For the Sake of Our Communities

The Toho Bank, Ltd.



TOHO INTEGRATED REPORT BANK 2026

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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.

For the Sake of Our Communities

PURPOSE

"For the Sake of Our Communities" is a phrase that expresses our determination to contribute to the recovery from the earthquake and the nuclear power plant accident, as well as to the future of the community.

We will support the sustainable development of the regional community and continue to take on challenges toward realizing a prosperous future.

Editorial Policy

Toho Bank has now created the TOHO BANK INTEGRATED REPORT 2026 (Integrated Report) to help our all stakeholders to further understand our initiatives. The report was edited with reference to the International 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.

Guidance for Collaborative Value Creation

Cover Story

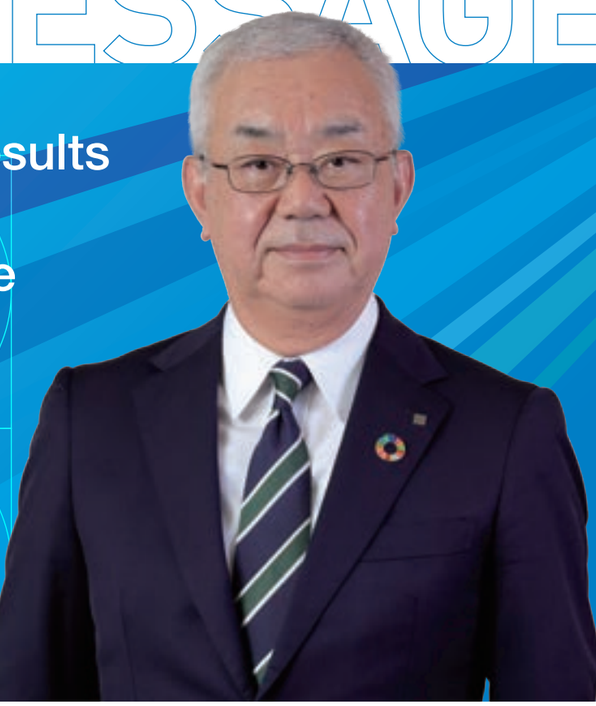
- The Message behind the Cover -

We expressed each of the seven areas in Fukushima Prefecture as a light that illuminates the future. The seven rays of light shining from the east reflect the Toho Bank's stance of working together with the regional community, and the origin of the bank's name as "a bank that advances with light on its back from the east." The blue-based design incorporates honesty, intelligence, and unwavering commitment to the community.

Message from the President

TOP MESSAGE

A year in which the results of our reforms were expressed in concrete figures



Minoru Sato President



For the Toho Bank Group, the fiscal year ended March 31, 2026 was a year in which the results of the reforms we have implemented thus far were greater than expected. We have implemented various reforms, and the results have begun to show up in actual figures, so I think this was a year of great significance.

This stems from the fact that we have reevaluated how the Bank has changed significantly since the earthquake. We experienced an unprecedented dual disaster in the form of the Great East Japan Earthquake and the nuclear power plant accident. Since then, the balance of deposits at the Bank, which was approximately 3 trillion yen at the time of the earthquake, has now grown to over 6 trillion yen. Over the past year or two, we have repeatedly discussed the question of “What should a bank with 6 trillion yen in funds be like?” Rather than simply continuing along the path we’ve taken as a 3 trillion yen bank, we need to rethink our approach by working backward from what a 6 trillion yen bank should look like. As a result, significant changes were made in several areas, and I believe these changes are now reflected in the figures.

One prime example is personal loans. The balance of the Bank’s loans to individuals is currently approximately 850.0 billion yen, but in view of the Bank’s business platform, which is mainly in Fukushima Prefecture, and our capital resources, we believed it would not be unreasonable for that figure to reach 1.2 trillion yen. Therefore, we re-examined why growth had not been as strong as expected, and reviewed factors such as product appeal, screening standards, the convenience of the application process, and the speed of loan execution. As a result, we have recently seen concrete results, such as the number of loan applications received recently being approximately double that of the previous year.

The same applies to business loans. As our profitability has improved, we have gained the financial strength to take on more risks than ever before. Against this backdrop, we proceeded with lending while re-evaluating which sectors to take on risk in. As a result, the loan balance reached a record high. I feel that while fulfilling our fundamental role of supporting the growth of regional companies, we have been able to foster our own growth.

Another significant achievement was the alliance with Nomura Securities. The new organizational structure was fully implemented last November, but at first there were concerns about whether personnel from the two companies, which have different organizational cultures, would truly be able to blend well, and whether bank employees from Toho Bank who were stepping into this new environment would be able to thrive. Actually, however, collaboration has progressed more smoothly than expected, and the bank employees who have been transferred have gained confidence in a short period of time and are working with enthusiasm.

The results are reflected in the numbers. Assets under management increased by approximately 200.0 billion yen in the approximately one year since the start of the alliance. Of this amount, approximately 150.0 billion yen is attributable to improved market conditions, while the remaining approximately 50.0 billion yen represents a net increase from operating activities. Furthermore, around 30% of these assets were transferred from other financial institutions. I think this is evidence that our new sales approach, which involves making recommendations based on a comprehensive view of our customers’ overall assets, is beginning to pay off.

We are also seeing changes in deposits. The shift to a world with interest rates has significantly changed the value of deposits. However, our focus is not on temporary deposits driven by competition over interest rates, but on highly loyal deposits that customers use as bank accounts for everyday expenditures. In that sense, I think the widespread adoption of Toho banking app is a great achievement. About a year and a half since the launch of the service, the cumulative number of subscribers has exceeded 200,000, and usage is growing at a faster pace than expected.

Looking back, if I were to rate Toho Bank’s performance for the fiscal year ended March 31, 2026 on a scale, I believe I would give it a score of 85. As for the 15 points that fell short of a perfect score, I believe that there is still room for improvement in personnel system reforms aimed at securing and developing human resources, which is the Bank’s top priority. We are actively investing in human resources, but I believe there is still room for improvement when it comes to institutional reforms.

Message from the President

Management Reforms Support New Growth Stage

That said, these achievements did not come about overnight. Looking back, in the fiscal year ended March 31, 2021, when I took office as president of the Bank, we posted a loss for the first time in 20 years. I believe that the cumulative effect of the reforms implemented since then has led to the current growth in earnings.

There were two main factors behind the loss in the fiscal year ended March 31, 2021. One was the impact of the Great East Japan Earthquake and the nuclear power plant accident. Nearly 10 years had passed since the earthquake, and some reconstruction-related businesses had not progressed as planned as the impact on customers had become apparent. As a result, credit costs increased significantly. The other factor was securities investment. Valuation losses on foreign bonds and other securities held at that time mounted, putting pressure on earnings.

In response to this situation, we first undertook a fundamental review of our credit risk management. The Bank established the Loans Standards Verification Committee, which thoroughly analyzed why credit costs had increased. In addition, we reviewed our credit rating practices, and switched to a forward-looking assessment that takes into account not only current business performance but also future prospects. Furthermore, efforts were made to introduce the Foundation Internal Ratings Based Approach (FIRB), and credit risk management was enhanced.

At the same time, we also implemented major reforms in securities investment and market risk management. We reviewed our approaches to market risk management, stress testing, and capital allocation, and worked to enhance ALM (which aims to optimize the balance between future assets and liabilities while managing interest rate and foreign exchange rate risk) and revenue management. Based on the assumption that interest rates would eventually return to normal, we promoted measures to prepare for a future rise in interest rates, including shortening the duration of our bond portfolio (shortening the average investment recovery period of bonds held).

Furthermore, with an eye toward the stricter implementation of Basel III (international regulations requiring banks to maintain strict capital adequacy ratios and liquidity levels), we decided to temporarily reduce risk assets. While maintaining lending within the prefecture, we intentionally reduced lending in the Tokyo area and significantly reduced our securities balance. As a result, the loan-to-deposit ratio* fell from nearly 80% to around 58%, but at the same time, we were able to rebuild our business foundation while keeping risk levels under control. *Excluding loans to the government. The same applies below.

In the course of these efforts, a major turning point came in March 2024 when we were granted approval to apply the Foundation Internal Ratings Based Approach (FIRB). The sophistication of our credit risk management began to show results in the form of an improvement in the capital adequacy ratio. At the same time, the negative interest rate policy was lifted, and the long-standing ultra-low interest rate environment changed significantly. Against this backdrop, as our business strength recovered and the regulatory environment changed, we entered a phase of rebuilding our assets. Loans in the Tokyo area began to expand again, and the securities balance also increased. As a result, the loan-to-deposit ratio recovered to 81% in the fiscal year ended March 31, 2026. Of course, we need to strike a balance with financial soundness, but we believe that there is still room to build up assets in view of our cash flow and management strength.

Net interest income increased significantly, supported by an increase in assets generating returns as well as the effects of rising interest rates. Net core business profit increased by approximately 1.8 times in just two years, reaching 16.7 billion yen in the fiscal year ended March 31, 2026.

We had been reducing our risk assets over the previous few years. I view our current earnings growth not as the result of rising interest rates alone, but as the outcome of management reforms that we were able to implement precisely because we had experienced losses.

As a result of our efforts over the past few years to rebuild our business foundation and strengthen our financial structure, we have greatly improved our profitability, and we have been able to maintain a capital adequacy ratio of around 11%. In terms of resilience to economic downturns, the balance sheet has become considerably stronger than before.

I mentioned earlier that we need to shift from the idea of a 3 trillion yen bank to the idea of a 6 trillion yen bank, and the results are now beginning to be seen in the numbers. At the same time, however, it has become clear that there is still room for growth. That is why we will aim for an even higher level of growth in the latter three years of the long-term management plan.

Improved profitability has given us more room to take risks than ever before. In addition to taking on even greater risks, such as in housing loans and business loans, we have been increasingly able to allocate management resources to fields that will shape the future of Fukushima Prefecture, such as the reconstruction of Hamadori and the creation of new industries.

The region's growth leads to the growth of the Bank, and the results are then reinvested in the region. In order to create this virtuous cycle, we will pursue growth opportunities with a broad perspective that extends beyond the prefecture to include other regions and overseas markets.



The region's growth leads to the growth of the Bank, and the results are then reinvested in the region.

Progress of TX PLAN 2030 and Prospects for the Second Half

This year marks the halfway point of our six-year long-term management plan, TX PLAN 2030. It can be said that the TX PLAN 2030 is progressing fairly smoothly, owing to the combination of a world with interest rates returning faster than expected and the results of the balance sheet reforms the Bank has been implementing.

Going forward, we will roll out our plans for the final three years, but given the results of the previous fiscal year, we may be able to set even higher goals than initially expected.



We have built up the corporate strength necessary for us to aim for the next level.

For this reason, we will consider revising our quantitative targets going forward. While it is not yet time to provide specific figures, I feel that there is a possibility that we can aim for a level even higher than our current goals.

As we shift to a world with interest rates, I believe that we are entering an era in which the competitiveness of financial institutions will be determined not only by their investment capabilities but also by their ability to attract deposits. For this reason, while we will continue to compete on interest rates for time deposits, our primary focus is on deposits with high customer retention, those used as everyday accounts for receiving pension payments and salary deposits. Aiming to be the most convenient bank for people living in Fukushima Prefecture, we continuously invest in expanding the features of our mobile app and enhancing our various services. Currently, we invest approximately 1.0 billion yen annually in services such as those related to payroll and pensions, and we will continue to strengthen our deposit base by improving customer convenience.

Message from the President

The potential for expanding loans is not limited to within the prefecture. The Tokyo area is also positioned as an important growth area for raising the loan-to-deposit ratio. A further 10% increase in the loan-to-deposit ratio from the current 81% would add 500.0 billion to 600.0 billion yen. Loans to large companies are particularly important from the perspective of stabilizing our earnings base, and we expect there to be room to expand our business, primarily through syndicated loans to large companies. In addition to providing business loans within and outside the prefecture, we will work to enhance our loan portfolio while taking into consideration capital efficiency and profitability.

It may be said that the first three years of the TX PLAN 2030 were a period during which we worked to strengthen our business foundations and improve profitability. We view the final three years as a period in which we will channel those results into regional growth and the creation of new value.

I see our current situation not merely as a phase in which our business performance has improved but as a stage where we are ready to move to a new stage of growth. In the second half of TX PLAN 2030, we will further accelerate the virtuous cycle of creating regional value and enhancing corporate value, while leveraging the business foundations we have built thus far.

Regional Value Creation and the Future of Fukushima

I believe that the greatest strength of the Toho Bank Group lies in its extensive network of relationships with corporate customers, individual customers, and local governments in Fukushima Prefecture. This is a tremendous asset that our predecessors have built up over the years.

That is precisely why it is important to increase the number of human resources who can actually engage in those relationships and help customers solve their problems. Investment in human capital is one of the Bank's key policies. Currently, the Bank is moving forward with plans to increase the number of human resources who will serve as points of contact with customers by about 200. At present, an increasing number of human resources, including young people, have a strong desire to serve their communities and customers. We recognize that our fundamental role as a regional financial institution is to assist individual, corporate, and municipal clients in resolving a wide range of challenges, not just financial ones, and to support their growth and development.



I have long described the vision of the Toho Bank Group as that of a regional revitalization consulting firm. We support the growth and asset building of our customers, which in turn leads to more opportunities for them to use Toho Bank. This is because we believe that these cumulative efforts will lead to an increase in corporate value.

Furthermore, when considering future growth, I feel that we need to further deepen our involvement in primary industries. Regional financial institutions to date have focused their support on the commercial and industrial sectors, but from the perspective of the future of Fukushima Prefecture, it will be important to determine how to engage in the agriculture, forestry and fisheries sectors. Although this is not an area where results can be easily achieved, I recognize it as a key issue for leveraging the strengths of Fukushima Prefecture.

These efforts should not be limited to Fukushima Prefecture alone; it is also necessary to consider them from a broader regional perspective. As part of these efforts, we launched the Minami Tohoku Genki Project together with The 77 Bank and The Yamagata Bank. Faced with the common challenge of population decline, we are exploring new possibilities while bringing together the know-how and strengths of each region in areas such as tourism, business matching, and M&A support. Although these initiatives have only just begun, I expect that we will be able to identify growth opportunities that would not be apparent if we focused solely on Fukushima Prefecture.

One of the most important issues to consider when thinking about the future of Fukushima Prefecture is the reconstruction of Hamadori and the creation of new industries. With the start of the Third Reconstruction and Revitalization Period this year, the Japanese government has decided to implement projects worth approximately 2 trillion yen. I believe that this period is extremely important for Fukushima Prefecture. In addition to the challenge of recovering from the nuclear power plant disaster, we must also address common regional challenges such as population decline and the contraction of regional economies. The key to solving these problems is innovation that creates unprecedented new value, and the Fukushima Institute for Research, Education and Innovation (F-REI) plays a central role in these efforts. I believe that Fukushima Prefecture has the potential to become a frontrunner in regional revitalization within a few years if initiatives such as the F-REI prove successful.

Companies and human resources that are taking on new challenges, such as robotics, space-related industries, and nuclear decommissioning technology, have already begun gathering in Hamadori. We believe that we have a major role to play in turning these challenges into regional growth.

Creating new industries requires not only human resources and technology, but also investment. It is also important to connect different companies, research institutions, and individuals. Regional financial institutions can fulfill both of these roles, investment and connection.

In recent years, the Bank has made progress in strengthening its profitability and financial base. As a result, the amount of management resources that can be invested in the future of the region has also increased. That is precisely why we are firmly committed to Hamadori and other new challenges for Fukushima Prefecture, and plan to help drive the region's growth.

In my view, when considering how to enhance corporate value, it is important to strike a balance among growth investment, shareholder returns, and regional value creation. At first glance, these may seem contradictory. If we increase growth investments, we will have less funds to return to shareholders, and investments in local communities may also put pressure on earnings in the short term. However, I believe that it is the management mission of regional financial institutions to link these three elements in a virtuous cycle.

If local companies and industries grow, loans and deposits will increase, and the profitability of banks will also increase. As our profitability increases, we will be able to further enhance growth investments and shareholder returns. And, we will return the results to the local community. Our goal for enhancing corporate value is to expand this cycle as much as possible.

Fukushima Prefecture is also a region that continues to take on new challenges while overcoming the immense hardships caused by the Great East Japan Earthquake and the nuclear power plant accident. I believe that running a business in Fukushima, living in Fukushima, and being involved in shaping the future of Fukushima are, in and of themselves, of great value and a source of pride.

That is why we, as a regional financial institution, will continue to support the growth of our community. At the same time, we will continue to pursue growth as a bank. The current ROE has improved to the 5.9% level, and there is still room for earnings expansion by raising the loan-to-deposit ratio. We expect to achieve ROE of over 10% and a PBR of over 1x.

Going forward, we will aim to create a virtuous cycle of creating regional value and improving corporate value, while simultaneously balancing the growth of Fukushima with that of the Toho Bank Group.



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	1.707 million (as of March 1, 2026)	2025
	Total fertility rate (National average) (Source: Ministry of Health, Labour and Welfare)	1.52 (1.39)	1.48 (1.39)	1.15 (1.15)	2024
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)	¥8.3950 trillion (¥6.0787 trillion)	2023
	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)	1.26 times (1.22 times)	2025
Industry	Amount for contracts for public works (Source: East Japan Construction Surety Association)	¥181.7 billion	¥245.3 billion	¥388.9 billion	2025
	Number of new house construction started (Source: Fukushima Prefecture)	8,912	8,093	6,880	2025
	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)	¥5.6345 trillion (1st in Tohoku)	2023
	Amount for agricultural production (Source: Ministry of Agriculture, Forestry and Fisheries "Statistics of Agricultural Income Produced")	¥233.0 billion	¥185.1 billion	¥216.3 billion	2023

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.



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

NO. 1

Number of inquiries for relocation to Fukushima Prefecture (Fiscal year ended March 31, 2025)



2nd in Japan

* According to the research result regarding relocations conducted by the Ministry of Internal Affairs and Communications

Number of visitors to Fukushima Robot Test Field



Over 100,000 (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.



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

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)

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)

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)



Iwaki Area

Fukushima Prefectural Fisheries and Marine Science Research Centre

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

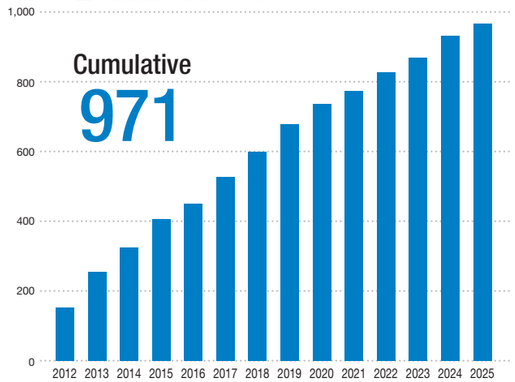
Fukushima Prefectural Industrial Park, Industrial Forest and Shin-shirakawa Construction Area A

Electronic device related industries

Shirakawa Industry Support

Number of New Corporations Established Since 2011

(Corporation) ■ Cumulative number of cases



* The results show the total number of factory establishment filings based on the Fukushima Prefecture industrial development bylaw as of December 2025.

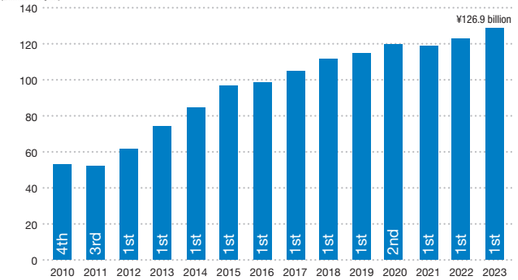
(Source: Fukushima Prefecture)

Medical Industry Agglomeration

Fukushima Prefecture has been working on the Next-Generation Medical Industry Agglomeration Project since the fiscal year ended March 31, 2006, through the collaboration of industry, academia, and the government, and the prefecture's amount for the production of parts for medical instruments and tools is the highest in Japan.

Shipment value and national ranking of medical machines and tools and their components

(Billions of yen)



(Source: Ministry of Economy, Trade and Industry "Census of Manufacture," Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry "Economic Census for Business Activity," Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry "Annual Business Survey")

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. As a company that contributes to the regional community, all officers and employees will continue working with the regional community.

1896–

May 1896
Aizu Bank founded



Aizu Bank

February 1898
Seya Bank founded
(Later renamed Shirakawa Seya Bank)



Shirakawa Seya Bank

Merger of three predecessors

1910–

November 1919
Koriyama Commercial Bank founded



Koriyama Commercial Bank

1940–

November 1941
Toho Bank founded (Koriyama City)



Head Office at the time of establishment
(Koriyama City, Fukushima Prefecture)

December 1946
The Head Office moves to Fukushima City

1950–

April 1956
Tokyo Branch opens

1960–

November 1961
Sendai Branch opens

November 1967
Current Head Office completed

1970–

April 1973
Listed in the 2nd Section of the Tokyo Stock Exchange

February 1974
Designation changed to the 1st Section of the Tokyo Stock Exchange

February 1978
All branches start digitalization

1990–

1994
Current Business Center completed

March 2010
The total balance of deposits reaches ¥3 trillion

March 2012
The total balance of deposits reaches ¥4 trillion

April 2011
Corporate message established (Current Purpose)

March 2012
Special subsidiary Toho Smile, Co., Ltd. founded

March 2014
The total balance of deposits reaches ¥5 trillion

April 2015
The Toho Credit Guarantee Co., Ltd.,
The Toho Information System Co., Ltd.,
The Toho Lease Co., Ltd.,
The Toho Card Co., Ltd., and
The Toho Credit Service Co., Ltd.
become consolidated subsidiaries

March 2016
Join the TSUBASA Alliance

April
Toho Securities Co., Ltd. opens

June 2018
Transition to a Company with an Audit and Supervisory Committee

February 2020
Announcement of endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

June 2020
The total balance of deposits reaches ¥6 trillion

March 2021
Long-Term Vision established
A Company That Contributes to the Regional Community

May
125th anniversary of the founding of Aizu Bank

November
80th anniversary of our founding

April 2022
Transition to the Prime Market of the Tokyo Stock Exchange

October
Established Toho Consulting Partners Co., Ltd.

January 2024
Transition to TSUBASA Core Banking System collaboration

March
Transition to the Foundation Internal Ratings Based Approach (FIRB)

April
New management philosophy system established
Long-Term Management Plan TX PLAN2030 starts

January 2025
Alliance with Nomura starts

April
Merger of The Toho Card Co., Ltd and The Toho Credit Service Co., Ltd.

October
Established Toho IT Human Solutions, Ltd.



March 2026
Concluded "Minami Tohoku Genki Project"



July
Established TSUBASA Joint Administrative Center

TOHO BANK

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 to introduce negative interest rate policy
2020 Spread of the novel coronavirus
2023 Transition of the novel coronavirus to a Class 5 infectious disease
2024 End of negative interest rate policy

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 2026 or for the fiscal year ended March 31, 2026)

Financial capital

A sound financial/revenue base

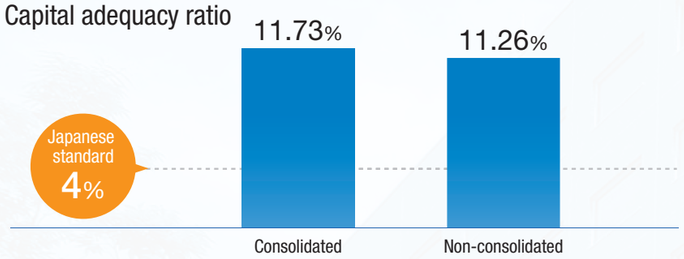
Total assets ¥6.7212 trillion (non-consolidated)

Loans and bills discounted ¥4.2506 trillion (non-consolidated)

Total balance of deposits ¥6.1754 trillion (non-consolidated) (Including negotiable certificates of deposit)

Securities ¥1.3940 trillion (non-consolidated)

Capital adequacy ratio



Providing Value to Regional Customers

Realization of a Sustainable Society

Intellectual capital

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.)

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

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, 2026 898

Number of wills in custody as of the end of March 2026 950

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 capital

Human resources with diverse, sophisticated financial knowledge

Small and medium enterprise management consultants 19

Holders of an FP1/2 level 1,084

Real estate transaction specialists 96

Percentage of female managers*2 28.3%

Securities analysts 14

Number of employees hired with previous work experience 15

CFP/AFP*1 70

Number of employees with disabilities 74

*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)

Social capital

A stable business base

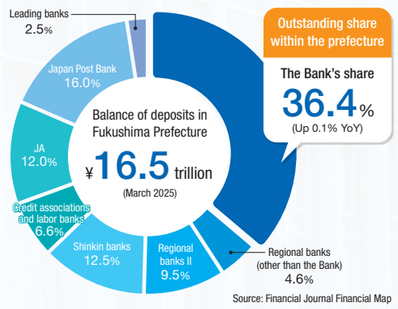
A complete network of branches

Head office and branches 123 branches

(including one internet branch and five sub-branches)

An overwhelming customer base in Fukushima

- Share of deposits in Fukushima Prefecture



Source: Financial Journal Financial Map

Accounts for salary deposits (as of March 31, 2026) 395,285 accounts

Accounts for pension deposits (as of March 31, 2026) 176,019 accounts

Companies using the Bank as their main bank 9,077 (39.50% share)

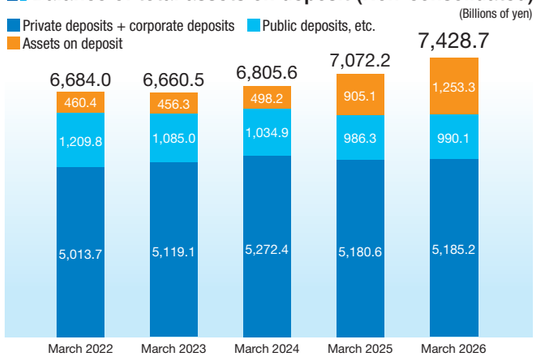
Source: Teikoku Databank (Surveyed in 2025)

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

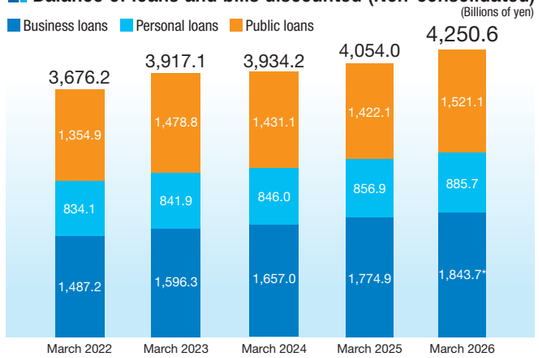
Financial Highlights

Balance of total assets on deposit (Non-consolidated)



Total assets on deposit increased by ¥356.5 billion (+5.0%) from the end of the previous fiscal year due to an increase in the total balance of deposits and assets on deposit. The year-end balance of total assets on deposit reached a record high.

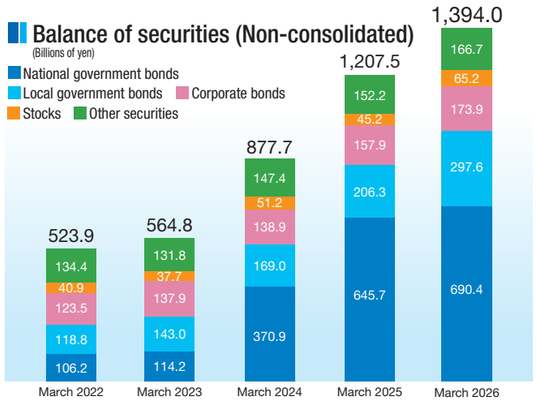
Balance of loans and bills discounted (Non-consolidated)



The balance of loans and bills discounted increased by ¥196.6 billion (+4.8%) from the end of the previous fiscal year. The year-end balance of loans and bills discounted reached a record high.

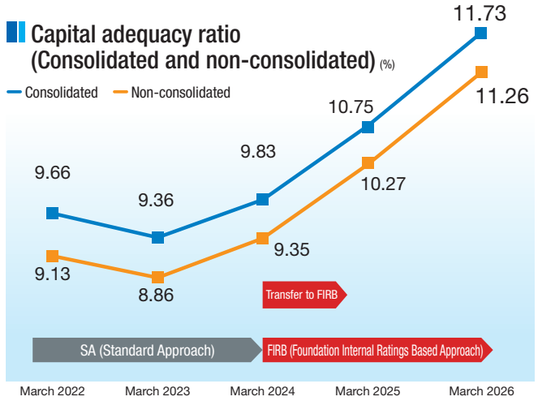
* Business loans include structured loans of ¥35.0 billion (0.8% of total loans and bills discounted, ±¥0 from the end of the previous fiscal year). Structured loans: Loans that incorporate derivatives backed by JGBs, etc.

Balance of securities (Non-consolidated)



In order to secure stable interest and dividends, the Bank accumulated the balance mainly in yen-denominated bonds, and also made investments from a medium- to long-term perspective to secure future unrealized gains and diversify risks. As a result, the year-end balance increased by ¥186.5 billion (+15.4%) from the end of the previous fiscal year.

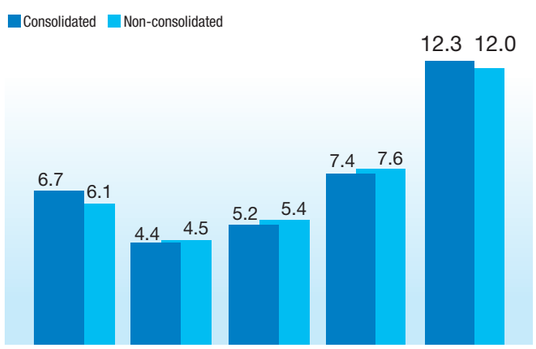
Capital adequacy ratio (Consolidated and non-consolidated) (%)



The consolidated capital adequacy ratio remained at a satisfactory level of 11.73%.

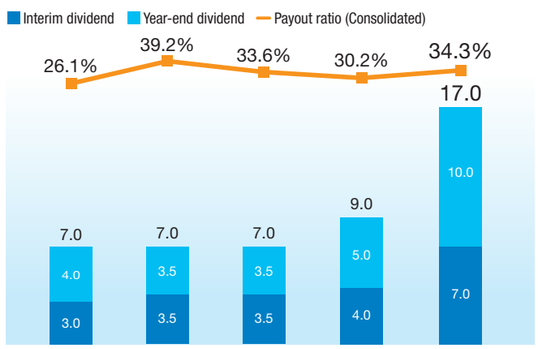
* FIRB allows banks to determine their credit risk of loaned assets using internal models as inputs, reflecting more accurate data to capital adequacy ratio.

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



Both ordinary profit and profit attributable to owners of parent increased due to significant growth in the top line.

Shareholder returns (Yen)

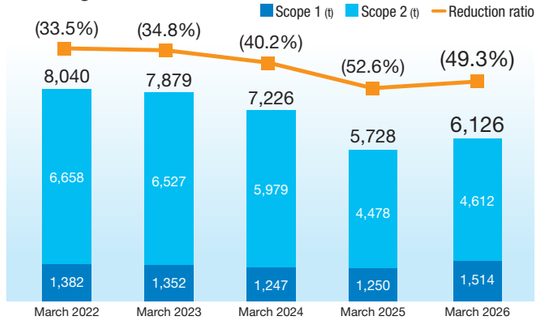


As the financial results for the fiscal year ended March 31, 2026 exceeded the forecast, the full-year amount will be ¥17 (+¥8 year on year).

Non-Financial Highlights

Sustainability Management

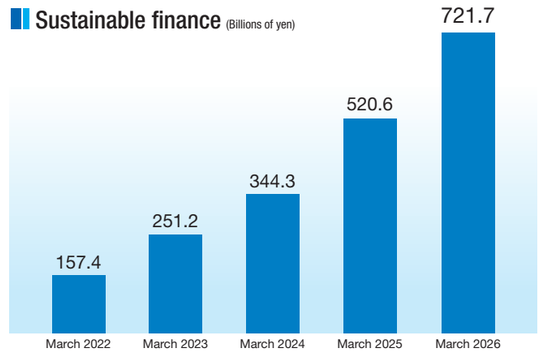
Changes in CO_2 emissions reduction ratio



We have set the following targets for the reduction of CO_2 emissions:

- Achieve carbon neutrality by the fiscal year ended March 31, 2025
- Achieve a 60% reduction of CO_2 emissions by the fiscal year ending March 31, 2031 compared to the fiscal year ended March 31, 2014

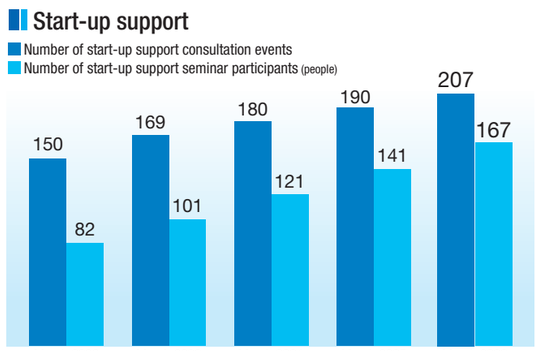
Sustainable finance (Billions of yen)



In order to strengthen initiatives in the environmental and social fields that contribute to solving the issues of the Fukushima Prefecture Comprehensive Plan, we have set a sustainable finance target of ¥1.5 trillion.

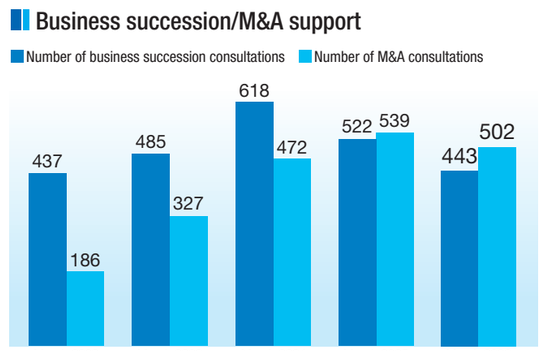
Corporate Consulting

Start-up support



We are working on initiatives to establish Fukushima, a Place for Business Creation, with the objective of total support for people seeking to start a new business.

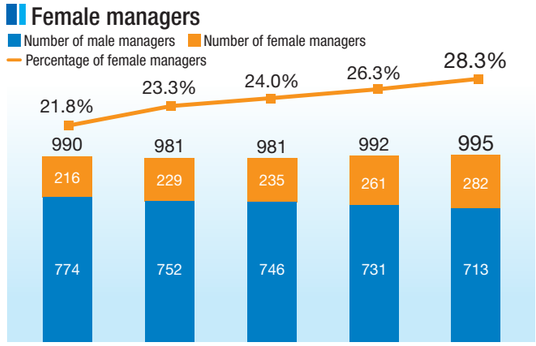
Business succession/M&A support



In order to ensure the sustainability and growth of regional companies, we support the continuation of business, the maintenance of employment, and growth strategies that will lead to the next generation.

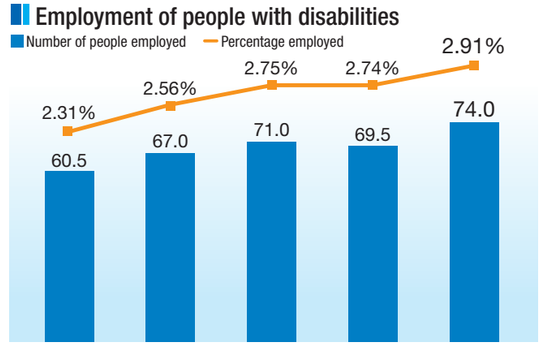
Diversity

Female managers



We have set targets in its action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life with regard to the percentage of female managers, which forms the basis for the appointment of women to management positions, and is proactively implementing initiatives.

Employment of people with disabilities

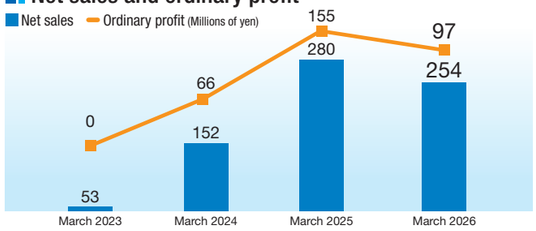


Through Toho Smile Co., Ltd., a special subsidiary that began operations in April 2012, we are working to promote the independence and social participation of people with disabilities who wish to work.

