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November 10, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: THE TOWA BANK,LTD.
Listing: Tokyo Stock Exchange
Securities code: 8558
URL: https://www.towabank.co.jp
Representative: Isao Kitazume, Representative Director, President & Chief Executive Officer
Inquiries: Yoichi Noguchi, General Manager of Finance and Accounting Department
Telephone: +81-27-234-1111

Scheduled date to file semi-annual securities report: November 11, 2026
Scheduled date to commence dividend payments: -
Setting of trading account: None
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	33,052	60.8	2,390	(20.7)	3,702	18.4
September 30, 2025	20,546	22.4	3,016	45.9	3,127	161.4

Note: Comprehensive income For the six months ended September 30, 2026: ¥(1,970) million [-%]
For the six months ended September 30, 2025: ¥3,663 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	104.25	103.19
September 30, 2025	87.19	86.19

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Consolidated capital adequacy ratio (Standard in Japan)
As of	Millions of yen	Millions of yen	%	%
September 30, 2026	2,372,345	87,348	3.6	7.23
March 31, 2026	2,416,250	90,535	3.7	6.77

Reference: Equity
As of September 30, 2026: ¥86,644 million
As of March 31, 2026: ¥89,751 million

Note: The capital adequacy ratio is calculated by dividing (total portion of year-end net assets - year-end stock acquisition rights - non-controlling shareholders' interests at the end of the fiscal year) by the total amount of year-end assets.
The "Consolidated Capital Adequacy Ratio (Domestic Standards)" is calculated based on the "Standards for Determining whether a Bank's Capital Adequacy is Appropriate in Light of the Assets Held by Banks in Light of the Assets Held by Banks (Financial Services Agency Notification No. 19 of 2018)."

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	0.00	-	35.00	35.00
Fiscal year ending March 31, 2027	-	0.00			
Fiscal year ending March 31, 2027 (Forecast)			-	50.00	50.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	5,000	-	5,500	-	155.20

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of September 30, 2026	35,775,873 shares
As of March 31, 2026	35,775,873 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	180,930 shares
As of March 31, 2026	339,215 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2026	35,517,106 shares
Six months ended September 30, 2025	35,865,700 shares

Overview of non-consolidated financial results

1. Non-consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	31,082	67.3	2,416	(19.5)	3,718	19.2
September 30, 2025	18,573	26.0	3,002	46.4	3,116	164.2

	Basic earnings per share
Six months ended	Yen
September 30, 2026	104.68
September 30, 2025	86.90

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Non-consolidated capital adequacy ratio (Standard in Japan)
As of	Millions of yen	Millions of yen	%	%
September 30, 2026	2,360,223	82,799	3.5	7.13
March 31, 2026	2,403,798	85,734	3.5	6.68

Reference: Equity

As of September 30, 2026: ¥82,624 million

As of March 31, 2026: ¥85,485 million

Note: The capital adequacy ratio is calculated by dividing (total portion of year-end net assets minus year-end stock acquisition rights) by the total portion of year-end assets. The "Non-consolidated capital adequacy ratio (domestic standards)" is calculated based on the "criteria for determining whether a bank's capital adequacy is appropriate in light of the assets held by the bank (Financial Services Agency Notification No. 19 of 18)" based on the provisions of Article 14(2) of the Banking Act.

2. Non-consolidated earnings forecast for the fiscal year ending March 31, 2027 (April 1, 2026 ~ March 31, 2027)

(Percentages indicate year-on-year changes.)

	Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	5,000	-	5,500	-	155.20

* Semi-annual financial results reports are exempt from interim audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

