	—
Others	(4.1)	0.3
Effective tax rate	30.4%	34.3%

“Act on Partial Amendment to the Income Tax Act, etc.” (Act No.13 of 2025) was enacted on March 31, 2025, and accordingly, “Defense Special Corporate Tax” will be imposed from the fiscal year beginning on or after April 1, 2026. As a result, the statutory tax rate used by the Group for the calculation of deferred tax assets and deferred tax liabilities will be revised from the previous rate of 30.1%. The rate of 31.0% will be applied to the temporary differences expected to be either deductible, taxable or expired from the fiscal year beginning on or after April 1, 2026. The effect of the change in tax rates increased deferred tax assets by ¥301 million, valuation difference on available-for-sale securities by ¥151 million and deferred tax liabilities for land revaluation by ¥57 million, and decreased deferred gains or losses on hedges by ¥27 million, deferred income taxes by ¥240 million and revaluation reserve for land by ¥57 million for the year ended March 31, 2025.

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18. Retirement Benefits

The Bank and its consolidated subsidiaries have a corporate pension fund plan and a lump-sum retirement payment plan (transferred from the welfare pension fund system on October 1, 2004) as defined benefit plans. For the calculation of net defined benefit liability and net pension cost, certain consolidated subsidiaries have adopted the simplified method where the retirement benefit obligation is recognized at the amount that would be required to be paid for voluntary resignations at the end of the year.

Retirement benefits in the corporate pension fund plan and the lump-sum retirement payment plan are calculated based on points.

On April 1, 2014 (the Date of Enforcement), the Bank has revised its retirement benefit plans whereby a part of the future payments of defined benefit plans transferred to defined contribution plans.

The Bank has set up retirement benefit trusts for the lump-sum retirement payment plan from the end of year ended March 31, 2015, and for the pension fund plan from the end of year ended March 31, 2022.

A. Defined benefit plans (including those of the consolidated subsidiaries applying the simplified method)

(i) Change in retirement benefit obligation

	Millions of Yen	
March 31	2025	2024
Balance at beginning of the year	¥ 31,595	¥ 33,074
Service cost	576	621
Interest cost	494	407
Actuarial gain	(2,694)	(972)
Benefit paid	(1,509)	(1,506)
Others	4	(29)
Balance at end of the year	¥ 28,468	¥ 31,595

(ii) Change in plan assets

	Millions of Yen	
March 31	2025	2024
Balance at beginning of the year	¥ 39,315	¥ 35,625
Expected return on plan assets	786	712
Actuarial loss	(1,180)	3,181
Employer contributions	682	652
Benefit paid	(858)	(925)
Others	67	68
Balance at end of the year	¥ 38,813	¥ 39,315

(iii) Retirement benefit obligation and plan assets at end of the year and reconciliation to net defined benefit liability and net defined benefit asset recognized in the consolidated balance sheets

	Millions of Yen	
March 31	2025	2024
Funded retirement benefit obligation	¥ 28,303	¥ 31,443
Plan assets	(38,813)	(39,315)
	(10,510)	(7,872)
Unfunded retirement benefit obligation	164	151
Amount of liability, net of asset, recognized in consolidated balance sheets	(10,345)	(7,720)
Net defined benefit liability	164	151
Net defined benefit asset	(10,510)	(7,872)
Amount of liability, net of asset, recognized in consolidated balance sheets	¥ (10,345)	¥ (7,720)

(iv) Net pension cost and its breakdown

	Millions of Yen	
March 31	2025	2024
Service cost	¥ 576	¥ 621
Interest cost	494	407
Expected return on plan assets	(786)	(712)
Amortization of actuarial loss	(189)	132
Others	(65)	(102)
Net pension cost	¥ 30	¥ 346

(v) Remeasurements of defined benefit plans in other comprehensive income

The items recognized under remeasurements of defined benefit plans (before income taxes and tax effect) were as follows:

	Millions of Yen	
March 31	2025	2024
Actuarial gain	¥ 1,324	¥ 4,286
Total	¥ 1,324	¥ 4,286

(vi) Remeasurements of defined benefit plans in accumulated other comprehensive income

The items recognized under remeasurements of defined benefit plans (before income taxes and tax effect) were as follows:

	Millions of Yen	
March 31	2025	2024
Unrecognized actuarial loss	¥ (6,875)	¥ (5,551)
Total	¥ (6,875)	¥ (5,551)

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(vii) Plan assets

(a) Percentage by major category of plans assets was as follows:

	2025	2024
Bonds	31%	22%
General account of life insurance companies	22%	30%
Equities	24%	25%
Cash and due from banks	9%	1%
Others	14%	22%
Total	100%	100%

Retirement benefit trusts established for lump-sum retirement payment plan account for 26% and 26% of total plan assets for the years ended March 31, 2025 and 2024, respectively.

(b) Basis of long-term expected rate of return on plan assets

In determining long-term expected rate of return on plan assets, the Group considers the current and projected plan asset allocations, as well as current and future long-term rate of returns expected from various categories of the plan assets.

(viii) Actuarial assumptions

Actuarial assumptions as of March 31, 2025 and 2024 were as follows:

	2025	2024
Discount rate	0.6%-2.9%	0.1%-2.3%
Long-term expected rate of return on plan assets	2.0%	2.0%
Expected salary increase rate of corporate pension fund plan	1.0%-1.9%	1.0%-1.9%
Expected salary increase rate of lump-sum retirement payment plan	1.0%-3.6%	1.0%-3.6%

B. Defined contribution pension plans

Contributions to be paid to defined contribution pension plans were ¥166 million and ¥166 million for the years ended March 31, 2025 and 2024, respectively.

19. Per Share Information

Net assets per share as of March 31, 2025 and 2024 and basic earnings per share for the years ended March 31, 2025 and 2024 were as follows:

	Yen	
As of March 31	2025	2024
Net assets per share	¥ 789.86	¥ 817.31
Basic earnings per share	29.78	20.82

Note 1: The bases for the computation of net assets per share are set out below.

	Millions of Yen / Thousands of Shares	
As of or year ended March 31	2025	2024
Total net assets	¥ 197,234	¥ 206,179
Net assets related to common stock	197,234	206,179
Number of common stock used to calculate net assets per share	249,705	252,263

Note 2: The bases for the computation of basic earnings per share are set out below.

	Millions of Yen / Thousands of Shares	
Year ended March 31	2025	2024
Profit attributable to owners of parent	¥ 7,445	¥ 5,252
Profit attributable to common shareholders of parent	7,445	5,252
Weighted average number of common stock during the year	250,019	252,197

20. Leases Transactions

(Lessee)

(a) Finance lease transactions not subject to transfer of ownership

(1) Description of leased assets

Fixed assets used as branch premises and vehicles.

(2) Depreciation method for the leased assets

Depreciation method for the leased assets is described in “2. Summary of Significant Accounting Policies,

(e) Depreciation of fixed assets.”

(Lessor)

(a) Breakdown of lease investment assets

	Millions of Yen	
As of March 31	2025	2024
Lease receivables	¥16,798	¥14,807
Residual value	577	605
Equivalent amount of maintenance cost	(419)	(399)
Unearned interest income	(1,121)	(889)
Lease investment assets	¥15,833	¥14,124

The scheduled collection of lease receivables related to lease investment assets subsequent to March 31, 2025 and 2024

	Millions of Yen			
	2025		2024	
As of March 31	Lease Receivables	Lease Investment Assets	Lease Receivables	Lease Investment Assets
Due within 1 year or less	54	¥4,617	10	¥4,399
Due in 1 year to 2 years	54	3,891	10	3,451
Due in 2 years to 3 years	52	3,158	10	2,718
Due in 3 years to 4 years	42	2,626	10	1,997
Due in 4 years to 5 years	40	1,164	8	1,457
Due after 5 years	145	1,337	11	781
Total	389	¥16,798	62	¥14,807

21. Financial Instruments and Related Disclosure

(a) Overall situation concerning financial instruments

(1) Policy for financial instruments

The Group provides banking and other financial operations including lease business. Funds raised from these operations are used primarily to offer commercial and mortgage loans and to invest in

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marketable securities. The Group's primary funding sources are deposits, but it may also borrow funds in the financial markets to meet day-to-day, short-term funding needs. As a result, it holds financial assets and liabilities whose economic values fluctuate with interest rate changes. To minimize adverse effects of interest rate fluctuations, an asset-liability management (ALM) system is in place to ensure comprehensive management of assets and liabilities with various durations under different market conditions. In addition, the Group engages in interest rate-, currency-, and bond-related transactions as derivative transactions which include transactions for the purpose of hedging and transactions for the purpose other than hedging.