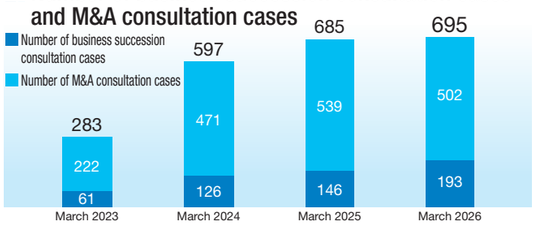
Financial and Non-Financial Highlights of Group Companies

Toho Consulting Partners Co., Ltd. (Business succession and M&A support services)

Net sales and ordinary profit



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



Toho Consulting Partners Co., Ltd. has posted net sales of ¥250 million for two consecutive years and achieved operating profit for four consecutive years since its founding. It will further accelerate support for business succession and M&A of regional companies with high potential needs through the development of specialists and cooperation with external organizations.

Toho IT Human Solutions Co., Ltd. (IT consulting business started in October 2025, human resources consulting business started in April 2026)

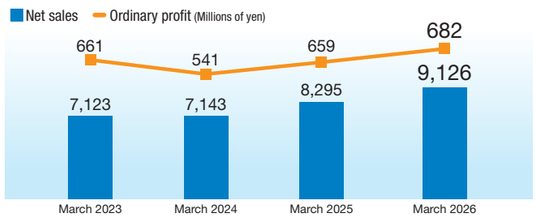
Item	Amount
Net sales	¥32 million
Ordinary profit	¥(82) million

Item	Second half of the fiscal year ended March 31, 2026
Number of IT consulting inquiries	173

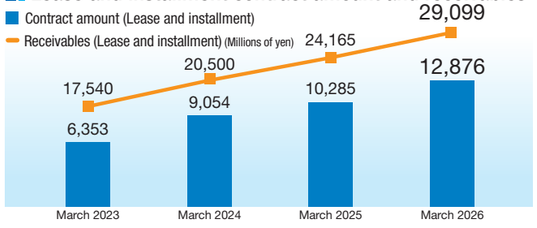
Toho IT Human Solutions Co., Ltd. was established in July 2025 as a company that uses IT and human power to connect the future of the region. It is promoting complete regional digitalization, supporting improved customer productivity, and addressing the labor shortage in the region.

The Toho Lease Co., Ltd. (Leasing)

Net sales and ordinary profit



Lease and installment contract amount and receivables

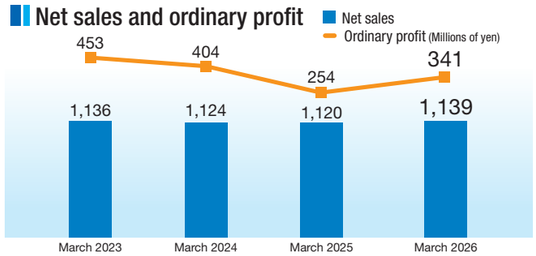


The Toho Lease Co., Ltd. has achieved record sales and record gross profit for the fifth consecutive year by expanding various leasing and ESG contracts. It aims to further improve profitability by streamlining sales through system integration and strengthening exit strategies.

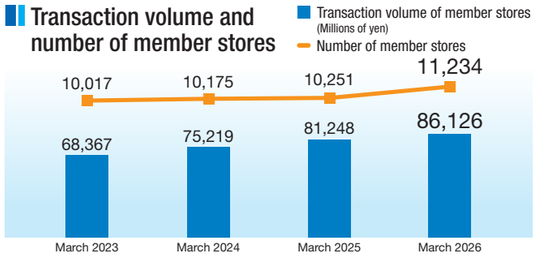
The Toho Card Co., Ltd.

(Credit card business and credit guarantee business; The Toho Card Co., Ltd. and The Toho Credit Service Co., Ltd. merged in April 2025)

Net sales and ordinary profit



Transaction volume and number of member stores

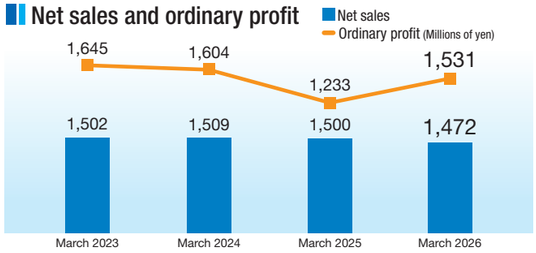


* Figures prior to the fiscal year ended March 31, 2025 are the sum of the figures for the former Toho Card and the former Toho Credit Service.

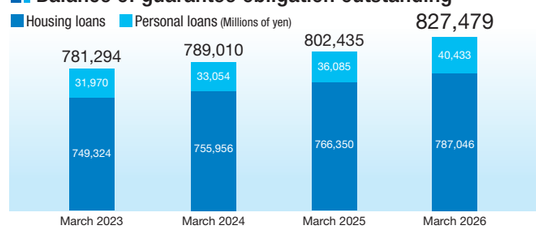
The two Group companies (The Toho Card Co., Ltd. and The Toho Credit Service Co., Ltd.) were integrated in April 2025. The combined company will maximize earnings from cashless transactions through the synergy created by leveraging the member store networks and promotion framework.

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

Net sales and ordinary profit



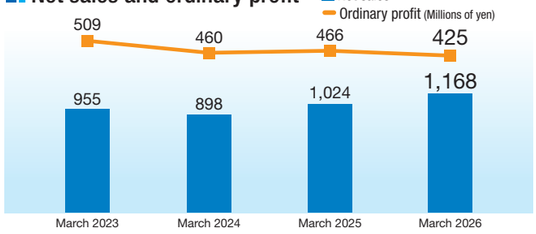
Balance of guarantee obligation outstanding



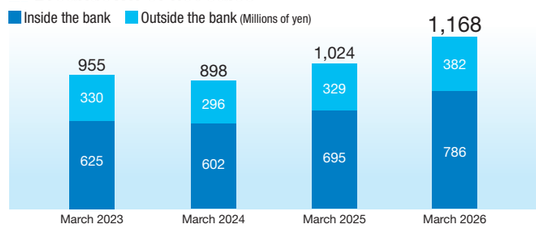
The Toho Credit Guarantee Co., Ltd. engages in the guarantee business for various types of loans, including housing loans. It achieved a significant increase in profit against the plan due to a significant reduction in credit costs through support for business partners. It will strengthen the acquisition of new guarantees based on the development of various measures in cooperation with banks and appropriate risk management.

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

Net sales and ordinary profit



Breakdown of net sales



Driven by growth in external contract work, The Toho Information System Co., Ltd. has secured increased revenue and contributed to improving banking operational efficiency through the implementation of RPA and other technologies. It supports the DX strategy of the entire Group by continuing the stable operation of infrastructure and developing advanced IT human resources.

Profit and Dividends of Group Companies for the Fiscal Year ended March 31, 2026

(Millions of yen)

	Services	Ordinary profit	Profit	Group dividend amount*
Toho Consulting Partners Co., Ltd.	Business succession and M&A support services	97	63	0
Toho IT Human Solutions, Ltd.	IT and human resources consulting business	(82)	(82)	0
The Toho Lease Co., Ltd.	Leasing	682	553	446
The Toho Card Co., Ltd.	Credit card business and credit guarantee business	341	300	252
The Toho Credit Guarantee Co., Ltd.	Credit guaranteeing	1,531	1,155	931
The Toho Information System Co., Ltd.	Planning and development for IT implementation	425	398	404
Toho Smile, Co., Ltd. (Special subsidiary)	Printing and binding of business forms and other documents	0	0	0
Total		2,994	2,387	2,033

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

TOHO BANK INTEGRATED REPORT 2026

Management Strategy of the Toho Bank

Co-Creation of Value with the Region and Customers



Mt. Bandai

Value Creation Process

PURPOSE **For the Sake of Our Communities**

External Environment

Regional community
- Declining birthrate and aging population, depopulation
- Progress of digital transformation (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

Invested Capital

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:
¥6.7212 trillion (non-consolidated)
Loans and bills discounted:
¥4.2506 trillion (non-consolidated)
Capital adequacy ratio
Consolidated: 11.73%
Non-consolidated: 11.26%

Human Capital
Employees: 1,888
Consulting personnel
- Small and medium enterprise management consultants: 19
- CFP/AFP: 70
- FP1 level/FP2 level: 1,084

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

Business Activities

Contribution to region

Improvement of the Toho Bank Group's Corporate Value

Co-Creation of Value with the Region and Customers 10 TARGETS

See pages 31-42

(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
(8) Asset building and management (assets on deposit)
(9) Inheritance and trusts
(10) Improvement of financial literacy

The Toho Bank Group's Growth Strategy

See pages 45-84

- 3rd driver of growth
- 2nd driver of growth
- 1st driver of growth
- Foundation for drivers of growth

Expansion of regional and customer balance sheets

Investment in growth and work environments
Investment in human capital
Shareholder returns

Value Offered

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

Environment
- Reduction of region's CO_2 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 ▸▸▸▸▸ TX PLAN2030 Page 24

MISSION ❶ Revitalization of regional economy/society ❷ Response to declining birthrate and aging population ❸ Promotion of digital transformation (DX) ❹ Vigor of diverse human resources ❺ 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

* As of March 31, 2026

Material Issues Based on the Management Philosophy System and the Long-Term Management Plan, TX PLAN 2030

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.

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

② Narrowing down and prioritizing of key issues

③ Identification of key issues

Identification of material issues

Five material issues

Material issues of the Bank	Risks	Opportunities
Revitalization of regional economy/society	• 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	• 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
Response to declining birthrate and aging population	• 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	• 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
Promotion of digital transformation (DX)	• 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	• 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	• 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	• 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
Decarbonization and nature positive	• 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)	• 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

Long-Term Management Plan

TX PLAN 2030

GOAL (1) Improving the value of every customer’s business

GOAL (2) Creating abundant lives for each individual customer

Basic Policy I	Co-Creation of Value with the Region and Customers	10 TARGETS	Page 25
Basic Policy II	The Toho Bank Group’s Growth Strategy	3rd driver of growth	Pages 71, 76
		2nd driver of growth	Page 56
		1st driver of growth	Page 55
		Foundation for drivers of growth	Pages 57-80

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.”



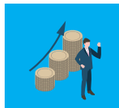
(1) Addressing personnel shortages

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.”



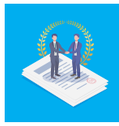
(3) Financial consulting

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

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.

Progress of regional contribution KPIs (providing value to customers)

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

Improving the value of every corporate customer’s business

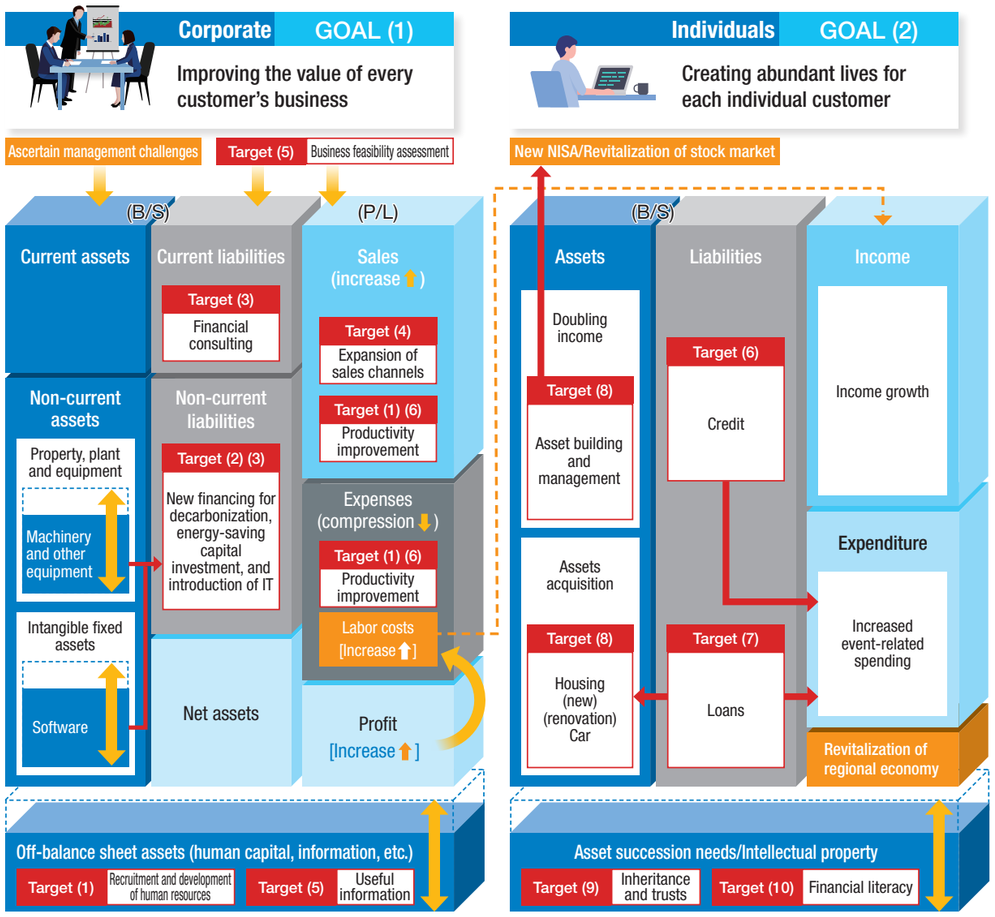
Creation of abundant lives for each individual customer

		Results for the fiscal year ended March 31, 2026	Achievement rate			Details page
Target (1)	Number of talent referrals and IT consulting proposals	414	94%	Stock	Flow	Page 31
Target (2)	1. Number of GHG emission calculation cases 2. Formulation of GHG emission reduction plans	314	104%	Stock	Flow	Page 32
Target (3)	Average balance of business loans	¥1,810.4 billion	101%	Stock	Flow	Page 33
Target (4)	Number of consultations on business start-ups, business succession, M&A, and management support	2,031	123%	Stock	Flow	Page 34
Target (5)	Number of business feasibility assessments conducted	960	120%	Stock	Flow	Page 37
Target (6)	Card payment amount (Group total)	¥102.3 billion	94%	Stock	Flow	Page 38
Target (7)	Number of housing and general consumer loans executed (total)	10,316	114%	Stock	Flow	Page 39
Target (8)	Balance of assets on deposit	¥1,253.3 billion	121%	Stock	Flow	Page 40
Target (9)	Number of testamentary trust applications	140	82%	Stock	Flow	Page 41
Target (10)	Number of participants in financial and economy education	8,721	105%	Stock	Flow	Page 42

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 and sustainable growth of the regional economy, which is the Bank's management foundation.

Then, by accelerating the 10 Targets initiatives 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.



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 (8) Asset building and management (assets on deposit)
(9) Inheritance and trusts (10) Improvement of financial literacy

Driving Force

* Driving Force: Force that will drive the entire plan forward

1 Sustainable finance

2 Group-wide comprehensive consulting system

3 Enhancement of services for assets on deposit through alliances



<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 aiming to contribute to Fukushima Prefecture's sustainable growth.

Development of regional economy ← Supporting the development of the regional economy and the growth of the Bank = Driving force: Sustainable finance → Earnings growth

Target for fiscal year ending March 31, 2031

Sustainable finance ¥1.5 trillion

Environmental area: ¥1200 billion + Social areas: ¥300 billion



Results of initiatives in fiscal year ended March 31, 2026 (cumulative)

¥721.7 billion

Progress rate 48%

See page 62

Sustainable finance

Driving Force (2) Group-wide comprehensive consulting system

We have defined four 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.

Providing value for customers

Business value improvement	Productivity improvement	Support for going cashless	Support for decarbonization and energy conservation
Toho Consulting Partners Co., Ltd. (TCP) Toho Area Research Institute	Toho IT Human Solutions, Ltd. (TIH) * Established July 2025	The Toho Card Co., Ltd. * Merged with The Toho Credit Service Co., Ltd. in April 2025	The Toho Lease Co., Ltd.
Management support/M&A	IT consulting Human resources consulting*	Cashless corporate payments	Sustainable capital investment ESG leasing

* Started human resources consulting business in April 2026

Results of initiatives for fiscal year ended March 31, 2026

September 2025

Newly established the Group Strategy Section within the General Planning Department

Priority Initiatives under the new system

- Maximize synergies (improvement in consolidated/non-consolidated ratio)
- Strengthen governance
- Improve productivity
- Strengthen sales promotion
- Optimize business portfolio (human resources and capital)
- Examine organizational restructuring

See pages 29-30

Group strategy

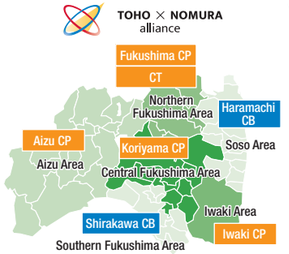
Driving Force (3) Enhancement of services for assets on deposit through alliances

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.

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

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)

TOHO × NOMURA alliance



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

Fiscal year ended March 31, 2026

Balance of assets on deposit ¥1.2533 trillion

Fiscal year achievement rate 121%

See pages 71-72

Alliance strategies

Driving Force (2) Group-wide comprehensive consulting system

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.

The Toho Bank, Ltd.

Planning and management of corporate consulting operations of the Bank Group

Management consulting and financial consulting

10 Targets to Enhance Sustainable Growth of the Region

④ Support for business creation, growth, and management
② Support for the promotion of decarbonization
⑤ Business feasibility assessment and provision of useful information
⑥ Cashless transactions (payments)
③ Financial consulting

(1) Addressing personnel shortages

Management support/M&A
IT and human resources consulting
Cashless corporate payments
Capital investment for productivity improvement

Business value improvement — I
Toho Consulting Partners Co., Ltd.
Toho Area Research Institute
Enhancement of management consulting services

Support for productivity improvement — II
Toho IT Human Solutions, Ltd.
Newly established in July 2025
Company that provides services to advanced banking operations, etc.
April 2026
Started human resources-related business

Support for going cashless — III
The Toho Card Co., Ltd.
Integration with JCB and Visa

Support for decarbonization and energy conservation — IV
The Toho Lease Co., Ltd.
Decarbonization consortium

2nd driver of growth

1st driver of growth

Synergy from collaboration between the Bank and Group companies

Enhanced ability to make credit decisions
Credit decisions in leasing operations
(The Toho Lease Co., Ltd.)

Enhanced proposal capability for facility capital
Leased assets/IT software assets
(The Toho Lease Co., Ltd./Toho IT Human Solutions, Ltd.)

Preparation for risks
Life and non-life insurance for companies and individuals
(Companies that jointly offer insurance)

Enhanced capability for business feasibility assessment
Understanding of companies’ actual conditions
(Toho Consulting Partners Co., Ltd./
Toho Area Research Institute)

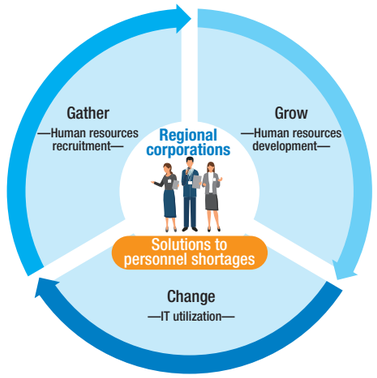
Accumulation of claims collection know-how
Maximization of non-performing loan collection
(The Toho Credit Guarantee Co., Ltd./
real estate close company)

Toho IT Human Solutions, Ltd.
Started human resources-related business in April 2026

IT Consulting
Talent Referral

Toho IT Human Solutions, Ltd. (TIH), established on July 1, 2025, launched a human resources-related business on April 1, 2026, in addition to its existing IT-related business, in order to support the sustainable growth and development of local companies. From the perspective of enhancing regional sustainability, TIH conducts business 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.

Future prospects	TIH will integrate human resources-related solutions, such as recruitment and human resources development, with IT-related solutions, such as operational efficiency and productivity improvement, to establish a system capable of providing comprehensive, one-stop support for regional labor shortages, while also working to further enhance its solutions.



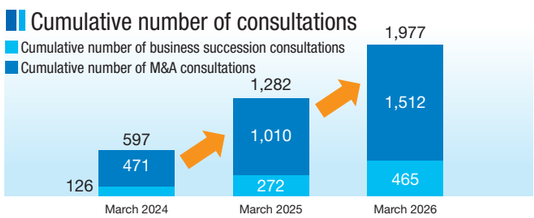


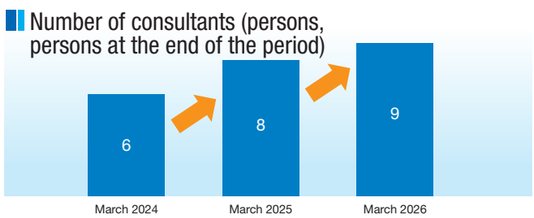
Fourth year since the establishment of Toho Consulting Partners Co., Ltd.

M&A
Business succession

Established on October 4, 2022, Toho Consulting Partners Co., Ltd. (TCP) operates with the management philosophy of contributing to local communities through its consulting services, serving as a trusted partner to its customers. In Fukushima Prefecture, where the Group has its primary business base, there have been cases where customers operating businesses have been forced to suspend or cease operations due to changes in the external environment, succession issues, or other factors. Recognizing the smooth transfer of management support and the sustainable growth of businesses as key priorities, TCP focuses primarily on business succession support and M&A support, providing consulting services in these areas. In recent years, we have also begun collaborating with other banks to strengthen our support for customers in the region.

Future prospects	Thanks to its many connections and trust it has built, TCP is now in its fourth year of business. Through its business succession and M&A services, TCP will continue to stand by regional customers as a trusted partner of choice.





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, 2026	Results for fiscal year ended March 31, 2026	Achievement rate
		3,200	440	414	94.1%

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 30)

Support for utilization of human resources

Deploy talent referral services to match diverse human resources (full-time, part-time, and side jobs) with customers

KPI Number of proposals submitted (six-year cumulative): 1,800

Support for IT/DX utilization

Partner with The Toho Information System Co., Ltd. to provide one-stop support for customers' productivity improvements using IT and DX

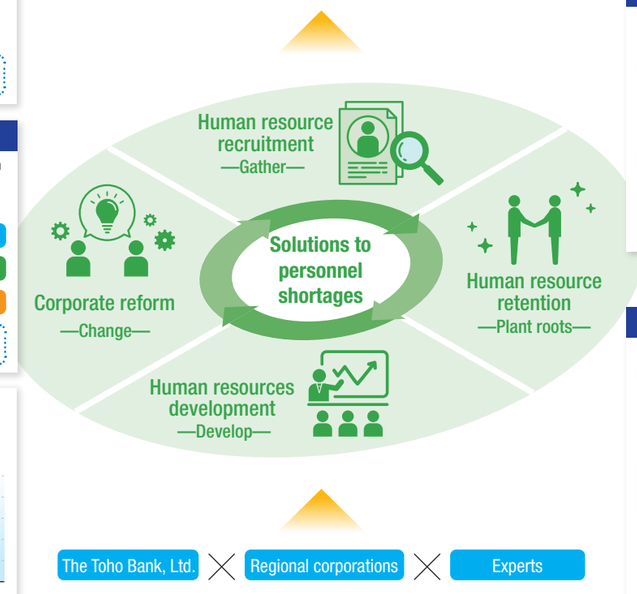
- Visualization of issues
- Proposals for IT utilization
- Support for installation of products

KPI Number of proposals submitted (six-year cumulative): 1,400

Number of talent referrals and IT consulting proposals



Sustainable Growth and Development of the Region



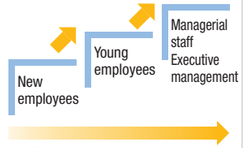
Personnel systems/employee welfare and benefit systems

Formulate personnel systems and enhance employee welfare and benefit systems to support the development of companies where employees feel comfortable and happy

- Human resource retention
- Improve employee engagement
- Clarify career paths
- Enhance employee welfare and benefits

Support in-house training

Enhance training and education services to support upgrading of skills of local personnel



Expand from new employee training to rank-based training

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

In order to improve the operational efficiency and productivity of our customers, we provide comprehensive support from visualizing business processes to clarifying issues, as well as proposing the most suitable tools and assisting with their implementation.

To further accelerate these initiatives, we established Toho IT Human Solutions, Ltd. (TIH), which began operations in October 2025. TIH is expanding its support in cutting-edge digital fields, such as generative AI, serving as a strategic partner that works closely with its customers to vigorously drive their business growth.

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, 2026	Results for fiscal year ended March 31, 2026	Achievement rate
		1. 2,100 2. 1,000	1. 200 2. 100	1. 214 2. 100	1. 107% 2. 100%

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.

Support for customers' promotion of decarbonization

Details of support according to the phase of customers' initiatives

Step 1 LEARN
- Provision of information (international and regional developments, etc.)
- Penetration of decarbonization management within the company

Step 2 MEASURE
- Number of GHG emission calculation cases
- Identification of major reduction targets

Step 3 REDUCE AND COMMUNICATE
- Formulation of reduction plans
- Implementation of reduction plans
- Public communication of initiatives

Bank original loans

Provision of sustainable finance suited to each phase
Target for sustainable finance in the environmental field: ¥1.2 trillion
(Cumulative amount from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2031)

Loans compliant with international principles

- Customers' sustainable development
  - Securing competitiveness
  - Improving corporate value
- Fukushima's sustainable development in 2050
  - Achieving carbon neutrality for the whole of Fukushima

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.

Learn	• Stimulation of needs with SDGs Support Service • Stimulate decarbonization needs through information dissemination, e.g., seminars
Measure	• Calculation of GHG emissions Scope 1 (direct emissions, e.g., fuel) Scope 2 (indirect emissions, e.g., electricity) • Identification of major reductions
Reduce and Communicate	• Formulation of targets and reduction plans (Support for obtaining SBT* accreditation) • Implementation of reduction measures using the Toho Bank Group's solutions LED lighting, solar, J-Credit, subsidies, etc. • Publication of decarbonization-related equipment and company's decarbonization initiatives with sustainable finance

* 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

SDGs support service	Decarbonization workshops
Cloud service for calculation of GHG emission reductions	
Sustainable finance	ESG/SDGs leases
Formulation of GHG emission reduction plans	SBT accreditation
Installation of renewable energy/ energy-saving equipment	Installation of storage batteries
Corporate PPA	Retail sales of renewable electricity
IT Consulting	Carbon offset

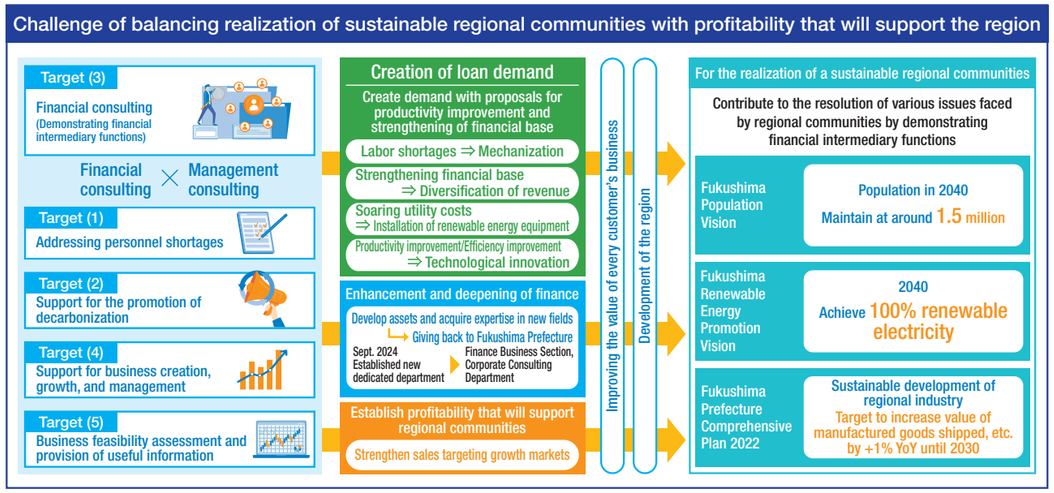
Providing "learn," "measure," and "reduce and communicate" in one place
Toho Decarbonization Management Support Service

10 TARGETS

Target (3) Financial Consulting

Regional contribution KPIs (targets)	Average balance of business loans
KPIs in fiscal year ending March 31, 2030	¥1,800.0 billion
Plan for fiscal year ended March 31, 2026	¥1,786.4 billion
Results for fiscal year ended March 31, 2026	¥1,810.4 billion
Achievement rate	101%

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

Structured Finance

Led by the Finance Business Section in the Corporate Consulting Department established in September 2024, Toho Bank is actively engaged in structured finance to develop assets and acquire expertise in new fields in the finance domain and to give back to our local community of Fukushima Prefecture.

Syndicated Loans

Toho Bank is actively engaging in setting up syndicated loans to assist smooth fundraising to meet customers' large-scale funding needs. Syndicated loans set up by the Bank amounted to ¥572.8 billion with 106 cases (cumulative total).

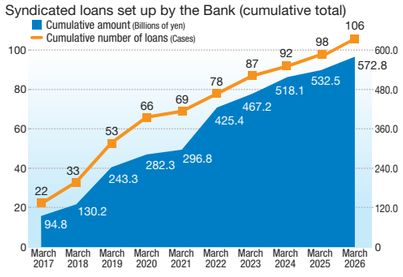
Structuring Loans

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 463 cases worth a total of ¥206.3 billion.

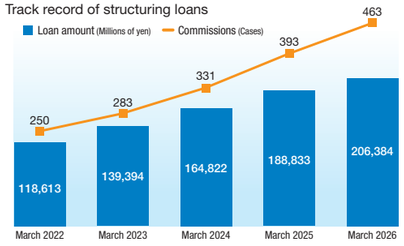
Toho Mirai Connect Loan

To actively support a wide range of customers working to address sustainability management, we launched the Toho Mirai Connect Loan in the fiscal year ended March 31, 2026. We provided financial support to customers working to resolve environmental and social issues through their corporate activities, extending 25 such loans worth a total of ¥4.4 billion in the fiscal year ended March 31, 2026.

Syndicated loans set up by the Bank (cumulative total)



Track record of structuring loans



Results for fiscal year ended March 31, 2026
25 cases
¥4.4 billion

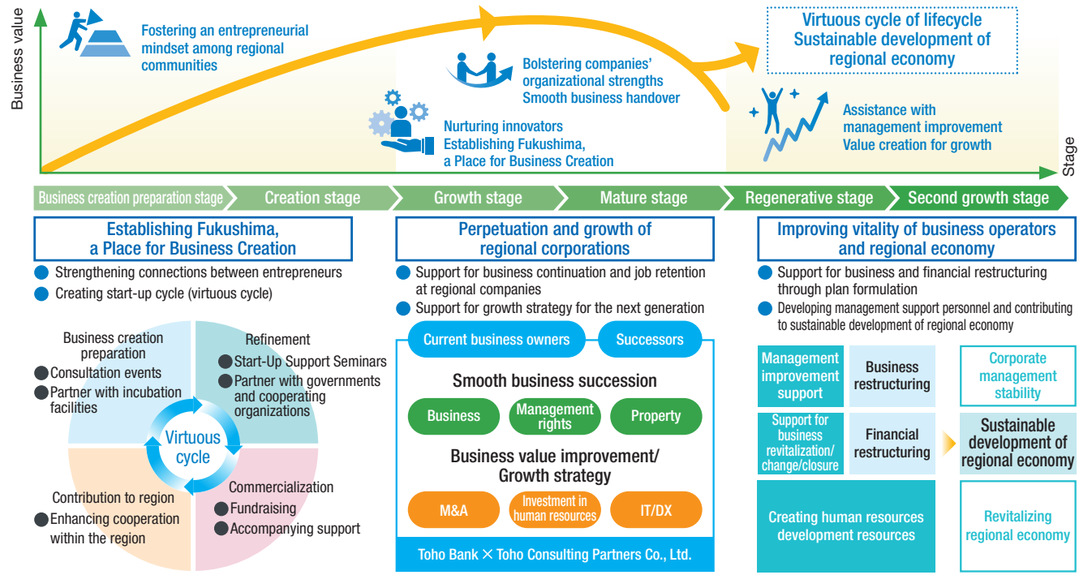


10 TARGETS

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)	10,700
Plan for fiscal year ended March 31, 2026	1,650
Results for fiscal year ended March 31, 2026	2,031
Achievement rate	123%

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 207 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

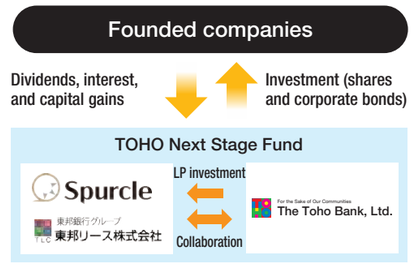
We held the "Fukushima Innovation Program," a project to support the creation of new businesses in Fukushima Prefecture, with the objective of nurturing local entrepreneurs who will contribute to solving social issues. In cooperation with the Fukushima Prefectural Government and Nomura Research Institute, 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 Spurcle Inc.'s expertise and networks for the support of start-up companies, we will provide accompanying support for investees' growth.



Created 16 new business initiatives within two years



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

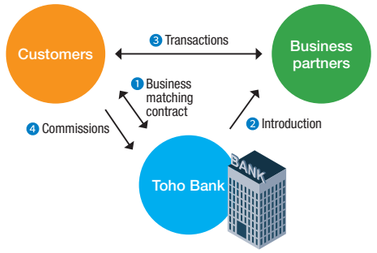
Business matching service for sales channel development

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

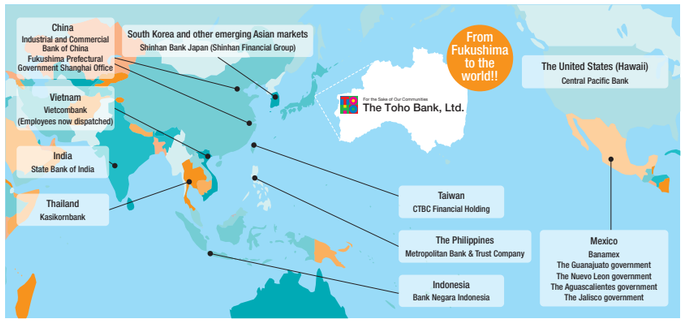
Number of introductions: 279
(From the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2026)

Number of contracts concluded: 116
(From the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2026)



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.



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

Vietnam business meetings (on site: September 2025)

We hold 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.



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

(Unit: Borrowers)

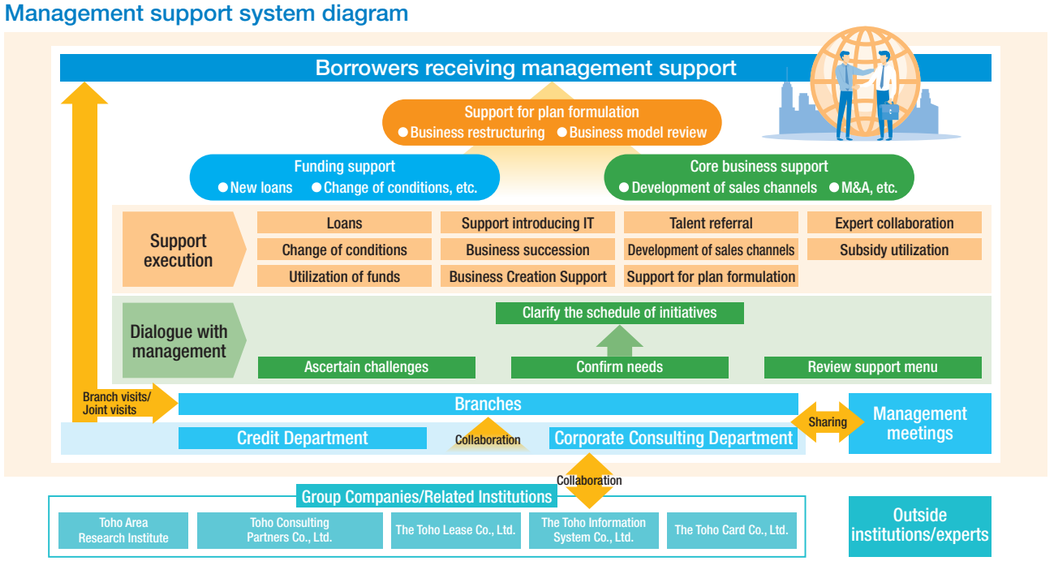
Report items	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	YoY
Number of borrowers for whom Toho Bank formulated management improvement plan	46	59	102	92	(10)

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



Support for Healthcare Service Providers

Regional Healthcare Vision Seminar 2026 (held in February 2026)

We held a seminar jointly with Fukushima Prefectural Government to help managers and employees of healthcare institutions deepening their understanding of the key points of strategy development with the future of regional healthcare initiatives in mind and of the Regional Healthcare Vision concept.





