

**Translation**

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 3, 2023

Company name: THE TOWA BANK, LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 8558 URL <https://www.towabank.co.jp>  
 Representative: Representative Director, Hiroshi Ebara  
 President & Chief Executive Officer  
 General Manager of Finance and Accounting  
 Inquiries: Department Takashi Nagai TEL 027-234-1111  
 Scheduled date to file Quarterly Securities Report: February 7, 2023  
 Scheduled date to commence dividend payments: –  
 Trading accounts: No  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	24,712	(12.7)	3,046	(36.2)	3,282	3.1
Nine months ended December 31, 2021	28,319	3.6	4,777	41.5	3,182	54.1

Note: Comprehensive income Nine months ended December 31, 2022 ¥(11,947) million [–%]  
 Nine months ended December 31, 2021 ¥553 million [(87.0)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	88.91		50.07	
Nine months ended December 31, 2021	86.30		50.09	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Consolidated capital adequacy ratio (domestic rules)
	Millions of yen	Millions of yen	%	%
As of December 31, 2022	2,530,751	112,175	4.4	10.42
As of March 31, 2022	2,566,787	125,209	4.8	10.54

Reference: Equity As of December 31, 2022 ¥111,389 million  
 As of March 31, 2022 ¥124,468 million

Note: “Equity ratio” is calculated at (total net assets at the end of the period minus share acquisition rights at the end of the period minus non-controlling interests at the end of the period) divided by total assets at the end of the period.

“Consolidated capital adequacy ratio (domestic rules)” is calculated based on the “Criteria on whether the adequacy of equity capital of the bank is appropriate in light of the assets owned by the bank, etc. in accordance with the provisions of Article 14-2 of the Banking Act (Financial Services Agency Notification No. 19 of 2006).”

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	25.00	25.00
Year ending March 31, 2023	–	0.00	–		
Year ending March 31, 2023 (Forecast)				25.00	25.00

Note: Revision of cash dividend forecast most recently announced: No

Note: “Cash dividends” above is the dividend information pertaining to common shares.

## 3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Ordinary income		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	33,000	(10.5)	3,000	(19.1)	3,000	71.8	75.93

Note: Revision of consolidated financial results forecast most recently announced: No

## 4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

### (4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2022	37,180,273 shares	As of March 31, 2022	37,180,273 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	253,993 shares	As of March 31, 2022	272,762 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	36,920,489 shares	Nine months ended December 31, 2021	36,874,169 shares
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\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of forecasts of financial results, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to THE TOWA BANK, LTD. (the “Bank”) and on certain assumptions deemed to be reasonable. These statements do not purport that the Bank pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

• Dividends by share class

The dividends per share on share classes that differ in shareholders' rights from ordinary shares are broken down as follows.

Class 2 Preferred Stock	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	26.12	26.12
Year ending March 31, 2023	–	0.00	–		
Year ending March 31, 2023 (Forecast)				26.20	26.20

Notes: 1. Revision of cash dividend forecast most recently announced: No

2. Amount to be paid in per share: ¥200

3. Number and formula used as the basis for the calculation of dividends per share

(1) Year ended March 31, 2022

(i) Calculation formula

Dividends per share = amount to be paid in per share x (Japanese yen TIBOR + 1.15%)

(\*) Calculated on the assumption that the amount to be paid in per share is ¥2,000, considering the effect of the consolidation of shares (effective October 1, 2017).

(ii) Japanese yen TIBOR

Japanese yen TIBOR (12 months) as of April 1, 2021 = 0.15636%

(iii) Number of issued shares

7,500,000 shares

(2) Year ending March 31, 2023 (forecast)

(i) Calculation formula

Dividends per share = amount to be paid in per share x (Japanese yen TIBOR + 1.15%)

(\*) Calculated on the assumption that the amount to be paid in per share is ¥2,000, considering the effect of the consolidation of shares (effective October 1, 2017).

(ii) Japanese yen TIBOR

Japanese yen TIBOR (12 months) as of April 1, 2022 = 0.16000%

(iii) Number of issued shares

7,500,000 shares

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Cash and due from banks	376,579	317,752
Call loans and bills bought	–	1,446
Trading securities	0	0
Money held in trust	9,985	4,001
Securities	595,291	583,697
Loans and bills discounted	1,525,600	1,559,671
Foreign exchanges	832	762
Other assets	31,708	37,496
Tangible fixed assets	21,952	21,739
Intangible fixed assets	3,250	2,925
Retirement benefit asset	1,544	2,152
Deferred tax assets	4,913	4,909
Customers' liabilities for acceptances and guarantees	3,598	3,462
Allowance for loan losses	(8,469)	(9,267)
<b>Total assets</b>	<b>2,566,787</b>	<b>2,530,751</b>
<b>Liabilities</b>		
Deposits	2,135,975	2,206,379
Borrowed money	292,990	200,390
Foreign exchanges	84	28
Other liabilities	5,776	5,642
Provision for bonuses	447	–
Retirement benefit liability	43	47
Provision for retirement benefits for directors (and other officers)	1	–
Provision for reimbursement of deposits	216	176
Provision for contingent loss	372	442
Deferred tax liabilities	7	9
Deferred tax liabilities for land revaluation	2,063	1,997
Acceptances and guarantees	3,598	3,462
<b>Total liabilities</b>	<b>2,441,577</b>	<b>2,418,576</b>
<b>Net assets</b>		
Share capital	38,653	38,653
Capital surplus	17,500	17,500
Retained earnings	66,990	69,304
Treasury shares	(217)	(202)
<b>Total shareholders' equity</b>	<b>122,927</b>	<b>125,256</b>
Valuation difference on available-for-sale securities	(2,341)	(17,371)
Revaluation reserve for land	2,298	2,147
Remeasurements of defined benefit plans	1,584	1,357
<b>Total accumulated other comprehensive income</b>	<b>1,541</b>	<b>(13,866)</b>
Share acquisition rights	219	238
Non-controlling interests	520	547
<b>Total net assets</b>	<b>125,209</b>	<b>112,175</b>
<b>Total liabilities and net assets</b>	<b>2,566,787</b>	<b>2,530,751</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Ordinary income	28,319	24,712
Interest income	17,404	16,770
Interest on loans and discounts	14,039	13,938
Interest and dividends on securities	3,185	2,699
Fees and commissions	4,577	4,551
Other ordinary income	1,333	151
Other income	5,003	3,238
Ordinary expenses	23,542	21,666
Interest expenses	158	120
Interest on deposits	132	94
Fees and commissions payments	2,625	2,490
Other ordinary expenses	190	101
General and administrative expenses	14,748	14,804
Other expenses	5,821	4,149
Ordinary profit	4,777	3,046
Extraordinary income	63	1,038
Gain on disposal of non-current assets	63	1,038
Extraordinary losses	321	18
Loss on disposal of non-current assets	16	10
Impairment losses	304	7
Profit before income taxes	4,519	4,066
Income taxes - current	1,123	617
Income taxes - deferred	171	142
Total income taxes	1,295	759
Profit	3,223	3,307
Profit attributable to non-controlling interests	41	24
Profit attributable to owners of parent	3,182	3,282

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	3,223	3,307
Other comprehensive income	(2,670)	(15,254)
Valuation difference on available-for-sale securities	(2,461)	(15,027)
Remeasurements of defined benefit plans, net of tax	(208)	(226)
Comprehensive income	553	(11,947)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	517	(11,973)
Comprehensive income attributable to non-controlling interests	36	26