(2) Nature and extent of risks arising from financial instruments

Financial assets held by the Group consist mainly of loans extended to business entities and individuals in Japan, which entail credit risk, where difficulty occurs in recovering the principal amounts of loans and interests thereon due to borrowers' bankruptcy or deteriorating business. General economic conditions in Fukushima Prefecture, the Group's primary geographical area of operations, may also exert adverse impact on borrowers' businesses and values of collaterals pledged. Marketable securities in which the Group invests are primarily bonds and equity shares, which subject the Group to credit risk (deterioration of financial conditions of issuers) and market risk (fluctuations in interest rates and prices).

The Group also faces liquidity risk in connection with borrowed funds and call money, that is, the Group might find it difficult to honor promises of payment on due dates if it cannot tap into financial markets to raise needed funds under certain environments. Moreover, the Group's borrowings are based on variable rates, which expose the Group to risks associated with interest rate fluctuations.

Derivative transactions include interest rate and currency swaps traded directly with customers. To secure foreign-currency denominated funds for currency-related services, the Group may utilize foreign exchange forward contracts and interest rate swap transactions to reduce interest rate risks, which come with inherent market risk (risk of losses by the Group if interest rates and foreign exchange make adverse movements) and credit risk (risk of losses by the Group in the event of default by the counterparty). The Group is not engaged in leveraged derivative transactions with large volatility of the contract's fair value out of proportion to the price fluctuation of the underlying asset.

(3) Risk management system for financial instruments

(i) To manage credit risk, the Group has established credit risk management rules and a framework governing credit review required for each loan, credit limits, internal credit ratings, guarantees and collaterals in addition to procedures to deal with problem loans. The state of such risk and risk management is periodically reported to the Board of Directors upon examination by the ALM Committee.

Credit risk associated with issuers of marketable securities and counterparty risk relating to derivative transactions are managed by periodic monitoring of credit ratings and fair value.

(ii) The Group manages market risk (interest rate risk, price fluctuation risk and foreign exchange risk) as part of its ALM operations, which, among others, calls for quantification of various risks,

risk limits to be set within a manageable scope in line with the Group's financial strength, and proper risk distribution to secure optimized profits. Risk management techniques and procedures used by the Group for the market risks are stipulated in the Group's market risk management rules. They include Value at Risk (VaR), asset-liability analyses by maturity, interest rate sensitivity analyses, and simulated risk analyses to assess potential impact of interest rate fluctuations from various angles. To reduce price fluctuation risk, the rules require a limit on the amount of securities to be held and a stop-loss level to be set up for each type of securities. In addition, ALM policies are prepared every six months, and the ALM Committee conducts reviews and examinations. The status of exposure to risks and the results of risk management activities are reported periodically to the Board of Directors upon examination by the ALM Committee.

To calculate VaR for the market risk, the variance-covariance method (holding period varies from six months to one year, depending on risk categories such as interest rates and shares, confidence level of 99%, observation period of combination of both 1 and 5 years) has been adopted. As of March 31, 2025, and 2024, the Group's market risk quantity (estimated loss) in total is ¥68,642 million and ¥42,846 million, respectively. This measure is for the Bank alone, since outstanding balance and sensitivity of the consolidated subsidiaries' financial assets and liabilities are considered insignificant.

The Group conducts a backtest to compare the actual income to VaR calculated by the model in order to verify the model. As a result of the backtest conducted, the Group concludes the model captures the market risk with sufficient accuracy. However, VaR is a statistic measure of market risk quantity based on the past fluctuations of market and certain probability of occurrence. It may not be possible to capture the risk if the market fluctuates rapidly, under extraordinary circumstances.

For derivative transactions, an internal control framework is in place by separating the execution team, the team responsible for assessing effectiveness of transactions as hedging instruments and the back office from one another. The quantified risks, aggregate size of derivative transactions and the results of profit/loss revaluation are reported to the ALM Committee on a monthly basis. The state of risk and risk management is reported periodically to the Board of Directors upon examination by the ALM Committee.

(iii) To control liquidity risk, the Group, having formulated its liquidity risk management rules, conducts daily analyses of the status of funding and the results of fund management activities, in addition to periodic funding tolerance checks under diverse scenarios. The status of exposure to risks and the results of risk management activities are reported periodically to the Board of Directors upon examination by the ALM Committee.

(4) Supplemental explanation for fair value of financial instruments

The computation of fair value of financial instruments is based on certain assumptions. Therefore, the amounts derived may differ if other assumptions are used.

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(b) Fair value of financial instruments

The amount shown on the consolidated balance sheets, the corresponding fair value and their difference as of March 31, 2025 and 2024 for each financial instrument category were provided below.

It should be noted that shares with no market price and investments in associations are not included in the following tables (see Note 1). Also, cash and due from banks and foreign exchanges are omitted from the following tables as they are settled in a short period of time and their fair value approximates the book value.

March 31, 2025	Millions of Yen		
	Book value	Fair value	Difference
(1) Trading account securities	¥ 55	¥ 55	¥ —
(2) Securities:			
Held-to-maturity securities	419,064	413,493	(5,571)
Available-for-sale securities (*1)	768,722	768,722	—
(3) Loans and bills discounted	4,039,402		
Allowance for loan losses (*2)	(24,763)		
	4,014,638	3,983,267	(31,370)
Total assets	¥ 5,202,481	¥ 5,165,538	¥ (36,942)
(1) Deposits	¥ 5,762,569	¥ 5,761,200	¥ (1,368)
(2) Negotiable certificates of deposit	390,089	390,089	—
(3) Borrowed money	216,339	216,339	—
Total liabilities	¥ 6,368,998	¥ 6,367,629	¥ (1,368)
Derivative transactions (*3):			
Hedge accounting is not applied	¥ 3,083	¥ 3,083	¥ —
Hedge accounting is applied	3,087	3,087	—
Total derivative transactions	¥ 6,171	¥ 6,171	¥ —

(*1) Available-for-sale securities include investment trusts which use their unit price as fair value pursuant to Paragraph 24-9 of the Fair Value Measurement Guidance.

(*2) Allowance for loan losses (general reserve) and allowance for loan losses (case-specific reserve) provided for loans are deducted to compare with the corresponding fair value.

(*3) The derivative transactions reported under “Other assets” and “Other liabilities” in the consolidated balance sheets are stated on a net basis in the above table.

Net credit/debit arising from derivative transactions is stated on a net basis, and amounts in parentheses indicate net credit balance.

March 31, 2024	Millions of Yen		
	Book value	Fair value	Difference
(1) Trading account securities	¥ 43	¥ 43	¥ —
(2) Securities:			
Held-to-maturity securities	250,963	250,698	(265)
Available-for-sale securities (*1)	606,402	606,402	—
(3) Loans and bills discounted	3,922,052		
Allowance for loan losses (*2)	(24,510)		
	3,897,542	3,897,445	(97)
Total assets	¥ 4,754,952	¥ 4,754,589	¥ (362)
(1) Deposits	¥ 5,824,570	¥ 5,824,563	¥ (6)
(2) Negotiable certificates of deposit	468,365	468,365	—
(3) Borrowed money	192,933	192,933	—
Total liabilities	¥ 6,485,869	¥ 6,485,862	¥ (6)
Derivative transactions (*3):			
Hedge accounting is not applied	¥ 2,388	¥ 2,388	¥ —
Hedge accounting is applied	—	—	—
Total derivative transactions	¥ 2,388	¥ 2,388	¥ —

(*1) Available-for-sale securities include investment trusts which use their unit price as fair value pursuant to Paragraph 24-9 of the Fair Value Measurement Guidance.

(*2) Allowance for loan losses (general reserve) and allowance for loan losses (case-specific reserve) provided for loans are deducted to compare with the corresponding fair value.

(*3) The derivative transactions reported under “Other assets” and “Other liabilities” in the consolidated balance sheets are stated on a net basis in the above table.

Net credit/debit arising from derivative transactions is stated on a net basis, and amounts in parentheses indicate net credit balance.

(Note 1) Consolidated balance sheet amounts of shares, etc. with no market price and investment in associations, which are not included in “available-for-sale securities” in the information on the fair value of financial instruments, are as follows.

March 31	Millions of Yen	
	2025	2024
(i) Non-listed shares (*1) (*2)	¥ 1,924	¥ 1,934
(ii) Investments in associations (*3)	19,748	18,945

(*1) Non-listed shares are not subject to fair value disclosure in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).