10 TARGETS

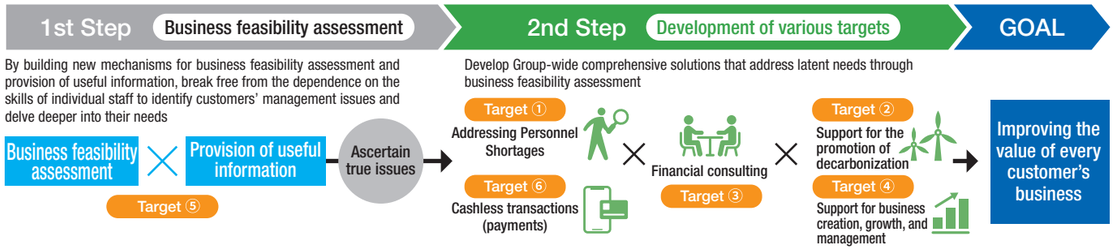
Target (5) Business Feasibility Assessment and Provision of Useful Information

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, 2026	Results for fiscal year ended March 31, 2026	Achievement rate
		5,000	800	960	120%

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

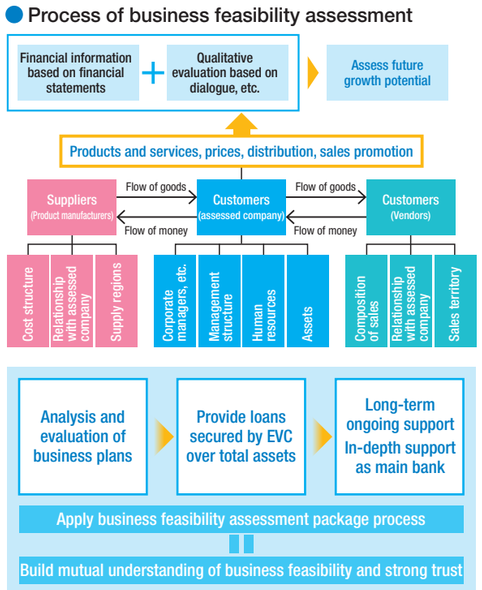


Business feasibility assessment

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.

Process of business feasibility assessment



Response to Enforcement of Act on the Promotion of Cash Flow-Based Lending

In accordance with the Act on the Promotion of Cash Flow-Based Lending, which came into effect in May 2026, the Bank utilizes the "Enterprise Value Charge (EVC)," a new option for fundraising, to provide financing that places greater emphasis on qualitative and forward-looking information, such as customers' technologies, know-how, and the feasibility of their 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.

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

- 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, 2026	Results for fiscal year ended March 31, 2026	Achievement rate
		¥94.0 billion (¥116.5 billion)	¥108.0 billion (Group total)	¥102.3 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.

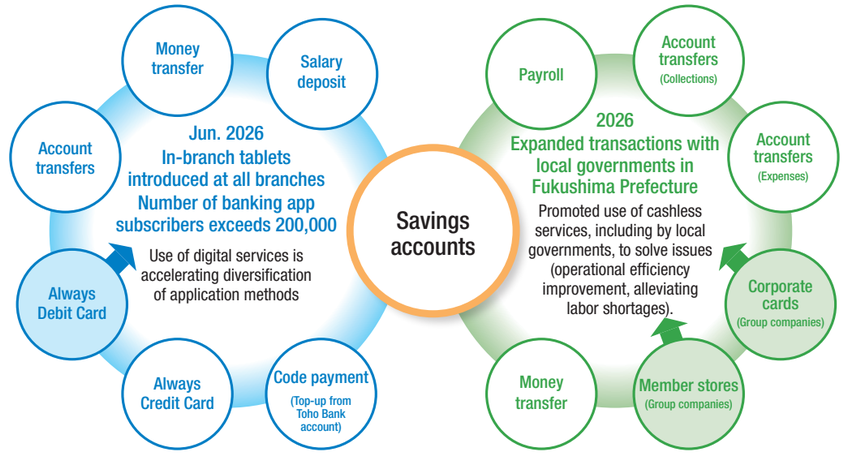
Customers (individual)

Needs: Want a true sense of convenience

Customers (corporate)

Needs: Want to improve operational efficiency and resolve labor shortages

(Cashless-related Services Provided)

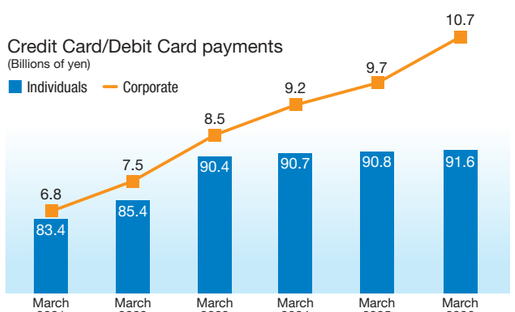


Responding to a cashless society

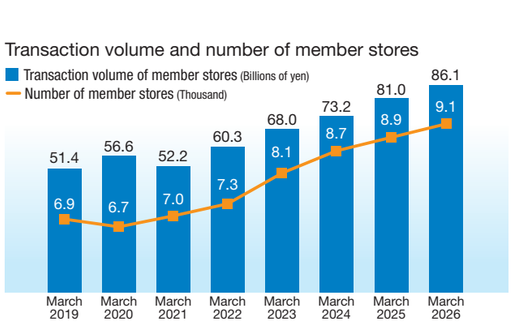
The Toho Bank Group makes proposals to improve customer convenience through the provision of various cashless services, including the credit card business and payment services.

We will also strengthen cooperation with local governments and regional businesses, supporting their efforts to improve operational efficiency and address labor shortages, and contribute to the advancement of regional digital transformation (DX) and sustainable regional revitalization.

Credit Card/Debit Card payments



Transaction volume and number of member stores



10 TARGETS

Target (7) Life event support

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, 2026	Results for fiscal year ended March 31, 2026	Achievement rate
		12,000	9,000	10,316	114%

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.

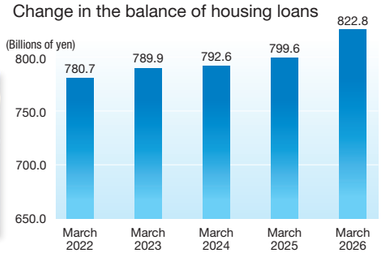
We are also working to be able to provide services in accordance with changes in the social environment, such as soaring housing prices, energy saving preferences, and the increase in vacant houses.

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 ¥23.2 billion year on year to ¥822.8 billion.



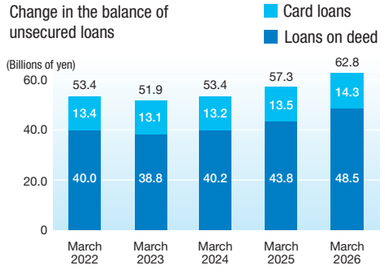
Change in the balance of housing loans



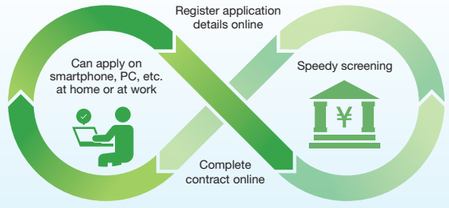
Unsecured loans

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 ¥5.5 billion year on year to ¥62.8 billion.

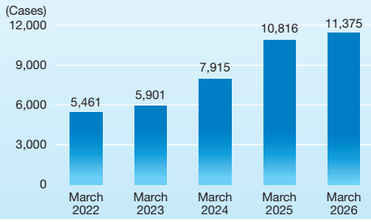
Change in the balance of unsecured loans



All-online loan



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 March 31, 2030	Plan for fiscal year ended March 31, 2026	Results for fiscal year ended March 31, 2026	Achievement rate
		¥1.1 trillion	¥1,030.0 billion	¥1,253.3 billion	121%

Contributing to "Creating abundant lives for each individual customer"

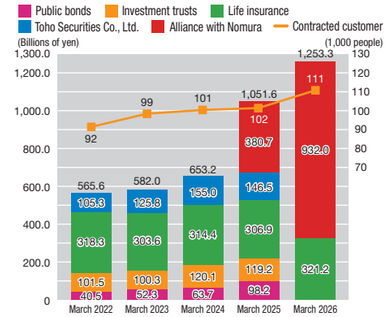
The Bank offers a variety of products and services to respond to customers' life events and diverse needs.

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 sales activities leveraging the strengths of the alliance with Nomura Securities Co., Ltd., the balance of assets on deposit for the whole Group has now reached ¥1,253.3 billion with more than 110,000 customers.

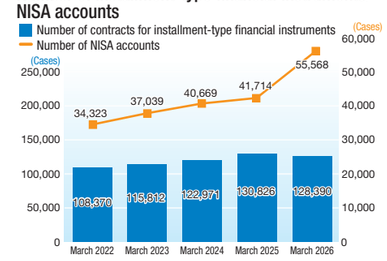
To facilitate stable asset building, we provide guidance of installment-type financial instruments (e.g., investment trust accumulation/level-premium insurance) that allow investments starting with a small amount from the point of view of "long-term, decentralized, and in installments." For investment trust accumulation, in addition to face-to-face channels, we also provide guidance through non-face-to-face channels such as by telephone and online.

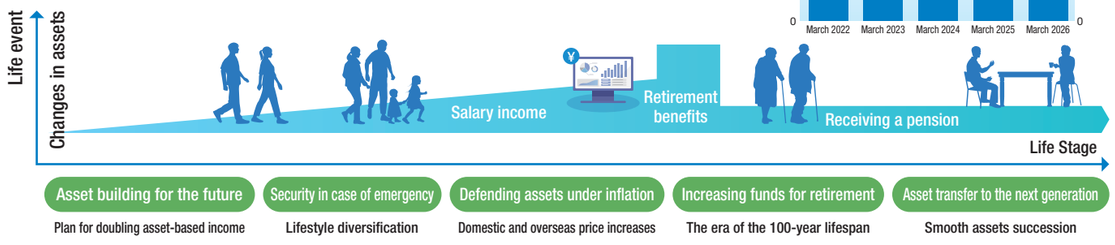
In addition, we provide guidance regarding the NISA system as asset building support to customers, particularly the current working generation in the region. The number of NISA accounts now exceeds 50,000.

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



Number of installment-type financial instruments/ NISA accounts





Business alliance with Nomura Securities

Synergies generated by the business alliance

TOHO × NOMURA alliance

<Alliance Slogan>

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

In January 2025, the Group launched a comprehensive business alliance in financial products intermediary services with Nomura Securities Co., Ltd.

As well as receiving approximately 70 employees seconded from Nomura Securities, the Group has significantly expanded its product lineup and services and has begun operations at seven dedicated asset management 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 with better understanding of the needs of our customers through an "all-asset approach," and other approaches that take into consideration the overall assets of customers.

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, 2026	Results for fiscal year ended March 31, 2026	Achievement rate
		210	170	140	82%

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

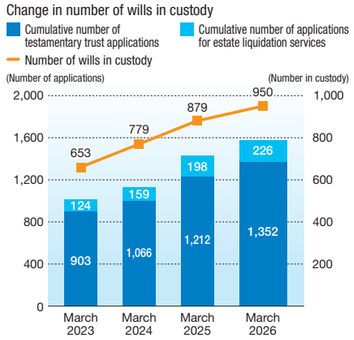
Trust business to prepare for inheritance and dementia

To respond to the need for smooth asset succession, Toho Bank handles Toho Testamentary Trust and Toho Estate Liquidation Services. We have received approximately 8,700 inquiries over the past nine 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 1,290, amounting to ¥13.5 billion.

Change in number of applications for testamentary trusts/estate liquidation services

Change in number of wills in custody



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.

Wide range of customer needs



- I want to make effective use of real estate and asset recombination.
- I want to ask my family to manage my property, such as real estate.
- I want to request a guarantor service when moving into a facility for the elderly, medical facility, etc.
- I want to request voluntary guardianship.
- I want to use a monitoring service that confirms safety and can rush to the scene in the event of an emergency.
- I want advice about posthumous delegation of affairs for contacting friends and arranging my funeral after my death.

Partnerships with highly specialized contractors

- Lifetime support providers for the elderly, etc.
- Certified public tax accountant corporation
- Real estate company
- Judicial scrivener corporation



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, 2026

202

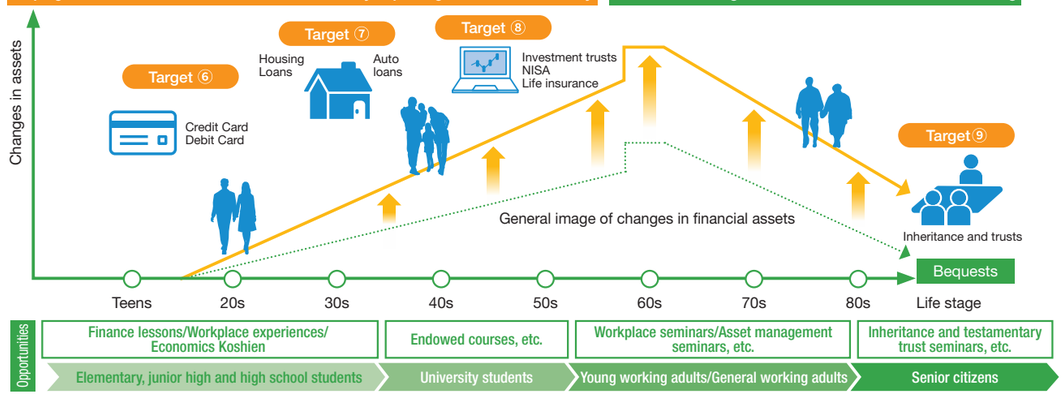
10 TARGETS

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, 2026	Results for fiscal year ended March 31, 2026	Achievement rate
		Over 54,000	8,300	8,721	105%

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.

Helping to create abundant lives for our customers by improving their financial literacy | **The bank's strengths ⇒ Financial education × consulting**



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 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, 2026

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.	48	2,676
University students	Endowed courses, etc.	18	2,997
Working adults and parenting generations	Training for new employees, workplace seminars, asset management seminars, etc.	119	2,873
Senior citizens	Life after retirement, inheritance, testamentary trust seminars, etc.	13	175

Parent-and-child financial education session created jointly with regional companies

At Koriyama City's General Local Wholesale Market, we held a parent-and-child financial education session in collaboration with customers in the fisheries business. The session included explanations about how tuna makes its way to the dining table, the flow of money, and the role of banks in facilitating services.





TOHO INTEGRATED REPORT BANK 2026

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

Social Issue Initiatives Toward Sustainable Growth



Sunflowers at Koriyama Nunobiki Kaze-no-Kogen (Koriyama Nunobiki Wind Farm)

Message from the CFO

CFO MESSAGE

Creating a virtuous cycle of financial strategy and growth investments



Takashi Sekine Senior Managing Director

In the fiscal year ended March 31, 2026, the Bank posted record-high net core business profit of ¥16.7 billion and profit of ¥12.3 billion, an increase of ¥4.9 billion from the previous fiscal year. ROE also improved significantly from 3.6% in the previous fiscal year to 5.9%, as we were able to achieve profit and ROE targets for the fiscal year ending March 31, 2027 set out in our long-term management plan, TX PLAN 2030, one year ahead of schedule.

One of the factors behind this achievement was that the policy interest rate hike by the Bank of Japan made a significant contribution to improving the earnings environment. At the same time, I believe that the fact the Bank had already established a structure capable of reaping those benefits played a major role. We believe that the financial restructuring, risk asset control, and the shift in business strategy that we have pursued thus far have steadily yielded results.

Consolidated key figures

Consolidated	Results for fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026			Revised in May 2026	
		Initial performance forecast (initial plan)	Result	Compared to Initial performance forecast (compared to initial plan)	Plan for fiscal year ending March 31, 2027 (performance forecast)	Plan for fiscal year ending March 31, 2030
Net core business profit	¥12.0 billion	¥12.2 billion	¥16.7 billion	+¥4.5 billion	¥24.1 billion	¥27.5 billion
Profit	¥7.4 billion	¥8.0 billion	¥12.3 billion	+¥4.3 billion	¥13.0 billion	¥17.0 billion
ROE	3.6%	3.8%	5.9%	+2.1%	6.0%	7.0%
Core OHR	74.9%	76.9%	70.5%	-6.4%	63.4%	60.0%

The assumed policy interest rate is 0.5% in the fiscal year ended March 31, 2026 and 0.75% in the fiscal year ending March 31, 2027 and beyond.

The Bank has long been building a portfolio of high-quality assets, such as commercial loans and securities, by area and segment, while carefully assessing risks and returns. As a result of enhancing the quality of the balance sheet while maintaining capital efficiency, rather than simply expanding the scale of assets, we recognize that this approach has paid off during a period of rising interest rates.

We are also seeing results in terms of our sales strategies. In October 2025, we made a complete transition to an alliance structure with Nomura Securities Co., Ltd. By combining the strengths of both companies, the balance of assets under management expanded significantly, leading to an increase in income from fees and commissions. While expanding net interest income is certainly important in a world where interest rates exist, it is equally important to build an earnings structure that does not rely solely on this. We believe that expanding non-interest income will be an important pillar to support future growth.

In the fiscal year ended March 31, 2026, the environment facing our customers was far from stable, as we saw rising prices, U.S. tariff policy, mounting geopolitical risks, including in the Strait of Hormuz, and supply constraints affecting certain industries, such as difficulties in obtaining naphtha-derived products. However, even under such circumstances, we have continued to stand by our customers, providing support for cash flow and for solving management issues through proactive business feasibility assessments and sales activities focused on solutions to management challenges. As anticipated in the Regional Financial Power Enhancement Plan announced by the Financial Services Agency in December 2025, we were able to hold down credit costs to a level lower than initially expected as a result of our sincere efforts undertaken together with local customers and stakeholders in order to improve the value of regional companies and resolve regional issues.

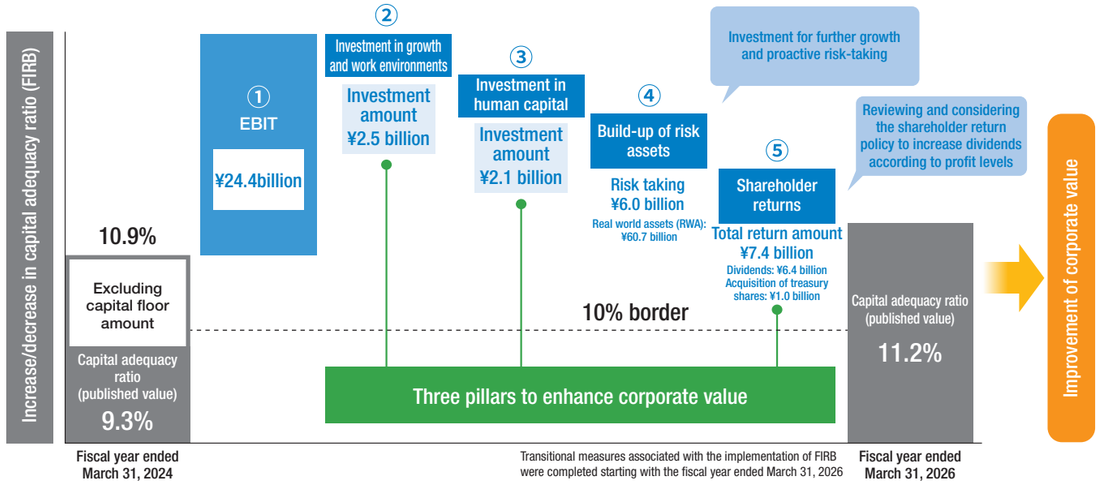
In summarizing our results for the fiscal year ended March 31, 2026, we assess that they were the result of the organic integration of lending based on appropriate risk-taking, the expansion of stock-based income from securities and other assets, the strengthening of flow-based income through our alliance with Nomura Securities, and risk control achieved through high-quality credit management.

However, the most important thing is to ensure this achievement is not a fleeting success. Our six-year long-term management plan TX PLAN 2030 is now in its third year. In the co-creation stage, which starts in the second half of the plan in the fiscal year ending March 31, 2027, the Company will work to enhance corporate value by formulating strategies and measures for further growth based on the results of the financial restructuring efforts we have undertaken to date.

A shift toward management that enhances capital efficiency

I often say that increasing profit and enhancing corporate value are not necessarily the same thing. In bank management, even if profits increase, capital efficiency will not improve if the bank is saddled with a large amount of capital.

Cumulative results for fiscal year ended March 31, 2026 (from the start of TX PLAN 2030 to the fiscal year ended March 31, 2026)



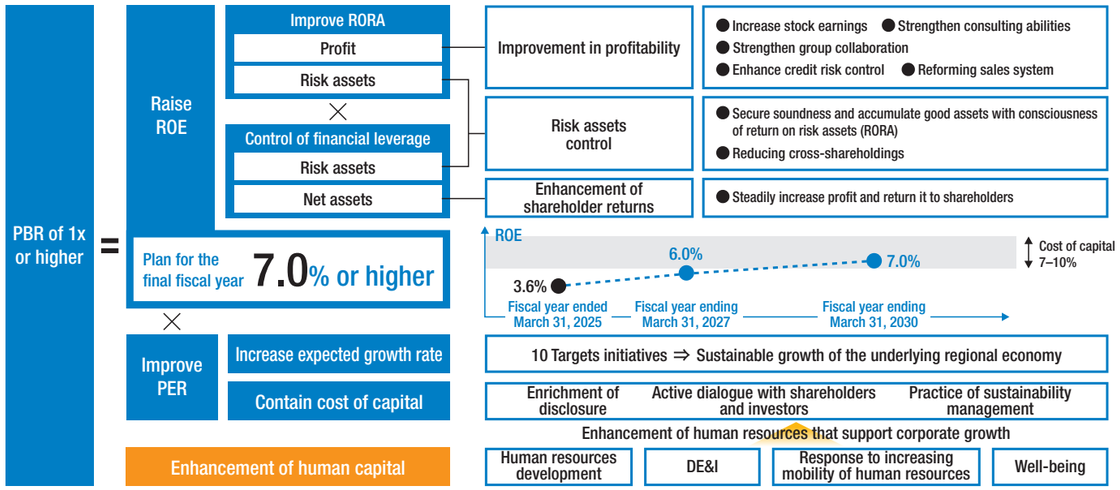
How much capital is used to generate how much profit? In other words, I believe that capital efficiency is a key factor that determines a company's value. The Bank's current PBR is 0.74x. If we continue to accumulate capital with a PBR that is less than 1, the capital will not be adequately valued. That is precisely why it is important to make effective use of the capital we have generated and allocate it to areas that provide higher returns.

Message from the CFO

The Bank has set achieving an ROE of 7% as a key management target for the fiscal year ending March 31, 2030. The Company believes that this target is entirely achievable, and that it has the business foundation in place to aim for an even higher ROE beyond that.

At the same time, from the perspective of sustainably enhancing corporate value, it is important not only to increase ROE, but also to ensure that profitability consistently exceeds the 7–10% cost of capital estimated by the Bank.

Overview of initiatives aimed at achieving a PBR of 1x or higher



RORA (return on risk assets) is an important indicator for achieving this. The Bank focuses not only on the outstanding loan balance and the amount of income, but also on how much risk-weighted assets are being used to generate income. We visualize risk weights and RORA for each business segment and carry out optimal capital allocation through regular monitoring at management meetings and other forums. For example, we are increasing our exposure to personal loans (16%) and commercial loans in the Tokyo area (29%), which have relatively low average risk weights, while rigorously pursuing appropriate returns commensurate with risks in areas with high risk weights, such as structured finance (98%). In addition, profitability management based on the concept of RAROA (Risk Adjusted Return on Asset) is becoming increasingly widespread in sales operations as well. Through ongoing dialogue with customers focused on determining appropriate interest rates, where lending spreads exceeds credit costs, capital costs, and expenses, the quality of our risk assets is steadily improving.

In addition, one of our key initiatives from the perspective of improving capital efficiency is the reduction of cross-shareholdings. The Bank has set a target of reducing the ratio of cross-shareholdings to net assets to less than 10% by the fiscal year ending March 31, 2030. As of March 31, 2026, the Company held cross-shareholdings in 36 companies, down from 57 companies as of March 31, 2024. Even on a book value basis, this represents a reduction of approximately 40% from the end of March 2021. The funds generated from the sale of cross-shareholdings are reallocated to human capital and digital transformation investments and new risk assets such as high-quality loan assets.

Our goal under TX PLAN 2030



We apply the same approach consistently to our securities portfolio management as well. With the advent of a world with interest rates, managing securities portfolios has become a more critical management issue than ever before.

The Bank currently manages its securities investments using a two-tier structure consisting of a base portfolio and a dynamic portfolio.

The base portfolio consists primarily of bonds to ensure stable returns. At the same time, the dynamic portfolio is managed flexibly while closely monitoring market conditions to pursue investment opportunities.

In recent years in particular, with a view to carefully managing interest rate risk, we have shortened the overall portfolio duration from 3.9 years to 3.4 years. Instead of holding a large amount of 10-year bonds and exposing ourselves to the risk of rising interest rates, we have established a ladder-style portfolio centered on 2-year and 5-year bonds, enabling us to respond flexibly to rising interest rates. This initiative is not intended to pursue short-term earnings, but rather to control risks while securing future earnings opportunities.

As of March 31, 2026, the Bank's securities balance stood at approximately ¥1.4 trillion. Going forward, we will continue to replace low-yield assets with high-yield assets while closely monitoring market conditions, with the aim of balancing improved profitability with effective risk management.

I do not view improving ROE, reducing cross-shareholdings, and enhancing securities investment as separate, independent measures. They are all linked to the common goal of effectively using limited capital and generating returns that exceed capital costs. The essence of the Bank's financial strategies lies in achieving sustainable growth in corporate value while enhancing capital efficiency.

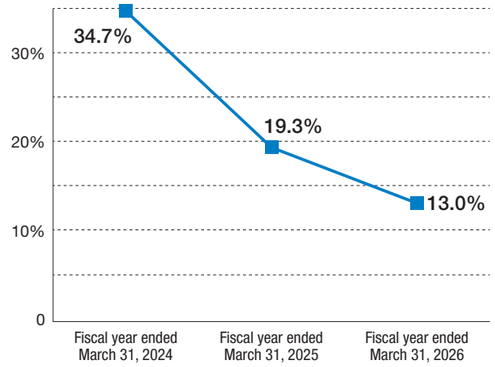
Focusing on human capital and digital transformation investments

Based on this approach, the Bank's TX PLAN 2030 targets ¥3.5 billion in human capital investment and ¥10.0 billion in investments in growth and environmental fields over six years.

Of particular importance to me is investment in human capital. The environment surrounding regional financial institutions is changing significantly. As the population declines and ages, it will be difficult to achieve sustainable growth relying solely on a business model centered on deposits and loans as in the past. The challenges faced by local companies, including labor shortages, business succession, digitalization, and decarbonization, are becoming increasingly diverse, and the roles expected of financial institutions are changing significantly.

In such an environment, human resources are the most valuable management asset for enhancing competitiveness. The Bank has increased wages by over 6% for three consecutive years, and is also proactively working to develop specialized human resources and support career development. As a result of these efforts, our employee engagement score improved from 69 to 74, and the turnover rate among young bank employees declined to around 13%.

Trends in the Bank's Employee Turnover Rate (Rate of Turnover within Three Years)



I do not view human capital investment as merely a matter of enhancing employee benefits or improving working conditions. I believe that our primary objective is to enhance the capabilities and motivation of each and every employee, and use this to enhance the value provided to customers.

In fact, these results are also reflected in increased productivity. The Bank's net core business profit per person improved significantly, rising from approximately ¥3.7 million to ¥6.6 million. We recognize that this was not simply due to good business performance, but rather the result of improved productivity stemming from human resources development and operational reforms.

Alongside investment in human capital, investment in digital transformation is another key pillar. I do not view DX as a measure to reduce costs. I believe that the essence of DX lies in redeploying the Bank' valuable human resources to tasks that generate higher added value. The Bank is currently working to improve operational efficiency and enhance the use of information by incorporating various technologies, including generative AI, into its business operations. We have set a target of creating 550,000 hours through operational efficiency improvements, and we have already created more than 220,000 hours. We use AI and digital technologies to streamline routine tasks, and allocate the time that results to engaging with customers and providing consulting services.

I believe that the competitiveness of a bank is ultimately determined by its ability to engage with customers on the frontlines. For this reason, we are focused on reassigning personnel to frontline roles, rather than simply cutting the workforce reduced through DX. As of the end of March 2026, the Bank's front-office personnel numbered approximately 800, and we aim to build a workforce of 1,000 in the future. Our policy is to increase the number of personnel who directly engage with customers and provide high-value-added services that combine financial and non-financial solutions, including hands-on support for local companies, asset building assistance, and business succession planning.

We are also making steady progress in strengthening our digital channels. The cumulative number of accounts for the Bank's app, which launched in November 2024, has increased to more than 240,000. Expanding these digital contact points is a key initiative that not only improves customer convenience but also strengthens our future sales base.

Message from the CFO

Going forward, we will further accelerate the pace of operational reforms and reallocate the time created to sales and consulting, thereby further increasing the added value we can provide.

I believe that human capital investment and digital transformation investment are not separate initiatives, but rather function as a unified whole. We will channel the time created by DX to develop human resources and strengthen sales capabilities, and create higher added value through the growth of our human resources. As a result, non-interest income will expand, and profitability and capital efficiency will improve. It is this cycle that serves as the driving force behind the Bank's efforts to improve corporate value.

We will reinvest the funds generated by our financial strategies in human capital and DX, and recoup the results as new revenue. We will then redirect funds back to growth investments. By steadily maintaining this virtuous cycle, we aim to achieve sustainable growth and improve corporate value.

Achieving sustainable improvement in corporate value

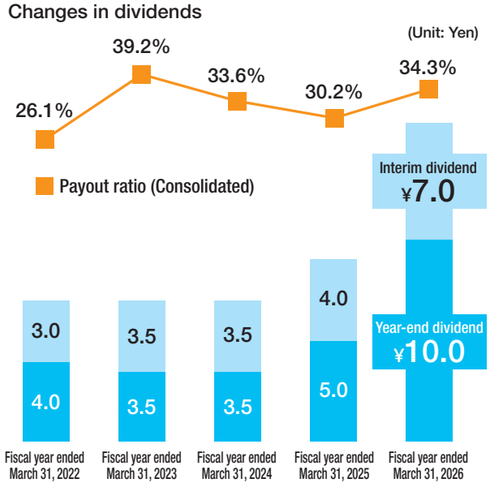
In recent years, with the aim of sustainably enhancing corporate value, the Bank has worked in an integrated manner to enhance profitability, improve capital efficiency, execute growth investments, and create value for local communities.

The results of these efforts are gradually beginning to be recognized by the market. The Bank's share price was ¥646 at the end of March 2026, approximately three times the level at the end of March 2023. Its market capitalization has increased to approximately ¥160.0 billion, and I believe that the market is beginning to appreciate the results of our steady efforts to improve corporate value.

That said, I am not satisfied with the current situation. I understand that the share price level equivalent to a PBR of 1x is roughly in the upper ¥870 range to ¥900 on the most recent BPS basis, and while I view exceeding that level as a benchmark, it is merely a milestone. The Bank's true goal is not a temporary rise in the share price, but to evolve into a company that can continuously earn high valuations from capital markets.

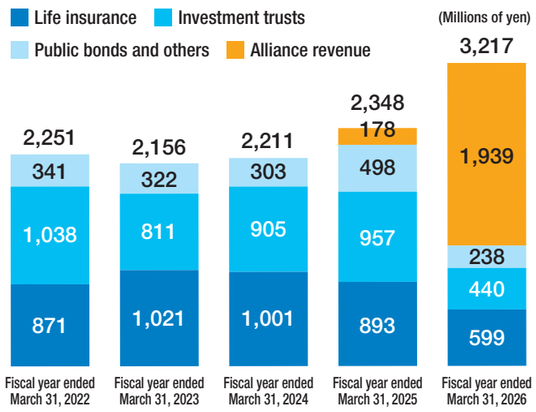
To achieve this, I intend to build a sustainable cycle of profit growth by linking the three initiatives of improving profitability, controlling risk assets, and enhancing shareholder returns.

Changes in dividends



First, with regard to improving profitability, as I have discussed, we will enhance the sustainability of profit growth by consistently translating the results of various initiatives and growth investments into earnings.

Balance of total assets on deposit (Non-consolidated)



Next, with regard to controlling risk assets, we will further reduce cross-shareholdings, thoroughly allocate capital with a focus on RORA for each business and segment, and reallocate limited equity capital to areas that generate higher returns. Furthermore, we will continue to enhance shareholder returns. We will not only allocate the profits we generate to investments in future growth, but also increase the returns we provide to shareholders. The Bank has raised its target payout ratio from the previous 30% to 40%. Our policy is to provide stable and sustainable returns to shareholders while sharing with them the results of our efforts to enhance corporate value.

At the same time, improving ROE alone is not sufficient to achieve a valuation that consistently exceeds a PBR of 1x. I believe that increasing the expected growth rate and reducing the cost of capital are key to obtaining a high evaluation from the market.

In order to improve the expected growth rate, we will continue to invest in human capital and DX, while further deepening the 10 Targets initiatives laid out in our long-term management plan, TX PLAN 2030.

The challenges facing local communities are becoming increasingly complex. Financial institutions are expected to play an increasingly important role in solving regional issues that include population decline, aging, business succession, decarbonization, and labor shortages. The Bank is committed to addressing regional issues by combining financial services with a variety of non-financial services.

I believe that enhancing the sustainability of local communities directly leads to the creation of growth opportunities for the Bank itself. The enhancement of regional value and the enhancement of corporate value are by no means separate endeavors; they grow in conjunction with each other.

In addition, in order to reduce our cost of capital, we need to lower the uncertainty and risk premium that the market associates with the Bank. For this reason, the Bank is also focusing on enhancing its risk management framework. Since the transition to the Foundation Internal Ratings Based Approach (FIRB) at the end of March 2024, the Bank has endeavored to enhance its internal control framework by refining risk measurement and management. Building on these initiatives, and with the Group Strategy Section, established in the fiscal year ended March 31, 2026, at the center, we are strengthening the Group's overall risk management framework, including cybersecurity, while working to improve our resilience to environmental changes through various stress tests.

Furthermore, we regard sustainability management as a key management issue. In addition to promoting measures to address transition risks and physical risks associated with climate change, the Group is also promoting investment and financing for decarbonization and nature-positive initiatives and working to build a sustainable business portfolio. We believe that these initiatives will not only address societal demands but will also lead to a reduction in risks over the medium to long term and an increase in corporate value.

Furthermore, dialogue with our shareholders and investors is essential for linking these financial and non-financial initiatives to market evaluation. We need to clearly communicate to our investors what kind of growth strategy the Bank envisions and how we intend to provide value to the local community. Consequently, in recent years, the Bank has significantly expanded opportunities for meetings with institutional investors, while also actively organizing online briefings for individual investors and conducting local investor relations activities through our network of branches within the prefecture.

As CFO, I will strive to ensure timely, appropriate, and highly transparent disclosure of information while constantly aligning the perspectives of the capital markets with the Bank's management strategy. We intend to continue carefully communicating, in our own words, our growth strategy and our efforts to enhance corporate value.

