

# Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

February 7, 2025

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 TEL 027-234-1111  
 Department  
 Scheduled date to commence dividend payments: –  
 Trading accounts: No  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (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, 2024	25,615	(0.2)	3,031	(14.9)	1,975	(30.8)
Nine months ended December 31, 2023	25,689	3.9	3,565	17.0	2,856	(12.9)

Note: Comprehensive income Nine months ended December 31, 2024 ¥(6,133) million [–%]  
 Nine months ended December 31, 2023 ¥(393)million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2024	53.38		48.28	
Nine months ended December 31, 2023	77.23		44.94	

#### (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, 2024	2,428,077	94,525	3.8	8.81
As of March 31, 2024	2,405,654	118,605	4.8	10.06

Reference: Equity As of December 31, 2024 ¥93,758 million  
 As of March 31, 2024 ¥117,820 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).”

Note: In accordance with a resolution of the Board of Directors meeting held on May 9, 2024, 7,500,000 treasury shares were acquired by purchasing Class 2 Preferred Stock related to public funding, and then cancelled on May 14, 2024. In accordance with this cancellation of shares, the consolidated capital adequacy ratio was reduced by approximately 1.30%.

## 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, 2024	—	0.00	—	35.00	35.00
Year ending March 31, 2025	—	0.00	—		
Year ending March 31, 2025 (Forecast)				30.00	30.00

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.”

Note: The year-end dividend for the fiscal year ended March 31, 2024 includes a commemorative dividend of ¥10.00 to commemorate the completion of repayment of public funds.

## 3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	2,000	(53.8)	1,500	(57.5)	40.53

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

## 4. Notes

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: 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, 2024	37,180,273 shares	As of March 31, 2024	37,180,273 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	419,428 shares	As of March 31, 2024	175,401 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, 2024	37,005,923 shares	Nine months ended December 31, 2023	36,978,650 shares
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\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

\* 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, 2024	—	0.00	—	27.68	27.68

Notes: 1. Amount to be paid in per share: ¥200

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

Year ended March 31, 2024

(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

3. At the Board of Directors meeting held on May 9, 2024, the Bank resolved to acquire the shares of Class 2 Preferred Stock as treasury shares and cancel the shares and to repay the public funds. It carried out as follows.

Class of shares acquired	Class 2 Preferred Stock
Number of shares acquired	7,500,000 shares
Payment method for share acquisition	Cash
Acquisition value per share	¥2,171.80
Total amount of shares acquired	¥16,288,500,000
Acquiree	The Resolution and Collection Corporation
Date of acquisition and cancellation	May 14, 2024
Method of cancellation	By using other capital surplus as the source of funds.

Note: The capital surplus was decreased by ¥16,288 million due to the cancellation.

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

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Cash and due from banks	195,486	196,780
Call loans and bills bought	454	363
Money held in trust	3,992	2,996
Securities	557,317	549,354
Loans and bills discounted	1,576,961	1,607,120
Foreign exchanges	3,065	1,151
Other assets	37,367	38,008
Tangible fixed assets	22,466	23,659
Intangible fixed assets	3,564	3,474
Retirement benefit asset	4,745	5,155
Deferred tax assets	3,470	3,199
Customers' liabilities for acceptances and guarantees	3,843	3,854
Allowance for loan losses	(7,080)	(7,043)
<b>Total assets</b>	<b>2,405,654</b>	<b>2,428,077</b>
<b>Liabilities</b>		
Deposits	2,152,798	2,199,779
Borrowed money	120,390	120,390
Foreign exchanges	139	136
Other liabilities	6,654	6,559
Provision for bonuses	449	—
Retirement benefit liability	53	58
Provision for retirement benefits for directors (and other officers)	0	1
Provision for reimbursement of deposits	133	100
Provision for contingent loss	580	672
Deferred tax liabilities	8	9
Deferred tax liabilities for land revaluation	1,997	1,989
Acceptances and guarantees	3,843	3,854
<b>Total liabilities</b>	<b>2,287,048</b>	<b>2,333,551</b>
<b>Net assets</b>		
Share capital	38,653	38,653
Capital surplus	17,500	17,500
Retained earnings	72,512	56,696
Treasury shares	(139)	(284)
<b>Total shareholders' equity</b>	<b>128,526</b>	<b>112,566</b>
Valuation difference on available-for-sale securities	(15,104)	(23,016)
Revaluation reserve for land	2,147	2,141
Remeasurements of defined benefit plans	2,251	2,067
<b>Total accumulated other comprehensive income</b>	<b>(10,705)</b>	<b>(18,807)</b>
Share acquisition rights	249	245
Non-controlling interests	535	522
<b>Total net assets</b>	<b>118,605</b>	<b>94,525</b>
<b>Total liabilities and net assets</b>	<b>2,405,654</b>	<b>2,428,077</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, 2023	Nine months ended December 31, 2024
Ordinary income	25,689	25,615
Interest income	16,274	17,356
Interest on loans and discounts	13,829	14,628
Interest and dividends on securities	2,365	2,509
Fees and commissions	4,762	5,060
Other ordinary income	665	55
Other income	3,987	3,143
Ordinary expenses	22,123	22,584
Interest expenses	105	766
Interest on deposits	78	720
Fees and commissions payments	2,524	2,946
Other ordinary expenses	207	15
General and administrative expenses	14,939	15,434
Other expenses	4,347	3,421
Ordinary profit	3,565	3,031
Extraordinary income	—	—
Extraordinary losses	29	186
Loss on disposal of non-current assets	17	2
Impairment losses	12	184
Profit before income taxes	3,536	2,845
Income taxes - current	498	476
Income taxes - deferred	169	405
Total income taxes	667	882
Profit	2,868	1,962
Profit (loss) attributable to non-controlling interests	12	(13)
Profit attributable to owners of parent	2,856	1,975

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

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	2,868	1,962
Other comprehensive income	(3,262)	(8,096)
Valuation difference on available-for-sale securities	(3,125)	(7,911)
Remeasurements of defined benefit plans, net of tax	(136)	(184)
Comprehensive income	(393)	(6,133)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(405)	(6,120)
Comprehensive income attributable to non-controlling interests	11	(12)