(*2) Impairment loss on non-listed shares in the amount of ¥0 million and ¥1 million were posted for the years ended March 31, 2025 and 2024, respectively.

(*3) Investments to associations are not subject to fair value disclosure in accordance with Paragraph 24-16 of the Fair Value Measurement Guidance.

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(Note 2) Maturity analysis for claims and securities with contractual maturities subsequent to March 31, 2025 and 2024

	Millions of Yen					
	Due within 1 Year or Less	Due in 1 to 3 Years	Due in 3 to 5 Years	Due in 5 to 7 Years	Due in 7 to 10 Years	Due after 10 Years
March 31, 2025						
Securities:	¥ 225,363	¥ 180,663	¥ 182,555	¥ 156,121	¥ 118,155	¥ 199,674
Held-to-maturity securities	200,757	112,309	41,295	2,483	30,860	31,357
National government bonds thereof	200,004	110,001	—	—	—	—
Local government bonds thereof	753	2,307	41,295	2,483	30,860	6,501
Corporate bonds thereof	—	—	—	—	—	24,856
Available-for-sale securities with maturity	24,605	68,354	141,260	153,638	87,294	168,316
National government bonds thereof	—	—	72,422	77,536	57,854	128,254
Local government bonds thereof	4,909	11,834	17,887	49,675	23,286	19,192
Corporate bonds thereof	17,202	43,985	38,510	11,007	1,701	20,706
Loans (*)	1,190,169	598,592	537,993	406,409	471,006	758,447
Total	¥ 1,415,533	¥ 779,256	¥ 720,549	¥ 562,531	¥ 589,161	¥ 958,122

(*) Loans that are unlikely to be redeemed, such as to borrowers that are bankrupt, effectively bankrupt, and potentially bankrupt of ¥53,105 million, loans with no stated maturities of ¥23,677 million were not included.

	Millions of Yen					
	Due within 1 Year or Less	Due in 1 to 3 Years	Due in 3 to 5 Years	Due in 5 to 7 Years	Due in 7 to 10 Years	Due after 10 Years
March 31, 2024						
Securities:	¥ 26,919	¥ 246,555	¥ 143,738	¥ 53,521	¥ 163,691	¥ 92,561
Held-to-maturity securities	—	200,002	18,498	—	17,899	14,561
National government bonds thereof	—	200,002	—	—	—	—
Local government bonds thereof	—	—	18,498	—	17,899	—
Corporate bonds thereof	—	—	—	—	—	14,561
Available-for-sale securities with maturity	26,919	46,552	125,240	53,521	145,791	77,999
National government bonds thereof	—	—	49,479	12,669	78,001	31,108
Local government bonds thereof	4,873	12,233	15,573	28,551	51,730	23,389
Corporate bonds thereof	20,257	29,710	41,879	7,054	2,031	23,501
Loans (*)	1,184,378	559,021	503,002	374,631	460,873	769,988
Total	¥ 1,211,298	¥ 805,574	¥ 646,741	¥ 428,152	¥ 624,565	¥ 862,550

(*) Loans that are unlikely to be redeemed, such as to borrowers that are bankrupt, effectively bankrupt, and potentially bankrupt of ¥47,433 million, loans with no stated maturities of ¥22,723 million were not included.

(Note 3) Maturity analysis for interest bearing liabilities subsequent to March 31, 2025 and 2024

	Millions of Yen					
	Due within 1 Year or Less	Due in 1 to 3 Years	Due in 3 to 5 Years	Due in 5 to 7 Years	Due in 7 to 10 Years	Due after 10 Years
March 31, 2025						
Deposits (*)	¥ 5,467,897	¥ 249,747	¥ 44,924	¥ —	¥ —	¥ —
Negotiable certificates of deposit	390,089	—	—	—	—	—
Borrowed money	214,504	1,203	618	14	—	—
Total	¥ 6,072,491	¥ 250,950	¥ 45,542	¥ 14	¥ —	¥ —

(*) Demand deposits are disclosed under “Due within 1 year or less.”

	Millions of Yen					
	Due within 1 Year or Less	Due in 1 to 3 Years	Due in 3 to 5 Years	Due in 5 to 7 Years	Due in 7 to 10 Years	Due after 10 Years
March 31, 2024						
Deposits (*)	¥ 5,640,329	¥ 159,856	¥ 24,385	¥ —	¥ —	¥ —
Negotiable certificates of deposit	468,335	30	—	—	—	—
Borrowed money	191,294	1,083	498	58	—	—
Total	¥ 6,299,959	¥ 160,969	¥ 24,883	¥ 58	¥ —	¥ —

(*) Demand deposits are disclosed under “Due within 1 year or less.”

(c) Breakdown of financial instruments by fair value hierarchy

The fair value of financial instruments has been classified into the following three levels based on the observability and significance of the input used for fair value measurement.

Level 1 fair value: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs

Level 3 fair value: Fair value measured using unobservable inputs

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

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(1) Financial instruments carried at fair value on the consolidated balance sheets

March 31, 2025	Fair Value Millions of Yen				Total
	Level 1	Level 2	Level 3		
Securities					
Trading account securities					
National government bonds/Local government bonds	¥ 0	¥ 54	¥ -		¥ 55
Available-for-sale securities					
National government bonds/Local government bonds	336,068	126,786	-		462,854
Corporate bonds	-	91,267	41,845		133,113
Corporate stocks	36,710	-	-		36,710
Investment trusts (*1)	15,323	70,349	-		85,672
Foreign securities	14,644	6,295	10,124		31,063
Total assets	¥ 402,747	¥ 294,752	¥ 51,970		¥ 749,469
Derivatives					
Interest rate related	¥ -	¥ 4,920	¥ -		¥ 4,920
Currency related	-	1,250	-		1,250
Others (*2)	-	-	-		-
Total derivatives	¥ -	¥ 6,171	¥ -		¥ 6,171

(*1) Securities do not include investment trusts which use their unit price as fair value pursuant to Paragraph 24-9 of the Fair Value Measurement Guidance. The amount on the consolidated balance sheets of investment trusts to which the treatment of Paragraph 24-9 is applied was ¥19,307 million.

(*2) Earthquake derivatives are recorded as nil balance, since the fair value of buy position and sell position is equal.

March 31, 2024	Fair Value Millions of Yen				Total
	Level 1	Level 2	Level 3		
Securities					
Trading account securities					
National government bonds/Local government bonds	¥ 2	¥ 40	¥ -		¥ 43
Available-for-sale securities					
National government bonds/Local government bonds	171,259	136,351	-		307,610
Corporate bonds	-	77,385	47,049		124,434
Corporate stocks	42,691	-	-		42,691
Investment trusts (*1)	10,439	75,469	-		85,908
Foreign securities	13,857	3,791	10,172		27,822
Total assets	¥ 238,250	¥ 293,038	¥ 57,222		¥ 588,511
Derivatives					
Interest rate related	¥ -	¥ 2,043	¥ -		¥ 2,043
Currency related	-	345	-		345
Others (*2)	-	-	-		-
Total derivatives	¥ -	¥ 2,388	¥ -		¥ 2,388

(*1) Securities do not include investment trusts which use their unit price as fair value pursuant to Paragraph 24-9 of the Fair Value Measurement Guidance. The amount on the consolidated balance sheets of investment trusts to which the treatment of Paragraph 24-9 is applied was ¥17,935 million.

(*2) Earthquake derivatives are recorded as nil balance, since the fair value of buy position and sell position is equal.

(2) Financial instruments other than those carried at fair value on the consolidated balance sheets

March 31, 2025	Fair Value Millions of Yen				Total
	Level 1	Level 2	Level 3		
Securities					
Held-to-maturity securities					
National government bonds/Local government bonds	¥ 309,071	¥ 81,201	¥ -		¥ 390,272
Corporate bonds	-	23,220	-		23,220
Loans and bills discounted	-	-	3,983,267		3,983,267
Total assets	¥ 309,071	¥ 104,422	¥ 3,983,267		¥ 4,396,760
Deposits	¥ -	¥ 5,761,200	¥ -		¥ 5,761,200
Negotiable certificates of deposit	-	390,089	-		390,089
Borrowed money	-	216,339	-		216,339
Total liabilities	¥ -	¥ 6,367,629	¥ -		¥ 6,367,629

March 31, 2024	Fair Value Millions of Yen				Total
	Level 1	Level 2	Level 3		
Securities					
Held-to-maturity securities					
National government bonds/Local government bonds	¥ 199,827	¥ 36,363	¥ -		¥ 236,190
Corporate bonds	-	14,507	-		14,507
Loans and bills discounted	-	-	3,897,445		3,897,445
Total assets	¥ 199,827	¥ 50,871	¥ 3,897,445		¥ 4,148,143
Deposits	¥ -	¥ 5,824,563	¥ -		¥ 5,824,563
Negotiable certificates of deposit	-	468,365	-		468,365
Borrowed money	-	192,933	-		192,933
Total liabilities	¥ -	¥ 6,485,862	¥ -		¥ 6,485,862

Note 1: A description of the valuation technique(s) and inputs used in the fair value measurements

Assets

Securities

The fair value of securities for which unadjusted market prices in active markets are available is classified as level 1 fair value. Such securities include listed stocks and national government bonds.