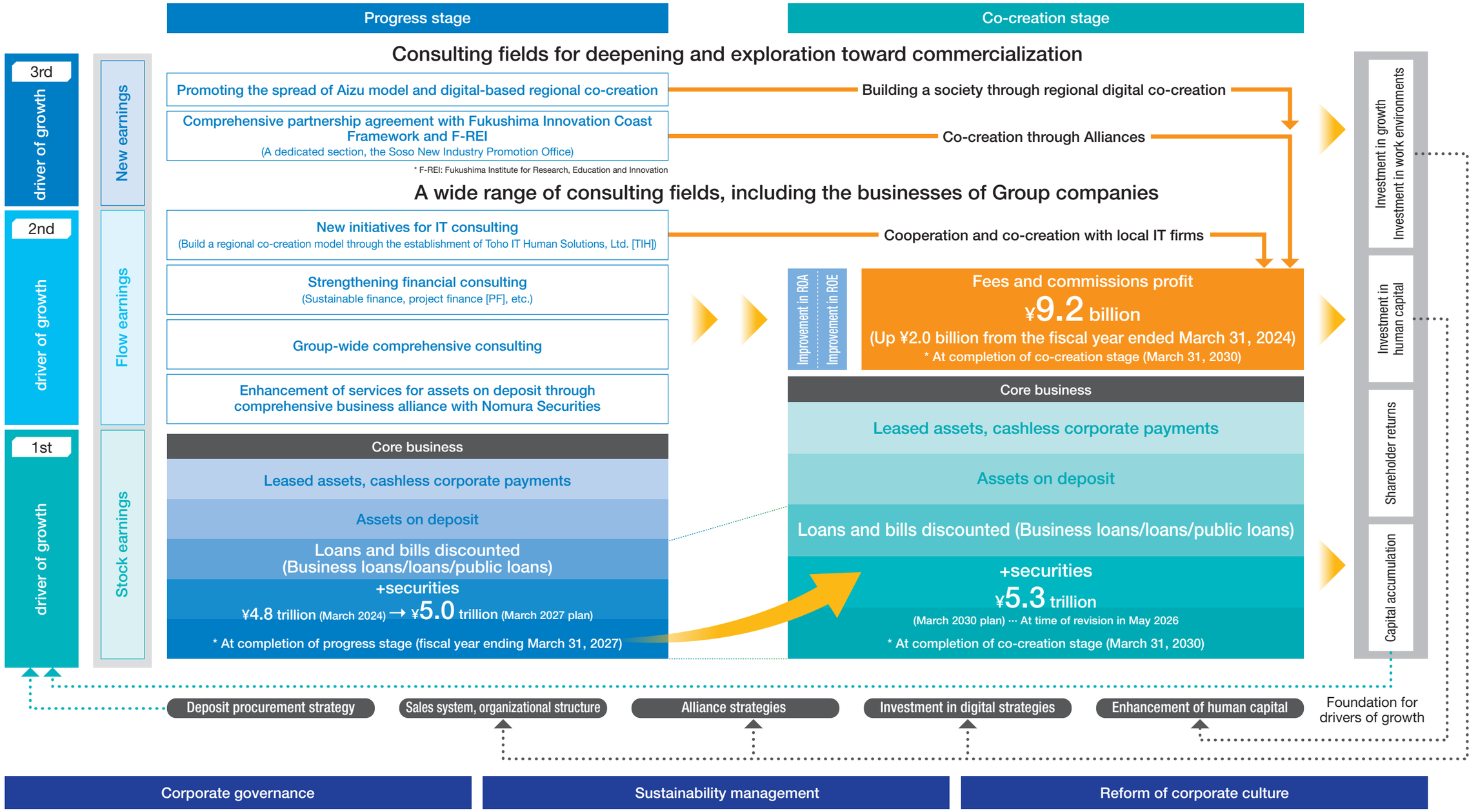
As a financial institution committed to working alongside our community, we will continue to work toward the sustainable enhancement of corporate value by co-creating value with all our stakeholders, including our shareholders, investors, customers, the local community, and our employees.



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 is also working to improve productivity under the new sales system and organizational structure and by investing in digitization and developing alliance strategies. At the same time, it is also working to further strengthen human capital and foster a diverse corporate culture by securing and developing core human resources. In addition, we aim to further enhance corporate value by laying a solid foundation for drivers of growth through improved corporate governance and sustainability management.



Three pillars to enhance corporate value

The Toho Bank Group has established three pillars that it regards as particularly important for enhancing corporate value: "investment in growth and work environments," "investment in human capital," and "shareholder returns."

In our investment in growth and work environments, we are significantly transforming our sales structure through digital investment and alliance-related investment. In terms of investment in human capital, we aim to further strengthen profitability and achieve our long-term numerical plans by developing human resources who contribute to local communities, and further improving their motivation. We will reinvest the accumulated earnings into shareholder returns, growth investments, and human capital investments, creating a virtuous cycle to accelerate the improvement of the Bank's corporate value.

Investments and returns

Investment in growth and work environments

6-year cumulative plan

Estimated at approx. ¥10.0 billion

*Calculated on the basis of expenses and depreciation

Cumulative total from the fiscal year ended March 31, 2025 to the end of the fiscal year ended March 31, 2026

Result: ¥2.56 billion

(Overall progress rate: 25.6%)

Digital investment

- Expanded the functions of the Toho banking app
- Started operation of in-store tablets in March 2026

Alliance-related investment

- Completely transitioned to a comprehensive business alliance structure with Nomura Securities in October 2025 (established seven specialized bases in the prefecture)

Investment in work environments

- Created environmentally friendly ZEB branches

Toho banking app (cumulative number of contracts)

November 2024: Release

→March 31, 2026:164,813 contracts

Alliance with Nomura (Balance of assets on deposit)

March 2024: ¥653.2 billion

→March 31, 2026: ¥1.2533 trillion

Investment in human capital

6-year cumulative plan

Estimated at approx. ¥3.5 billion

Cumulative total from the fiscal year ended March 31, 2025 to the end of the fiscal year ended March 31, 2026

Result: ¥2.17 billion

(Overall progress rate: 62.0%)

Bank staff

- Raised wages by more than 6% for the third consecutive year (including regular salary increases, etc.)
- Increased starting salary (from ¥220,000 to ¥260,000 for university graduates)

Partners

- Increased hourly wage (+¥120)

Training costs (human resources development)

- Up 33% from the fiscal year ended March 31, 2024 (¥117 million ⇒ ¥156 million) due to enhanced external employee dispatch, etc.

Turnover rate within three years

Target: 20% or less

→March 31, 2026: 13.0%

Young employees' engagement survey score

March 2024: 69 points

→February 2026: 74 points (+5 points)

* Average benchmark score of financial institutions introducing the survey: 71 points

Shareholder returns

Ensure that investments in growth lead to increased profits, and enhance shareholder returns while ensuring soundness

Annual dividend for the fiscal year ended March 31, 2026

¥10 → ¥17

Initial forecast / After revision

(Annual dividend for the fiscal year ended March 31, 2025: ¥9)

Dividend per share	¥17
Payout ratio	34.3%

Share price

Record high for the fiscal year: ¥763 (February 12)

March 31, 2024: ¥360

→March 31, 2026: ¥646

Number of shareholders

March 2024: 21,016

→March 31, 2026: 28,874

Investment effects and results

Improve productivity

OHR

March 2024	March 2026
78.9%	70.5%

Increased topline

Revenue from assets on deposit

March 2024	March 2026
¥2,973 million	¥3,372 million

Strengthened sustainability initiatives
→Reduced capital cost

Reduction rate of CO_2 emissions compared to the fiscal year ended March 31, 2014

March 2024	March 2026
Down 40.2%	Down 49.3%

→ Improvement in ROE

→ Improvement in PER

Improved employee skills
Improved engagement
Improved talent acquisition capability

Improvement in net core business per employee

March 2024	March 2026
¥3.7 million / person	¥6.6 million / person

Increase in labor costs per employee

March 2024	March 2026
¥7.1 million / person	¥7.8 million / person

→ Improvement in ROE

→ Improvement in PBR

TSR (Total Shareholder Return)

	FY2020 (Base year)	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
The Bank's share price	¥246	¥205	¥217	¥360	¥356	¥646
Annual dividend	—	¥7.0	¥7.0	¥7.0	¥9.0	¥17.0
Cumulative dividends	—	¥7.0	¥14.0	¥21.0	¥30.0	¥47.0
TSR	—	95.1%	82.5%	89.6%	145.1%	281.7%

*1 TSR (Total Shareholder Return) = { share price for the fiscal year ended March 31, 2026 + cumulative dividends) ÷share price for the fiscal year ended March 31, 2021)}
*2 Share prices are based on figures as at the end of the fiscal year.

1st driver of growth

Since the start of TX PLAN 2030, the balance of stocks has steadily increased. We set a new target of ¥5 trillion for core loans and bills discounted (business loans, loans, public loans) and securities, having achieved our initial target of ¥4.8 trillion at the end of the fiscal year ending March 31, 2027, one year ahead of schedule. Backed by the effects of our alliance with Nomura Securities and favorable market conditions, we also achieved our target for the balance of assets on deposit of ¥1.1 trillion at the end of the fiscal year ending March 31, 2030, ahead of schedule. Going forward, we will continue to strengthen our revenue base by expanding our recurring revenue businesses, while reviewing our targets in light of market conditions and other factors, in order to achieve sustainable improvements in corporate value.

1st Driver of growth (Stock earnings departments)

(Billions of yen)

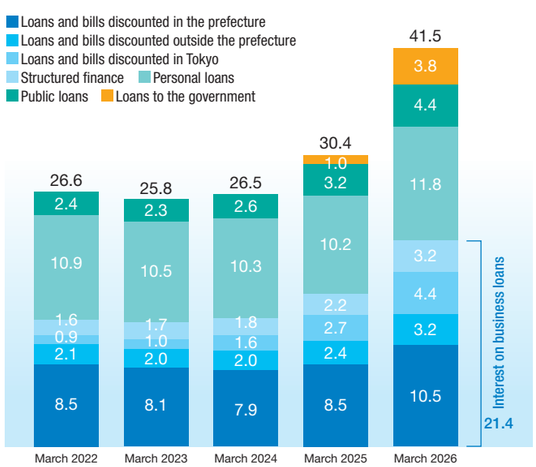
	March 2025	March 2026	
	Result	Result	Increase/decrease compared with March 2025
Business loans	1,698.1	1,810.4	+112.3
Personal loans	852.4	864.3	+11.8
Public loans (excluding loans to the government)	823.4	832.8	+9.3
Securities (including privately placed bonds)	1,036.1	1,337.6	+301.5
Subtotal	4,410.2	4,845.3	+435.0
Assets on deposit	1,051.6	1,253.3	+201.7
Total	5,461.8	6,098.6	+636.7

* Business loans, personal loans, public loans, securities: Average balance / assets on deposit: Balance at the end of the fiscal year
* Figures for the fiscal year ended March 31, 2025 include the balance for Toho Securities, and figures for the fiscal year ended March 31, 2026 include the balance for the alliance with Nomura.

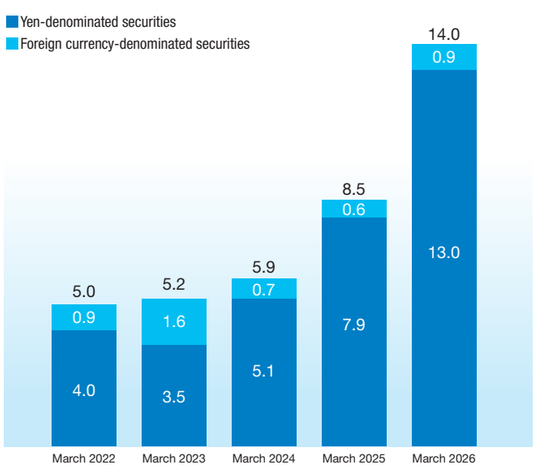
(Millions of yen)

	March 2025	March 2026	
	Result	Result	Increase/decrease compared with March 2025
Lease contract amount (ESG/SDGs leases)	1,828	1,392	(436)
Corporate cashless payment amount	9,708	10,716	+1,008

Interest on loans and bills discounted (Billions of yen)



Interest on securities (Billions of yen)



2nd driver of growth

Since transitioning to an alliance structure with Nomura Securities, we have significantly increased our assets on deposit-related revenue by expanding our product offerings and strengthening our non-face-to-face transaction services. In addition, corporate-related fees have remained solid, with syndicated loans, business matching, and insurance sales to corporate customers all performing steadily, contributing to the expansion of flow earnings.

2nd Driver of growth (Flow earnings departments)

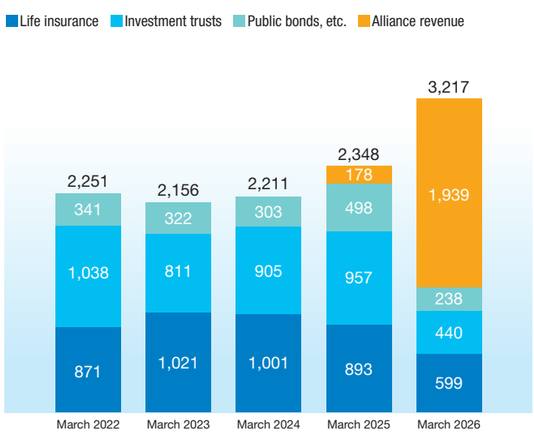
(Millions of yen)

Bank-only consulting	March 2025	March 2026	
	Result	Result	Increase/decrease compared with March 2025
Corporate-related fees	1,401	1,449	+48
Financial consulting: Syndicated loans	327	432	+105
Financial consulting: Structuring loans	333	279	(54)
Financial consulting: Privately placed bonds	145	87	(57)
Management consulting: Fee-based business matching	393	415	+22
Management consulting: Corporate insurance	197	231	+33
Management consulting: Other	3	2	(1)
Revenue from assets on deposit	2,348	3,217	+868
Total	3,750	4,667	+916

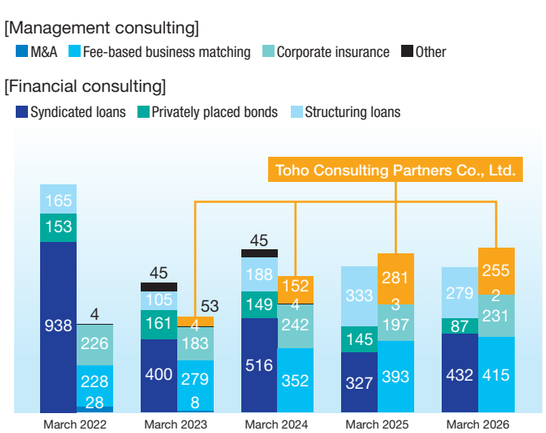
(Unit: Cases)

Group-wide comprehensive consulting	March 2025	March 2026	
	Result	Result	Increase/decrease compared with March 2025
Number of M&A advisory cases	26	26	—
Number of M&A contracts concluded	19	16	(3)
Number of IT consultation cases	236	173	(63)

Revenue from assets on deposit (Millions of yen)



Corporate-related fees (Millions of yen)



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.

Progress of related initiatives

2019
- ESG Initiatives Policy

2020
- Support for TCFD recommendations

2023
- The Ministry of Economy, Trade and Industry's Green Transformation (GX) League
- The Ministry of the Environment's Fiscal 2023 Portfolio Carbon Analysis Support Project for Financial Institutions
- Fukushima Prefecture's Fukushima Zero Carbon Declaration project

2024
- Fukushima Prefecture's Fukushima Corporate Decarbonization Support Structure Establishment Project
- Sustainability Declaration

2025
- TNFD Forum
- Financial Services Agency and the Ministry of Economy, Trade and Industry's Impact Consortium
- Fukushima Prefecture's Fukushima Prefecture Regional Decarbonization Promotion Consortium
- Human Rights Policy

2026
- GX Future Consortium
- GX Future League

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 TSUBASA 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.



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)

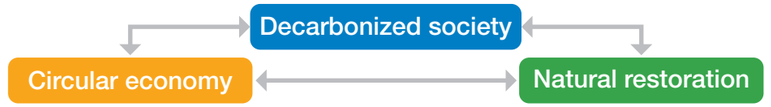
We respect the human rights of all people.

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.

Initiatives for Climate Change and Natural Capital/Biodiversity

The Toho Bank Group has established a Sustainability Declaration. As part of our efforts toward "decarbonization and nature positive," we are working towards achieve sustainable regional growth, including responses to climate changes and natural capital/biodiversity.



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 Future Consortium	In April 2026, we joined the "GX Future Consortium" and "GX Future League," which inherited activities such as the "GX (Green Transformation) League" of the Ministry of Economy, Trade and Industry, and will contribute to efforts to reduce emissions in the supply chain and create demand for GX.
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 JPX Blossom Japan Sector Relative Index. (ESG index selected by GPIF)

FTSE JPX Blossom Japan Sector Relative Index	The FTSE JPX 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

Fukushima Prefecture's Fukushima Prefecture Regional Decarbonization Promotion Consortium

We are participating in this consortium as a system to support the decarbonization of companies in Fukushima Prefecture. In cooperation with the prefectural government, economic organizations, and other financial institutions, the Bank is considering creating a framework to support decarbonization of companies in the prefecture, and promoting specific initiatives.

Case

Sustainability Seminar by Outside Directors



We are promoting initiatives to improve employee literacy by holding sustainability seminars for officers, Head Office general managers, and Head Office employees, with Ms. Masako Konishi, an Outside Director, as lecturer.

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

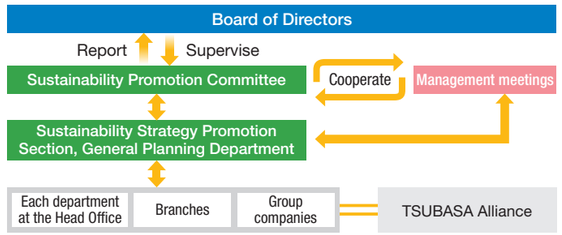
The Group recognizes sustainability initiatives, including those addressing climate change, natural capital, and biodiversity, as a key management priority.

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.

Sustainability Governance System Chart



Meetings

Sustainability Promotion Committee	Chaired by President ● Discussion of the Sustainability Promotion Plan ● Confirmation of the progress of the Sustainability Promotion Plan ● Establishment, revision, and abolition of the Toho Sustainable Investment and Loan Policy ● Discussion and reporting of important sustainability-related matters
Board of Directors	● Reporting on the results of the discussion at the Sustainability Promotion Committee meetings

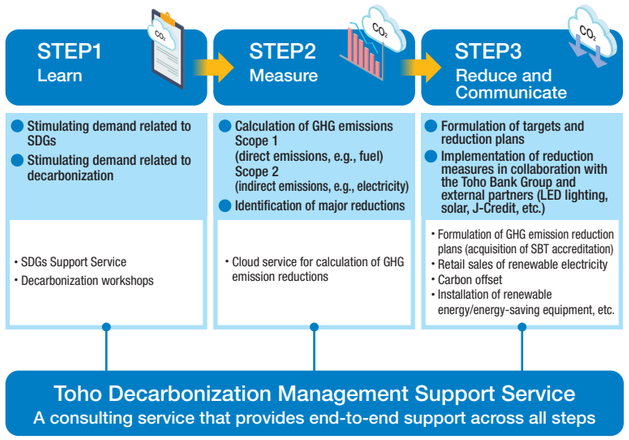
Strategy

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 2030. 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 are handling services which provide comprehensive, end-to-end support across all steps.



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 16.4%.

(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

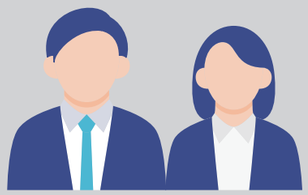
Scenario	IPCC's RCP8.5 scenario (4°C scenario)
Analysis methodology and overview	Assuming damage from floods (river flooding), which account for the majority of natural disasters stemming from climate change and have a high probability of occurring in Japan, we analyze the impact on credit costs associated 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 CO_2 emissions (Scope 3 Category 15) by companies we invest in or provide loans to.

TOPICS



Case

Development of decarbonization advisers

We encourage our employees to acquire "Environmental Certification by the Ministry of the Environment," which enables them to provides consultation on the need for climate change measures, basic knowledge of decarbonized management, and greenhouse gas emissions.

Number of holders of certification: Over 800

Case

Support for obtaining "SBT accreditation"

As support tailored to the decarbonized management steps of our customers, we have for the first time provided support for the acquisition of the internationally recognized "SBT for SMEs." This forms part of our Support for the promotion of decarbonization (engagement) that we began in the fiscal year ended March 31, 2025, and we will continue to contribute to improving the corporate value of our customers.

Sustainability Management

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.

Metrics and targets

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

Carbon dioxide (CO_2) emissions

We have been working on the achievement of a decarbonized society, with the following targets set for the reduction of CO_2 emissions from the Bank's energy use (Scopes 1 and 2), with the aim of reducing CO_2 emissions. In the fiscal year ended March 31, 2026, CO_2 emissions decreased by 49.3% compared to the fiscal year ended March 31, 2014 to 6,126 t-CO_2.

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, we will work to increase the renewable energy ratio through the introduction of electricity derived from renewable energy, and to offset carbon emissions through local production for local consumption of environmental value. We will continue to work toward reducing CO_2 emissions.

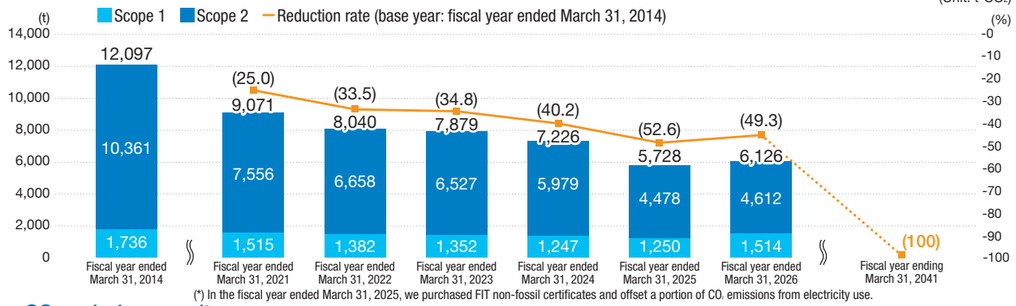
Targets for the reduction of CO_2 emissions (Scopes 1 and 2)

- Achieve carbon neutrality by the fiscal year ending March 31, 2041
- Achieve a 60% reduction of CO_2 emissions by the fiscal year ending March 31, 2031 compared to the fiscal year ended March 31, 2014

Scopes 1 and 2

Changes in CO_2 emissions results

(Unit: t-CO_2)



(*) In the fiscal year ended March 31, 2025, we purchased FIT non-fossil certificates and offset a portion of CO_2 emissions from electricity use.

Scope 3

CO_2 emissions results

(Unit: t-CO_2)

	Scope 3	Fiscal year ended March 31, 2026
Category 1	Purchased goods and services	13,288
Category 2	Capital goods	6,789
Category 3	Fuel- and energy-related activities not included in Scopes 1 and 2	1,059
Category 4	Upstream transportation and distribution	372
Category 5	Waste generated in operations	228
Category 6	Business travel	354
Category 7	Employee commuting	398
Category 15	Investments	4,486,448

Calculation of CO_2 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 CO_2 emissions by financial institutions. It is therefore important to work on the calculation, monitoring, and reduction of such emissions. The Bank has introduced a CO_2 emissions calculation tool, and calculates CO_2 emissions associated with loans to Japanese corporations by referring to the PCAF Standard's measurement method.

Going forward, the Bank will strive to expand the scope of its calculations and improve the quality of data. At the same time, we will utilize the calculation results to support the decarbonization initiatives of companies we provide loans to, and contribute to the improvement of corporate value and sustainable development.

(*) The results of these calculations may change significantly in the future due to changes in international standards, the increased disclosure of emissions data by companies we invest in or provide loans to, and other factors.

(Unit: t-CO_2)

Sector	Main industry	Fiscal year ended March 31, 2026
Energy	Petroleum and gas	61,186
	Coal	—
	Electricity utilities	1, 591, 534
Transportation	Air freight	363
	Passenger air transportation	—
	Marine transportation	22, 660
	Railway transportation	6,041
	Truck services	165,735
	Automobiles and parts	43,267
Raw materials, building materials, capital goods	Metals and mining	95,078
	Chemical	139, 188
	Construction materials	108,475
	Capital goods	732,286
	Real estate management and development	50,219
Agriculture, food, and forestry products	Beverages	8,653
	Agriculture	30,142
	Processed food and processed meat	116, 373
	Paper and forestry products	96,335
Other		1, 218, 912
Total		4, 486, 448
Data quality score		3.0
Coverage ratio		97.5%

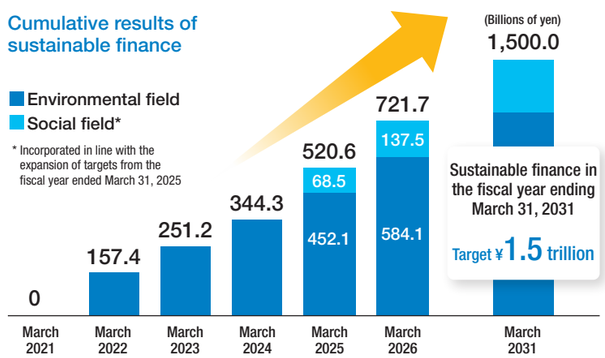
Sustainable finance

The Bank positions investments and loans that resolve environmental issues such as climate change, and social issues such as the development of new industries to eliminate regional disparities and realize a sustainable society as "sustainable finance," and is strengthening its initiatives in this area. The Bank has set its sustainable finance target (cumulative disbursements/origination amounts) from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2031 at ¥1.5 trillion (¥1.2 trillion in the environmental sector and ¥0.3 trillion in the social sector). The cumulative total to the fiscal year ended March 31, 2026 was ¥721.7 billion.

Since March 2025, 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.

Target ¥1.5 trillion **Period** Fiscal year ended March 31, 2022 to fiscal year ending March 31, 2031 (10 years)

Cumulative results of sustainable finance



Reconstruction and revitalization → Visionary

Initiatives from disaster recovery toward a sustainable society

Fukushima Prefecture Reconstruction Vision	Create a safe, secure, and sustainable society without relying on nuclear power
Fukushima Prefecture Renewable Energy Promotion Vision	Generate energy equivalent to 100% or more of energy demand in the prefecture from renewable energy by around 2040

Promoting renewable energy contributes to disaster recovery without relying on nuclear power

Output scale/6,500 MW in total (including 2,362 MW in Fukushima Prefecture) [As of March 31, 2026]
- Equivalent to the annual electricity consumption of approximately 3 million households (Number of households in Fukushima Prefecture: approximately 730,000 [2025 Population Census])
- Reduction in CO_2 emissions = In excess of approximately 6.9 million tons (*) The figures for electricity consumption and CO_2 emissions reductions are estimates by the Bank.

Examples of target investments and loans

- Sustainability link loan
- Green loans and bonds
- Positive impact finance
- Investments and loans related to renewable energy
- Environmentally conscious investments and loans such as energy-saving housing loans
- Social loans and bonds
- Investments and loans to address social issues, including those contributing to the achievement of sustainable regional communities
- Toho Mirai Connect Loan

Sustainability Management

Disclosure based on the TNFD Recommendations

As a regional financial institution headquartered in Fukushima Prefecture (Fukushima City), the Bank Group believes that it is important to contribute to the conservation and restoration of natural capital from the standpoint of supporting regional economic development. Fukushima Prefecture has diverse natural capital, including abundant forests and wetlands such as Bandai-Asahi National Park, Oze National Park and Echigo Sanzan Tadami Quasi-National Park, water resources such as Lake Inawashiro and Abukuma River, and marine resources along the Pacific coast. These are also sources of the region's appeal and industrial competitiveness within Fukushima Prefecture. The Bank understands how its business activities and the companies it provides loans to depend on and impact natural capital, and we will support the reduction of environmental impact, resource recycling, and the creation of businesses that utilize local resources from both financial and non-financial perspectives. Together with the people of the region, the Bank will contribute to the realization of a sustainable local community while passing on Fukushima's rich natural environment to the next generation.

Analysis procedures and tools used

In this disclosure, we used external tools that enable the analysis of natural capital/biodiversity. Firstly, we focused our analysis on "Locate," which identifies the connections between the Bank's bases and the loan portfolio and nature, and "Evaluate," which assesses our dependence and impact on nature.

	Analysis targets		Tools used	
	Toho Bank	Corporate borrowers	Toho Bank	Corporate borrowers
Determination of scope of analysis	• The Bank's bases • Locations of corporate borrowers			
Confirm dependencies and impacts	• Confirm that the "financial sector" has low scores for dependencies and impacts	• Confirm dependencies and impacts in each sector and determine priority sectors "Process for determining priority engagement targets"	• ENCORE*1	
Detailed location analysis	• Confirm interface with areas of high biodiversity importance "Analysis of the Bank's bases"	Priority locations (priority engagement targets) • Confirm interface with areas of high biodiversity importance • Confirm potential dependencies and impacts on natural capital "Detailed analysis of priority locations (priority engagement targets)"	• WWF Water Risk Filter*2 • WWF Biodiversity Risk Filter*3 • Integrated Biodiversity Assessment Tool*4 • Biodiversity "Visualization" Map*5	• ENCORE

*Assess (assessment of significant business risks and opportunities) and Prepare (preparation of response and disclosure) were not performed in this analysis.

*1 A tool to organize and visualize the dependencies and impacts on natural capital by industry and business activity
*2 A tool to check the status of water shortages, floods, deterioration of water quality and ecosystem services
*3 A tool to check the status of supply services, adjustment services, and cultural services related to biodiversity
*4 A tool to understand the proximity to protected areas and key biodiversity areas (KBA), and the status of endangered species
*5 A system to visualize protected areas, nature coexistence sites, and areas important for biodiversity conservation, etc. on a map

Analysis of the Bank's bases

Confirm interface with areas of high biodiversity importance (sensitive locations)

As a result of the analysis using various tools, it was confirmed that two of the Bank's sales bases are located near Bandai-Asahi National Park and Echigo Sanzan Tadami Quasi-National Park (IUCN II). However, since the activities at these bases are office functions, no events that would have an immediate impact on natural capital were identified.



Image source: Modified from the Ministry of the Environment's Biodiversity "Visualization" Map (https://www.biodiversitymap.env.go.jp/)

IUCN protected area categories *Excerpt

Ia	Strict Nature Reserve	Strictest protection	Not applicable
Ib	Wilderness Area	Strict protection	Not applicable
II	National Park	High need for protection	Applicable

*Includes quasi-national parks

What are "sensitive locations"?

"Sensitive locations" refer to areas that are considered to require attention from the perspectives of biodiversity, ecosystem conservation, and water resources, etc.
If a business site is located in or near such an area, that site will be considered to have "interface with sensitive locations."

Analysis of the Bank's corporate borrowers

Process for determining priority engagement targets

Since financial institutions have a greater dependence and impact on nature through their investment and financing activities than through their own business activities (direct operations), they classify their corporate borrowers into potentially important sectors and decide on priority sectors. From the designated priority sectors, we selected 15 companies as priority engagement targets in order to analyze the dependencies and impacts on nature by corporate borrowers.

① Loans to Japanese corporations → ② Important sector → ③ Priority sector → Priority engagement targets: 15 companies

Classification as "important sector" ①▶②

In accordance with the classification of "potentially important sectors" in the "Guidance on Nature-related Information Analysis in Line with the TNFD Recommendations (for Regional Financial Institutions)" by the Ministry of the Environment, the Bank has classified borrowers in Fukushima Prefecture into "important sectors" according to industry types.

Determination of "priority sectors" ②▶③

Next, we used ENCORE to analyze the potential dependencies and impacts on natural capital of the Bank's lending portfolio for each of the classified important sectors. As a result, we found that the "food and beverage sector" had the highest scores for both dependency and impact scores among the sectors analyzed, indicating that it has a particularly significant relationship with nature. In addition, given the wide range of locally-based companies that utilize regional agricultural, forestry and fishery resources in Fukushima Prefecture, we have decided to designate this sector as a priority sector.

Reorganize value chains within priority sectors ③▶ **Priority engagement targets**

We extracted GICS industry subgroups located at different stages of the value chain (upstream, midstream, downstream) that are included in the specified priority sectors, and comprehensively examined the value chain.
Furthermore, based on the ENCORE analysis, we distinguished sectors with low dependency and impact scores, focused on upstream and midstream sectors, and determined priority engagement targets based on the following criteria.
- Connections with the traditional Industries of Fukushima Prefecture, sake brewing, and fisheries
- Whether the regional characteristics of the prefecture (Aizu, Nakadori, Hamadori) are comprehensively covered

Upstream	Midstream	Downstream
30202010: Agricultural products and services	30201020: Distilled spirits and wine	30101020: Food distribution
30202030: Packaged food and meat		30101030: Food retailing

*Sectors with low dependency and impact scores are shown in gray.

Detailed analysis of priority locations (priority engagement targets)

Among the borrowers in the "food and beverage" sector, which was identified as a priority sector, 15 companies were designated as priority engagement targets. Using ENCORE, we analyzed the "dependency on ecosystem services" and "impact on natural capital" for each of the 15 companies' business activities (ISIC Group), and created a heat map. The analysis indicated that upstream industries in the value chain, such as "poultry farming," "fisheries," and "cultivation of other non-perennial crops," tend to be particularly dependent on ecosystem services. These industries are largely supported by the functions of natural capital, including "water supply," "water purification," "rainfall pattern adjustment," "local climatic adjustment," and "soil quality adjustment."

In addition, based on the location information of the operational bases of the priority engagement targets, we used WWF, BRF, and IBAT to confirm the proximity to areas of high biodiversity importance (sensitive locations).

Going forward, we will use these analysis results as a starting point to proceed with the analysis of risks and opportunities, the consideration of countermeasures, and to connect these findings to initiatives that contribute to the conservation and restoration of regional natural capital.

Very High (VH)
High (H)
Medium (M)
Low (L)
Very Low (VL)

	Dependency on ecosystem services														Impact on natural capital (pressure)										
	Provisioning services			Regulating and maintenance services																					
ISIC Group (Class)	Biomass supply	Genetic resources	Water supply	Water purification	Water circulation adjustment	Rainfall pattern adjustment	Local climate adjustment	Flood mitigation	Storm mitigation	Global climate control	Maintenance of soil and sediment	Soil quality control	Restoration of solid waste	Biological control	Provision of habitat and habitat maintenance	Disturbances (noise, light, etc.)	Freshwater utilization areas	GHG emissions	Seabed utilization areas	Non-greenhouse gases Emissions of air pollutants	Extraction of other biological resources (fish, timber, etc.)	Discharge of toxic pollutants into soil and water	Discharge of eutrophic pollutants into soil and water	Generation and release of solid waste	Land area usage	Water usage
Poultry farming	H	M	M	H	H	VH	M	M	H	M	M	L	M	M	VL	M	N/A	M	N/A	H	ND	H	H	H	H	H
Fisheries	VH	H	H	VH	H	VH	M	M	H	VH	VH	M	VH	H	VH	H	H	M	H	M	H	M	ND	H	N/A	M
Cultivation of other non-perennial crops	VH	VH	H	VH	H	VH	VH	M	M	VH	VH	VH	M	H	VL	M	H	M	N/A	M	ND	H	H	H	H	VH
Processing and preservation of fish, crustaceans and mollusks	N/A	N/A	H	VH	H	N/A	ND	M	M	VL	L	N/A	M	VL	N/A	M	N/A	L	N/A	L	N/A	M	VH	M	L	M
Processing and preservation of fruits and vegetables	N/A	N/A	H	VH	H	N/A	ND	M	M	VL	L	N/A	M	VL	N/A	M	N/A	L	N/A	L	L	N/A	ND	M	L	M
Dairy products manufacturing	N/A	N/A	H	VH	H	N/A	L	M	M	VL	L	N/A	M	VL	N/A	M	N/A	L	N/A	L	M	M	ND	M	L	M
Grain refining and milling, starch and starch product manufacturing	N/A	N/A	M	VH	M	N/A	L	M	M	VL	L	N/A	M	VL	N/A	M	N/A	L	N/A	M	N/A	M	ND	M	L	M
Distillation, rectification and blending of alcoholic beverages	N/A	VH	H	H	H	N/A	L	M	M	VL	L	N/A	M	ND	N/A	ND	N/A	L	N/A	L	N/A	VL	M	M	L	M
Other food manufacturing	N/A	N/A	H	VH	H	N/A	L	M	M	VL	L	N/A	M	VL	N/A	M	N/A	L	N/A	L	N/A	M	ND	M	L	M

N/A: Not applicable ND: No data

Four Strategies of Human Capital Management

Personnel strategy provides a foundation for drivers of growth in the TX PLAN 2030.
By steadily implementing the four strategies, we aim to reform our corporate culture and become a company that continues to offer higher added values to the regional community and our customers.