1. The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

2. Supplementary explanatory materials for financial results are attached to the financial results.

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Cash and due from banks	281,491	192,321
Call loans and bills bought	607	377
Money held in trust	1,000	1,001
Securities	411,313	461,920
Loans and bills discounted	1,646,482	1,663,670
Foreign exchanges	1,032	1,017
Other assets	37,763	15,766
Tangible fixed assets	23,770	23,669
Intangible fixed assets	2,796	2,428
Retirement benefit asset	8,511	8,812
Deferred tax assets	6,268	7,734
Customers' liabilities for acceptances and guarantees	2,873	2,814
Allowance for loan losses	(7,661)	(9,189)
Total assets	2,416,250	2,372,345
Liabilities		
Deposits	2,170,932	2,160,164
Borrowed money	140,300	108,800
Foreign exchanges	137	149
Other liabilities	8,216	9,879
Provision for bonuses	485	495
Retirement benefit liability	50	43
Provision for retirement benefits for directors (and other officers)	2	0
Provision for reimbursement of deposits	68	52
Provision for contingent loss	692	673
Deferred tax liabilities	11	15
Deferred tax liabilities for land revaluation	1,945	1,907
Acceptances and guarantees	2,873	2,814
Total liabilities	2,325,715	2,284,997
Net assets		
Share capital	38,653	38,653
Capital surplus	17,502	17,502
Retained earnings	32,642	35,181
Treasury shares	(228)	(122)
Total shareholders' equity	88,570	91,215
Valuation difference on available-for-sale securities	(4,353)	(9,786)
Revaluation reserve for land	1,895	1,811
Remeasurements of defined benefit plans	3,638	3,404
Total accumulated other comprehensive income	1,180	(4,570)
Share acquisition rights	248	174
Non-controlling interests	535	528
Total net assets	90,535	87,348
Total liabilities and net assets	2,416,250	2,372,345

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Ordinary income	20,546	33,052
Interest income	14,683	18,154
Interest on loans and discounts	11,603	14,153
Interest and dividends on securities	2,725	3,163
Fees and commissions	3,456	3,804
Other ordinary income	45	74
Other income	2,362	11,020
Ordinary expenses	17,530	30,662
Interest expenses	2,008	3,760
Interest on deposits	1,912	3,539
Fees and commissions payments	2,062	2,141
Other ordinary expenses	65	3,225
General and administrative expenses	10,842	11,258
Other expenses	2,551	10,276
Ordinary profit	3,016	2,390
Extraordinary income	1,691	895
Gain on disposal of non-current assets	1,691	895
Extraordinary losses	289	26
Loss on disposal of non-current assets	3	26
Impairment losses	285	-
Profit before income taxes	4,418	3,259
Income taxes - current	1,240	1,061
Income taxes - deferred	48	(1,493)
Total income taxes	1,288	(432)
Profit	3,130	3,691
Profit (loss) attributable to non-controlling interests	2	(11)
Profit attributable to owners of parent	3,127	3,702

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	3,130	3,691
Other comprehensive income	533	(5,662)
Valuation difference on available-for-sale securities	654	(5,428)
Remeasurements of defined benefit plans, net of tax	(120)	(234)
Comprehensive income	3,663	(1,970)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,659	(1,964)
Comprehensive income attributable to non-controlling interests	4	(6)

Consolidated statements of changes in equity

Six months ended September 30, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	38,653	17,500	59,241	(284)	115,111
Changes during period					
Dividends of surplus			(1,286)		(1,286)
Profit attributable to owners of parent			3,127		3,127
Disposal of treasury shares		(0)		57	57
Purchase of treasury shares				(1,000)	(1,000)
Reversal of revaluation reserve for land			187		187
Change in ownership interest of parent due to transactions with non-controlling interests		2			2
Transfer from retained earnings to capital surplus		0	(0)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	2	2,027	(942)	1,087
Balance at end of period	38,653	17,502	61,269	(1,226)	116,198

	Valuation and translation adjustments				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(28,336)	2,082	1,525	(24,727)	256	531	91,171
Changes during period							
Dividends of surplus							(1,286)
Profit attributable to owners of parent							3,127
Disposal of treasury shares							57
Purchase of treasury shares							(1,000)
Reversal of revaluation reserve for land							187
Change in ownership interest of parent due to transactions with non-controlling interests							2
Transfer from retained earnings to capital surplus							-
Net changes in items other than shareholders' equity	653	(187)	(120)	345	(33)	(14)	297
Total changes during period	653	(187)	(120)	345	(33)	(14)	1,384
Balance at end of period	(27,682)	1,895	1,404	(24,382)	223	517	92,556