The fair value of securities for which published market prices in inactive markets are available is classified as level 2 fair value. Such securities include local government bonds and

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corporate bonds.

For investment trusts which do not have trading prices in markets, if there are no material restrictions that would cause market participants to demand compensation for risks with respect to cancellation or repurchase requests, their unit price is used as fair value. Such investment trusts are classified as level 2 fair value.

For privately placed bonds guaranteed by the Bank, the fair value is calculated by discounting the total amount of principal and interest at a discount rate computed by reflecting the probability of bankruptcy, which is an estimate of the possibility of failing to receive contractual payment, on market interest rates for each category based on internal rating. However, with regard to privately placed bonds guaranteed by the Bank issued by bankrupt, effectively bankrupt, and potentially bankrupt borrowers, the fair value is based upon the book value of the bonds after deducting estimated loan losses, as in the case of loans. These transactions are classified as level 3 fair value.

Some other bonds are valued at market value obtained from brokers, etc., and significant unobservable inputs are used. The fair value is therefore classified as level 3 fair value.

Loans and bills discounted

For loans, the market value is calculated by discounting the total amount of principal and interest at a discount rate computed by reflecting the probability of bankruptcy, which is an estimate of the possibility of failing to receive contractual payment, as well as the recovery rate at the time of bankruptcy, on market interest rates for each category based on the type of loan and internal rating. For loans due within one year, the book value is stated as the fair value, since the book value is presumed to approximate the fair value.

With regard to loans extended to bankrupt, effectively bankrupt and potentially bankrupt borrowers, estimated loan losses are calculated based on the estimated amount of collateral and guarantees or the present value of estimated future cash flows. Therefore, their fair values are presumed to approximate the amounts derived by subtracting allowance for loan losses from the carrying amounts of loans as of the consolidated balance sheet date, and the calculated amounts are the fair value.

These transactions are classified as level 3 fair value.

Liabilities

Deposits and negotiable certificates of deposit

The fair value of demand deposits that are paid immediately upon request on the consolidated fiscal year end date shall be the payment amount. The fair value of time deposits and others is calculated based on the discounted present value obtained by discounting the total amount of principal and interest for each type of deposit. Discount rates applied are those applicable to new deposits accepted by the Bank at the balance sheet date. For deposits and certificates of deposit due within one year, they are stated at their book values, which are presumed to approximate the fair values. The fair value is classified as level 2 fair value.

Borrowed money

For transactions due within one year, the fair value approximates the book value, and therefore

the book value is used as the fair value. For transactions due over one year, the book value is set as the fair value because the balance is small and not significant. These transactions are classified as level 2 fair value.

Derivative transactions

Since derivatives transactions are over-the-counter transactions and there is no published market price, the fair value is calculated using valuation techniques such as the present value technique and the Black Scholes model according to the type of the transaction and the period until maturity. Main inputs used in these valuation techniques include interest rates, exchange rates and volatility. In addition, the fair value is adjusted based on the credit risk of the counterparty and the credit risk of the Bank. If unobservable inputs are not used or their effects are not significant, they are classified as level 2 fair value. Such derivative transactions include interest rate swap transactions and foreign exchange forward transactions. If significant non-observable inputs are used, they are classified as level 3 fair value and include earthquake derivatives.

Note 2: Information on the level 3 fair value of the financial instruments carried at fair value in the consolidated balance sheets

(1) Quantitative information on important unobservable inputs

Year ended March 31, 2025

Category	Evaluation techniques	Important unobservable inputs	Range of inputs	Weighted average of inputs
Securities Available-for-sale securities Corporate bond	Present-value technique	Probability of bankruptcy	0.100%-5.800%	0.232%

Year ended March 31, 2024

Category	Evaluation techniques	Important unobservable inputs	Range of inputs	Weighted average of inputs
Securities Available-for-sale securities Corporate bond	Present-value technique	Probability of bankruptcy	0.100%-8.600%	0.211%

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(2) Reconciliation table from the beginning balance to the ending balance, gain or loss on valuation recognized in profit and loss of the current period

Year ended March 31, 2025

Millions of Yen								
	Beginning balance	Profit/loss or other comprehensive income for the current period		Net value of purchase, sale, issuance and settlement	Transfer to level 3 fair value	Transfer from level 3 fair value	Ending balance	Of the amount recorded in profit or loss in the current period, gain or loss on valuation of financial assets and liabilities held on the consolidated balance sheet date (*1)
		Recorded in profit or loss (*1)	Recorded in other comprehensive income (*2)					
Securities Available-for-sale securities								
Corporate bonds	¥47,049	¥—	¥(307)	¥(4,896)	¥—	¥—	¥41,845	¥—
Foreign securities	10,172	—	(48)	—	—	—	10,124	—
Derivatives transactions								
Earthquake derivatives (*3)	—	—	—	—	—	—	—	—

- (*1) Included in “Other operating income” and “Other operating expenses” in the consolidated statements of income.
- (*2) Included in “Valuation difference on available-for-sale securities” under “Other comprehensive income” in the consolidated statements of comprehensive income.
- (*3) Earthquake derivatives are recorded as nil balance, since the fair value of buy position and sell position is equal.

Year ended March 31, 2024

Millions of Yen

	Beginning balance	Profit/loss or other comprehensive income for the current period		Net value of purchase, sale, issuance and settlement	Transfer to level 3 fair value	Transfer from level 3 fair value	Ending balance	Of the amount recorded in profit or loss in the current period, gain or loss on valuation of financial assets and liabilities held on the consolidated balance sheet date (*1)
		Recorded in profit or loss (*1)	Recorded in other comprehensive income (*2)					
Securities Available-for-sale securities								
Corporate bonds	¥57,879	¥132	¥(68)	¥(10,895)	¥—	¥—	¥47,049	¥—
Foreign securities	7,255	3	43	2,870	—	—	10,172	—
Derivatives transactions								
Earthquake derivatives (*3)	—	—	—	—	—	—	—	—

- (*1) Included in “Other operating income” and “Other operating expenses” in the consolidated statements of income.
- (*2) Included in “Valuation difference on available-for-sale securities” under “Other comprehensive income” in the consolidated statements of comprehensive income.
- (*3) Earthquake derivatives are recorded as nil balance, since the fair value of buy position and sell position is equal.

(3) Explanation of the fair value evaluation process

The Risk Management Division of the Bank has established policies and procedures for calculating fair value. The Risk Management Division verifies the validity of the market valuation model and inputs used in the fair value calculation and the appropriateness of the fair value level.

When market prices obtained from third parties are used as fair value, the validity of prices is verified by appropriate methods such as confirmation of valuation techniques and inputs used, and comparison with the fair value of similar financial instruments.

(4) Explanation of the impact on fair value of changing important unobservable inputs

An important unobservable input used in the calculation of the fair value of corporate bonds is the probability of bankruptcy. A significant increase (decrease) in the probability of bankruptcy causes a significant decline (rise) in fair value.

Note 3: Reconciliation table from the beginning balance to the ending balance of investment trusts to which the treatment of Paragraph 24-9 is applied

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Year ended March 31, 2025

Millions of Yen								
	Beginning balance	Profit/loss or other comprehensive income for the current period		Net value of purchase, sale and redemption	Amount of investment trusts that use unit price as fair value	Amount of investment trusts that do not use unit price as fair value	Ending balance	Of the amount recorded in profit or loss in the current period, gain or loss on valuation of investment trusts held on the consolidated balance sheet date (*1)
		Recorded in profit or loss (*1)	Recorded in other comprehensive income (*2)					
Securities Investment Trusts	¥17,935	¥—	¥371	¥1,001	¥—	¥—	¥19,307	¥—

(*1) Included in “Other operating income” and “Other operating expenses” in the consolidated statements of income.