Growth Strategy under the TX PLAN 2030

- 3rd driver of growth — New earnings
- 2nd driver of growth — Flow earnings
- 1st driver of growth — Stock earnings

<Making use of earnings>
- Investment in growth and work environments
- Investment in human capital
- Shareholder returns
- Capital accumulation

Personnel strategy = Foundation for drivers of growth

Challenges

Securing necessary human resources
Aging population with fewer children, dynamic job transfer market

Developing necessary human resources
Diversifying needs, improvement of consulting skills

Cultivating organizational culture
Diversifying values, self-directed career designing

Four strategies of human capital management

Human resources development
Continuously generate self-directed human resources needed to carry out management strategies

- Create an environment where employees can take on challenges proactively and autonomously
- Support holders of specialist certifications
- Strengthen consulting abilities of female and young bank employees



DE&I
Bringing diverse human resources into full play to produce a sense of unity and create new values

- Promotion of diverse work styles
- Promoting the active participation of women
- Holding Diversity Block Meeting
- Expanding opportunities for long-time employees and seniors
- Active involvement of people with disabilities



Addressing increasing mobility of human resources
Hiring and maintaining human resources who share our value of contributing to the regional community

- Continue stable recruitment of new graduates
- Active recruitment of mid-career hires
- Strengthen the organization of alumni
- Rehire former employees
- Implement hiring by referral
- Invest in human capital



Well-being
Development of workplace environment where engagement is high and flexible work styles are available

- Improving engagement
- Improving 1-on-1 meetings
- Promoting flexible and self-directive work styles
- Improving financial wellness
- Promoting health & productivity management



Outcome

- Specialized skills needed to contribute to the regional community
- An organization where difference is accepted and respected
- High motivation and self-direction
- Enhanced productivity

Sense of growth for each employee → Providing higher added value to local communities and customers → Sustainable growth and development of the region

The Bank's Vision: A Company That Contributes to the Regional Community

Four Strategies of Human Capital Management

Human resources development



Human resources development policy

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

The TX PLAN 2030 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, 2026)	FP1 level	53	FP2 level	1,031	Small and medium enterprise management consultants	19	CFP / AFP	70

Human resources development structure

Generating human resources for regional and customer growth

Development of human resources based on the management strategy

3rd driver of growth	Human resources capable of taking up challenges in business areas beyond the framework of financial services and for value creation
2nd driver of growth	Human resources capable of practicing consulting in collaboration with Group companies and providing high added value
1st driver of growth	Human resources who have knowledge and skills in our core business areas and can provide solutions
Building people power, basic skills	The people power = charm as a person, leadership, management capability, resilience, etc.

+

Development of human resources to address priority issues

- Development of managerial human resources and specialist human resources
- Training of women and younger employees to become loan and liaison personnel
- Development of IT and DX-related human resources

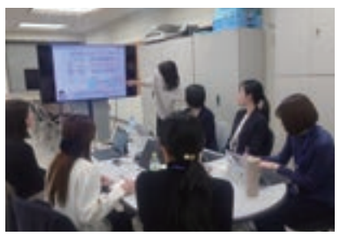
OJT | OFF-JT | Self-development

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. We are working to create an environment where employees can proactively and autonomously challenge themselves toward earning the knowledge and skills expected by customers.

Development of women and younger bank employees

In the fiscal year ended March 31, 2026, we established and expanded training and seminars were newly established and expanded to support the launch of the Nomura Alliance and reform of the sales structure. In particular, to support the early development of women and young bank employees, we offer a range of loan training programs tailored to different skill levels, including the "Business Loan *Super* Basic Course" and "STEP 1 to STEP 3 Training," to support employees' motivation to learn.



Business Loan *Super* Basic Course

Annual number of classes held	Cumulative total participants
8	46

STEP1 to STEP3 Training

Annual number of classes held	Cumulative total participants
6	107

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.



Diversity, Equity & Inclusion (DE&I)

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.

Status of active participation of women (March 31, 2026)

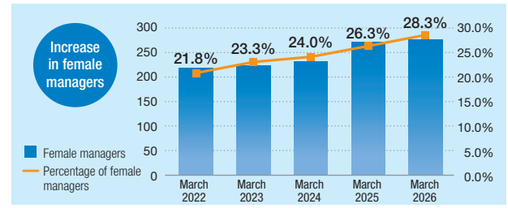
Percentage of female senior managers	Percentage of female managers*	The average number of consecutive years of employment at the Bank for women
10.2%	28.3%	15.1

* 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.

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, 2026, we established a new development plan for the management skills and participation of female managers in business operations.



Continuation of Diversity Block Meeting

We regularly hold the Diversity Block Meeting, designed to provide 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.

Activities in the fiscal year ended March 31, 2026

Annual number of meetings held	Cumulative total participants
24	779



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 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 2026)

Re-employed bank staff	51
Part-timers in leadership positions	136
Senior supporters	51

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.

(end of March 2026)

Number of people with disabilities employed	74.0
Employment ratio of people with disabilities	2.91%

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

Major outside evaluations of initiatives

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. At the New Delhi 2025 World Para Athletics Championships, she represented Japan and won a bronze medal in the women's 400m in the T13 class for visually impaired athletes. The Bank promotes the creation of an environment in which diverse human resources can demonstrate their abilities, and we support the challenges faced by athletes with disabilities.



TOPICS

Establishing in-office childcare facilities

With the aim of creating an environment where employees can work with peace of mind and make a smooth return to work from maternity and childcare leave, we established the in-house childcare facility TOHO Everyone's Kids Land in October 2014. We currently operate three such facilities, and are promoting the development of an environment that supports the balance between work and childcare.

Cumulative total number of users since opening
511 (end of March 2026)



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 15 persons in the fiscal year ended March 31, 2026. 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, 2026

	Plan	Actual
New graduates hires	90	92
Mid-career hires	30	15

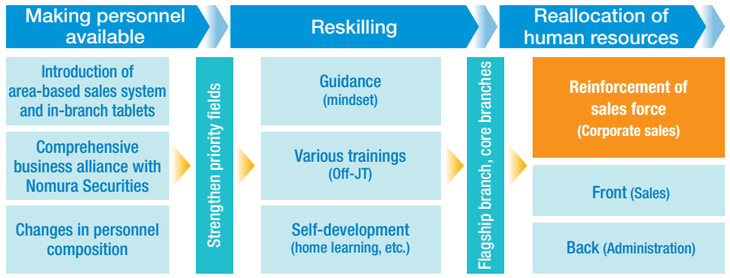
Change in personnel composition

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%

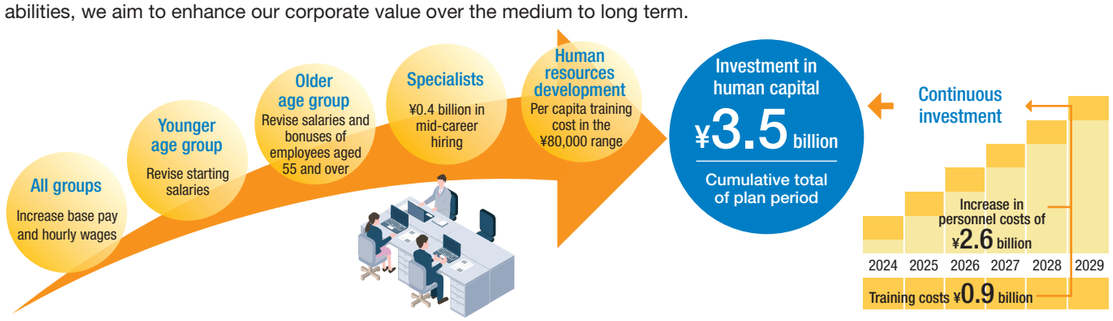
Personnel structure

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. As of the fiscal year ended March 31, 2026, we had invested a cumulative total of ¥2.17 billion in human capital (progress rate: 62.0% 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	February 2026
69 points	72 points (up 3 points)	74 points (up 2 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.
- In the fiscal year ended March 31, 2026, we implemented a self-development 1-on-1 meeting aimed at "self-directed career formation."

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, 2026
14 hours 52 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

In order to support the medium- to long-term asset building of our employees, we are encouraging them to join the employee stock ownership plan and promoting the utilization of the corporate-type defined contribution pension plan, etc. Furthermore, in order to support each employee in designing 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, and are working to improve the financial well-being of our employees.

Promoting health & productivity management

The Bank Group positions human resources as the most important management resource, and promotes health management based on the belief that the foundation that supports the active engagement of employees is their mental and physical health. Under the leadership of the officer in charge of human resources, we are working in collaboration with the health insurance association and the employees' union, so that labor and management are working together to promote health and the creation of a workplace environment where each employee can fully demonstrate their abilities.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Target for fiscal year ending March 31, 2030
Percentage of "highly stressed"	11.8%	9.7%	10.0%	10% or less
Percentage of employees taking medical checkup	99.8%	99.9%	99.9%	100%

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

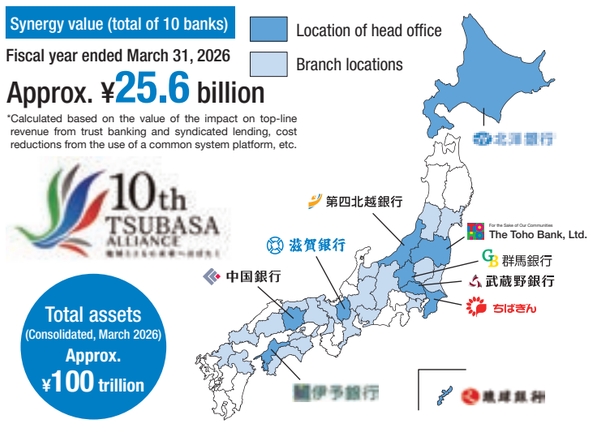
Alliance Strategies

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.

Synergy value (total of 10 banks)
Fiscal year ended March 31, 2026
Approx. ¥25.6 billion
*Calculated based on the value of the impact on top-line revenue from trust banking and syndicated lending, cost reductions from the use of a common system platform, etc.



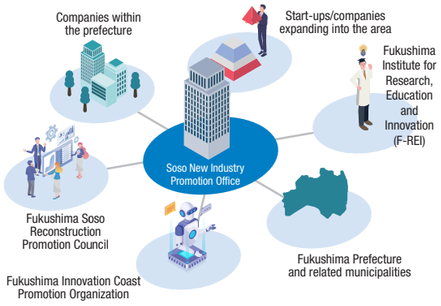
Major collaborative measures

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 ● Established TSUBASA Joint Administrative Center*2 New company established for the purpose of building a common platform in the cloud for joint back-office operations, with each bank installing its own subsystems on the platform; operations scheduled to begin in April 2027.
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
Cyber security measures	● Pursuing joint operations in areas that can be shared in light of growing cybersecurity-related burdens due to increasingly sophisticated cyberattacks and tighter regulations. Considering measures such as PQC (Post-Quantum Cryptography) and working to raise the level of defense and the speed of response.

*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 TSUBASA Joint Administrative Center: The Chiba Bank, Ltd., Daishi Hokuetsu Bank, Ltd., North Pacific Bank, Ltd., Hitachi, Ltd. and the Toho Bank, Ltd. will establish a new company.

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 increases in non-resident visitors and permanent residents. 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 the 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.



Cumulative number of consultations 133
* Matching with companies inside and outside the region, etc.

Connect	● Matching companies in the prefecture with F-REI contract research ● Matching companies in the prefecture with companies participating in the Fukushima Innovation Coast Framework (start-ups)
Expand	● Conducting seminars and lectures to share information regarding F-REI and the Fukushima Innovation Coast Promotion Organization
Grow	● Supporting business development through financing and other measures for companies expanding into the prefecture in cooperation with branches

Accumulate knowledge in the aerospace and robotics fields and collaborate with related industries



● Fukushima Prefecture ranks second in terms of shipment value in the aerospace industry. Amid the development of industrial clusters centered on Minamisoma City, Toho Bank co-sponsored SPACE CONFERENCE 2025, where we built connections with related businesses and took active part in seminars.
● Co-sponsored World Robot Summit 2025 organized by F-REI. Supporting research and development in the fields of robots and drones, which are expected to be utilized in reactor decommissioning and disaster-response efforts.

Minami Tohoku Genki Project

On March 25, 2026, The Toho Bank, The 77 Bank and The Yamagata Bank entered into an agreement for the Minami Tohoku Genki Project.

Leveraging the respective strengths of these three banks, this project will provide high-quality services that address increasingly diverse and complex regional issues and needs of businesses. In addition, by working together to supply funds and support businesses, the three banks will further elevate their presence as regional financial institutions that support the economies of southern Tohoku and contribute to the sustainable development of the region.

CONCEPT

Increasingly diverse and complex regional issues

Declining birthrate and aging population	Depopulation	Overconcentration in Tokyo	Companies' lack of successors

Minami Tohoku Genki Project
South Tohoku Vitalization Project
—Toward the Sustainable Development of the Region—
山形銀行 七十七銀行
For the Sake of Our Communities The Toho Bank, Ltd.

Share the resources of the three banks and complement their strengths in a wide range of fields
→ Enhance their ability to solve regional issues and contribute to the sustainable development of the region

KPI Synergy value: ¥10.0 billion (five-year cumulative)

Conceptual image of partnership

Growth of businesses and support for business partners, such as business succession and M&A
山形銀行 七十七銀行 The Toho Bank, Ltd.
Supply of funds / Support for businesses
Development of businesses' growth areas

Promotion of overseas business
Support for businesses / Development of production areas
七十七銀行 The Toho Bank, Ltd. 山形銀行
Consolidation of products
Needs survey / Overseas promotion
< Overseas >

Regional revitalization through promotion of tourism and creation of attractive regional content, etc.
山形銀行 七十七銀行 The Toho Bank, Ltd.
Tourism product planning / Hold events / Create and refine content
Joint promotion
Increase non-resident visitors and people connected to the area
< Domestic and overseas >

Explore common issues in the region and generate ideas for solving them
七十七銀行 The Toho Bank, Ltd. 山形銀行
Leverage external knowledge
Delve deeper into common issues / Consider solutions
Execution
Problem solved!

Alliance with Nomura

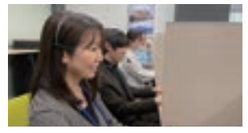
TOHO × NOMURA alliance

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

Dedicated locations for assets on deposit sales

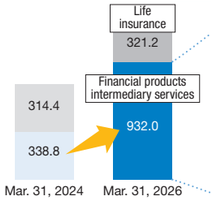
- Received approximately 70 employees seconded from Nomura Securities to conduct operations at seven dedicated locations in Fukushima Prefecture.
- Established a system to provide optimal, high value-added financial services tailored to customer needs


[Consulting Plaza]
Leveraging separate face-to-face and digital channels to provide advanced consulting services


[Contact Team]
Provides highly convenient, digital-based consulting services in any location

Balance of assets on deposit

Aug. 2023 Concluded a basic agreement on financial products intermediary services
Jan. 2025/DAY 1 Began business alliance (partial)
Oct. 2025/DAY 3 Complete transition to business alliance structure



(Billions of yen)

	Mar. 31, 2024	Mar. 31, 2026	Change
Investment trusts	201.7	383.2	+181.5
Discretionary investment management	0	47.2	+47.2
Bonds	107.6	240.0	+132.4
Stocks	29.5	261.5	+232.0
Total	338.8	932.0	+593.2

One year after the business alliance

Customer
I had assumed that I needed to go into the bank to receive investment advice or complete transactions, but I was able to do everything with a quick phone call during my break at work. It is very convenient and has been a great help.
The alliance with Nomura Securities has broadened the range of products and services, including the ability to purchase shares. I especially like the discretionary investment management service, because it allows me to leave the management of my investments to them.

Seconded employee
In the past, corporate customers were highly reluctant to show us their financial statements, but it is now much easier for us to view their financial statements, which shows the high level of trust they have in their bank.
I want to learn more about our customers so I can make better proposals and live up to that trust.

Toho Bank employee
There used to be limits on the range of products we could present at the bank, but since forming the alliance, my impression is that we are now able to offer products that meet the needs of diverse customers with a similar product lineup to the securities companies.
The consolidation of assets on deposit sales into dedicated locations has enabled us to concentrate more on sales activities than before and to devote more time to consulting with customers.

Contracted customers
101 thousand (Mar. 31, 2024)
+10 thousand
111 thousand (Mar. 31, 2026)

Number of NISA accounts
40 thousand (Mar. 31, 2024)
+15 thousand
55 thousand (Mar. 31, 2026)

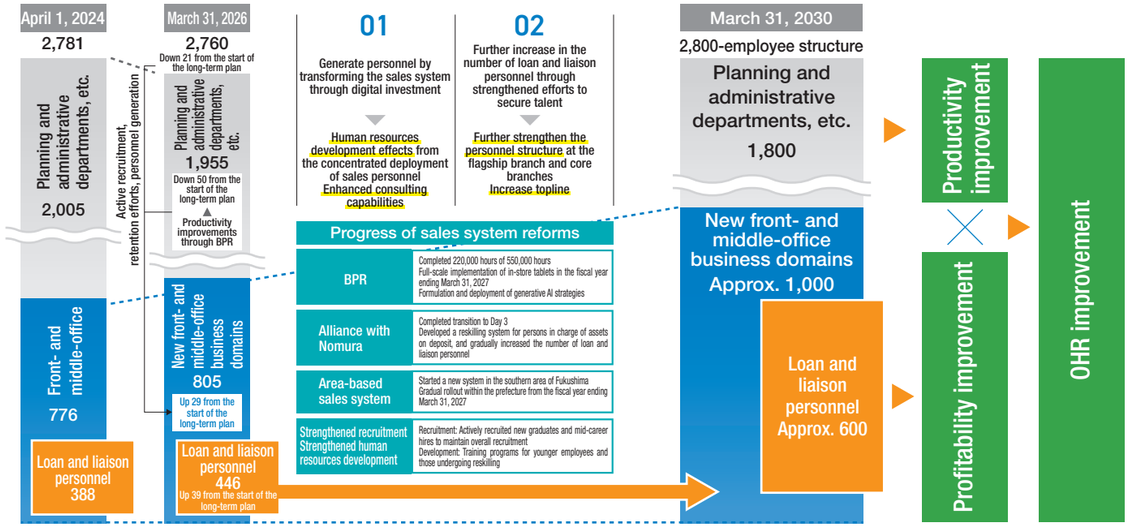
Fees and commissions
¥2.97 billion (FY2023)
+¥390 million
¥3.37 billion (FY2025)

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.

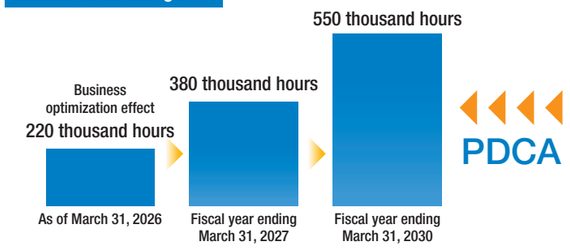
Desired Talent Portfolio under TX PLAN 2030



Under the TX PLAN 2030, we aim to improve operational efficiency by 550 thousand hours over six years through active digital investment and fundamental business process reengineering (BPR). The utilization of generated AI, the introduction of an in-store tablet (TSUBASA Smile), progress in restructuring business flows through the expansion of centralized processing at Head Office, and the strengthening of non-face-to-face channels through the Toho banking app have contributed to the improvement of operational efficiency.

BPR initiatives to support talent portfolio formation

BPR Plan and Progress



Establish a framework to share the progress of initiatives and challenges across the organization and ensure their steady execution

Board of Directors
Board of Managing Directors
Management Strategy Executive Committee

Sales System Reform WG

General Planning Department	Sales Departments
Administrative Departments	Systems Departments

- Regular monitoring of the progress of the BPR action plan
- Early resolution of issues when they arise

Major initiatives

Utilization of generative AI

Utilize in a wide range of operations, including proofreading, organization of project proposals and creation of ideas, and preparation of meeting minutes

Centralization at Head Office

Strengthen the development function of the DX Section of the General Planning Department, and launch a project to build an AI environment specifically for banking operations such as lending

Expand the scope of centralized processing at Head Office to include mortgage cancellation procedures, centralized execution of various lending operations, inheritance procedures, etc.
In addition to creating time for dialogue with customers at branch offices, improve productivity of the organization as a whole through support provided by specialist staff

TSUBASA Smile — See page 76
TSUBASA Joint Administrative Center concept — See page 71
Toho banking app — See page 75

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.

Reform of sales system in each business domain

Build a lean sales system

Satellite branches
Deposit infrastructure function in the area

By reforming in-store business operations through introducing in-store tablets, automating operations through RPA, utilizing BPO, and other measures,

Build a lean sales system that can be operated by a small number of staff

Improve productivity of front-office operations

Block flagship branch, core branches
Area's corporate solutions function

By advancing the consolidation and reinforcement of loan and liaison personnel and improving administrative efficiency through the development of an area-based sales system,

Build a sales system that maximizes our consulting function

Loan centers
Loan function in the area

By expanding online transactions and streamlining workflow through digital transformation (DX) in back-office operations and consolidation of administrative tasks,

Build an efficient sales system leveraging digital technology

Consulting Plaza
Asset consulting function for the area

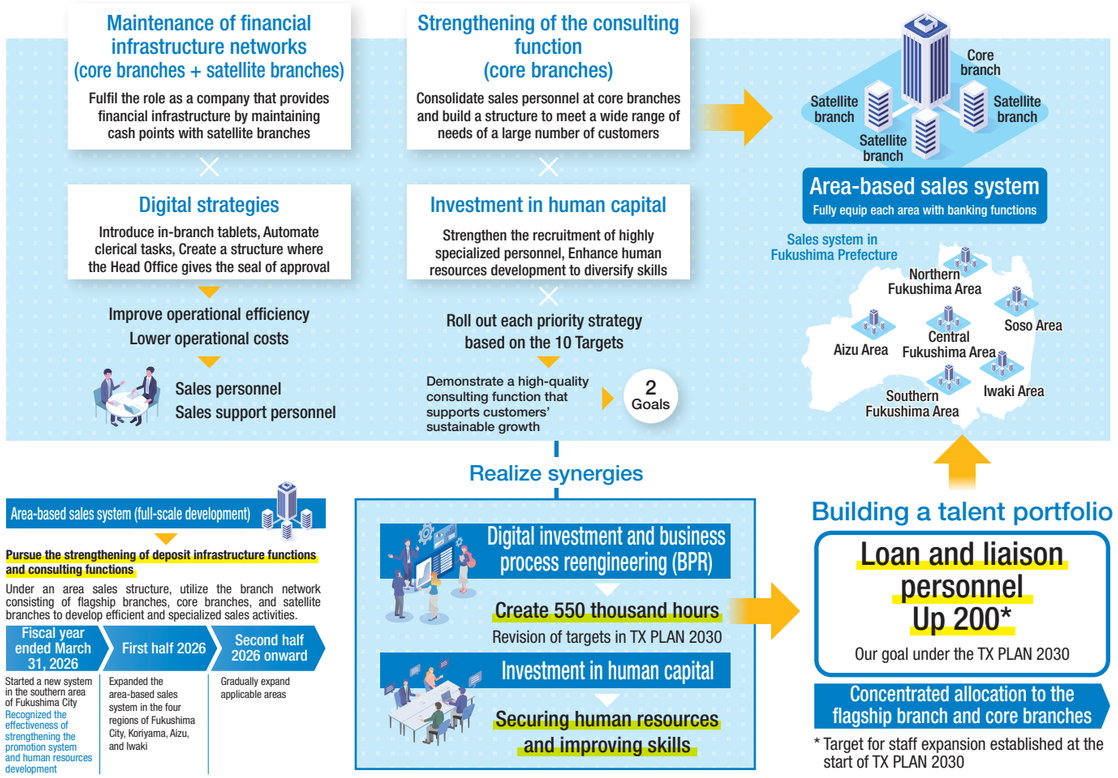
By consolidating branches to strengthen on-the-job training functions (incorporating Nomura Securities' expertise) and promoting efficiency in sales through IT utilization,

Build a system to provide the highest level of financial services to each and every customer

Area-based sales system

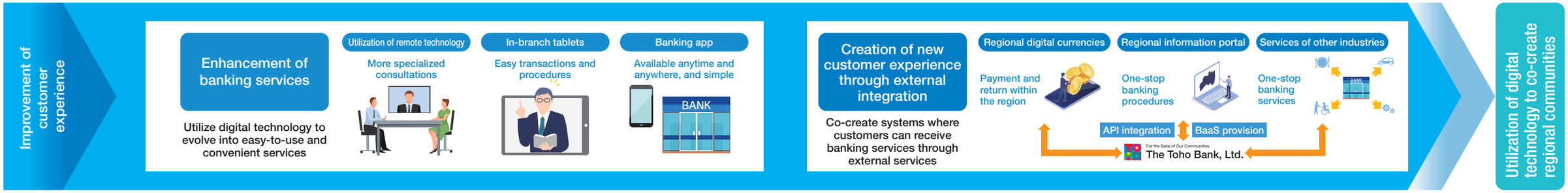
We will build a new system (area-based sales system) that makes the most of our extensive branch network and solid business base in each region.

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.



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 utilizing digital technology, and are considering and discussing the creation of new customer experience through external integration.



Enhancement of banking services

In the fiscal year ended March 31, 2026, we primarily made digital investments aimed at strengthening contact points with customers in both non-face-to-face and face-to-face channels, including strengthening the functions of the Toho banking app, a non-face-to-face channel, and introducing the in-store tablet, "TSUBASA Smile," for face-to-face channels.

Digital investment

Investment in the fiscal year ended March 31, 2026: ¥0.56 billion

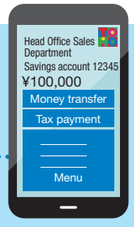
Cumulative investment since the fiscal year ended March 31, 2025: ¥1.39 billion

Specific measures

<Toho banking app>

Six convenient functions that allow you to "concisely" and "completely" get things done!

Balance inquiries, deposit and withdrawal inquiries, transfers/remittances, tax and bill payments, card loan repayments, time deposits



Improved profitability

↓

Shorter trading hours

Released November 2024



<TSUBASA Smile>

Started operation in March 2026

Transactions such as account openings and address changes can be completed on dedicated tablet devices, improving counter service levels and reducing administrative workloads.



Example

Opening a new account
50 minutes → 20 minutes

Changing address
15 minutes → 10 minutes

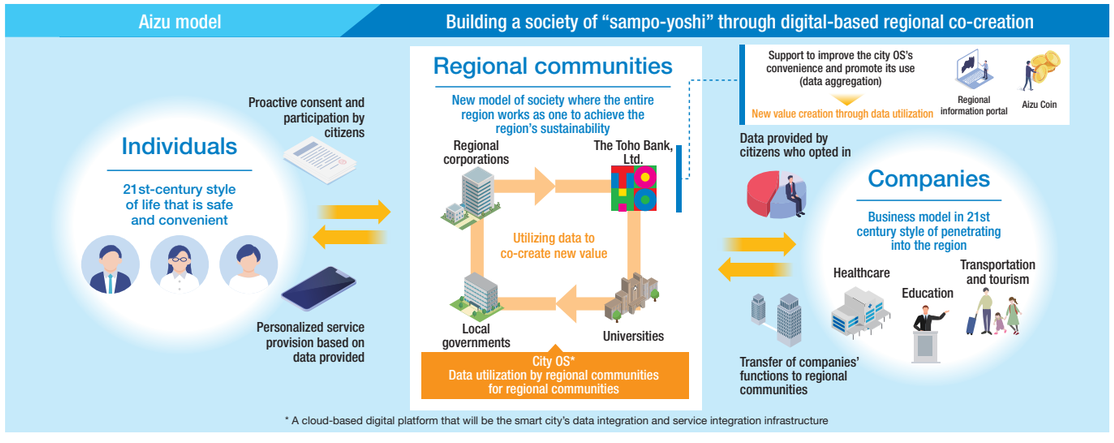


Enables young bank employees to become immediately productive and creates more time for dialogue with customers.

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 services through channels outside banking. Simultaneously, we intend to create new value and contribute to resolving regional issues and revitalizing regional communities by utilizing data and taking other measures.

As a specific example, 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.



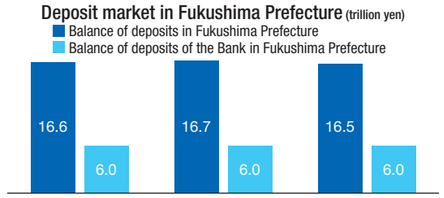
* A cloud-based digital platform that will be the smart city's data integration and service integration infrastructure

Deposit Strategy

Strengthen the establishment of a stable deposit base in light of changes in the interest rate environment, etc. stemming from the external environment, which is an issue to be addressed.

In response to the transition to a world with positive interest rates, deposits have become even more important from the perspective of strengthening the deposit and lending business and supporting customers' diverse asset formation. As the deposit market in Fukushima Prefecture shrinks, we aim to build a stable and highly sticky deposit base by increasing customers' utilization of various payment accounts, such as accounts for salary deposits and pension deposits.

Changes in the macro environment	
Politics	■ "From savings to investment" ■ New NISA, iDeCo
Economics	■ Rising prices and wages ■ Normalization of interest rates
Society	■ Depopulation and aging population ■ Decline in the number of companies
Technology	■ Spread of online banking ■ Shift to a cashless society



Source: Financial journal financial maps

Intensifying competition for deposits and increased pressure on deposit outflows

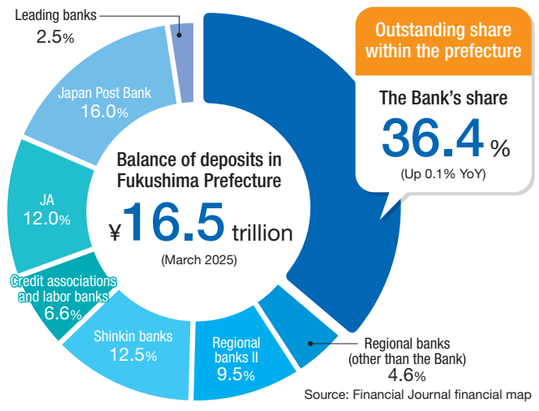
Our strengths of a strong customer base with the top market share in the prefecture and a deposit base that leverages our payment infrastructure

With the largest deposit base in the prefecture, the Toho Bank has secured a high share of main bank relationships with corporate customers in addition to our daily contact with individual customers, such as for salary deposits and pension deposits. In addition, as a designated financial institution of many local governments, we are responsible for payment services throughout the region.

Further, we are building a solid customer base by leveraging our branch and ATM networks, which provide a competitive advantage over other banks, to support the convenience of regional customers.

Leveraging our customer base that has firm roots in the region, we will place further efforts into developing main bank relationships with corporate clients through the enhancement of payment transactions and digital services and contribute to the sustainable expansion of the deposit base and the development of regional economies.

Share of deposits in Fukushima Prefecture



Source: Financial Journal financial map

Solid customer base

Individuals

Salary deposit *1	Pension deposit *1	Number of banking app subscribers *2
Approx. 390,000	Approx. 170,000	Approx. 200,000

*1 As of March 31, 2026 *2 As of May 31, 2026

Corporate

Share of main bank relationships in the prefecture 39%

Source: Teikoku Databank, "Survey on Main Bank Trends in Fukushima Prefecture" (2026)

Public funds

Appointed as designated financial institution for Fukushima Prefectural Government and 30 municipalities in the prefecture (59 municipalities in total)

Branch and ATM networks that provide a competitive advantage over other banks and support a solid customer base

Number of branches and locations (In Fukushima Prefecture)	80	Number of ATMs installed	461	No ATM fee

* As of March 31, 2026. Includes Seven Bank shared ATMs

Strengthen deposit base by leveraging customer base that has firm roots in the region

Based on long-term business relationships with regional customers, the Toho Bank provides products and services that are tailored to the needs of individuals, corporations, and local governments and is working to build a stable deposit base.



Expansion of personal deposits starting from payment accounts

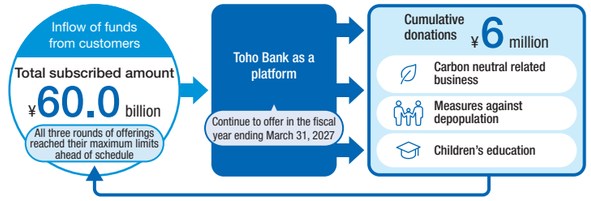
In addition to deepening transactions with customers starting from everyday payment accounts such as salary deposits and pension deposits, we are working to develop main bank relationships through the use of the Toho Bank app and the provision of products and services tailored to customers' various life stages.

We are also promoting transactions targeting individual employees at our corporate customers' workplaces by utilizing the Bank's transaction network.

Provision of deposit products and campaigns to meet diverse funding needs

In light of market conditions and customer needs, Toho Bank is working to build a stable fundraising base by providing attractive deposit products and campaigns. Additionally, to contribute to the sustainable development of local communities, Toho Bank launched a sustainability time deposit, "Tsunagaru Mirai" in 2025. By advancing deeper cooperation between customers and local communities, we have built a funding cycle that contributes to the sustainable growth of the region.

[Sustainability time deposits: "Tsunagaru Mirai"]



Strengthen business base with corporate customers

Based on long-term business relationships with regional companies, we aim to become corporate customers' bank of choice as their main bank by providing a comprehensive range of services, including payment, loans (operating capital and capital expenditure), and DX support.

Strengthen cooperation with local governments

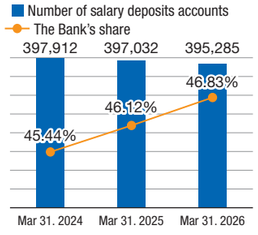
As a designated financial institution of many local governments, we contribute to the sustainable development of local communities through the stable acceptance of public funds and deposits.

Enhance corporate value through expansion of deposit base

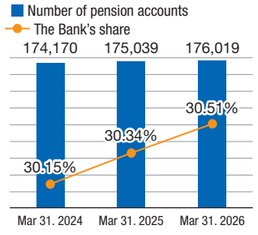
We are building a stable fundraising base through the development of main bank relationships that leverages our customer base, with the top share in the prefecture, and expanding total assets on deposits, including monetary deposits and assets on deposit.

With a strong and highly sticky deposit base, we maintain low fundraising costs, thereby enabling the smooth provision of funds to the region and sustainable improvement of corporate value.

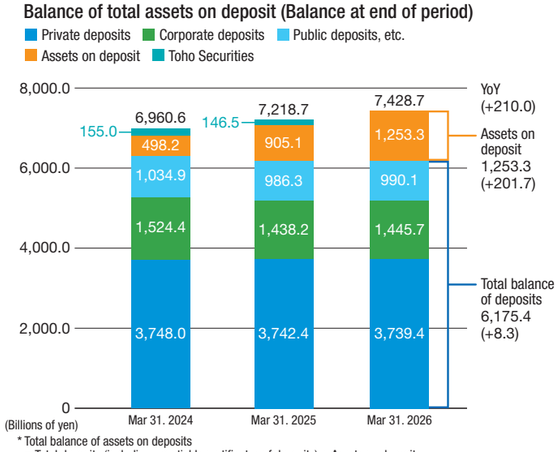
Change in the number of salary deposits accounts



Change in the number of pension accounts



Balance of total assets on deposit (Balance at end of period)



* Total balance of assets on deposits = Total deposits (including negotiable certificates of deposits) + Assets on deposits
* Includes the balance of new intermediary accounts related to the comprehensive business alliance with Nomura Securities from the fiscal year ended March 31, 2025.