Six months ended September 30, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	38,653	17,502	32,642	(228)	88,570
Changes during period					
Dividends of surplus			(1,240)		(1,240)
Profit attributable to owners of parent			3,702		3,702
Disposal of treasury shares		(7)		107	99
Purchase of treasury shares				(1)	(1)
Reversal of revaluation reserve for land			83		83
Transfer from retained earnings to capital surplus		7	(7)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,538	105	2,644
Balance at end of period	38,653	17,502	35,181	(122)	91,215

	Valuation and translation adjustments				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(4,353)	1,895	3,638	1,180	248	535	90,535
Changes during period							
Dividends of surplus							(1,240)
Profit attributable to owners of parent							3,702
Disposal of treasury shares							99
Purchase of treasury shares							(1)
Reversal of revaluation reserve for land							83
Transfer from retained earnings to capital surplus							-
Net changes in items other than shareholders' equity	(5,432)	(83)	(234)	(5,751)	(73)	(7)	(5,831)
Total changes during period	(5,432)	(83)	(234)	(5,751)	(73)	(7)	(3,187)
Balance at end of period	(9,786)	1,811	3,404	(4,570)	174	528	87,348

Semi-annual non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Cash and due from banks	281,420	192,229
Call loans	607	377
Money held in trust	1,000	1,001
Securities	411,337	461,929
Loans and bills discounted	1,649,022	1,666,139
Foreign exchanges	1,032	1,017
Other assets	26,447	4,591
Other	26,447	4,591
Tangible fixed assets	23,669	23,565
Intangible fixed assets	2,782	2,417
Prepaid pension costs	3,211	3,853
Deferred tax assets	7,928	9,287
Customers' liabilities for acceptances and guarantees	2,873	2,814
Allowance for loan losses	(7,534)	(9,001)
Total assets	2,403,798	2,360,223
Liabilities		
Deposits	2,171,822	2,160,252
Borrowed money	134,200	103,300
Foreign exchanges	137	149
Other liabilities	5,846	7,786
Income taxes payable	161	1,176
Lease liabilities	19	13
Asset retirement obligations	256	250
Other	5,409	6,346
Provision for bonuses	477	486
Provision for reimbursement of deposits	68	52
Provision for contingent loss	692	673
Deferred tax liabilities for land revaluation	1,945	1,907
Acceptances and guarantees	2,873	2,814
Total liabilities	2,318,064	2,277,423
Net assets		
Share capital	38,653	38,653
Capital surplus	17,500	17,500
Legal capital surplus	17,500	17,500
Retained earnings	32,018	34,572
Legal retained earnings	4,196	4,444
Other retained earnings	27,822	30,128
Retained earnings brought forward	27,822	30,128
Treasury shares	(228)	(122)
Total shareholders' equity	87,943	90,603
Valuation difference on available-for-sale securities	(4,353)	(9,790)
Revaluation reserve for land	1,895	1,811
Total valuation and translation adjustments	(2,458)	(7,979)
Share acquisition rights	248	174
Total net assets	85,734	82,799
Total liabilities and net assets	2,403,798	2,360,223

Non-consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Ordinary income	18,573	31,082
Interest income	14,682	18,151
Interest on loans and discounts	11,603	14,151
Interest and dividends on securities	2,724	3,161
Fees and commissions	3,117	3,492
Other ordinary income	45	74
Other income	728	9,365
Ordinary expenses	15,571	28,666
Interest expenses	1,971	3,704
Interest on deposits	1,912	3,539
Fees and commissions payments	1,858	1,968
Other ordinary expenses	65	3,225
General and administrative expenses	10,547	10,986
Other expenses	1,128	8,781
Ordinary profit	3,002	2,416
Extraordinary income	1,691	895
Gain on disposal of non-current assets	1,691	895
Extraordinary losses	289	26
Profit before income taxes	4,405	3,285
Income taxes - current	1,239	1,060
Income taxes - deferred	48	(1,493)
Total income taxes	1,288	(432)
Profit	3,116	3,718