(*2) Included in “Valuation difference on available-for-sale securities” under “Other comprehensive income” in the consolidated statements of comprehensive income.

Year ended March 31, 2024

Millions of Yen								
	Beginning balance	Profit/loss or other comprehensive income for the current period		Net value of purchase, sale and redemption	Amount of investment trusts that use unit price as fair value	Amount of investment trusts that do not use unit price as fair value	Ending balance	Of the amount recorded in profit or loss in the current period, gain or loss on valuation of investment trusts held on the consolidated balance sheet date (*1)
		Recorded in profit or loss (*1)	Recorded in other comprehensive income (*2)					
Securities Investment Trusts	¥17,311	¥143	¥257	¥223	¥—	¥—	¥17,935	¥—

(*1) Included in “Other operating income” and “Other operating expenses” in the consolidated statements of income.

(*2) Included in “Valuation difference on available-for-sale securities” under “Other comprehensive income” in the consolidated statements of comprehensive income.

22. Fair Value Information

The tables below represent the securities and trading account securities:

(a) Trading account securities

March 31	Millions of Yen	
	2025	2024
Realized gain included in earnings	¥ (0)	¥ 0

(b) Held-to-maturity securities

	Millions of Yen		
	Carrying Amount	Fair Value	Difference
March 31, 2025			
Securities with their fair value over their carrying amount:			
National government	¥ —	¥ —	¥ —
Local government bonds	—	—	—
Corporate bonds	—	—	—
Sub-total	—	—	—
Securities with their fair value below their carrying amount:			
National government	310,005	309,071	(934)
Local government bonds	84,202	81,201	(3,000)
Corporate bonds	24,856	23,220	(1,636)
Sub-total	419,064	413,493	(5,571)
Total	¥ 419,064	¥ 413,493	¥ (5,571)

	Millions of Yen		
	Carrying Amount	Fair Value	Difference
March 31, 2024			
Securities with their fair value over their carrying amount:			
National government	¥ 39,996	¥ 40,008	¥ 11
Local government bonds	16,999	17,071	71
Corporate bonds	4,064	4,089	24
Sub-total	61,061	61,168	107
Securities with their fair value below their carrying amount:			
National government	160,006	159,819	(187)
Local government bonds	19,398	19,292	(106)
Corporate bonds	10,497	10,418	(78)
Sub-total	189,902	189,529	(372)
Total	¥ 250,963	¥ 250,698	¥ (265)

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(c) Available-for-sale securities

	Millions of Yen		
	Carrying Amount	Acquisition Cost	Net Unrealized Gain/(Loss)
March 31, 2025			
Securities with their carrying amount over their acquisition cost:			
Corporate stock	¥ 35,058	¥ 14,207	¥ 20,850
Bonds:	11,608	11,544	63
National government	9,124	9,061	62
Local government	—	—	—
Corporate	2,484	2,482	1
Other	77,572	70,544	7,028
Sub-total	124,239	96,295	27,943
Securities with their carrying amount below their acquisition cost:			
Corporate stock	1,652	2,001	(348)
Bonds:	584,358	618,922	(34,563)
National government	326,944	346,288	(19,344)
Local government	126,786	137,252	(10,466)
Corporate	130,628	135,381	(4,753)
Other	58,471	65,250	(6,778)
Sub-total	644,482	686,173	(41,690)
Total	¥ 768,722	¥ 782,469	¥ (13,747)

	Millions of Yen		
	Carrying Amount	Acquisition Cost	Net Unrealized Gain/(Loss)
March 31, 2024			
Securities with their carrying amount over their acquisition cost:			
Corporate stock	¥ 40,427	¥ 16,268	¥ 24,159
Bonds:	55,631	55,447	184
National government	16,890	16,824	65
Local government	6,029	6,000	29
Corporate	32,711	32,622	89
Other	83,114	76,682	6,432
Sub-total	179,173	148,397	30,775
Securities with their carrying amount below their acquisition cost:			
Corporate stock	2,263	2,616	(352)
Bonds:	376,413	389,570	(13,156)
National government	154,368	160,790	(6,421)
Local government	130,322	135,284	(4,962)
Corporate	91,722	93,495	(1,772)
Other	48,552	55,740	(7,188)
Sub-total	427,229	447,927	(20,697)
Total	¥ 606,402	¥ 596,325	¥ 10,077

(d) Available-for-sale securities sold

March 31, 2025	Millions of Yen		
	Proceeds from Sales	Realized Gain	Realized Loss
Corporate stock	¥ 3,829	¥ 1,220	¥ 219
Bonds:	76,714	68	1,570
National government	76,464	68	1,570
Corporate	250	—	—
Other	1,373	85	127
Total	¥ 81,918	¥ 1,374	¥ 1,917

March 31, 2024	Millions of Yen		
	Proceeds from Sales	Realized Gain	Realized Loss
Corporate stock	¥ 1,936	¥ 260	¥ 104
Bonds:	150,044	119	—
National government	149,952	119	—
Corporate	92	—	—
Other	1,157	171	20
Total	¥ 153,137	¥ 551	¥ 125

(e) Securities for which the holding-purpose category has changed

None

(f) Loss on impairment

Certain “Available-for-sale securities” with fair value are stated at fair value on the consolidated balance sheets, and the difference between the acquisition cost and the fair value is recognized as a loss (“impairment loss”) for the consolidated year, if the fair value has significantly deteriorated compared with the acquisition cost and if it is further concluded that there would be little possibility of the recovery in fair value to the acquisition cost.

There was no impairment loss to be posted for the years ended March 31, 2025 and 2024.

The criteria for determining whether the decline in the fair value is “significantly deteriorated” are as follows: Individual securities whose fair values are 50% or less of the acquisition cost at the end of the consolidated year, or securities whose fair values exceed 50% but are 70% or less of the acquisition prices and whose past share price movements for certain set periods, and the issuers’ business conditions indicate little prospect of recovery in their fair values.

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(g) Valuation difference on available-for-sale securities

March 31, 2025	Millions of Yen
Unrealized gain before income tax effect	¥ (13,467)
Available-for-sale securities	(13,467)
Deferred tax assets	4,317
Unrealized gain before adjustment	(9,149)
Equity of unrealized gain on available-for-sale securities:	
Owned by affiliates that are accounted for by the equity method	—
Valuation difference on available-for-sale securities	¥ (9,149)

March 31, 2024	Millions of Yen
Unrealized gain before income tax effect	¥ 10,230
Available-for-sale securities	10,230
Less: deferred tax liabilities	2,876
Unrealized gain before adjustment	7,353
Equity of unrealized gain on available-for-sale securities:	
Owned by affiliates that are accounted for by the equity method	—
Valuation difference on available-for-sale securities	¥ 7,353

(h) Investments in unconsolidated subsidiaries and affiliates

Securities in the Assets section included investments in unconsolidated subsidiaries and affiliates of ¥437 million and ¥522 million as of March 31, 2025 and 2024, respectively.

23. Money Held in Trust

Money held in trust as of March 31, 2025 and 2024 consisted of the following:

(a) Money held in trust for trading purpose

None

(b) Money held in trust for held-to-maturity

None

(c) Other money held in trust

	Millions of Yen	
March 31	2025	2024
Carrying amount	¥ 7,150	¥ 7,950
Acquisition cost	7,150	7,950
Net unrealized gain/(loss)	—	—
Gross unrealized gain	—	—
Gross unrealized loss	—	—

24. Derivatives

(a) Derivatives transactions to which hedge accounting is not applied

The contract amount at the consolidated balance sheet date or the notional amount as stipulated in contracts for each transaction type as well as fair value and methods used for deriving the fair value are indicated below. It should be noted that the size of the contract amount or any other monetary amount does not, by and in itself, serve as an indicator of market risks associated with derivative transactions.

