

**Translation**

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 2, 2024

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: Yoichi Noguchi Department TEL 027-234-1111  
 Scheduled date to file Quarterly Securities Report: February 6, 2024  
 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, 2023 (from April 1, 2023 to December 31, 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                         | %      |
| Nine months ended December 31, 2023 | 25,689          | 3.9    | 3,565           | 17.0   | 2,856                                   | (12.9) |
| Nine months ended December 31, 2022 | 24,712          | (12.7) | 3,046           | (36.2) | 3,282                                   | 3.1    |

Note: Comprehensive income Nine months ended December 31, 2023 ¥(393) million [-%]  
 Nine months ended December 31, 2022 ¥(11,947) million [-%]

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Nine months ended December 31, 2023 | 77.23              |  | 44.94                      |  |
| Nine months ended December 31, 2022 | 88.91              |  | 50.07                      |  |

#### (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, 2023 | 2,429,852       | 116,210         | 4.7          | 10.12  |
| As of March 31, 2023    | 2,390,395       | 117,688         | 4.8          | 10.43  |

Reference: Equity As of December 31, 2023 ¥115,429 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            | –                          | 0.00            | –               |                 |       |
| Year ending March 31, 2024 (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. 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                |
| 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 nine months ended December 31, 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 December 31, 2023 | 37,180,273 shares | As of March 31, 2023 | 37,180,273 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                         |                |                      |                |
|-------------------------|----------------|----------------------|----------------|
| As of December 31, 2023 | 175,032 shares | As of March 31, 2023 | 254,381 shares |
|-------------------------|----------------|----------------------|----------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                     |                   |                                     |                   |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Nine months ended December 31, 2023 | 36,978,650 shares | Nine months ended December 31, 2022 | 36,920,489 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

\* 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            | –                   | 0.00            | –               |                 |       |
| Year ending March 31, 2024 (Forecast) |                     |                 |                 | 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 December 31, 2023 |
|--|----------------------|-------------------------|
| <b>Assets</b>  |                      |                         |
| Cash and due from banks  | 188,346              | 220,670                 |
| Call loans and bills bought  | 1,108                | —                       |
| Trading securities   | 0                    | —                       |
| Money held in trust  | 3,998                | 3,993                   |
| Securities   | 568,660              | 544,567                 |
| Loans and bills discounted   | 1,562,298            | 1,593,765               |
| Foreign exchanges  | 663                  | 244                     |
| Other assets   | 37,302               | 38,488                  |
| Tangible fixed assets  | 21,892               | 22,185                  |
| Intangible fixed assets  | 3,228                | 3,165                   |
| Retirement benefit asset   | 1,807                | 2,395                   |
| Deferred tax assets  | 4,635                | 4,428                   |
| Customers' liabilities for acceptances and guarantees                | 3,447                | 3,318                   |
| Allowance for loan losses  | (6,995)              | (7,371)                 |
| <b>Total assets</b>  | <b>2,390,395</b>     | <b>2,429,852</b>        |
| <b>Liabilities</b>   |                      |                         |
| Deposits   | 2,144,412            | 2,195,191               |
| Borrowed money   | 115,890              | 105,490                 |
| Foreign exchanges  | 161                  | 48                      |
| Other liabilities  | 5,736                | 6,857                   |
| Provision for bonuses  | 446                  | —                       |
| Retirement benefit liability   | 48                   | 52                      |
| Provision for retirement benefits for directors (and other officers) | —                    | 0                       |
| Provision for reimbursement of deposits                              | 124                  | 134                     |
| Provision for contingent loss  | 432                  | 542                     |
| Deferred tax liabilities   | 9                    | 8                       |
| Deferred tax liabilities for land revaluation                        | 1,997                | 1,997                   |
| Acceptances and guarantees   | 3,447                | 3,318                   |
| <b>Total liabilities</b>   | <b>2,272,706</b>     | <b>2,313,641</b>        |
| <b>Net assets</b>  |                      |                         |
| Share capital  | 38,653               | 38,653                  |
| Capital surplus  | 17,500               | 17,500                  |
| Retained earnings  | 70,116               | 71,837                  |
| Treasury shares  | (202)                | (139)                   |
| <b>Total shareholders' equity</b>                                    | <b>126,068</b>       | <b>127,852</b>          |
| Valuation difference on available-for-sale securities                | (12,243)             | (15,368)                |
| Revaluation reserve for land   | 2,147                | 2,147                   |
| Remeasurements of defined benefit plans                              | 935                  | 798                     |
| <b>Total accumulated other comprehensive income</b>                  | <b>(9,160)</b>       | <b>(12,422)</b>         |
| Share acquisition rights   | 250                  | 237                     |
| Non-controlling interests  | 531                  | 542                     |
| <b>Total net assets</b>  | <b>117,688</b>       | <b>116,210</b>          |
| <b>Total liabilities and net assets</b>                              | <b>2,390,395</b>     | <b>2,429,852</b>        |

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

|  | Nine months ended<br>December 31, 2022 | Nine months ended<br>December 31, 2023 |
|--|--|--|
| Ordinary income                                  | 24,712                                 | 25,689                                 |
| Interest income                                  | 16,770                                 | 16,274                                 |
| Interest on loans and discounts                  | 13,938                                 | 13,829                                 |
| Interest and dividends on securities             | 2,699                                  | 2,365                                  |
| Fees and commissions                             | 4,551                                  | 4,762                                  |
| Other ordinary income                            | 151                                    | 665                                    |
| Other income                                     | 3,238                                  | 3,987                                  |
| Ordinary expenses                                | 21,666                                 | 22,123                                 |
| Interest expenses                                | 120                                    | 105                                    |
| Interest on deposits                             | 94                                     | 78                                     |
| Fees and commissions payments                    | 2,490                                  | 2,524                                  |
| Other ordinary expenses                          | 101                                    | 207                                    |
| General and administrative expenses              | 14,804                                 | 14,939                                 |
| Other expenses                                   | 4,149                                  | 4,347                                  |
| Ordinary profit                                  | 3,046                                  | 3,565                                  |
| Extraordinary income                             | 1,038                                  | –                                      |
| Gain on disposal of non-current assets           | 1,038                                  | –                                      |
| Extraordinary losses                             | 18                                     | 29                                     |
| Loss on disposal of non-current assets           | 10                                     | 17                                     |
| Impairment losses                                | 7                                      | 12                                     |
| Profit before income taxes                       | 4,066                                  | 3,536                                  |
| Income taxes - current                           | 617                                    | 498                                    |
| Income taxes - deferred                          | 142                                    | 169                                    |
| Total income taxes                               | 759                                    | 667                                    |
| Profit   | 3,307                                  | 2,868                                  |
| Profit attributable to non-controlling interests | 24                                     | 12                                     |
| Profit attributable to owners of parent          | 3,282                                  | 2,856                                  |

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

(Millions of yen)

|  | Nine months ended<br>December 31, 2022 | Nine months ended<br>December 31, 2023 |
|--|--|--|
| Profit   | 3,307                                  | 2,868                                  |
| Other comprehensive income                                     | (15,254)                               | (3,262)                                |
| Valuation difference on available-for-sale securities          | (15,027)                               | (3,125)                                |
| Remeasurements of defined benefit plans, net of tax            | (226)                                  | (136)                                  |
| Comprehensive income   | (11,947)                               | (393)                                  |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | (11,973)                               | (405)                                  |
| Comprehensive income attributable to non-controlling interests | 26                                     | 11                                     |