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

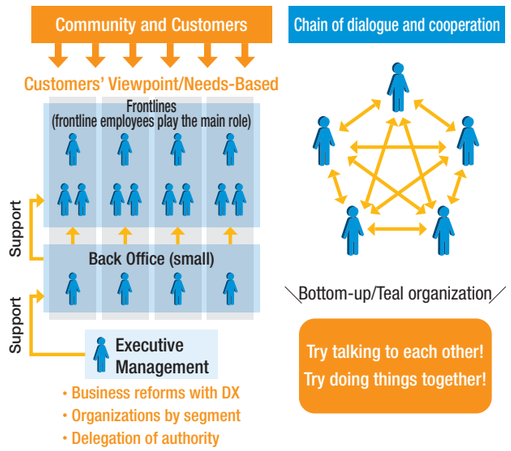
our corporate culture

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.



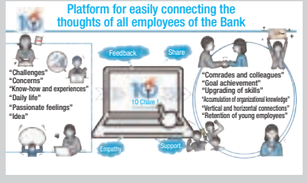
Major measures launched

- 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
- Re:KOKESHI PROJECT
  Promoting kokeshi dolls and conveying the appeal of traditional crafts through the installation of kokeshi doll vending machines, etc.
- 1O Chare!
  Created a platform within the Bank's groupware where anyone can freely start a thread, enabling all officers and employees to easily share and engage with ideas, challenges, and various initiatives.

TOPICS — Latest initiatives —

As the culture of "Try talking to each other! Try doing things together!" has steadily grown within the organization, we recognized that there was no well-established space for people to share their daily insights, ideas, and experiences gained through the process of taking on challenges. To create a mechanism for connecting each individual's "thoughts" and supporting each other (turning the individual "1" into an "O" to signify a circle of connection), we introduced "1O Chare!"

It is an open platform within the Bank's groupware where anyone can freely start a thread, enabling all officers and employees to easily share and engage with ideas, challenges, initiatives taken by other branches, and good examples, to facilitate connections across the boundaries of departments and generations and the accumulation of knowledge across the organization.



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.



2025 Town Hall Meeting Overview

(1) Event period: July 1 to August 29, 2025
(2) Branches participating: All branches
(3) Number of questions and comments received: 846 (up 388 YoY)

③ New Action Contest

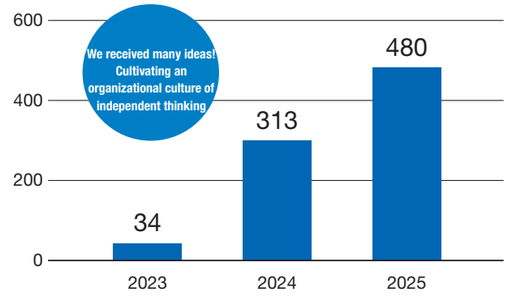
Program established to allow all employees to submit proposals at any time, based on their free ideas, including suggestions for improving operational efficiency, introducing systems and making functional improvements, as well as developing strategy formulation. Highly evaluated proposals are reflected in measures and other initiatives. The system is being used to further cultivate a bottom-up organizational culture and heighten employee motivation. Approximately 500 proposals are received annually. 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. A more recent proposal is the creation of a platform within the Bank's groupware where anyone can freely start a thread, enabling all officers and employees to easily share and engage with ideas, challenges, and various initiatives. We are accelerating our efforts to make this a reality.

Latest Proposal: Creation of a new platform



Giving presentations to the management team

Number of proposals



Proposal that contributes to the development of traditional culture in Fukushima Prefecture RE:KOKESHI PROJECT)

The project adopted from this proposal has evolved into a variety of initiatives, making a significant contribution to regional revitalization.

Re:KOKESHI PROJECT

Details are described in "Special Feature on Kokeshi Dolls" on page 83.

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 snacks from a kitchen car

Toho SDGs Awards

An awards program was established in November 2023 to recognize current and former Toho Bank employees and other organizations engaging in a wide range of community and social contribution activities. Many current employees, alumni, and organizations are actively involved in initiatives such as providing guidance for local volunteer activities and coaching youth sporting organizations, supporting children's cafeterias, and improving financial literacy by holding financial education classes.



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:	5,000 trees (As of March 31, 2026)



Cleaning activities

We conduct company-wide cleaning activities, actively engaging in regional communities' environmental clean-up activities. Over 300 officers and employees in Fukushima City participated in May 2025.



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.



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.



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.



Regional exchange through soba making

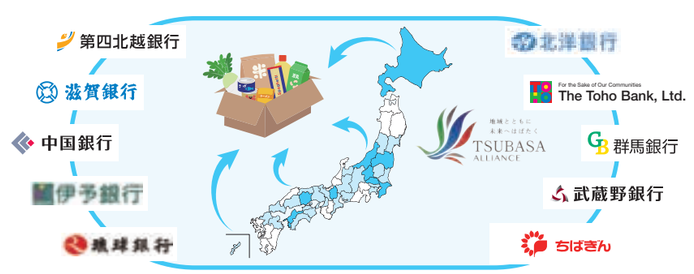
The "Soba-Making Club" explores the profound appeal of soba making while deepening exchanges with local communities. Employees visit nursing homes and other facilities, where they demonstrate their soba-making skills and serve freshly made soba noodles, delivering smiles and excitement to participants.



Initiative for the reduction of food loss issue

Food Drive (joint initiative of the TSUBASA Alliance)

A food drive was held as a joint initiative by the 10 banks that belong to the TSUBASA Alliance. Through the Fukushima City Social Welfare Council, approximately 600 food items, weighing approximately150 kg, were donated to local welfare facilities such as children's cafeterias and assistance organizations.





Special Feature on Kokeshi Dolls

Using Kokeshi Dolls as a “Catalyst” to Convey the Appeal of Fukushima and Traditional Crafts

The Toho Bank Foundation for Education and Culture, a Group company of the Bank, is focusing efforts on regional development through kokeshi dolls, a traditional craft of the Tohoku region. In the “Re:KOKESHI PROJECT,” an initiative that was proposed in the new Action Contest, vending machines selling kokeshi dolls have been installed at the entrance of the Fukushima Ekimae Branch, helping to create a bustling area in front of the station. The project will expand the sales channels of kokeshi doll artisans and support the succession of traditional techniques to the next generation.

Location	Fukushima Ekimae Branch, The Toho Bank, Ltd. (6-1, Sakaemachi, Fukushima City)
Number of units installed	1 vending machine exclusively for Tsuchiyu kokeshi dolls 1 vending machine exclusively for Nakanosawa kokeshi dolls *Both machines offer cashless payment only (no cash accepted).
Sales hours	8:00 a.m. to 9:00 p.m. (including Saturdays and Sundays) * Fukushima Ekimae Branch, The Toho Bank, Ltd. (corresponding to business hours of the ATM corner)



Motivation

The Bank operates and manages the Genkyo no Kokeshigun Nishida Memorial Museum (Fukushima City, Fukushima Prefecture) through its group company, the Toho Bank Foundation for Education and Culture. This museum, which has a collection of approximately 10,000 kokeshi dolls, displays 12 styles of kokeshi dolls from Tohoku’s six prefectures.

To further accelerate such initiatives, two young employees of the Bank proposed the “Re:KOKESHI PROJECT.” When they saw a kokeshi doll vending machine installed at the Konishi Shokudo restaurant in Fukushima’s Nakanosawa Onsen Town, they thought it was an interesting idea and worked on installing kokeshi doll vending machines at the branch.



200 dolls sold in four months

Two vending machines have been installed, one for Nakanosawa -style kokeshi dolls and the other for Tsuchiyu-style kokeshi dolls. Each vending machine sells up to 10 varieties at prices ranging from ¥1,400 to ¥3,400 each. There has been so much buzz around the installation of the vending machines that they have featured in the media multiple times, and by March 31, 2026, approximately 200 dolls had been sold.



Collaboration with a local sporting team

At the professional soccer league match, Fukushima United FC. vs. FC GIFU, which took place in April 2026 as “The Toho Bank Special Match” in Fukushima City, a presentation ceremony of traditional kokeshi dolls was held before kick-off. Both teams were presented with giant Tsuchiyu kokeshi dolls decorated in their respective team’s colors, and each player was given kokeshi merchandise and other gifts, as a way of communicating the appeal of kokeshi dolls through professional sports.



Regional Branding

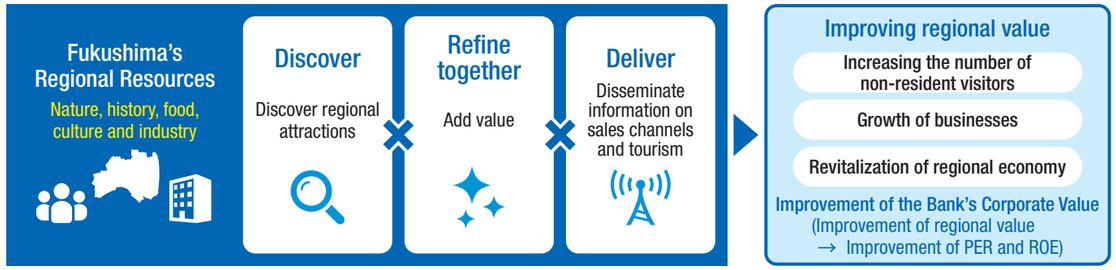
10 TARGETS Plus ONE Regional Branding

We are working on branding through initiatives to “Discover → Refine → Deliver” the appeal of the region. Through the integrated promotion of tourism marketing linked to Fukushima Destination Campaign (DC), the corporate version of Hometown Tax, digital signage, and support for Joban-mono and other regional brands, we are creating a virtuous cycle of improving regional value and corporate value.

TX PLAN 2030

Regional Branding

Our aim is to increase the number of non-resident visitors, grow businesses, and revitalize regional economies by discovering unique regional attractions (nature, history, food, culture, and industry), refining them together with the local communities and customers, and communicating them within and outside the prefecture.



Major initiatives (the fiscal year ended March 31, 2026)

❶ Stages 1 and 2 of Tourism Promotion Linked to Fukushima DC

The Toho Bank installed vending machines for kokeshi dolls, a traditional craft of Fukushima, at its Fukushima Ekimae Branch and redesigned its billboard in front of the station to showcase Fukushima’s tourist attractions, in an effort to create greater vibrancy in the area.



Left:
Poster for kokeshi doll vending machines

Right:
Redesigned billboard in front of Fukushima station

❷ Support for use of the corporate version of Hometown Tax

The Toho Bank entered into a partnership agreement with U-media Co., Ltd. to launch a service to support the use of the corporate version of the Hometown Tax Payment scheme.
A total of six local governments, including Sukagawa City and Iwaki City, have adopted the scheme.



Commemorative photograph taken for the provision of services to Sukagawa City

❸ Provision of information through digital signage

Promotion videos of local companies are produced and shown on digital signage. In conjunction with the Regional Charm Promotion Project, we are communicating information within and outside the prefecture.



Digital signage installed in the lobby of a branch

❹ Expansion of sales channels for regional brands such as Joban-mono.

As part of our efforts to promote the appeal of Fukushima’s food culture and support the expansion of sales channels, we are working to expand sales channels for Joban-mono products.

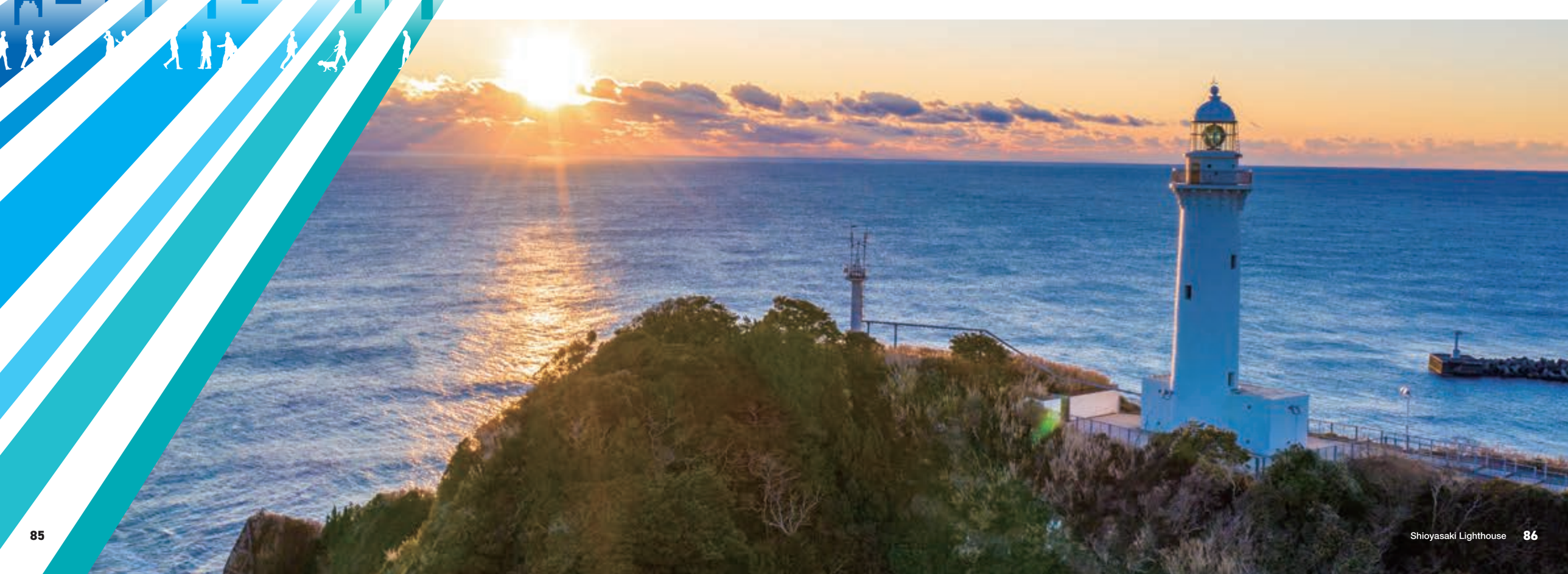


Talk session with active fishermen and ryokan owners

TOHO INTEGRATED REPORT BANK 2026

The Basis Supporting Sustainable Growth

Corporate Data



Shioyasaki Lighthouse

Dialogue with Outside Directors



Evolution of governance and effectiveness of the Board of Directors

—— What role does the Board of Directors play at Toho Bank?

Konishi: I was appointed as an outside director in June 2022, and this year marks my fifth year in the role. I feel that the Board of Directors has undergone significant changes during this time. In the early days of my tenure, there were quite a few occasions that resembled a question-and-answer session, with outside directors asking questions and the president responding. However, today, the Board of Directors has evolved into an interactive forum where management and outside directors freely exchange opinions and make decisions through extensive discussion. I believe this stems from the president's repeatedly emphasized policy of "Let's talk about it, let's give it a try." A culture has been fostered in which everyone shares their opinions regardless of rank or position, and executive officers and department heads now actively participate in discussions. I feel that the quality of our discussions has improved year by year and that governance has evolved significantly.

Hisada: From the beginning of my term in 2024, I was deeply impressed by the open and lively discussions taking place. What surprised me most was that the outside directors voiced frank and harsh criticism directed at the executive team. I felt that the Board of Directors was functioning as an effective authority, rather than as a formal approval body. In addition, Toho Bank has robust systems in place to bridge the information gap between outside directors and management. In addition to sharing the minutes of the Board of Managing Directors meetings, the Bank has established numerous forums, such as the Management Strategy Executive Committee and off-site meetings, where discussions can take place prior to Board of Directors meetings. For that reason, I believe that by the time we convene the board meeting, there is already a shared understanding of the issues and points for discussion, which leads to more in-depth discussions.

Oda: I have the same understanding. I believe the role of the Board of Directors is to provide objective oversight of management and strategic support for management with the aim of enhancing corporate value, and I feel that the Board of Directors of Toho Bank operates with a full awareness of this. In fact, there is no atmosphere in which proposals submitted to the Board of Directors are simply rubber-stamped. We engage in repeated, candid exchanges of opinions in advance, make revisions and adjustments as necessary, and hold lively discussions among management members at Board of Directors meetings. In this regard, I believe that the Board of Directors functions as a forum for constructive discussions aimed at improving corporate value.

Diverse perspectives enhance the quality of discussions

—— What do you think are the factors behind the increased effectiveness of the Board of Directors?

Hisada: One contributing factor is that the board is composed of outside directors with diverse backgrounds. Opinions are shared from a variety of perspectives, including those of sustainability experts, individuals with expertise in finance and economics, and those with experience in media and business management. I personally often gain new insights from the comments made by other outside directors. Since the newly added outside directors bring their own diverse perspectives, I look forward to seeing our discussions become even more wide-ranging in the future.

Konishi: I think transparency is another factor that supports the board's effectiveness. I often have the opportunity to work with other companies on issues related to sustainability and governance, and I feel that Toho Bank is very thorough in its disclosure of information. Since not only positive information but also challenges and risks are shared candidly, I can participate in discussions with confidence as an outside director.

Of course, this does not mean that there are no issues. While progress in areas such as sustainability has been made at a rapid pace, some initiatives, such as those related to human capital, have taken time to develop. What is important, however, is that we recognize the issues and are taking steady steps toward improvement. In that sense, I feel that Toho Bank is an organization that is always moving forward.

Oda: I also think that a high level of transparency is a major strength. Outside directors can access the necessary information on their own, and communication with management is smooth. I believe it is precisely because of this open and transparent atmosphere that we are able to have constructive discussions while maintaining a balance between supervision and support. The TX PLAN 2030 has also been progressing smoothly since its launch, and the fact that we are steadily implementing the plan and achieving results is surely one indication that the Board of Directors is functioning properly.

—— Was there any discussion that particularly stood out to you?

Hisada: The discussion on dividend policy left the strongest impression on me. There was a very lively discussion on where to strike a balance between strengthening shareholder returns and building up capital to prepare for future growth investments and risk-taking. As a result, we raised the target payout ratio from 30% to 40% as part of our shareholder return policy for the fiscal year ending March 31, 2027 and beyond. However, we examined this from multiple perspectives, including whether this level is truly sustainable and what form of shareholder return would be desirable assuming improved profitability, and I believe these discussions were extremely important in terms of enhancing corporate value.

Oda: What stands out most in my memory is the discussion regarding the acquisition of THE DAITO BANK shares. Relationships with financial institutions that operate in the same region have a significant impact on the local economy and our customers. Faced with the harsh reality of a declining population, we held numerous discussions to determine what options would be best for the community. When considering our mission as a regional financial institution, what will contribute most to the region's development from a medium- to long-term perspective? The process of making decisions while grappling with that question left a lasting impression on me.

The challenge of enhancing corporate value and improving the PBR

—— Given that a PBR of 1x or higher is expected, how do you think the Bank should go about enhancing its corporate value?

Oda: As a listed company, I believe that achieving a PBR of 1x is, of course, a goal we should strive to meet. If it has fallen below 1x, this should be interpreted as the market, in a sense, issuing a yellow card. Our profitability has steadily improved through the initiatives of TX PLAN 2030, and while I feel we are on the right track, it is also true that there is still room for improvement. Now that our growth strategy is gaining momentum, I believe this is the perfect opportunity to accelerate disruptive transformation rather than simply maintaining the status quo.

Konishi: It is not easy to improve the PBR in the banking industry. In addition, Fukushima faces the major structural challenge of a declining population. It is not easy to increase ROE under these circumstances, but I believe that the Bank is confronting the issue head-on. Symbolic of this is the revision of the officer remuneration plan. We have shifted from a system that primarily evaluated performance based on profit to one that places greater emphasis on ROE. I view this as a strong indication that the management team itself is committed to improving capital efficiency.

Hisada: I agree. The key, then, is how to build a framework that supports an increase in ROE. For several years now, the Bank has been applying the return on risk asset (RORA) framework to analyze the profitability of our various businesses and departments. We are working to refine our resource allocation by visualizing where we can generate the highest returns by investing capital and human resources.

New value created by DX and AI

—— What are your thoughts on the potential of DX and AI for improving profitability?

Oda: Fintech and AI are no longer in the proof-of-concept phase, but have entered a phase where they are actually generating results. They have the potential to lead directly to improved operational efficiency, improved customer convenience, and the creation of new earnings opportunities, and how this area is addressed will make a decisive difference. First and foremost, I think everyone needs to have the determination to make full use of DX and AI, even if that means rejecting past ways of doing things.

Hisada: The Bank is working to streamline back-office operations through DX and the consolidation of business processes. The objective is not simply to reduce costs, but to redirect the human resources freed up to frontline departments that have direct contact with customers, thereby enabling us to provide higher-quality proposals and ongoing support. We are currently working to establish a regional sales structure that brings together specialized personnel to deepen our engagement with customers. We aim to improve our profitability by simultaneously achieving greater efficiency through DX and strengthening our customer engagement.

Konishi: The environment surrounding regional companies is changing rapidly. Management challenges, including labor shortages, business succession, decarbonization, and DX promotion, are becoming increasingly complex. In light of these issues, it is crucial that the Bank be able to serve not merely as a source of funding, but as a partner that helps solve these challenges. To this end, it is also essential to improve the consulting capabilities of each and every bank employee. I believe DX will serve as a crucial foundation for making this a reality.

Dialogue with Outside Directors

What is the corporate value of Toho Bank?

—— How do you view the corporate value of Toho Bank?

Oda: I believe that the corporate value of a regional financial institution cannot be measured solely by market capitalization or financial indicators. In the case of Toho Bank as well, wouldn't it be fair to say that the trust of its local customers is the very foundation of its corporate value? The customer base, network, and ties to the local community that we have built up over many years cannot be easily replicated. We believe that earning the trust of our customers and working closely with them to contribute to the development of local communities will ultimately lead to improved earnings and enhanced corporate value.

Konishi: I believe that the corporate value of Toho Bank is encapsulated in the phrase "accompanying support." The Bank does not merely lend money. It considers customer issues together with them, explores solutions, and supports growth. Currently, the range of services that we can provide, including DX support, human resources support, and M&A support, is expanding significantly, including Group companies such as Toho Consulting Partners (TCP) and Toho IT Human Solutions (TIH). I believe that becoming a bank that local companies turn to first when they face challenges will lead to an increase in our corporate value.

Hisada: Our deposit base of ¥6 trillion is also of great value. In an era without interest rates, deposits were sometimes viewed as a cost, but that perception has changed significantly. The fact that there is still room for investment and lending even with such a large amount of funds is a major strength. Toho Bank should be able to create even greater value if it is able to channel the funds into the growth of the local economy and the development of companies.

Oda: Another important point is to effectively communicate the Bank's initiatives to the market. I believe we need to further strengthen communication with investors. Fukushima has a lot of good things. Not only Japanese sake but also agricultural products. However, it cannot be said that the region's appeal is always fully conveyed. The same is true of Toho Bank; while it is moving forward with various reforms and initiatives, I feel that these efforts are not being fully recognized.

Konishi: That's right. While the Bank is pursuing cutting-edge initiatives in the areas of sustainability and nature-positive practices, we cannot say that the value of these efforts is being fully communicated. That's exactly why I think it's important to communicate with confidence.

Hisada: We need to carefully communicate what Toho Bank is aiming for and what strategies it has in place. The Bank is currently making steady progress through the "Evolution" stage of TX PLAN 2030. In the next stage of "Co-creation," the results of our efforts will be put to the test in earnest. That is precisely why we would like to further deepen our dialogue with local communities and investors.

Roles of outside directors and the future of Toho Bank

—— What kind of approach do you prioritize as an outside director?

Konishi: In recent years, corporate governance reforms led by the Financial Services Agency and other bodies have placed greater emphasis on the effectiveness of boards of directors, and the roles expected of outside directors have also changed significantly.

I am constantly studying the latest trends in corporate governance, but there is no single correct answer to the debate over whether to prioritize oversight or focus on supporting management.

The Board of Directors of Toho Bank is composed of outside directors who bring a diverse range of experiences and values. Some emphasize supervision, while others prioritize management support. I feel that the strength of the Board of Directors is that we can engage in frank discussions while acknowledging those differences. Although I, too, am constantly wavering, I try to make comments while considering what will lead to improved corporate value at any given moment.

Hisada: I believe that the most important role expected of an outside director is to make objective judgements from an independent standpoint. It is essential to objectively assess whether a given initiative will truly enhance corporate value, without being swayed by internal political considerations. Our role isn't necessarily just to offer harsh criticism. We encourage good initiatives and candidly point out any issues. I believe that it is important to build on this approach.

Oda: I value the frontlines. No matter how much you read the materials, there are things that you simply can't see unless go out to the site. There is a lot of information that cannot be captured by numbers alone, such as the atmosphere of the branches, the vibe of the local community, and the expressions on customers' faces. I have visited various places throughout Fukushima Prefecture as much as my schedule has allowed, and no matter where I go, I'm struck by the immense potential of the region and the high expectations of our customers. While some areas are seeing the emergence of new industries, others are home to companies with their own unique technologies and cultures. I believe that one of the key roles of outside directors is to bring the insights gained from such onsite experiences back to the Board of Directors and incorporate them into the discussions.

Creative reconstruction and "Fukushima of the world"

—— What role should Toho Bank play in the community?

Oda: I believe that the reconstruction of Fukushima has already progressed to the stage of creating new industries. Various new industries, including robotics, drones, hydrogen, and decommissioning technology, are beginning to accumulate in Hamadori, especially in the Soso region. What is interesting is the potential of these technologies. For example, the remote-control and robotics technologies developed through nuclear plant decommissioning may one day be applied to space exploration and work in extreme environments. I think that Fukushima holds great potential as a testing ground for the society of the future.

Konishi: Fukushima Prefecture aims to generate, through renewable energy, an amount equivalent to 100% or more of the prefecture's primary energy demand by around 2040. When compared to the prefecture's total electricity consumption, the amount of renewable energy being introduced has already exceeded 100%, and efforts to create a model for a sustainable society are well underway. I believe Fukushima can become a frontrunner in showing what society should look like in the future. Above all, the name "Fukushima" has become known all over the world. In that sense, I believe that it would be of great significance if Fukushima, as "Fukushima of the world," could serve as a model for realizing a sustainable future society.

Oda: Even start-up companies with excellent technology have few acquaintances in Fukushima, and do not have many connections or networks within the local community. On the other hand, Toho Bank has deep ties to the local community and possesses extensive information about the region. If we leverage those strengths, I think we can play the role of an open innovation hub, connecting startups with local companies, universities, and various organizations.

I hope Toho Bank will become an "ecosystem producer." We will connect people with people, companies with companies, and technology with communities to support the creation of new value. I believe that such a role can only be fulfilled by a regional financial institution.

Konishi: I agree. Since the Great East Japan Earthquake, the Bank has continued to provide ongoing support to local companies, working closely with them every step of the way. That experience is a great asset. While we are currently working to support startups and foster the creation of new industries, we need to continue building on our expertise to support the region's efforts moving forward. Building the future of Fukushima Prefecture and improving the corporate value of Toho Bank are not two separate issues. As the region grows, so does the Bank. I think it is important to create such a virtuous cycle.

Toward the next stage of TX PLAN 2030

Hisada: I believe that Toho Bank has tremendous potential. We have made various strategic moves, including joining the TSUBASA Alliance, establishing TCP and TIH, promoting DX, and developing a consulting framework. It can be said that the first three years of the TX PLAN 2030 were a period dedicated to laying the groundwork. What's important starts now. We must translate the systems we have put in place to date into tangible results, and show that they lead to an increase in corporate value. I believe that the next three to four years will be a critical period.

Oda: I have the same understanding. Toho Bank enjoys strong trust from the local community and has a solid customer base. We are in a unique position, with our base in Fukushima, where creative reconstruction continues to advance. I would like to see the Bank take the lead in shaping a future for the region by leveraging its strengths.

Konishi: Fukushima has the potential to become a frontrunner in a sustainable society. And Toho Bank has the strength to support that challenge. We, the outside directors, also aim for a future where enhancing corporate value and regional development go hand in hand. We intend to continue supporting the Bank's progress through constructive discussions with management.



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.

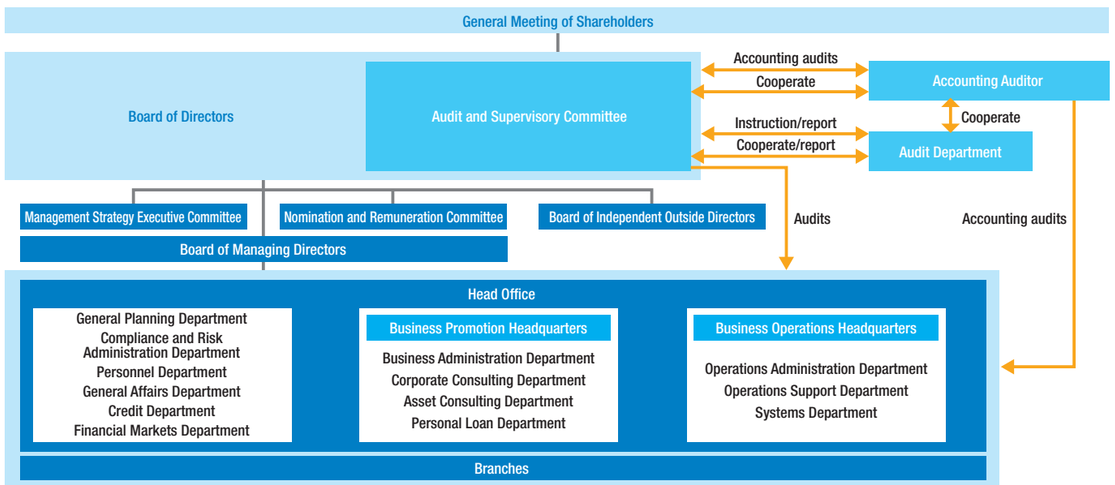
(1) Respect the rights of shareholders, work to create an environment in which shareholders can exercise their rights appropriately, and ensure substantial equality of shareholders.
(2) Strive for appropriate collaboration with various stakeholders, including shareholders, customers, employees, and regional 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 2019	● Raised the ratio of Independent Outside Directors to one-third
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
February 2023	● Commenced SR initiatives based on the substantial shareholder survey
June 2023	● Established the restricted stock remuneration plan
May 2024	● Implemented the Board of Directors effectiveness assessment utilizing an external evaluation agency (ongoing thereafter) ● Launched large meeting initiatives
July 2024	● Launched off-site meetings by Directors
April 2025	● Introduced a succession plan
September 2025	● Established the Group Strategy Section in the General Planning Department
March 2026	● Launched briefings for individual investors (held online)

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 (15 meetings held in the fiscal year ended March 31, 2026)

As of the date of publication of this Integrated Report, 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 one female Director), and four Directors serving as Audit and Supervisory Committee Members (three Outside Directors and two female 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) / (Independent Outside Directors (5) + Inside Directors (5)) = 50%

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 related to fiscal year management plans
- Formulation of the internal audit policy (audit plan)
- Preparation of the Corporate Governance Report
- Matters related to the establishment of an IT and HR-related subsidiary
- Matters related to the dissolution of Toho Securities Co., Ltd.
- Matters related to participation in TSUBASA Joint Administrative Center
- Matters related to the management framework for cyber security risks

Audit and Supervisory Committee meetings (14 meetings held in the fiscal year ended March 31, 2026)

The Audit and Supervisory Committee has four Directors (three Outside Directors and two female 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:

- Decision-making and execution of duties by Directors
- Development and operation of internal control systems
- The status of execution of the long-term management plan, TX PLAN 2030
- Restructuring sales structure through alliance with Nomura Securities
- Initiatives to strengthen governance of consolidated subsidiaries

Nomination and Remuneration Committee meetings (4 meetings held in the fiscal year ended March 31, 2026)

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 related to the selection of successor candidates
- Matters related to the initiatives concerning development and assignment plans, etc.

Management Strategy Executive Committee meetings (2 meetings held in the fiscal year ended March 31, 2026)

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, 2026 and policy for initiatives to be taken in the fiscal year ending March 31, 2027
- Consider reviewing the 10 Targets in TX PLAN 2030
- Talent portfolio strategy
- Generative AI strategy
- Group strategy
- Initiatives to enhance human capital, etc.

Corporate Governance

Assessment of Board effectiveness

Since the previous fiscal year, the Bank has conducted effectiveness assessments of the Board of Directors utilizing an external evaluation agency. This fiscal 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 2025 assessment of the effectiveness of the Board of Directors

Status of responses to issues identified in the previous fiscal year assessment of the effectiveness of the Board of Directors

We worked to enhance governance by implementing the following initiatives in the fiscal year ended March 31, 2026 in response to the four issues identified in the evaluation of the Board of Directors' effectiveness conducted in June 2025: (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.

(1) Operation of meetings to foster more active discussions at the Board

A. We reviewed the structure of meeting materials to ensure greater thoroughness in their content. Additionally, we set a maximum page limit and narrowed down key discussion points (require summary slides for proposals with high document volume).
B. Further simplification and streamlining of materials are still required for certain agenda items, and we will continue our efforts in this area.
C. For critical agenda items, we share information in advance and clarify key discussion points through Board of Independent Outside Directors' meetings and offsite meetings, creating an environment that fosters more active deliberation at Board meetings.

(2) Enhancement of group governance

A. In September 2025, the Group Strategy Section was established in the General Planning Department with the aim of enhancing Group governance. This organization is dedicated to overseeing overall executive operations across Group companies, including both sales and administrative functions, and driving unified Group management. Through these efforts, we are strengthening our initiatives to further leverage the Group's collective capabilities. Prior to the establishment of this organization, a report on current Group governance was presented to the Board of Directors for the first time in August 2025.
B. To enhance meeting effectiveness, the frequency of the Group Strategy Meeting (attended by executive officers of the Bank and Group companies) was reduced from six times a year to four times a year. In addition, we began holding the Group Company Management Committee (attended by responsible Bank departments and Group companies) twice a year to address practical operational issues more directly.

(3) Enhancing discussions on the officer evaluation process

A. The Nomination and Remuneration Committee deliberates on the selection, development, and assignment plans of successor candidates, as well as candidate performance evaluations and replacements.
B. In accordance with the annual succession planning schedule, reports are presented to the Committee on the progress of development and assignment plans as well as the results of successor candidate selections.

(4) Officer training based on succession plans

A. We conduct training as part of our succession plan framework for developing successor candidates, taking into account the roles and skills required at each management level and for each individual.
B. In our internal study sessions, we invited external lecturers to foster specialized knowledge and held group discussions on Bank management, thereby strengthening understanding of bank management and corporate governance.
C. Furthermore, through training programs and seminars hosted by external institutions, participants not only acquired essential management knowledge and skills as corporate managers but also engaged with leaders from diverse industries, thereby deepening their insights into corporate management from a broader perspective.

Evaluation results for the fiscal year ended March 31, 2026

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, 2026 was conducted, confirming that the effectiveness of the Board has been generally secured, with the evaluation index also remaining on par with 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"

On the other hand, to further enhance the function of the Board of Directors, we identify the following seven issues to be addressed in the future and intend to make continuous improvements: "Appropriate agenda setting and enhancement of prior explanations," "Deepening discussions on the strategic use of AI," "Strengthening agenda management," "Discussion of Group-wide business portfolio management," "Officer training to enhance the effectiveness of succession plans," "Discussion on incentive compensation to further improve corporate value," and "Enhancement of management conscious of cost of capital."

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



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. For non-executive Directors, remuneration 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 General Meeting of Shareholders.

Restricted stock remuneration is granted annually to Executive Directors according to position, within the annual limit of ¥70 million as resolved at the General Meeting of Shareholders.

Performance-linked remuneration is positioned as an incentive to encourage management's contribution to improving business performance. To enhance corporate value with a stronger emphasis on capital efficiency, consolidated return on equity (ROE) has been adopted as the evaluation metric. Within the limit of ¥70 million as resolved at the General Meeting of Shareholders, 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.