Interest-rate derivatives

March 31	Millions of Yen					
	2025			2024		
	Contract Amounts	Fair Value		Contract Amounts	Fair Value	
	Total	Over 1 Year		Total	Over 1 Year	
Over-the-counter transactions:						
Interest-rate swaps:						
Receivable fixed/payable floating	¥ 142,870	¥ 130,591	¥ (7,576)	¥ 152,838	¥ 143,254	¥ (3,023)
Receivable floating/payable fixed	142,870	130,591	9,410	152,838	143,254	5,066
Receivable floating/payable floating	—	—	—	—	—	—
	¥ 1,833			¥ 2,043		

Currency derivatives

March 31	Millions of Yen					
	2025			2024		
	Contract Amounts	Fair Value		Contract Amounts	Fair Value	
	Total	Over 1 Year		Total	Over 1 Year	
Over-the-counter transactions:						
Currency swap	¥ 18,795	¥ 14,184	¥ 20	¥ 15,426	¥ 10,737	¥ 12
Forward exchange contracts:						
Sold	46,015	27,674	(4,104)	49,091	29,456	(4,239)
Bought	29,824	27,247	5,333	31,750	29,097	4,571
Currency option:						
Sold	—	—	—	—	—	—
Bought	—	—	—	—	—	—
	¥ 1,250			¥ 345		

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Others

March 31	Millions of Yen				
	2025		2024		
	Contract Amounts	Fair Value	Contract Amounts	Fair Value	
	Total	Over 1 Year	Total	Over 1 Year	
Over-the-counter transactions:					
Earthquake derivatives					
Sold	¥355	¥—	¥(3)	¥460	¥—
Bought	355	—	3	460	—

(b) Derivatives transactions to which hedge accounting is applied

The contract amount or the contractual notional amount by transaction type and method of hedge accounting, fair value at the balance sheet date as well as the methods used for deriving the fair value are summarized below. It should be noted that the size of the contract amount or any other monetary amount does not, by and in itself, serve as an indicator of market risks associated with derivative transactions.

Interest-rate derivatives

March 31, 2025	Millions of Yen			
	Main Hedged Items	Contract Amounts	Fair Value	
		Total	Over 1 Year	
	Available-for- sale securities (bonds)			
Principle treatment				
Interest rate swap:				
Receivable floating/payable fixed		¥110,000	¥110,000	¥3,087
				— ¥3,087

March 31, 2024	Millions of Yen			
	Main Hedged Items	Contract Amounts	Fair Value	
		Total	Over 1 Year	
	Available-for- sale securities (bonds)			
Principle treatment				
Interest rate swap:				
Receivable floating/payable fixed		—	—	—
				—

Currency derivatives

Not applicable.

25. Other Comprehensive Income (loss)

The components of other comprehensive income (loss) for the years ended March 31, 2025 and 2024 were as follows:

March 31	Millions of Yen	
	2025	2024
Valuation difference on available-for-sale securities:		
Income (loss) recognized during the year	¥ (25,639)	¥ 12,513
Reclassification adjustment to net income	1,941	(422)
Amount before income taxes and tax effect	(23,697)	12,090
Income taxes and tax effect	7,194	(3,454)
Valuation difference on available-for-sale securities	(16,503)	8,636
Deferred gains or losses on hedges:		
Gains recognized during the year	3,087	—
Reclassification adjustment to net income	—	—
Amount before income taxes and tax effect	3,087	—
Income taxes and tax effect	(957)	—
Deferred gains or losses on hedges	2,130	—
Revaluation reserve for land:		
Income recognized during the year	—	—
Reclassification adjustment to net income	—	—
Amount before income taxes and tax effect	—	—
Income taxes and tax effect	(57)	—
Revaluation reserve for land	(57)	—
Remeasurements of defined benefit plans:		
Income recognized during the year	1,514	4,154
Reclassification adjustment to net income	(189)	132
Amount before income taxes and tax effect	1,324	4,286
Income taxes and tax effect	(460)	(1,290)
Remeasurements of defined benefit plans	863	2,996
Total other comprehensive income (loss)	¥ (13,567)	¥ 11,633

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26. Revenue Recognition

Year ended March 31, 2025

	Reportable segment				Other (*1)	Adjustments	Total
	Banking	Securities	Leasing	Credit guaranteeing			
Ordinary income	¥59,048	¥947	¥8,064	¥888	¥1,497	¥(4)	¥70,443
Fees and commissions income	12,237	906	—	—	280	—	13,424
Deposit and lending business	2,423	—	—	—	—	—	2,423
Foreign exchange business	3,402	—	—	—	—	—	3,402
Securities-related business	413	906	—	—	—	—	1,319
Agency business	254	—	—	—	—	—	254
Custody and safety deposit box business	90	—	—	—	—	—	90
Investment trust business	957	—	—	—	—	—	957
Insurance-related business	1,139	—	—	—	—	—	1,139
Other business	3,555	—	—	—	280	—	3,836
Other ordinary income	—	0	2	4	1,122	—	1,129
Ordinary income from contracts with customers	12,237	906	2	4	1,403	—	14,553
Ordinary income other than those listed above (*2)	46,811	41	8,062	883	94	(4)	55,889
Ordinary income from external customers	59,048	947	8,064	888	1,497	(4)	70,443

(*1) “Other” is a business segment that is not included in the reportable segment, which consists of credit card business.

(*2) Ordinary income other than those listed above mainly includes the following transactions.

- (1) Transactions related to financial instruments that fall within the scope of ASBJ Statement No. 10 “Accounting Standard for Financial Instruments”
- (2) Lease transactions that fall within the scope of ASBJ Statement No. 13 “Accounting Standard for Lease Transactions”
- (3) Fees received for the formation or acquisition of financial instruments

Year ended March 31, 2024

	Reportable segment				Other (*1)	Adjustments	Total
	Banking	Securities	Leasing	Credit guaranteeing			
Ordinary income	¥49,020	¥865	¥6,918	¥849	¥1,337	¥(5)	¥58,984
Fees and commissions income	11,884	739	—	—	152	—	12,776
Deposit and lending business	2,003	—	—	—	—	—	2,003
Foreign exchange business	3,294	—	—	—	—	—	3,294
Securities-related business	209	739	—	—	—	—	949
Agency business	248	—	—	—	—	—	248
Custody and safety deposit box business	90	—	—	—	—	—	90
Investment trust business	905	—	—	—	—	—	905
Insurance-related business	1,304	—	—	—	—	—	1,304
Other business	3,828	—	—	—	152	—	3,980
Other ordinary income	—	0	6	0	1,092	—	1,100
Ordinary income from contracts with customers	11,884	739	6	0	1,245	—	13,877
Ordinary income other than those listed above (*2)	37,135	125	6,911	848	92	(5)	45,107
Ordinary income from external customers	49,020	865	6,918	849	1,337	(5)	58,984

(*1) “Other” is a business segment that is not included in the reportable segment, which consists of credit card business.

(*2) Ordinary income other than those listed above mainly includes the following transactions.

- (1) Transactions related to financial instruments that fall within the scope of ASBJ Statement No. 10 “Accounting Standard for Financial Instruments”
- (2) Lease transactions that fall within the scope of ASBJ Statement No. 13 “Accounting Standard for Lease Transactions”
- (3) Fees received for the formation or acquisition of financial instruments

27. Segment Information

(a) Segment information

1. Outline of reportable segments

The reportable segments of the Group are those units for which discrete financial information can be obtained and which are regularly examined by the Board of Directors in order to decide how to allocate management resources and to evaluate the operating results.

The Group, comprised of the Bank and its eight subsidiaries, provides financing services with a focus on banking, leasing, credit card and credit guaranteeing.

“Banking” consists of deposit business, lending business, foreign exchange business and their associated businesses.

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“Securities” primarily consists of securities business.

“Leasing” consists of leasing of equipment and installment sales.

“Credit guaranteeing” consists of credit guaranteeing business as a finance associated business.

2. Calculation method for the amount of ordinary income, segment profit or loss, assets, liabilities and other items by the reportable segment

Accounting treatment for reportable segments is consistent with those described in “2. Summary of Significant Accounting Policies.”

Segment profit is based on ordinary profit.

Ordinary income from internal transactions is based on transaction prices between third parties.

Information on ordinary income, segment profit or loss, assets, liabilities and other items is as follows:

Year ended March 31, 2025	Millions of Yen							
	Reportable segment					Total	Adjustments	Consolidated
	Banking	Securities	Leasing	Credit guaranteeing	Other			
Ordinary income:								
From external customers	¥59,048	¥947	¥8,064	¥888	¥1,497	¥70,447	¥(4)	¥70,443
From internal transactions	1,402	0	655	911	1,665	4,634	(4,634)	—
Total	¥60,451	¥948	¥8,720	¥1,799	¥3,162	¥75,082	¥(4,638)	¥70,443
Segment profit (loss)	¥10,884	¥(35)	¥659	¥1,233	¥877	¥13,620	¥(2,422)	¥11,197
Segment assets	¥6,630,305	¥5,557	¥24,647	¥12,450	¥14,498	¥6,687,459	¥(34,218)	¥6,653,240
Segment liabilities	¥6,449,171	¥2,535	¥20,519	¥8,049	¥6,667	¥6,486,943	¥(30,937)	¥6,456,005
Other:								
Depreciation expense	¥4,072	¥—	¥182	¥0	¥69	¥4,324	¥28	¥4,352
Interest income	43,978	2	421	294	664	45,362	(2,509)	42,852
Interest expense	5,226	—	69	—	0	5,296	(61)	5,235
Impairment loss	283	1	—	—	—	284	—	284
Increase in tangible and intangible fixed assets	4,123	1	25	—	270	4,420	235	4,655

Notes:

1. Ordinary income is stated in lieu of sales of general enterprises.

2. “Other” is a business segment that is not included in the reportable segment, which consists of credit card business.