Non-consolidated statements of changes in equity

Six months ended September 30, 2025

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at beginning of period	38,653	17,500	-	17,500	3,938	54,712	58,650	(284)	114,520
Changes during period									
Dividends of surplus						(1,286)	(1,286)		(1,286)
Provision of legal retained earnings					257	(257)	-		-
Profit						3,116	3,116		3,116
Disposal of treasury shares			(0)	(0)				57	57
Purchase of treasury shares								(1,000)	(1,000)
Reversal of revaluation reserve for land						187	187		187
Transfer from retained earnings to capital surplus			0	0		(0)	(0)		-
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	257	1,760	2,017	(942)	1,074
Balance at end of period	38,653	17,500	-	17,500	4,196	56,472	60,668	(1,226)	115,594

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	(28,334)	2,082	(26,251)	256	88,525
Changes during period					
Dividends of surplus					(1,286)
Provision of legal retained earnings					-
Profit					3,116
Disposal of treasury shares					57
Purchase of treasury shares					(1,000)
Reversal of revaluation reserve for land					187
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	652	(187)	464	(33)	431
Total changes during period	652	(187)	464	(33)	1,506
Balance at end of period	(27,682)	1,895	(25,787)	223	90,031

Six months ended September 30, 2026

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at beginning of period	38,653	17,500	-	17,500	4,196	27,822	32,018	(228)	87,943
Changes during period									
Dividends of surplus						(1,240)	(1,240)		(1,240)
Provision of legal retained earnings					248	(248)	-		-
Profit						3,718	3,718		3,718
Disposal of treasury shares			(7)	(7)				107	99
Purchase of treasury shares								(1)	(1)
Reversal of revaluation reserve for land						83	83		83
Transfer from retained earnings to capital surplus			7	7		(7)	(7)		-
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	248	2,306	2,554	105	2,659
Balance at end of period	38,653	17,500	-	17,500	4,444	30,128	34,572	(122)	90,603

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	(4,353)	1,895	(2,458)	248	85,734
Changes during period					
Dividends of surplus					(1,240)
Provision of legal retained earnings					-
Profit					3,718
Disposal of treasury shares					99
Purchase of treasury shares					(1)
Reversal of revaluation reserve for land					83
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	(5,437)	(83)	(5,520)	(73)	(5,594)
Total changes during period	(5,437)	(83)	(5,520)	(73)	(2,934)
Balance at end of period	(9,790)	1,811	(7,979)	174	82,799

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TOWA 東和銀行

Second Quarter of the Fiscal Year Ending March 2027
Financial Results Digest

Key Financial Figures

Note: All figures are rounded down to the nearest unit unless otherwise noted.

1. Deposits・Loans

Deposits：2,160.2 billion yen (Decrease of 9.4 billion yen from the same period last year)

Loans：1,666.1 billion yen (Increase of 38.0 billion yen from the same period last year)

(Unit: 100 million yen)

	Second Quarter of Fiscal Year Ending March 2026	Second Quarter of Fiscal Year Ending March 2027	Compared to the same period last year
Deposits	21,696	21,602	-94
Loans and Advances	16,280	16,661	380

2. Profit and Loss Situation (Top: Single, Bottom: Consolidated)

For the single entity, core business net income increased by 1.3 billion yen year-on-year to 4.6 billion yen, ordinary profit decreased by 0.5 billion yen year-on-year to 2.4 billion yen, and interim net income increased by 0.6 billion yen year-on-year to 3.7 billion yen

(Unit: 100 million yen)

	Second Quarter of Fiscal Year Ending March 2026	Second Quarter of Fiscal Year Ending March 2027	Compared to the same period last year
Core Business Net Profit (※1)	32 —	46 —	13 —
Ordinary Profit	30 30	24 23	-5 -6
Quarterly Net Profit (※2)	31 31	37 37	6 5

(※1) Core Business Net Income is presented for the single entity only.
(※2) Consolidated: Net Income for the Half Year Attributable to Owners of the Parent Company.