(Limit of ¥70 million)

Consolidated ROE level	Number of months of performance-linked remuneration payable
Over 10.0%	5.0 months
9.0% or more and less than 10.0%	4.5 months
8.0% or more and less than 9.0%	4.0 months
7.5% or more and less than 8.0%	3.5 months
7.0% or more and less than 7.5%	3.0 months
6.5% or more and less than 7.0%	2.5 months
6.0% or more and less than 6.5%	2.0 months
5.5% or more and less than 6.0%	1.5 months
5.0% or more and less than 5.5%	1.0 months
Less than 5.0%	0.0 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 solely of fixed monthly remuneration (base salary) and is determined through discussion by the Audit and Supervisory Committee within the annual limit of ¥80 million as resolved at the General Meeting of Shareholders.

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

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



Minoru Sato
President (Representative Director)

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



Katsutoshi Endo
Senior Managing Director (Representative Director)

Apr. 1988 Joined the Bank
Jun. 2019 Executive Officer and Branch Manager, Sendai Branch
June 2020 Executive Officer and Deputy Head, Business Promotion Headquarters
Jun. 2021 Managing Executive Officer and General Manager, Head Office
Mar. 2023 Managing Executive Officer
Jun. 2023 Senior Managing Director (Representative Director)
Mar. 2025 Senior Managing Director (Representative Director) and Head, Business Promotion Headquarters
Mar. 2026 Senior Managing Director (Representative Director) (current position)



Takashi Sekine
Senior Managing Director (Representative Director)

Apr. 1989 Joined the Bank
Jun. 2022 Executive Officer and Branch Manager, Sendai Branch and Sendai-Minami Branch
Mar. 2024 Executive Officer and General Manager, Iwaki Main Office
Jun. 2024 Managing Executive Officer and General Manager, Iwaki Main Office
Mar. 2026 Managing Executive Officer
Jun. 2026 Senior Managing Director (Representative Director) (current position)



Satoshi Kanari
Managing Director

Apr. 1990 Joined the Bank
Jun. 2023 Executive Officer and General Manager, General Planning Department
Jun. 2024 Executive Officer and General Manager, Koriyama Main Office
Jun. 2025 Managing Executive Officer and General Manager, Koriyama Main Office
Mar. 2026 Managing Executive Officer and Head, Business Promotion Headquarters
Jun. 2026 Managing Director and Head, Business Promotion Headquarters (current position)



Masako Konishi
Outside Director (part-time)

Apr. 1981 Joined Announcement Department, Chubu-Nippon Broadcasting Co., Ltd.
Apr. 1989 Served as a caster and reporter at multiple broadcasting stations such as NHK, TBS, and CNN
Apr. 1998 Obtaining certificate of weather forecaster, served as a weather forecaster at MX TV, etc.
Jun. 2001 Joined Weathernews Inc.
Sep. 2005 Joined WWF Japan (current position)
Apr. 2017 Specially Appointed Professor, Department of Business Design, Faculty of Global Business, Showa Women's University
Apr. 2022 Specially Appointed Professor, Graduate School of Advanced Integrated Studies in Human Survivability, Kyoto University
Jun. 2022 Outside Director (Part-time), The Toho Bank, Ltd. (current position)
Apr. 2026 Visiting Professor, Graduate Program in Welfare Co-creation Management, Showa Women's University (current position)



Toshiyuki Hata
Outside Director (part-time)

Apr. 1979 Joined the Fukushima Prefectural Government
Apr. 2009 Senior Policy Administrator, Agriculture, Forestry and Fishery Department, Fukushima Prefectural Government
Apr. 2010 Director General, Aizu Development Bureau, Fukushima Prefectural Government
Apr. 2012 Director General, Agriculture, Forestry and Fishery Department, Fukushima Prefectural Government
Apr. 2015 Vice Governor, Fukushima Prefecture
May 2019 Chairperson, Guarantee Corporation of Fukushima
Jun. 2024 Outside Corporate Auditor (Part-time), TV-U FUKUSHIMA, INC. (current position)
Jun. 2026 Outside Director (Part-time), The Toho Bank, Ltd. (current position)

Executive Officers and Officers on the Audit and Supervisory Committee

Managing Executive Officer (Head of Business Operations Headquarters)	Naoyuki Tanabe
Managing Executive Officer (General Manager, Aizu Main Office)	Hiroyuki Kikuchi
Managing Executive Officer (General Manager, Head Office)	Masaru Uemuro
Managing Executive Officer (General Manager, Koriyama Main Office)	Masato Seino
Managing Executive Officer (General Manager, General Planning Department)	Midori Tsumuraya
Managing Executive Officer (General Manager, Iwaki Main Office)	Koki Endo
Executive Officer (Deputy Head, Business Operations Headquarters and General Manager, Systems Department)	Tadashi Shimura
Executive Officer (General Manager, Audit Department)	Kaoru Shirai
Executive Officer (Deputy Head, Business Promotion Headquarters and General Manager, Asset Consulting Department)	Eiji Watanabe
Executive Officer (Tokyo Branch)	Naoyuki Kodama
Executive Officer (General Manager, Compliance and Risk Administration Department)	Yasuhiko Endo
Executive Officer (Branch Manager, Sukagawa Branch, Sukagawa-nishi Branch, and Kagamiishi Branch)	Yuki Sano
Executive Officer (Deputy Head, Business Operations Headquarters and General Manager, Operations Administration Department)	Hitoshi Nikaido
Executive Officer (Branch Manager, Shirakawa Branch, Shirakawa-Nishi Branch and Shirakawa City Hall Branch)	Yoshinori Mashiko
Officers on the Audit and Supervisory Committee	Masatomo Fujishima

Directors Serving as Audit and Supervisory Committee Members



Yumiko Takahashi
Director (Audit and Supervisory Committee Member)

Apr. 1982 Joined the Bank
Jun. 2019 Executive Officer and General Manager, Operations Administration Department
Jun. 2022 Executive Officer and Deputy Head, Business Operations Headquarters and General Manager, Operations Administration Department
Jun. 2024 Officers on the Audit and Supervisory Committee
Jun. 2026 Director (current position)



Takamasa Hisada
Outside Director (Audit and Supervisory Committee Member, Part-time)

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



Toru Oda
Outside Director (Audit and Supervisory Committee Member, Part-time)

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



Yuko Takagi
Outside Director (Audit and Supervisory Committee Member, Part-time)

Sep. 2007 Registered as an attorney-at-law
Joined SHIBA INTERNATIONAL Law Offices
Dec. 2013 Specified Researcher, Industry-government-academia Partnership Headquarters, Kyoto University
Oct. 2016 Joined Atsumi & Sakai (currently, member of the Tokyo Bar Association)
Aug. 2021 Corporate Auditor, Orizuru Therapeutics, Inc.
Jun. 2026 Outside Director (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)	●	●	●	●	●		●
Takashi Sekine	Senior Managing Director (Representative Director)	●	●	●	●			●
Satoshi Kanari	Managing Director	●	●	●	●		●	●
Masako Konishi Outside	Director (Part-time)	●		●	●	●	●	●
Toshiyuki Hata Outside	Director (Part-time)	●	●		●	●		
Yumiko Takahashi	Director, Audit and Supervisory Committee Member	●	●	●		●		●
Takamasa Hisada Outside	Director, Audit and Supervisory Committee Member (Part-time)	●	●			●	●	
Toru Oda Outside	Director, Audit and Supervisory Committee Member (Part-time)	●	●	●		●		●
Yuko Takagi Outside	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

Risk Management

Risk management system

As financial services and operations become more diverse, the risks faced by banks are also becoming more complex.

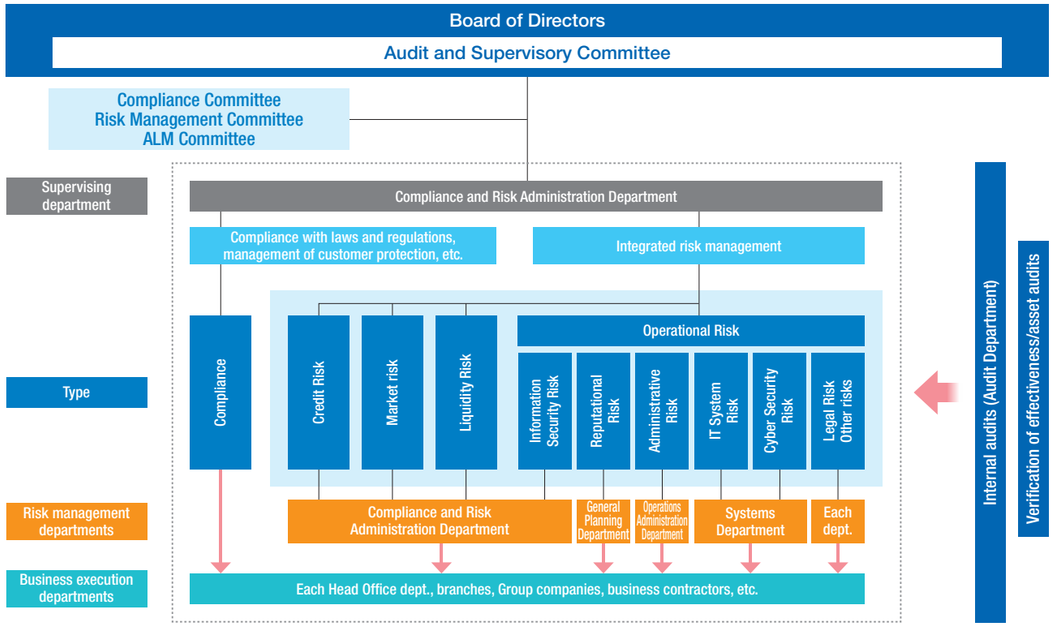
To improve the soundness of management and ensure appropriate business operations, the Bank has established a Basic Policy on Risk Management and strives to enhance and strengthen risk management based on the principle of self-responsibility.

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.

Compliance/risk management system

(As of June 2026)



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.

Under RAF, to achieve TX PLAN 2030, we comprehensively identify major risk events, including risk events that could have a significant impact on management, as well as financial and operational risks, 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.

Based on the major 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. Through regular monitoring, we develop a system capable of ensuring appropriate risk-taking and risk control.

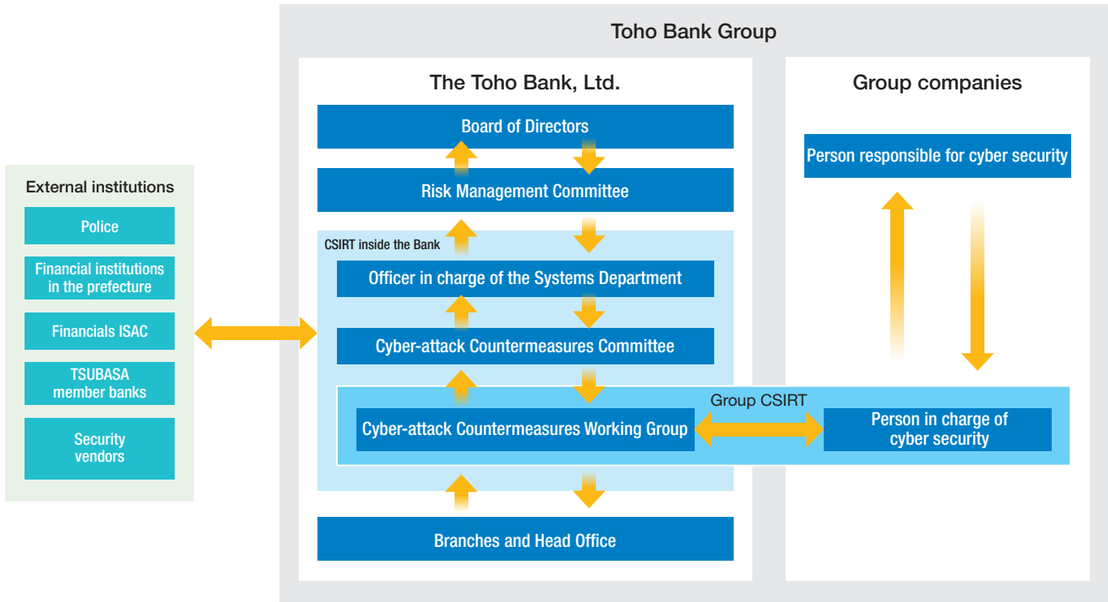
Furthermore, management including Outside Directors engages in multifaceted discussions regarding the selection and control status of major and top risks. By sharing an understanding of key risks, we ensure robust governance. In addition, flexible reviews are conducted during the fiscal year as necessary, taking into account changes in the internal and external environment.

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 establishing business continuity plans and developing fixed protocols as well as 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



Major risks

Magnitude of impact \ Likelihood of occurrence	Low	Medium	High
Low		• Risks related to impairment of fixed assets, etc.	
Medium	• Reputational Risk • 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 • Lack of specialists • Climate change risks
High	• Advances in digital technology • Risks associated with inappropriate conduct by officers and employees • Risks associated with important business partners • Risk of business suspension due to large-scale natural disasters and other events	• 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 established by the Board of Directors 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 for all officers and employees.

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.

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: 0120-817-355 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.

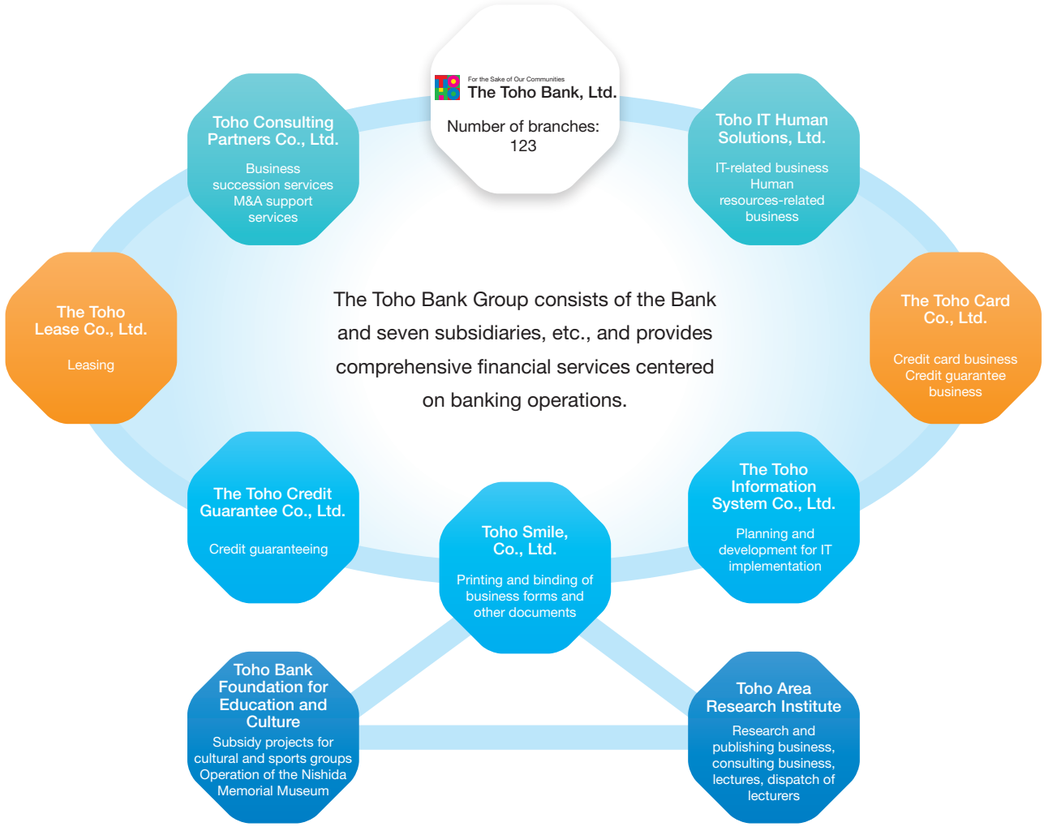
Financial Data (10 Years) Business year ended March 31, 2026

(Billions of yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Performance Summary										
〉Gross business profit	46.5	46.3	44.9	45.7	40.9	42.8	39.1	42.3	43.9	52.5
〉Net interest income	38.9	38.6	36.3	34.3	32.4	34.1	33.3	35.0	38.7	46.4
〉Fees and commissions income	7.8	8.5	9.2	7.6	7.6	7.8	7.0	7.1	7.2	7.8
〉Other operating income	(0.2)	(0.8)	(0.6)	3.6	0.8	0.8	(1.2)	0.1	(2.0)	(1.7)
〉Of which, gains (losses) on bonds	0.1	(0.1)	(0.9)	3.4	(0.0)	0.0	(1.0)	0.2	(1.6)	(2.1)
〉Expenses	37.5	36.5	35.0	34.0	32.9	31.8	30.7	33.3	34.3	38.5
〉Net core business profit	8.8	9.9	10.8	8.1	8.0	10.9	9.3	8.7	11.2	16.1
〉Ordinary profit (loss)	10.6	10.1	5.9	3.8	(5.6)	8.9	6.1	7.9	10.8	16.1
〉Profit (loss)	7.3	7.0	4.0	2.5	(5.5)	6.1	4.5	5.4	7.6	12.0
〉Credit-related costs	0.9	1.3	6.6	6.9	11.3	2.3	2.2	1.8	0.6	0.7
〉Profit (loss) attributable to owners of the parent (Consolidated)	7.0	7.3	3.5	2.7	(4.6)	6.7	4.4	5.2	7.4	12.3
Balance Sheets Summary										
〉Loans and bills discounted	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	4,250.6
〉Loans to small and medium-sized enterprises	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	2,075.7
〉Housing loans	680.2	719.4	748.7	761.8	763.5	780.7	789.9	792.6	799.6	822.8
〉Securities	1,529.6	1,199.7	574.9	363.9	495.3	523.9	564.8	877.7	1,207.5	1,394.0
〉Deposits	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	5,751.1
〉Negotiable certificates of deposit	398.3	446.5	474.1	472.8	348.7	474.6	427.3	475.3	396.0	424.2
〉Total shareholders' equity	172.7	177.9	180.0	180.7	174.5	179.0	182.1	185.7	190.7	199.8
〉Total valuation and translation adjustments	18.5	15.9	10.0	4.9	8.0	2.6	(2.8)	5.3	(9.5)	(1.3)
Indicator Summary										
〉ROE (%) (Consolidated)	3.58	3.70	1.81	1.41	(2.44)	3.52	2.34	2.64	3.69	5.95
〉Core OHR (%) (Consolidated)	—	—	—	—	77.8	73.1	76.3	78.9	74.9	70.5
〉Capital adequacy ratio (%) (Consolidated)	9.22	9.03	8.74	8.96	9.28	9.66	9.36	9.83	10.75	11.73
〉Net assets per share (Yen) (Consolidated)	778.22	793.34	774.13	757.70	759.30	764.67	757.81	817.31	789.86	871.38
〉Basic earnings (loss) per share (Yen) (Consolidated)	28.07	29.11	14.22	10.82	(18.50)	26.79	17.82	20.82	29.78	49.44
〉Dividend per share (Yen) (Consolidated)	8.00	8.00	8.00	6.00	5.00	7.00	7.00	7.00	9.00	17.00
〉Payout ratio (%) (Consolidated)	28.5	27.4	56.2	55.4	—(*)	26.1	39.2	33.6	30.2	34.3

(*) 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



Status of subsidiaries, etc.

As of July 31, 2026

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 Consulting Partners Co., Ltd.	4-4, Ohmachi, Fukushima	Business succession services 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 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	39.7%	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	—%	—%

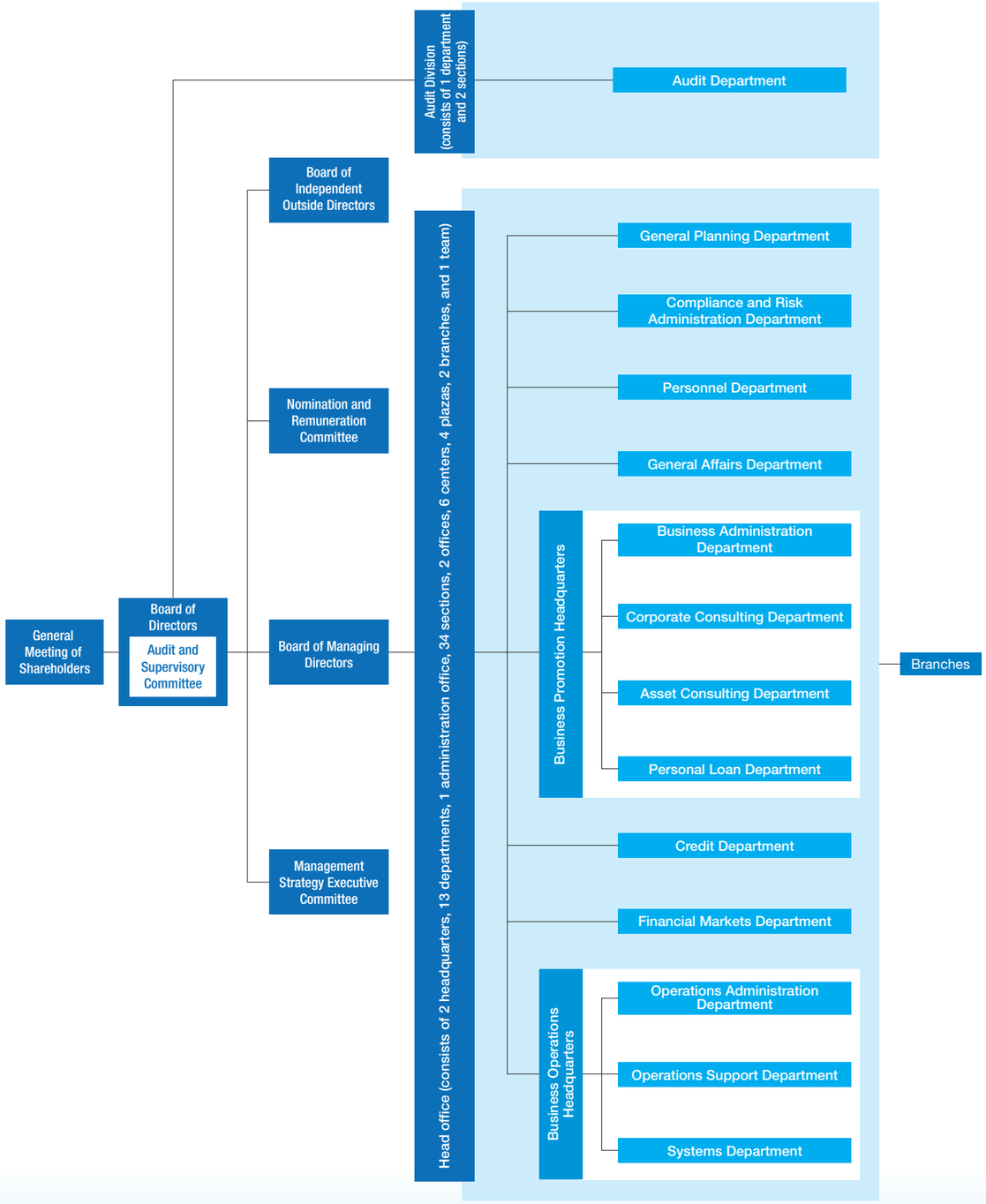
Related institutions

As of July 31, 2026

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

Organization

(As of July 31, 2026)



Corporate Profile (As of March 31, 2026)

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	¥6,721.2 billion
Total balance of deposits	¥6,175.4 billion
Loans and bills discounted	¥4,250.6 billion
Capital adequacy ratio	Non-consolidated: 11.26%, Consolidated: 11.73% (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	1,888

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)	26,258	10.50
Custody Bank of Japan, Ltd. (Trust Account)	11,036	4.41
Meiji Yasuda Life Insurance Company	9,924	3.97
Fukushima Shoji Co., Ltd.	8,436	3.37
Toho Bank Employee Stock Ownership Association	8,336	3.33
Nippon Life Insurance Company	7,938	3.17
Nitto Boseki Co., Ltd.	4,746	1.89
Sumitomo Life Insurance Company	3,939	1.57
Kei Takahashi	3,418	1.36
JPMorganChase Bank 385781	3,149	1.26
Total	87,183	34.88

(Note) 1. The number of shares held is rounded down to the nearest thousand.
2. As of March 31, 2026, the Bank held 2,612 thousand shares of treasury stock. 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.

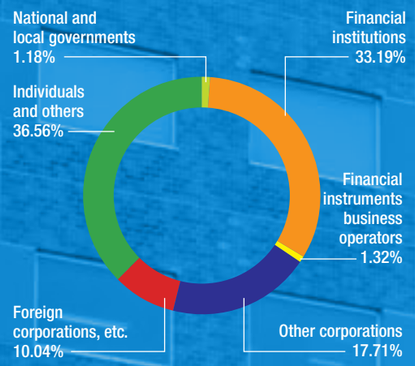
T O H O B A N K

Stock Information

(As of March 31, 2026)

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





Financial Statements

Consolidated Balance Sheets
As of March 31, 2026 and 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2026	2025	2026
Assets:			
Cash and due from banks (Notes 16 and 21)	¥ 946,713	¥ 1,235,480	$ 5,921,402
Monetary claims bought	12,390	12,547	77,496
Trading account securities (Notes 21 and 22)	–	55	–
Money held in trust (Note 23)	5,450	7,150	34,088
Securities (Notes 4, 7, 10, 21 and 22)	1,398,008	1,209,460	8,744,109
Loans and bills discounted (Notes 5, 7, 8, 21 and 28)	4,227,234	4,039,402	26,440,045
Foreign exchanges (Note 21)	4,333	1,544	27,107
Lease receivables and investment assets (Note 20)	19,418	16,177	121,459
Other assets (Notes 7, 21 and 24)	70,452	74,414	440,660
Tangible fixed assets (Note 9)	35,897	35,511	224,529
Intangible fixed assets	11,228	12,411	70,229
Net defined benefit assets (Note 18)	16,046	10,510	100,366
Deferred tax assets (Note 17)	9,920	15,925	62,052
Customers' liabilities for acceptances and guarantees (Note 6)	8,519	7,841	53,288
Allowance for loan losses (Note 21)	(23,232)	(25,192)	(145,310)
Total assets	¥ 6,742,383	¥ 6,653,240	$ 42,171,524
Liabilities:			
Deposits (Notes 7 and 21)	¥ 6,159,019	¥ 6,152,659	$ 38,522,765
Call money and bills sold	—	—	—
Payables under securities lending transactions (Note 7)	—	—	—
Borrowed money (Notes 7, 21 and 30)	237,635	216,339	1,486,333
Foreign exchanges (Note 21)	451	313	2,821
Borrowed money from trust account (Note 11)	5,895	5,714	36,873
Other liabilities (Notes 21, 24 and 30)	108,864	68,736	680,913
Net defined benefit liability (Note 18)	157	164	984
Provision for reimbursement of deposits	223	298	1,400
Provision for contingent loss	813	692	5,088
Provision for customer point program	218	220	1,365
Reserve under special laws	–	1	–
Deferred tax liabilities (Note 17)	858	1,029	5,368
Deferred tax liabilities for land revaluation (Note 17)	1,979	1,993	12,380
Acceptances and guarantees (Note 6)	8,519	7,841	53,288
Total liabilities	6,524,636	6,456,005	40,809,583
Commitments and contingent liabilities (Note 8)			
Net Assets (Note 15):			
Capital stock	23,519	23,519	147,105
Capital surplus	13,653	13,653	85,398
Retained earnings	173,628	164,248	1,085,993
Treasury stock	(946)	(1,012)	(5,921)
Shareholders' equity	209,854	200,408	1,312,575
Valuation difference on available-for-sale securities (Note 22)	(13,786)	(9,149)	(86,228)
Deferred gains or losses on hedges (Note 24)	14,849	2,130	92,879
Revaluation reserve for land (Note 2(f))	(929)	(898)	(5,814)
Remeasurements of defined benefit plans (Note 18)	7,758	4,744	48,528
Total accumulated other comprehensive income	7,892	(3,173)	49,366
Total net assets (Note 19)	217,747	197,234	1,361,941
Total liabilities and net assets	¥ 6,742,383	¥ 6,653,240	$ 42,171,524

See notes to consolidated financial statements.

Consolidated Statements of Income
For the years ended March 31, 2026 and 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2026	2025	2026
Income:			
Interest income:			
Interest on loans and discounts	¥ 42,227	¥ 30,855	$ 264,119
Interest and dividends on securities	13,089	7,417	81,872
Other interest income	7,042	4,579	44,046
Fees and commissions income	15,659	15,428	97,942
Other operating income	11,084	9,618	69,332
Other income (Note 13)	3,380	2,607	21,142
Total income	92,483	70,508	578,457
Expenses:			
Interest expenses:			
Interest on deposits	11,635	3,833	72,779
Interest on borrowings and rediscounts	1,243	190	7,780
Other interest expenses	4,106	1,210	25,687
Fees and commissions expenses	6,011	5,575	37,600
Other operating expenses	11,523	10,485	72,075
General and administrative expenses (Note 12)	39,674	35,956	248,154
Other expenses (Note 14)	1,369	2,549	8,564
Total expenses	75,566	59,803	472,642
Profit before income taxes	16,917	10,704	105,814
Income taxes (Note 17):			
Current	3,684	2,548	23,046
Deferred	879	710	5,499
Total	4,563	3,259	28,546
Profit	12,353	7,445	77,267
Profit attributable to owners of parent (Note 19)	¥ 12,353	¥ 7,445	$ 77,267

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income
For the years ended March 31, 2026 and 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2026	2025	2026
Profit	¥ 12,353	¥ 7,445	$ 77,267
Other comprehensive income (Note 25):			
Valuation difference on available-for-sale securities	(4,636)	(16,503)	(28,999)
Deferred gains or losses on hedges	12,719	2,130	79,555
Revaluation reserve for land	–	(57)	–
Remeasurements of defined benefit plans, net of tax (Note 18)	3,014	863	18,854
Total other comprehensive income (loss)	11,097	(13,567)	69,409
Comprehensive income (loss)	¥ 23,450	¥ (6,121)	$ 146,677
Total comprehensive income (loss) attributable to:			
Owners of parent	¥ 23,450	¥ (6,121)	$ 146,677
	¥ 23,450	¥ (6,121)	$ 146,677

See notes to consolidated financial statements.

Financial Statements

Consolidated Statements of Changes in Net Assets
For the years ended March 31, 2026 and 2025

Millions of Yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity
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, April 1, 2025	¥ 23,519	¥ 13,653	¥ 164,248	¥ (1,012)	¥ 200,408
Changes of items during the year					
Dividends from retained earnings			(2,997)		(2,997)
Profit attributable to owners of parent			12,353		12,353
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock		(6)		66	59
Transfer from retained earnings to capital surplus		6	(6)		–
Reversal of land revaluation excess, net of tax			31		31
Net changes of items other than stockholders' equity during year					
Total changes of items during the year	–	–	9,380	65	9,446
BALANCE, March 31, 2026	¥ 23,519	¥ 13,653	¥ 173,628	¥ (946)	¥ 209,854

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, 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, April 1, 2025	¥ (9,149)	¥ 2,130	¥ (898)	¥ 4,744	¥ (3,173)	¥ 197,234
Changes of items during the year						
Dividends from retained earnings						(2,997)
Profit attributable to owners of parent						12,353
Acquisition of treasury stock						(0)
Disposal of treasury stock						59
Transfer from retained earnings to capital surplus						–
Reversal of land revaluation excess, net of tax						31
Net changes of items other than stockholders' equity during year	(4,636)	12,719	(31)	3,014	11,066	11,066
Total changes of items during the year	(4,636)	12,719	(31)	3,014	11,066	20,512
BALANCE, March 31, 2026	¥ (13,786)	¥ 14,849	¥ (929)	¥ 7,758	¥ 7,892	¥ 217,747

Thousands of U.S. Dollars (Note 3)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity
BALANCE, April 1, 2025	$ 147,105	$ 85,398	$ 1,027,321	$ (6,333)	$ 1,253,492
Changes of items during the year					
Dividends from retained earnings			(18,749)		(18,749)
Profit attributable to owners of parent			77,267		77,267
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock		(41)		413	372
Transfer from retained earnings to capital surplus		41	(41)		–
Reversal of land revaluation excess, net of tax			194		194
Net changes of items other than stockholders' equity during year					
Total changes of items during the year	–	–	58,671	411	59,083
BALANCE, March 31, 2026	$ 147,105	$ 85,398	$ 1,085,993	$ (5,921)	$ 1,312,575

Thousands of U.S. Dollars (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, 2025	$ (57,228)	$ 13,324	$ (5,619)	$ 29,674	$ (19,849)	$ 1,233,642
Changes of items during the year						
Dividends from retained earnings						(18,749)
Profit attributable to owners of parent						77,267
Acquisition of treasury stock						(0)
Disposal of treasury stock						372
Transfer from retained earnings to capital surplus						–
Reversal of land revaluation excess, net of tax						194
Net changes of items other than stockholders' equity during year	(28,999)	79,555	(194)	18,854	69,215	69,215
Total changes of items during the year	(28,999)	79,555	(194)	18,854	69,215	128,298
BALANCE, March 31, 2026	$ (86,228)	$ 92,879	$ (5,814)	$ 48,528	$ 49,366	$ 1,361,941

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Consolidated Statements of Cash Flows
For the years ended March 31, 2026 and 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2026	2025	2026
Cash flows from operating activities			
Profit before income taxes	¥ 16,917	¥ 10,704	$ 105,814
Depreciation expense	4,622	4,352	28,913
Impairment loss	35	284	223
Increase (decrease) in allowance for loan losses	(1,960)	277	(12,262)
Decrease in net defined benefit liability	(5,543)	(2,625)	(34,673)
Decrease in provision for reimbursement of deposits	(74)	(28)	(466)
Increase in provision for contingent loss	120	131	756
Increase (decrease) in provision for customer point program	(2)	3	(12)
Interest income	(62,359)	(42,852)	(390,039)
Interest expenses	16,986	5,235	106,247
Gain on securities	52	544	326
Gain on money held in trust	(3)	(3)	(20)
(Gain) loss on foreign exchange	(479)	163	(2,999)
Gain on sale of fixed assets	(2)	(14)	(13)
Net (increase) decrease in trading account securities	55	(12)	348
Net increase in loans and bills discounted	(187,832)	(117,349)	(1,174,833)
Net decrease in deposits	(19,794)	(62,001)	(123,807)
Net increase (decrease) in negotiable certificates of deposit	26,154	(78,275)	163,590
Net increase in borrowed money (excluding subordinated borrowings)	21,296	23,405	133,199
Net (increase) decrease in due from banks other than BOJ	587	(200)	3,675
Net decrease in call loans and bills bought	157	247	983
Net increase in foreign exchange assets	(2,789)	(612)	(17,444)
Net increase in foreign exchange liabilities	137	89	861
Net increase in lease receivables and investment assets	(3,241)	(1,996)	(20,276)
Net increase (decrease) in borrowed money from trust account	180	(296)	1,128
Interest received	60,626	40,329	379,199
Interest paid	(15,173)	(4,058)	(94,907)
All other operating activities	63,538	21,153	397,416
Sub-total	(87,785)	(203,403)	(549,072)
Income taxes paid, net	(2,509)	(3,772)	(15,697)
Net cash used in operating activities	(90,295)	(207,175)	(564,770)
Cash flows from investing activities			
Purchase of equity and other securities	(584,837)	(466,606)	(3,657,977)
Proceeds from sales of equity and other securities	147,098	81,371	920,055
Proceeds from maturities of securities	244,774	38,566	1,530,989
Increase in money held in trust	(800)	(600)	(5,003)
Decrease in money held in trust	2,500	1,400	15,636
Expenditures for tangible fixed assets	(2,520)	(3,380)	(15,765)
Proceeds from sales of tangible fixed assets	73	251	459
Expenditures for intangible fixed assets	(1,220)	(1,275)	(7,633)
Net cash used in investing activities	(194,932)	(350,273)	(1,219,239)
Cash flows from financing activities			
Dividends paid	(2,997)	(1,881)	(18,749)
Repayment of lease obligations	(13)	(13)	(84)
Purchase of treasury stock	0	(1,000)	(1)
Proceeds from sales of treasury stock	59	58	372
Net cash used in financing activities	(2,952)	(2,837)	(18,463)
Effect of exchange rate changes in cash and cash equivalents	–	–	–
Net decrease in cash and cash equivalents	(288,179)	(560,286)	(1,802,473)
Cash and cash equivalents at beginning of fiscal year	1,234,389	1,794,675	7,720,723
Cash and cash equivalents at end of fiscal year (Note 16)	¥ 946,209	¥ 1,234,389	$ 5,918,250

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, 2026 and 2025 is as follows:

	2026	2025
Number of consolidated subsidiaries:	**7**	8
Number of unconsolidated subsidiaries:	**2**	2

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.