3. Adjustments are as follows:

(a) Adjustments in segment profit (loss) of ¥(2,422) million include elimination of intersegment transactions.

(b) Adjustments in segment assets of ¥(34,218) million include elimination of intersegment transactions.

(c) Adjustments in segment liabilities of ¥(30,937) million include elimination of intersegment transactions.

(d) Adjustments in depreciation expense of ¥28 million are adjustments made for the depreciation of the leased assets acquired under the contract with the leasing segment in segments other than leasing.

(e) Adjustments in interest income of ¥(2,509) million are elimination of intersegment transactions.

(f) Adjustments in interest expense of ¥(61) million are elimination of intersegment transactions.

(g) Adjustments in increase in tangible and intangible fixed assets of ¥235 million are the acquisition cost of the leased assets acquired in the leasing segment under the contract with other segments.

4. Segment profit (loss) is adjusted to ordinary profit in the consolidated statements of income.

Year ended March 31, 2024	Millions of Yen							
	Reportable segment					Total	Adjustments	Consolidated
	Banking	Securities	Leasing	Credit guaranteeing	Other			
Ordinary income:								
From external customers	¥49,020	¥865	¥6,918	¥849	¥1,337	¥58,990	¥(5)	¥58,984
From internal transactions	1,453	(0)	647	976	1,575	4,653	(4,653)	—
Total	¥50,473	¥865	¥7,565	¥1,826	¥2,913	¥63,644	¥(4,659)	¥58,984
Segment profit (loss)	¥7,902	¥(132)	¥541	¥1,604	¥926	¥10,842	¥(2,520)	¥8,321
Segment assets	¥6,738,164	¥5,528	¥21,398	¥12,457	¥13,458	¥6,791,007	¥(32,438)	¥6,758,569
Segment liabilities	¥6,547,064	¥2,467	¥17,355	¥7,752	¥6,028	¥6,580,668	¥(28,278)	¥6,552,389
Other:								
Depreciation expense	¥2,714	¥—	¥125	¥0	¥46	¥2,886	¥70	¥2,956
Interest income	35,238	0	411	316	699	36,667	(2,610)	34,056
Interest expense	202	—	43	—	0	246	(37)	209
Impairment loss	462	23	—	—	—	485	—	485
Increase in tangible and intangible fixed assets	4,803	23	0	—	32	4,860	142	5,002

Notes:

1. Ordinary income is stated in lieu of sales of general enterprises.

2. “Other” is a business segment that is not included in the reportable segment, which consists of credit card business.

3. Adjustments are as follows:

(a) Adjustments in segment profit (loss) of ¥(2,520) million include elimination of intersegment transactions.

(b) Adjustments in segment assets of ¥(32,438) million include elimination of intersegment

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transactions.

(c) Adjustments in segment liabilities of ¥(28,278) million include elimination of intersegment transactions.

(d) Adjustments in depreciation expense of ¥70 million are adjustments made for the depreciation of the leased assets acquired under the contract with the leasing segment in segments other than leasing.

(e) Adjustments in interest income of ¥(2,610) million are elimination of intersegment transactions.

(f) Adjustments in interest expense of ¥(37) million are elimination of intersegment transactions.

(g) Adjustments in increase in tangible and intangible fixed assets of ¥142 million are the acquisition cost of the leased assets acquired in the leasing segment under the contract with other segments.

4. Segment profit (loss) is adjusted to ordinary profit in the consolidated statements of income.

(b) Related information

1. Information by services

Income regarding major services for the years ended March 31, 2025 and 2024 was as follows:

Year ended March 31, 2025	Millions of Yen				
	Lending	Securities and Investment	Fees and Commissions	Other	Total

Ordinary income from external customers	¥ 30,496	¥ 8,789	¥ 15,428	¥ 15,728	¥ 70,443
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Year ended March 31, 2024	Millions of Yen				
	Lending	Securities and Investment	Fees and Commissions	Other	Total

Ordinary income from external customers	¥ 26,620	¥ 5,307	¥ 14,846	¥ 12,209	¥ 58,984
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Note: Ordinary income is stated in lieu of sales of general enterprises.

2. Geographical information

(i) Ordinary income

Ordinary income from external domestic customers exceeded 90% of total income on the consolidated statements of income for the years ended March 31, 2025 and 2024, therefore geographical income information is not disclosed.

(ii) Tangible fixed assets

The balance of domestic tangible fixed assets exceeded 90% of total balance of tangible fixed assets on the consolidated balance sheets as of March 31, 2025 and 2024, therefore geographical tangible fixed assets information is not disclosed.

3. Major customer information

Ordinary income from no customer exceeded 10% of total income on the consolidated statements of income for the years ended March 31, 2025 and 2024, therefore major customer information is not

disclosed.

(c) Information on impairment of fixed assets for each reportable segment:

Year ended March 31, 2025	Millions of Yen					
	Reportable segment					Total
	Banking	Securities	Leasing	Credit guaranteeing	Other	
Impairment loss	¥ 283	¥1	¥ -	¥ -	¥ -	¥ 284

Year ended March 31, 2024	Millions of Yen					
	Reportable segment					Total
	Banking	Securities	Leasing	Credit guaranteeing	Other	
Impairment loss	¥ 462	¥23	¥ -	¥ -	¥ -	¥ 485

(d) Information on amortization of goodwill and its remaining balance for each reportable segment:

None

(e) Information related to gain on negative goodwill for each reportable segment:

None

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28. Related Party Transactions

Related party transactions for the year ended March 31, 2025

(a) Transactions between the Bank and related parties

Type	Name	Location	Capital stock (¥million)	Nature of business or occupation	Voting share ownership (%)
Executive officer and close family members	Minoru Sato	—	¥—	President and Representative Director of the Bank	Owned Direct 0%
Relation to the related party	Type of transaction	Amount of transaction (¥million)	Account name	Balance as of March 31, 2025 (¥million)	
—	In-kind contributions of monetary compensation receivables	¥10	—	¥—	
Executive officer and close family members	Tomoyuki Sato Mirai Sato	—	¥—	Company employees	—
Relation to the related party	Type of transaction	Amount of transaction (¥million)	Account name	Balance as of March 31, 2025 (¥million)	
Customer with credit limit	Funding of loans (joint and several obligation)	(Average balance) ¥22	Loans and bills discounted	¥22	
Executive officer and close family members	Masato Tanabe Ayami Tanabe	—	¥—	Public officer Company employee	—
Relation to the related party	Type of transaction	Amount of transaction (¥million)	Account name	Balance as of March 31, 2025 (¥million)	
Customer with credit limit	Funding of loans (joint and several obligation)	(Average balance) ¥11	Loans and bills discounted	¥55	
Executive officer and close family members	Shoko Okano	—	¥—	Company employee	—
Relation to the related party	Type of transaction	Amount of transaction (¥million)	Account name	Balance as of March 31, 2025 (¥million)	
Customer with credit limit	Funding of loans	(Average balance) ¥34	Loans and bills discounted	¥34	
Executive officer and close family members	Kohei Ishii Maya Ishii	—	¥—	Public officer Company employee	—

Relation to the related party	Type of transaction	Amount of transaction (¥million)	Account name	Balance as of March 31, 2025 (¥million)
Customer with credit limit	Funding of loans (joint and several obligation)	(Average balance) ¥23	Loans and bills discounted	¥29
Companies, etc. in which the majority of voting rights are held by executive officer and close family members	Tohoku Thermo K.K.	Fukushima City, Fukushima Prefecture, Japan	¥30	Manufacturing business —
Relation to the related party	Type of transaction	Amount of transaction (¥million)	Account name	Balance as of March 31, 2025 (¥million)
Customer with credit limit	Funding of loans	(Average balance) ¥128	Loans and bills discounted	¥127

Notes:

1. Mr. Tomoyuki Sato is the second son of the Bank’s Director and Audit and Supervisory Committee Member, Takuo Sato.
2. Ms. Mirai Sato is a spouse of the second son of the Bank’s Director and Audit and Supervisory Committee Member, Takuo Sato.
3. Mr. Masato Tanabe is the second son of the Bank’s Managing Executive Officer, Naoyuki Tanabe.
4. Ms. Ayami Tanabe is a spouse of the second son of the Bank’s Managing Executive Officer, Naoyuki Tanabe.
5. Ms. Shoko Okano is a spouse of the Bank’s Managing Executive Officer, Chikai Sawada.
6. Mr. Kohei Ishii is the eldest son of Mr. Takayuki Ishii, who resigned as the Bank’s Director and Audit and Supervisory Committee Member effective June 26, 2024.
7. Ms. Maya Ishii is a spouse of the eldest son of Mr. Takayuki Ishii, who resigned as the Bank’s Director and Audit and Supervisory Committee Member effective June 26, 2024.
8. A brother in law of the Bank’s Director, Hideya Takashima, holds the majority of voting rights of Tohoku Thermo K.K.
9. In-kind contributions of monetary compensation receivables are based on the restricted stock remuneration system.
10. The terms and conditions, and the business decisions are determined and made in the same way as other ordinary transactions.

