

**Translation**

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 4, 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 Yoichi Noguchi TEL 027-234-1111  
 Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

## (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	%
Three months ended June 30, 2023	8,364	4.5	669	(35.1)	416	(72.9)
Three months ended June 30, 2022	7,998	(8.9)	1,031	(40.0)	1,539	16.6

Note: Comprehensive income Three months ended June 30, 2023 ¥1,449 million [-%]  
 Three months ended June 30, 2022 ¥(3,032) million [-%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	11.28		6.55	
Three months ended June 30, 2022	41.70		23.88	

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Consolidated capital adequacy ratio (domestic rules)
	Millions of yen	Millions of yen	%	%
As of June 30, 2023	2,422,131	118,030	4.8	10.45
As of March 31, 2023	2,390,395	117,688	4.8	10.43

Reference: Equity As of June 30, 2023 ¥117,266 million  
 As of March 31, 2023 ¥116,907 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, 2023	–	0.00	–	25.00	25.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		0.00	–	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. For information on dividends for class shares (unlisted), which have different shareholder rights than for common shares issued by the bank, please see “Dividends by share class.”

## 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	1,250	(51.0)	1,000	(66.4)	27.08
Full year	2,500	(37.2)	2,000	(51.1)	48.54

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

## 4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023  
(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: No
- 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 June 30, 2023	∴	37,180,273 shares	As of March 31, 2023	∴	37,180,273 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	∴	214,305 shares	As of March 31, 2023	∴	254,381 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	∴	36,926,220 shares	Three months ended June 30, 2022	∴	36,907,579 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, 2023	–	0.00	–	26.20	26.20
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		0.00	–	27.68	27.68

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, 2023

(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

(2) Year ending March 31, 2024 (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 3, 2023 = 0.23364%

(iii) Number of issued shares

7,500,000 shares

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

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Cash and due from banks	188,346	271,943
Call loans and bills bought	1,108	666
Trading securities	0	–
Money held in trust	3,998	3,998
Securities	568,660	522,827
Loans and bills discounted	1,562,298	1,557,580
Foreign exchanges	663	480
Other assets	37,302	36,850
Tangible fixed assets	21,892	21,901
Intangible fixed assets	3,228	3,089
Retirement benefit asset	1,807	2,011
Deferred tax assets	4,635	4,563
Customers' liabilities for acceptances and guarantees	3,447	3,536
Allowance for loan losses	(6,995)	(7,320)
<b>Total assets</b>	<b>2,390,395</b>	<b>2,422,131</b>
<b>Liabilities</b>		
Deposits	2,144,412	2,182,649
Borrowed money	115,890	108,590
Foreign exchanges	161	105
Other liabilities	5,736	6,586
Provision for bonuses	446	–
Retirement benefit liability	48	49
Provision for reimbursement of deposits	124	124
Provision for contingent loss	432	452
Deferred tax liabilities	9	8
Deferred tax liabilities for land revaluation	1,997	1,997
Acceptances and guarantees	3,447	3,536
<b>Total liabilities</b>	<b>2,272,706</b>	<b>2,304,101</b>
<b>Net assets</b>		
Share capital	38,653	38,653
Capital surplus	17,500	17,500
Retained earnings	70,116	69,408
Treasury shares	(202)	(170)
<b>Total shareholders' equity</b>	<b>126,068</b>	<b>125,391</b>
Valuation difference on available-for-sale securities	(12,243)	(11,162)
Revaluation reserve for land	2,147	2,147
Remeasurements of defined benefit plans	935	890
<b>Total accumulated other comprehensive income</b>	<b>(9,160)</b>	<b>(8,125)</b>
Share acquisition rights	250	234
Non-controlling interests	531	528
<b>Total net assets</b>	<b>117,688</b>	<b>118,030</b>
<b>Total liabilities and net assets</b>	<b>2,390,395</b>	<b>2,422,131</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Ordinary income	7,998	8,364
Interest income	5,653	5,524
Interest on loans and discounts	4,609	4,586
Interest and dividends on securities	981	906
Fees and commissions	1,455	1,530
Other ordinary income	24	447
Other income	865	862
Ordinary expenses	6,966	7,695
Interest expenses	42	36
Interest on deposits	34	28
Fees and commissions payments	864	917
Other ordinary expenses	11	17
General and administrative expenses	5,123	5,125
Other expenses	925	1,597
Ordinary profit	1,031	669
Extraordinary income	1,038	–
Gain on disposal of non-current assets	1,038	–
Extraordinary losses	0	3
Loss on disposal of non-current assets	0	3
Profit before income taxes	2,070	665
Income taxes - current	494	184
Income taxes - deferred	34	65
Total income taxes	528	250
Profit	1,542	414
Profit (loss) attributable to non-controlling interests	2	(1)
Profit attributable to owners of parent	1,539	416

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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,542	414
Other comprehensive income	(4,574)	1,034
Valuation difference on available-for-sale securities	(4,498)	1,080
Remeasurements of defined benefit plans, net of tax	(75)	(45)
Comprehensive income	(3,032)	1,449
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,037)	1,452
Comprehensive income attributable to non-controlling interests	5	(2)