(Material change in scope of consolidation)

Toho Credit Service Co., Ltd., which had been a consolidated subsidiary of the Bank through the previous consolidated fiscal year, was dissolved effective April 1, 2025 as a result of an absorption-type merger in which Toho Card Co., Ltd., also a consolidated subsidiary of the Bank, was the surviving company. Accordingly, Toho Credit Service Co., Ltd. has been excluded from the scope of consolidation from the current consolidated fiscal year.

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In addition, Toho IT Human Solutions, Ltd. has been included in the scope of consolidation from the current consolidated fiscal year, following its establishment on July 1, 2025.

Furthermore, Toho Securities Co., Ltd. completed liquidation on January 27, 2026 and has accordingly been excluded from the scope of consolidation from the current consolidated fiscal year. Its statements of income up to the completion of liquidation, however, are included in the consolidated financial statements.

(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, 2026 and 2025 is as follows:

	2026	2025
Number of affiliates accounted for by the equity method	**1**	1
Number of unconsolidated subsidiaries not accounted for by the equity method	**2**	2
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.

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(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, 2026 and 2025 pursuant to Article 10 of the Act was ¥3,112 million and ¥3,431 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 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) 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.

(l) Translation of foreign currency assets and liabilities

Assets and liabilities are translated into Japanese yen mainly at the exchange rates prevailing at the

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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.

(m) 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.

(n) 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.

(o) 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.

(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.

(p) 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.

(q) 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.

(r) Significant accounting estimates

(1) The Bank recorded an allowance for loan losses of ¥23,232 million and ¥25,192 million in the consolidated balance sheets as of the fiscal years ended March 31, 2026 and 2025, 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.

(s) New accounting pronouncements

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

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"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.

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 ¥159.88 = U.S. $1.00, the exchange rate prevailing on March 31, 2026. 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.

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	**2026**	2025
Securities lent under unsecured loan-for-consumption contracts	**¥ 67,307**	¥56,097

5. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2026 and 2025 included the following loans:

	Millions of Yen	
March 31	**2026**	2025
Loans to bankrupt or substantially bankrupt borrowers	**¥ 22,578**	¥ 23,313
Doubtful loans	**30,373**	29,833
Loans subject to monitoring	**2,301**	2,427
Loans past due 3 months or more	**272**	336
Restructured loans	**2,029**	2,090
Subtotal	**55,253**	55,574
Normal loans	**4,220,391**	4,068,372
Total	**¥ 4,275,644**	¥ 4,123,947

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 ¥3,838 million and ¥4,041 million as of March 31, 2026 and 2025, 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, 2026 and 2025 were as follows:

	Millions of Yen	
March 31	**2026**	2025
Pledged assets:		
Securities	**¥ 38,676**	¥ 31,588
Loans and bills discounted	**439,206**	457,877
Total pledged assets	**¥ 477,882**	¥ 489,465
Liabilities covered by pledged assets:		
Deposits	**¥ 13,455**	¥ 21,576
Borrowed money	**235,800**	213,600
Total liabilities covered by pledged assets	**¥ 249,255**	¥ 235,176

In addition to the above, Securities in the amount of ¥33,232 million and nil, and Other assets in the

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amount of ¥283 million and ¥36,134 million were pledged as collateral in connection with exchange settlements and derivatives, etc. as of March 31, 2026 and 2025, respectively.

Deposits to central counterparty in the amount of nil and ¥4,845 million, security deposits in the amount of ¥846 million and ¥869 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, 2026 and 2025, 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 ¥823,482 million and ¥848,602 million as of March 31, 2026 and 2025, respectively. Of this amount, facilities/contracts which expire within one year at inception or which are unconditionally cancelable at any time, totaled ¥762,863 million and ¥794,049 million as of March 31, 2026 and 2025, 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 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 ¥47,252 million and ¥47,344 million, and advanced depreciation on Tangible fixed assets was ¥740 million and ¥740 million as of March 31, 2026 and 2025, 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 ¥35,071 million and ¥41,845 million as of March 31, 2026 and 2025, respectively.

11. Borrowed Money from Trust Account

Borrowed money from trust account totaled ¥5,889 million and ¥5,714 million as of March 31, 2026 and 2025, respectively.

12. General and Administrative Expenses

General and administrative expenses for the years ended March 31, 2026 and 2025 principally consisted of the following:

	Millions of Yen	
March 31	**2026**	2025
Salaries and allowances	**¥16,411**	¥15,075
Net pension cost	**(169)**	30
Depreciation expense	**4,498**	4,193

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13. Other Income

Other income for the years ended March 31, 2026 and 2025 principally consisted of the following:

	Millions of Yen	
March 31	**2026**	2025
Gain on sales of stocks and other securities	**¥2,304**	¥1,303
Gain on disposal of fixed assets	**17**	64
Compensation for forced relocation due to expropriation of land	**1**	**–**
Gain on recoveries of written off loans	**13**	15

14. Other Expenses

Other expenses for the years ended March 31, 2026 and 2025 principally consisted of the following:

	Millions of Yen	
March 31	**2026**	2025
Loss on disposal of fixed assets	**¥ 155**	¥ 273
Loss on impairment of fixed assets	**35**	284
Provision of allowance for loan losses	**416**	803
Provision to reserve for financial product transactions	**–**	0
Write-off of loans	**42**	67
Loss on sales of equity securities	**179**	221

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, 2026 and 2025:

(Millions of Yen)

			Losses	
Area	Purpose of use	Type	**2026**	2025
Fukushima Area	Branch premises	Land	**¥ –**	¥ 75
		Building	**–**	16
		Other tangible fixed assets	**–**	5
		Other intangible fixed assets	**19**	–
		Software	**–**	44
	Idle assets	Land	**4**	139
		Building	**0**	2
		Other tangible fixed assets	**0**	0
Outside Fukushima Area	Branch premises	Building	**8**	–
		Other tangible fixed assets	**3**	–
		Other intangible fixed assets	**0**	–
			¥ 35	¥ 284

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 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, 2026 and 2025 were summarized as follows:

(Thousand Shares)

	Number of Shares as of April 1, 2025	Number of Shares Increased	Number of Shares Decreased	Number of Shares as of March 31, 2026
Outstanding Shares Common Stock	**252,500**	–	–	**252,500**
Treasury Stock Common Stock (*)	**2,794**	**0**	**182**	**2,612**

(*) Increase by 0 thousand shares is due to acquisition of odd-lot shares and additional purchase of odd-lot shares, and decrease by 182 thousand shares is due to disposal of treasury stock as restricted stock remuneration.

(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.

Detailed information about cash dividends paid during the year ended March 31, 2026 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, 2025	Common Stock	**1,248**	**¥5.00**	March 31, 2025	June 27, 2025
Board of Directors on November 7, 2025	Common Stock	**1,749**	**¥7.00**	September 30, 2025	December 5, 2025

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

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Dividends with record dates on or before March 31, 2026 and effective dates on or after April 1, 2026 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, 2026	Common Stock	**2,498**	Retained Earnings	**¥10.00**	March 31, 2026	June 29, 2026

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

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, 2026 and 2025, and Cash and cash equivalents in the consolidated statements of cash flows for the years then ended was as follows:

	Millions of Yen	
March 31	**2026**	2025
Cash and due from banks	**¥ 946,713**	¥ 1,235,480
Ordinary due from banks	**(209)**	(492)
Other	**(294)**	(598)
Cash and cash equivalents	**¥ 946,209**	¥ 1,234,389

17. Deferred Income Taxes

The major components of deferred tax assets and liabilities as of March 31, 2026 and 2025 were summarized as follows:

	Millions of Yen	
March 31	**2026**	2025
Deferred tax assets:		
Allowance for loan losses	**¥ 6,409**	¥ 6,816
Net defined benefit liability	**(1,621)**	(48)
Valuation difference on available-for-sale securities	**7,303**	5,238
Depreciation	**563**	628
Others	**6,472**	6,711
Subtotal deferred tax assets	**19,128**	19,346
Valuation allowance for future deductible temporary difference	**(2,359)**	(2,402)
Subtotal valuation allowance	**(2,359)**	(2,402)
Total deferred tax assets	**16,768**	16,944
Deferred tax liabilities:		
Valuation difference on available-for-sale securities	**(999)**	(1,063)
Deferred gains or losses on hedges	**(6,671)**	(957)
Others	**(26)**	(27)
Total deferred tax liabilities	**(7,706)**	(2,048)
Net deferred tax assets (liabilities)	**¥ 9,062**	¥ 14,895

Note: Net deferred tax assets (liabilities) are included in the following items in the consolidated balance sheets as of March 31, 2026 and 2025.

	Millions of Yen	
March 31	**2026**	2025
Deferred tax assets	**¥ 9,920**	¥ 15,925
Deferred tax liabilities	**858**	1,029

The following summarizes the significant difference between the statutory tax rate and the Bank's effective tax rate for the years ended March 31, 2026 and 2025.

Year ended March 31	**2026**	2025
Statutory tax rate	**30.1%**	30.1%
Non-deductible expenses	**0.4**	0.7
Elimination of dividends received from consolidated subsidiaries	**3.6**	6.8
Non-taxable income	**(4.2)**	(7.8)
Per capita inhabitant taxes	**0.2**	0.3
Valuation allowance	**1.3**	2.2
Increase in term-end balance of deferred tax assets due to tax rate changes	**—**	2.2
Others	**(4.5)**	(4.1)
Effective tax rate	**26.9%**	30.4%

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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	**2026**	2025
Balance at beginning of the year	**¥ 28,468**	¥ 31,595
Service cost	**490**	576
Interest cost	**632**	494
Actuarial gain	**(2,281)**	(2,694)
Benefit paid	**(1,544)**	(1,509)
Others	**(58)**	4
Balance at end of the year	**¥ 25,706**	¥ 28,468

(ii) Change in plan assets

	Millions of Yen	
March 31	**2026**	2025
Balance at beginning of the year	**¥ 38,813**	¥ 39,315
Expected return on plan assets	**776**	786
Actuarial loss	**2,474**	(1,180)
Employer contributions	**370**	682
Benefit paid	**(886)**	(858)
Others	**47**	67
Balance at end of the year	**¥ 41,595**	¥ 38,813

(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	**2026**	2025
Funded retirement benefit obligation	**¥ 25,548**	¥ 28,303
Plan assets	**(41,595)**	(38,813)
	(16,046)	(10,510)
Unfunded retirement benefit obligation	**157**	164
Amount of liability, net of asset, recognized in consolidated balance sheets	**(15,889)**	(10,345)
Net defined benefit liability	**157**	164
Net defined benefit asset	**(16,046)**	(10,510)
Amount of liability, net of asset, recognized in consolidated balance sheets	**¥ (15,889)**	¥ (10,345)

(iv) Net pension cost and its breakdown

	Millions of Yen	
March 31	**2026**	2025
Service cost	**¥ 490**	¥ 576
Interest cost	**632**	494
Expected return on plan assets	**(776)**	(786)
Amortization of actuarial loss	**(387)**	(189)
Others	**(128)**	(65)
Net pension cost	**¥ (169)**	¥ 30

(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	**2026**	2025
Actuarial gain	**¥ 4,368**	¥ 1,324
Total	**¥ 4,368**	¥ 1,324

(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	**2026**	2025
Unrecognized actuarial loss	**¥ (11,244)**	¥ (6,875)
Total	**¥ (11,244)**	¥ (6,875)

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(vii) Plan assets

(a) Percentage by major category of plans assets was as follows:

	2026	2025
Bonds	**31%**	31%
General account of life insurance companies	**20%**	22%
Equities	**25%**	24%
Cash and due from banks	**1%**	9%
Others	**23%**	14%
Total	**100%**	100%

Retirement benefit trusts established for lump-sum retirement payment plan account for 25% and 26% of total plan assets for the years ended March 31, 2026 and 2025, 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, 2026 and 2025 were as follows:

	2026	2025
Discount rate	**1.0%-3.7%**	0.6%-2.9%
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, 2026 and 2025, respectively.

19. Per Share Information

Net assets per share as of March 31, 2026 and 2025 and basic earnings per share for the years ended March 31, 2026 and 2025 were as follows:

	Yen	
As of March 31	**2026**	2025
Net assets per share	**¥ 871.38**	¥ 789.86
Basic earnings per share	**49.44**	29.78

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	**2026**	2025
Total net assets	**¥ 217,747**	¥ 197,234
Net assets related to common stock	**217,747**	197,234
Number of common stock used to calculate net assets per share	**249,887**	249,705

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	**2026**	2025
Profit attributable to owners of parent	**¥ 12,353**	¥ 7,445
Profit attributable to common shareholders of parent	**12,353**	7,445
Weighted average number of common stock during the year	**249,830**	250,019

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	**2026**	2025
Lease receivables	**¥19,642**	¥16,798
Residual value	**583**	577
Equivalent amount of maintenance cost	**(433)**	(419)
Unearned interest income	**(1,451)**	(1,121)
Lease investment assets	**¥18,340**	¥15,833

The scheduled collection of lease receivables related to lease investment assets subsequent to March 31, 2026 and 2025

	Millions of Yen			
	2026		2025	
As of March 31	**Lease Receivables**	**Lease Investment Assets**	Lease Receivables	Lease Investment Assets
Due within 1 year or less	**286**	**¥5,285**	54	¥4,617
Due in 1 year to 2 years	**149**	**4,554**	54	3,891
Due in 2 years to 3 years	**130**	**4,034**	52	3,158
Due in 3 years to 4 years	**122**	**2,530**	42	2,626
Due in 4 years to 5 years	**118**	**1,531**	40	1,164
Due after 5 years	**418**	**1,705**	145	1,337
Total	**1,225**	**¥19,642**	389	¥16,798

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.

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 99.9%, observation period of combination of both 1 and 5 years) has been adopted. As of March 31, 2026 and 2025, the Group's market risk quantity (estimated loss) in total is ¥75,939 million and ¥68,642 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, 2026 and 2025 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.

	Millions of Yen		
March 31, 2026	Book value	Fair value	Difference
(1) Trading account securities	**¥ —**	**¥ —**	**¥ —**
(2) Securities:			
Held-to-maturity securities	**484,572**	**470,568**	**(14,004)**
Available-for-sale securities (*1)	**891,440**	**891,440**	**—**
(3) Loans and bills discounted	**4,227,234**		
Allowance for loan losses (*2)	**(22,862)**		
	4,204,371	**4,172,103**	**(32,268)**
Total assets	**¥ 5,580,384**	**¥ 5,534,112**	**¥ (46,272)**
(1) Deposits	**¥ 5,742,774**	**¥ 5,741,885**	**¥ (889)**
(2) Negotiable certificates of deposit	**416,244**	**416,244**	**—**
(3) Borrowed money	**237,635**	**237,635**	**—**
Total liabilities	**¥ 6,396,654**	**¥ 6,395,765**	**¥ (889)**
Derivative transactions (*3):			
Hedge accounting is not applied	**¥ 2,553**	**¥ 2,553**	**¥ —**
Hedge accounting is applied	**21,521**	**21,521**	**—**
Total derivative transactions	**¥ 24,075**	**¥ 24,075**	**¥ —**

(*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.

	Millions of Yen		
March 31, 2025	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.

(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.

	Millions of Yen	
March 31	**2026**	2025
(i) Non-listed shares (*1) (*2)	**¥ 1,923**	¥ 1,924
(ii)Investments in associations (*3)	**20,071**	19,748

(*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 ¥0 million were posted for the years ended March 31, 2026 and 2025, 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, 2026 and 2025

	Millions of Yen					
March 31, 2026	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
Securities:	¥ 142,991	¥ 381,898	¥ 232,309	¥ 121,353	¥ 119,533	¥ 210,326
Held-to-maturity securities	114,367	237,965	56,543	5,908	37,113	32,674
National government bonds thereof	109,999	175,022	–	–	–	–
Local government bonds thereof	4,367	62,943	55,743	5,908	37,113	9,206
Corporate bonds thereof	–	–	800	–	–	23,467
Available-for-sale securities with maturity	28,623	143,932	175,765	115,444	82,420	177,652
National government bonds thereof	–	52,985	77,196	59,443	70,455	145,649
Local government bonds thereof	8,573	21,733	28,910	44,553	8,079	15,135
Corporate bonds thereof	15,976	51,510	58,106	6,174	1,562	16,326
Loans (*)	1,304,772	665,440	609,191	468,965	529,350	572,018
Total	¥ 1,447,763	¥1,047,338	¥ 841,500	¥ 590,318	¥ 648,883	¥ 782,345

(*) Loans that are unlikely to be redeemed, such as to borrowers that are bankrupt, effectively bankrupt, and potentially bankrupt of ¥52,891 million, loans with no stated maturities of ¥24,604 million were not included.

	Millions of Yen					
March 31, 2025	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
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.

(Note 3) Maturity analysis for interest bearing liabilities subsequent to March 31, 2026 and 2025

	Millions of Yen					
March 31, 2026	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
Deposits (*)	¥ 5,468,631	¥ 224,257	¥ 49,885	¥ –	¥ –	¥ –
Negotiable certificates of deposit	416,244	–	–	–	–	–
Borrowed money	236,459	978	198	–	–	–
Total	¥ 6,121,335	¥ 225,235	¥ 50,083	¥ –	¥ –	¥ –

(*) Demand deposits are disclosed under “Due within 1 year or less.”

	Millions of Yen					
March 31, 2025	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
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.”

(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, 2026	Fair Value Millions of Yen Level 1	Level 2	Level 3	Total
Securities				
Trading account securities				
National government bonds/Local government bonds	¥ –	¥ –	¥ –	¥ –
Available-for-sale securities				
National government bonds/Local government bonds	405,731	126,986	–	532,717
Corporate bonds	–	114,585	35,071	149,657
Corporate stocks	59,110	–	–	59,110
Investment trusts (*1)	20,784	88,146	–	108,931
Foreign securities	2,873	8,481	10,064	21,419
Total assets	¥ 488,499	¥ 338,199	¥ 45,136	¥ 871,835
Derivatives				
Interest rate related	¥ –	¥ 23,403	¥ –	¥ 23,403
Currency related	–	671	–	671
Others (*2)	–	–	–	–
Total derivatives	¥ –	¥ 24,075	¥ –	¥ 24,075

(*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 ¥19,604 million.

(*2) Earthquake derivatives are recorded as nil balance, since the fair value of buy position and sell position is equal.

March 31, 2025	Fair Value Millions of Yen Level 1	Level 2	Level 3	Total
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.

(2) Financial instruments other than those carried at fair value on the consolidated balance sheets

March 31, 2026	Fair Value Millions of Yen Level 1	Level 2	Level 3	Total
Securities				
Held-to-maturity securities				
National government bonds/Local government bonds	¥ 284,137	¥ 167,472	¥ –	¥ 451,609
Corporate bonds	–	18,958	–	18,958
Loans and bills discounted	–	–	4,172,103	4,172,103
Total assets	¥ 284,137	¥ 186,431	¥ 4,172,103	¥ 4,642,671
Deposits	¥ –	¥ 5,741,885	¥ –	¥ 5,741,885
Negotiable certificates of deposit	–	416,244	–	416,244
Borrowed money	–	237,635	–	237,635
Total liabilities	¥ –	¥ 6,395,765	¥ –	¥ 6,395,765

March 31, 2025	Fair Value Millions of Yen Level 1	Level 2	Level 3	Total
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

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, 2026

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%-6.600%**	**0.252%**

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%

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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, 2026

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	**¥41,845**	**¥—**	**¥(48)**	**¥(6,726)**	**¥—**	**¥—**	**¥35,071**	**¥—**
Foreign securities	**10,124**	**—**	**(59)**	**—**	**—**	**—**	**10,064**	**—**
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, 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.

(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, 2026

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	**¥19,307**	**¥197**	**¥424**	**¥(325)**	**¥—**	**¥—**	**¥19,604**	**¥—**

(*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, 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.

22. Fair Value Information

The tables below represent the securities and trading account securities:

(a) Trading account securities

	Millions of Yen	
March 31	**2026**	2025
Realized gain included in earnings	**¥—**	¥ (0)

(b) Held-to-maturity securities

	Millions of Yen		
March 31, 2026	Carrying Amount	Fair Value	Difference
Securities with their fair value over their carrying amount:			
National government bonds	**¥ —**	**¥ —**	**¥ —**
Local government bonds	**—**	**—**	**—**
Corporate bonds	**—**	**—**	**—**
Sub-total	**—**	**—**	**—**
Securities with their fair value below their carrying amount:			
National government bonds	**285,021**	**284,137**	**(884)**
Local government bonds	**175,283**	**167,472**	**(7,810)**
Corporate bonds	**24,267**	**18,958**	**(5,309)**
Sub-total	**484,572**	**470,568**	**(14,004)**
Total	**¥ 484,572**	**¥ 470,568**	**¥ (14,004)**

	Millions of Yen		
March 31, 2025	Carrying Amount	Fair Value	Difference
Securities with their fair value over their carrying amount:			
National government bonds	¥ —	¥ —	¥ —
Local government bonds	—	—	—
Corporate bonds	—	—	—
Sub-total	—	—	—
Securities with their fair value below their carrying amount:			
National government bonds	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)

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(c) Available-for-sale securities

March 31, 2026	Millions of Yen		
	Carrying Amount	Acquisition Cost	Net Unrealized Gain/(Loss)
Securities with their carrying amount over their acquisition cost:			
Corporate stock	¥ 58,612	¥ 15,271	¥ 43,341
Bonds:	1,713	1,710	3
National government	—	—	—
Local government	—	—	—
Corporate	1,713	1,710	3
Other	122,089	113,090	8,999
Sub-total	182,415	130,071	52,344
Securities with their carrying amount below their acquisition cost:			
Corporate stock	498	534	(36)
Bonds:	680,661	751,676	(71,015)
National government	405,731	452,653	(46,922)
Local government	126,986	141,934	(14,947)
Corporate	147,943	157,088	(9,145)
Other	27,865	29,808	(1,943)
Sub-total	709,024	782,019	(72,995)
Total	¥ 891,440	¥ 912,091	¥ (20,650)

March 31, 2025	Millions of Yen		
	Carrying Amount	Acquisition Cost	Net Unrealized Gain/(Loss)
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)

(d) Available-for-sale securities sold

March 31, 2026	Millions of Yen		
	Proceeds from Sales	Realized Gain	Realized Loss
Corporate stock	¥ 4,534	¥ 2,030	¥ 179
Bonds:	125,762	59	1,354
National government	123,760	57	1,354
Local government	2,001	1	—
Corporate	—	—	—
Other	16,137	490	1,112
Total	¥ 146,434	¥ 2,580	¥ 2,646

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
Local government	—	—	—
Corporate	250	—	—
Other	1,373	85	127
Total	¥ 81,918	¥ 1,374	¥ 1,917

(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, 2026 and 2025.

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, 2026	Millions of Yen
Unrealized gain before income tax effect	**¥ (20,232)**
Available-for-sale securities	**(20,232)**
Deferred tax assets	**6,446**
Unrealized gain before adjustment	**(13,786)**
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	**¥ (13,786)**

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)

(h) Investments in unconsolidated subsidiaries and affiliates

Securities in the Assets section included investments in unconsolidated subsidiaries and affiliates of ¥392 million and ¥437 million as of March 31, 2026 and 2025, respectively.

23. Money Held in Trust

Money held in trust as of March 31, 2026 and 2025 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	**2026**	2025
Carrying amount	**¥ 5,450**	¥ 7,150
Acquisition cost	**5,450**	7,150
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

	Millions of Yen					
March 31	**2026**			2025		
	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	**¥ 133,675**	**¥ 122,379**	**¥ (14,943)**	¥ 142,870	¥ 130,591	¥ (7,576)
Receivable floating/payable fixed	**133,675**	**122,379**	**16,826**	142,870	130,591	9,410
Receivable floating/payable floating	**—**	**—**	**—**	—	—	—
			¥ 1,882			¥ 1,833

Currency derivatives

	Millions of Yen					
March 31	**2026**			2025		
	Contract Amounts		Fair Value	Contract Amounts		Fair Value
	Total	Over 1 Year		Total	Over 1 Year	
Over-the-counter transactions:						
Currency swap	**¥ 15,931**	**¥ 14,758**	**¥ 17**	¥ 18,795	¥ 14,184	¥ 20
Forward exchange contracts:						
Sold	**49,660**	**27,989**	**(6,816)**	46,015	27,674	(4,104)
Bought	**41,506**	**27,525**	**7,470**	29,824	27,247	5,333
Currency option:						
Sold	**—**	**—**	**—**	—	—	—
Bought	**—**	**—**	**—**	—	—	—
			¥ 671			¥ 1,250

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Others

March 31	Millions of Yen					
	2026			2025		
	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)**	¥355	¥—	¥(3)
Bought	**355**	**—**	**3**	355	—	3
			—			—

(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, 2026		Millions of Yen		
	Main Hedged Items	Contract Amounts		Fair Value
		Total	Over 1 Year	
Principle treatment				
Interest rate swap:				
Receivable floating/payable fixed	Available-for-sale securities (bonds)	**¥150,000**	**¥150,000**	**¥21,521**
				— ¥21,521

March 31, 2025		Millions of Yen		
	Main Hedged Items	Contract Amounts		Fair Value
		Total	Over 1 Year	
Principle treatment				
Interest rate swap:				
Receivable floating/payable fixed	Available-for-sale securities (bonds)	¥110,000	¥110,000	¥3,087
				— ¥3,087

Currency derivatives

Not applicable.

25. Other Comprehensive Income (loss)

The components of other comprehensive income (loss) for the years ended March 31, 2026 and 2025 were as follows:

March 31	Millions of Yen	
	2026	2025
Valuation difference on available-for-sale securities:		
Income (loss) recognized during the year	**¥ (9,610)**	¥ (25,639)
Reclassification adjustment to net income	**2,844**	1,941
Amount before income taxes and tax effect	**(6,765)**	(23,697)
Income taxes and tax effect	**2,128**	7,194
Valuation difference on available-for-sale securities	**(4,636)**	(16,503)
Deferred gains or losses on hedges:		
Gains recognized during the year	**18,433**	3,087
Reclassification adjustment to net income	**—**	—
Amount before income taxes and tax effect	**18,433**	3,087
Income taxes and tax effect	**(5,714)**	(957)
Deferred gains or losses on hedges	**12,719**	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	**4,756**	1,514
Reclassification adjustment to net income	**(387)**	(189)
Amount before income taxes and tax effect	**4,368**	1,324
Income taxes and tax effect	**(1,354)**	(460)
Remeasurements of defined benefit plans	**3,014**	863
Total other comprehensive income (loss)	**¥ 11,097**	¥ (13,567)

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26. Revenue Recognition

Year ended March 31, 2026

(Millions of Yen)

	Reportable segment			Other (*1)	Adjustments	Total
	Banking	Leasing	Credit guaranteeing			
Ordinary income	**¥81,013**	**¥8,925**	**¥982**	**¥1,698**	**¥(155)**	**¥92,465**
Fees and commissions income	**13,172**	**—**	**—**	**424**	**—**	**13,597**
Deposit and lending business	**2,406**	**—**	**—**	**—**	**—**	**2,406**
Foreign exchange business	**3,506**	**—**	**—**	**—**	**—**	**3,506**
Securities-related business	**2,087**	**—**	**—**	**169**	**—**	**2,257**
Agency business	**281**	**—**	**—**	**—**	**—**	**281**
Custody and safety deposit box business	**87**	**—**	**—**	**—**	**—**	**87**
Investment trust business	**440**	**—**	**—**	**—**	**—**	**440**
Insurance-related business	**882**	**—**	**—**	**—**	**—**	**882**
Other business	**3,481**	**—**	**—**	**254**	**—**	**3,735**
Other ordinary income	**—**	**3**	**5**	**1,171**	**—**	**1,180**
Ordinary income from contracts with customers	**13,172**	**3**	**5**	**1,595**	**—**	**14,777**
Ordinary income other than those listed above (*2)	**67,840**	**8,921**	**977**	**102**	**(155)**	**77,687**
Ordinary income from external customers	**81,013**	**8,925**	**982**	**1,698**	**(155)**	**92,465**

(*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, 2025

(Millions of Yen)

	Reportable segment			Other (*1)	Adjustments	Total
	Banking	Leasing	Credit guaranteeing			
Ordinary income	¥59,048	¥8,064	¥888	¥2,445	¥(4)	¥70,443
Fees and commissions income	12,237	—	—	1,186	—	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	—	2	4	1,122	—	1,129
Ordinary income from contracts with customers	12,237	2	4	2,309	—	14,553
Ordinary income other than those listed above (*2)	46,811	8,062	883	135	(4)	55,889
Ordinary income from external customers	59,048	8,064	888	2,445	(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

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 seven 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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"Leasing" consists of leasing of equipment and installment sales.

"Credit guaranteeing" consists of credit guaranteeing business as a finance associated business.

The Group's reportable segments previously included "Securities" as a reportable segment. However, as the quantitative significance of the Securities segment has diminished, it has been included in "Other" from the current consolidated fiscal year.

The segment information for the previous consolidated fiscal year has been restated to reflect this reclassification.

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, 2026	Millions of Yen						
	Reportable segment						
	Banking	Leasing	Credit guaranteeing	Other	Total	Adjustments	Consolidated
Ordinary income:							
From external customers	¥81,013	¥8,925	¥982	¥1,698	¥92,620	¥(155)	¥92,465
From internal transactions	979	598	859	1,730	4,167	(4,167)	–
Total	¥81,993	¥9,524	¥1,841	¥3,428	¥96,787	¥(4,322)	¥92,465
Segment profit	¥16,137	¥682	¥1,531	¥436	¥18,788	¥(1,697)	¥17,090
Segment assets	¥6,721,256	¥32,972	¥12,797	¥14,824	¥6,781,850	¥(39,467)	¥6,742,383
Segment liabilities	¥6,522,745	¥28,737	¥8,187	¥6,570	¥6,566,240	¥(41,604)	¥6,524,636
Other:							
Depreciation expense	¥4,371	¥144	¥0	¥73	¥4,589	¥32	¥4,622
Interest income	63,435	335	282	596	64,650	(2,290)	62,359
Interest expense	16,991	168	–	0	17,160	(173)	16,986
Impairment loss	35	–	–	–	35	–	35
Increase in tangible and intangible fixed assets	3,559	11	–	8	3,579	161	3,741

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. In addition, Toho IT Human Solutions, Ltd., which was newly established and became a consolidated subsidiary effective July 1, 2025, is included in "Other," reflecting its IT-related business, human resources-related business and other operations.

4. Adjustments are as follows:

(a) Adjustments in segment profit of ¥(1,697) million include elimination of intersegment transactions.

(b) Adjustments in segment assets of ¥(39,467) million include elimination of intersegment transactions.

(c) Adjustments in segment liabilities of ¥(41,604) million include elimination of intersegment transactions.

(d) Adjustments in depreciation expense of ¥32 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 ¥(2,290) million are elimination of intersegment transactions.

(f) Adjustments in interest expense of ¥(173) million are elimination of intersegment transactions.

(g) Adjustments in increase in tangible and intangible fixed assets of ¥161 million are the acquisition cost of the leased assets acquired in the leasing segment under the contract with other segments.

5. Segment profit is adjusted to ordinary profit in the consolidated statements of income.

Year ended March 31, 2025	Millions of Yen						
	Reportable segment						
	Banking	Leasing	Credit guaranteeing	Other	Total	Adjustments	Consolidated
Ordinary income:							
From external customers	¥59,048	¥8,064	¥888	¥2,445	¥70,447	¥(4)	¥70,443
From internal transactions	1,402	655	911	1,665	4,634	(4,634)	–
Total	¥60,451	¥8,720	¥1,799	¥4,110	¥75,082	¥(4,638)	¥70,443
Segment profit	¥10,884	¥659	¥1,233	¥842	¥13,620	¥(2,422)	¥11,197
Segment assets	¥6,630,305	¥24,647	¥12,450	¥20,056	¥6,687,459	¥(34,218)	¥6,653,240
Segment liabilities	¥6,449,171	¥20,519	¥8,049	¥9,203	¥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	421	294	667	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	25	–	271	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

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credit card business.

3. Adjustments are as follows:
   (a) Adjustments in segment profit 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 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, 2026 and 2025 was as follows:

	Millions of Yen				
Year ended March 31, 2026	Lending	Securities and Investment	Fees and Commissions	Other	Total
Ordinary income from external customers	**¥ 41,509**	**¥ 15,669**	**¥ 15,658**	**¥ 19,626**	**¥ 92,465**

	Millions of Yen				
Year ended March 31, 2025	Lending	Securities and Investment	Fees and Commissions	Other	Total
Ordinary income from external customers	¥ 30,496	¥ 8,789	¥ 15,428	¥ 15,728	¥ 70,443

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, 2026 and 2025, 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, 2026 and 2025, 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, 2026 and 2025, therefore major customer information is not disclosed.

(c) Information on impairment of fixed assets for each reportable segment:

	Millions of Yen				
	Reportable segment				
Year ended March 31, 2026	Banking	Leasing	Credit guaranteeing	Other	Total
Impairment loss	**¥ 35**	**¥ –**	**¥ –**	**¥ –**	**¥ 35**

	Millions of Yen				
	Reportable segment				
Year ended March 31, 2025	Banking	Leasing	Credit guaranteeing	Other	Total
Impairment loss	¥ 283	¥ –	¥ –	¥1	¥ 284

(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, 2026

(a) Transactions between the Bank and related parties

Type	Name	Location	Capital stock (¥million)	Nature of business or occupation	Voting share owner-ship (%)
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, 2026 (¥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, 2026 (¥million)
Customer with credit limit	Funding of loans (joint and several obligation)	(Average balance) **¥22**	Loans and bills discounted	**¥21**

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, 2026 (¥million)
Customer with credit limit	Funding of loans (joint and several obligation)	(Average balance) **¥55**	Loans and bills discounted	**¥54**

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, 2026 (¥million)
Customer with credit limit	Funding of loans (joint and several obligation)	(Average balance) **¥120**	Loans and bills discounted	**¥114**

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. A brother in law of the Bank's Director, Hideya Takashima, holds the majority of voting rights of Tohoku Thermo K.K.
6. In-kind contributions of monetary compensation receivables are based on the restricted stock remuneration system.
7. 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, 2025

(a) Transactions between the Bank and related parties

Type	Name	Location	Capital stock (¥million)	Nature of business or occupation	Voting share owner-ship (%)
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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29. Subsequent Events

None

30. Supplementary Schedule

(a) Schedule of bonds

None

(b) Schedule of borrowing and similar instruments

Category	Balance as of April 1, 2025 (Millions of Yen)	Balance as of March 31, 2026 (Millions of Yen)	Average interest rate (%)	Due date
Borrowed money:	¥ 216,339	**¥ 237,635**	0.733	—
Loans payable	216,339	**237,635**	0.733	From April 2026 to July 2030
Lease obligation:				
Due within 1 year or less	13	**13**	—	—
Due after 1 year	276	**263**	—	June 2048

Notes: 1. Average interest rate is stated at weighted average interest rate on the interest rate and balance as of March 31, 2026.

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, 2026, 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	**¥236,459**	**¥544**	**¥434**	**¥184**	**¥14**
Lease obligation	**¥13**	**¥12**	**¥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, 2026 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.

SUSTAINABLE DEVELOPMENT GOALS

Toho Bank and the TSUBASA Alliance have established the SDGs Declaration.

21世紀金融行動原則

Toho Bank is a signatory to the Principles for Financial Action for the 21st Century.

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