(b) Transactions between the Bank’s consolidated subsidiaries and related parties

None

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Related party transactions for the year ended March 31, 2024

(a) Transactions between the Bank and related parties

Type	Name	Location	Capital stock (¥million)	Nature of business or occupation	Voting share ownership (%)
Executive officer and close family members	Minoru Sato	—	¥—	President and Representative Director of the Bank	Owned Direct 0%
Relation to the related party	Type of transaction	Amount of transaction (¥million)	Account name	Balance as of March 31, 2024 (¥million)	
—	In-kind contributions of monetary compensation receivables	¥10	—	¥—	
Executive officer and close family members	Shoko Okano	—	¥—	Company employee	—
Relation to the related party	Type of transaction	Amount of transaction (¥million)	Account name	Balance as of March 31, 2024 (¥million)	
Customer with credit limit	Funding of loans	(Average balance) ¥20	Loans and bills discounted	¥35	
Companies, etc. in which the majority of voting rights are held by executive officer and close family members	Tohoku Thermo K.K.	Fukushima City, Fukushima Prefecture, Japan	¥30	Manufacturing business	—
Relation to the related party	Type of transaction	Amount of transaction (¥million)	Account name	Balance as of March 31, 2024 (¥million)	
Customer with credit limit	Funding of loans	(Average balance) ¥130	Loans and bills discounted	¥130	

Notes:

1. Ms. Shoko Okano is a spouse of the Bank’s Managing Executive Officer, Chikai Sawada.
2. A brother in law of the Bank’s Director, Hideya Takashima, holds the majority of voting rights of Tohoku Thermo K.K.
3. In-kind contributions of monetary compensation receivables are based on the restricted stock remuneration system.
4. The terms and conditions, and the business decisions are determined and made in the same way as other ordinary transactions.

(b) Transactions between the Bank’s consolidated subsidiaries and related parties

None

29. Subsequent Events

Merger between consolidated subsidiaries

Toho Card Co., Ltd., the Bank’s consolidated subsidiary, merged with Toho Credit Service Co., Ltd., the Bank’s consolidated subsidiary, effective April 1, 2025.

Outline of the business combination

1. Name and business details of the companies involved in the business combination

Name of Combining Company	Toho Card Co., Ltd.
Description of Business	Credit card business and credit guarantee business
Name of Combined Company	Toho Credit Service Co., Ltd.
Description of Business	Credit card business and credit guarantee business

2. Date of the business combination
April 1, 2025
3. Legal form of the business combination
Absorption merger with Toho Card Co., Ltd. as the surviving company and Toho Credit Service Co., Ltd. as the defunct company.
4. Name of the company after the business combination
Toho Card Co., Ltd.
5. Other matters related to the outline of the transaction
In order to achieve the long-term management plan “TX PLAN 2030” announced on May 14, 2024, the Bank will strengthen its cashless business and strive to improve its services to customers.

Establishment of a subsidiary

At the Board of Directors meeting held on May 9, 2025, the Bank resolved the establishment of a 100%-owned subsidiary, Toho IT Human Solutions, Ltd. (hereinafter “TIH”).

(a) Purpose of the establishment

1. In April 2024, the Bank launched its new long-term management plan “TX PLAN 2030,” which declares the goals to work toward “Improving the value of every customer’s business” and “Creating abundant lives for each individual customer.” To achieve these goals, the Bank has established the 10 Targets to enhance the sustainability of the regional community. One of these is Target (1) Addressing personnel shortages, and as an important social issue to be solved, Group companies, led by the Bank and The Toho Information System Co., Ltd. (hereinafter “TIS”), are working together and endeavoring to support the region and customers in improving productivity.
2. The Bank decided to establish a new company (TIH) to bring region-wide digitalization and support customers in solving issues toward improving productivity with the power of IT and resolve the personnel shortages that are the greatest issue faced by the region by supporting human resource recruitment and development as well as improved retention and increased mobility.
3. TIH will engage in the two business pillars of IT solutions and human resource solutions. The talent referral operations and IT fee-based consulting that are currently handled by the Corporate

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Consulting Department and IT solutions operations that are currently handled by TIS will be integrated in TIH.

4. Further, in addition to IT and human resource solutions, TIH will provide solutions that meet the diverse needs of customers by engaging in extensive collaboration with Toho Bank Group companies and business matching partners (building a “business model that connects” extensive needs of customers with extensive solutions of partners). In doing so, TIH will aim to improve the value of every customer’s business.
5. Upon the newly establishment, TIH will receive licensing as an Other Advanced Banking Service Company and take on the new challenge of “sales agency” and “worker dispatch” businesses.

(b) Outline of the subsidiary to be newly established

Name of the company	Toho IT Human Solutions, Ltd.
Head office location	Toho Bank Business Center, 3-4, Aza Sakurada, Hirano, Iizakamachi, Fukushima City, Fukushima Prefecture, Japan
Capital	300 million yen
Shareholder	The Toho Bank, Ltd. (100%-owned subsidiary)
Scheduled opening date	October 2025
Business activities	IT-related operations, human resources-related operations, etc.

30. Supplementary Schedule

(a) Schedule of bonds

None

(b) Schedule of borrowing and similar instruments

Category	Balance as of April 1, 2024 (Millions of Yen)	Balance as of March 31, 2025 (Millions of Yen)	Average interest rate (%)	Due date
Borrowed money:	¥ 192,933	¥ 216,339	0.503	—
Loans payable	192,933	216,339	0.503	From April 2025 to July 2030
Lease obligation:				
Due within 1 year or less	13	13	—	—
Due after 1 year	290	276	—	June 2048

- Notes: 1. Average interest rate is stated at weighted average interest rate on the interest rate and balance as of March 31, 2025.
2. The average interest rates of lease obligations are not stated because lease obligations are recorded in the consolidated balance sheets at the amount before deducting the amount equivalent to interest included in the total lease fee.
3. The repayment schedule of loans payable and lease obligation for five years subsequent to March 31, 2025, is summarized as follows:

	Millions of Yen				
	Due within 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years
Loans payable	¥214,504	¥659	¥544	¥434	¥184
Lease obligation	¥13	¥13	¥12	¥12	¥12

Since banking business includes such operations as deposit taking, and raising/use of funds from the call money and bills market, the schedule of borrowing and similar instruments includes only “Borrowed money” and “Other liabilities” in “Liabilities” of the consolidated balance sheets.

(c) Schedule of asset retirement obligations

Schedule of asset retirement obligations is omitted because the amounts of asset retirement obligations at the beginning and the end of the year ended March 31, 2025 are equal to or less than one percent of the total of liabilities and net assets as of then.



The symbol “TOHO Square”



The four squares represent a square or plaza.

The symbol expresses our desire to be a plaza at the heart of the community, which realizes warm human contact and interaction between people. Each of the five colors in the symbol represents the characteristics of the local Fukushima. Blue represents the blue sky and sea. It is the color of lakes and rivers. Green is a beautiful natural color. Yellow is the color of rich culture and fruitful life. Red is the color of the passion of people who grew up in Fukushima. Pink is the color of a vibrant mind. We, Toho Bank, fulfill our mission as a community-based financial institution and contribute to the enrichment of the lives of local residents.

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Toho Bank and the TSUBASA
Alliance have established
the SDGs Declaration.



Toho Bank is a signatory to
the Principles for Financial
Action for the 21st Century.

Issued July 2025