3. Capital Adequacy Ratio (Top: Single, Bottom: Consolidated)

The standalone capital adequacy ratio decreased by 2.64 percentage points year-on-year to 7.13%, while the consolidated ratio decreased by 2.59 percentage points to 7.23%

(%)

	Second Quarter of Fiscal Year Ending March 2026	Second Quarter of Fiscal Year Ending March 2027	Compared to the same period last year
Capital Adequacy Ratio	9.77 9.82	7.13 7.23	-2.64 -2.59

Reference: Capital Adequacy Ratio for the Fiscal Year Ended March 2026 (Standalone)6.68% (Consolidated) 6.77%

4. Mark-to-Market Gains and Losses on Securities

Mark-to-market gains and losses on securities held-to-maturity decreased by 5.1 billion yen year-on-year to a loss of 8.7 billion yen. For securities available-for-sale, losses decreased by 17.2 billion yen year-on-year to a loss of 9.5 billion yen. Consequently, the total loss decreased by 12.1 billion yen year-on-year to a loss of 18.2 billion yen

(Unit: 100 million yen)

	Second Quarter of Fiscal Year Ending March 2026	Second Quarter of Fiscal Year Ending March 2027	Compared to the same period last year
Held-to-maturity	-35	-87	-51
Available-for-sale securities	-267	-95	172
Total	-303	-182	121

5. Non-Performing Loan Ratio (as disclosed under the Financial Reconstruction Law)

The Non-Performing Loan Ratio disclosed under the Financial Reconstruction Law decreased by 0.02 percentage points year-on-year to 2.36%

(%)

	Second Quarter of Fiscal Year Ending March 2026	Second Quarter of Fiscal Year Ending March 2027	Compared to the same period last year
Claims disclosed pursuant to the Financial Reconstruction Law	2.38	2.36	-0.02

Summary of Financial Results (Standalone)

Note: All figures are rounded down to the nearest unit unless otherwise noted.

(Unit: Millions Yen)

	2025/9	2026/9	Change
Gross Business Profit	13,951	12,820	-1,131
Core Gross Business Profit (※)	13,994	15,998	2,003
Net Interest Income	12,712	14,448	1,735
Net Fees and Commissions	1,259	1,523	263
Other Business Income	-20	-3,151	-3,131
Gain/Loss on Government Bonds and Other Securities.	-43	-3,178	-3,135
Expenses	10,700	11,308	608
Substantive Business Net Profit	3,250	1,511	-1,739
Core Business Net Profit	3,294	4,689	1,395
Core Business Net Profit (Excluding Investment Trust Redemption Gain/Loss)	3,294	4,316	1,022
General Loan Loss Provision(-)①	141	1,856	1,714
Business Net Profit	3,108	-345	-3,453
Temporary Gain/Loss	-105	2,762	2,868
Non-performing Loan Processing Amount(-)②	902	6,802	5,899
Gain/Loss on Stocks and Related Items	22	8,387	8,364
Other Temporary Gain/Loss	774	1,177	403
Ordinary Profit	3,002	2,416	-586
Special Gain/Loss	1,402	869	-533
Net Income for the Half Year	3,116	3,718	601
Credit Cost(-)(①+②)	1,044	8,658	7,614

※Excluding gains/losses on government bonds, etc.

【Key Points】

Core Business Net Profit

・Increase Driven by Growth in Interest Income

Due to an increase in loans and rising yields, interest income on loans increased. Additionally, gains and dividends from securities increased following portfolio turnover. As a result, interest income rose by 1.735 billion yen year-on-year, leading to a year-on-year increase of 1.395 billion yen in Core Business Net Profit, reaching 4.689 billion yen

Net Income for the Half Year

・Growth in Core Business Net Profit and Gains/Losses on Equities,etc.

Core Business Net Profit , which reflects the profitability of the core business, increased steadily. Combined with an increase in gains and losses on equities, etc., which offset the rise in the cost of credit, Net Income for the Half Year increased by 601 million yen year-on-year to 3.718 billion yen

Credit Cost

・Increase in Expected Losses Due to Higher Disposal Amounts of Non-Performing Loans

With the amount of non-performing loans disposed of increasing by 5.899 billion yen year-on-year, along with a rise in the loan loss provision ratio, the cost of credit increased by 7.614 billion yen year-on-year to 8.658 billion yen

[Consolidated Basis]

(Unit: Million yen)

	2025/9	2026/9	Change
Ordinary Profit	3,016	**2,390**	-626
Net Profit Attributable to Owners of the Parent Company	3,127	**3,702**	575

Factors Contributing to Changes in Net Interest Income

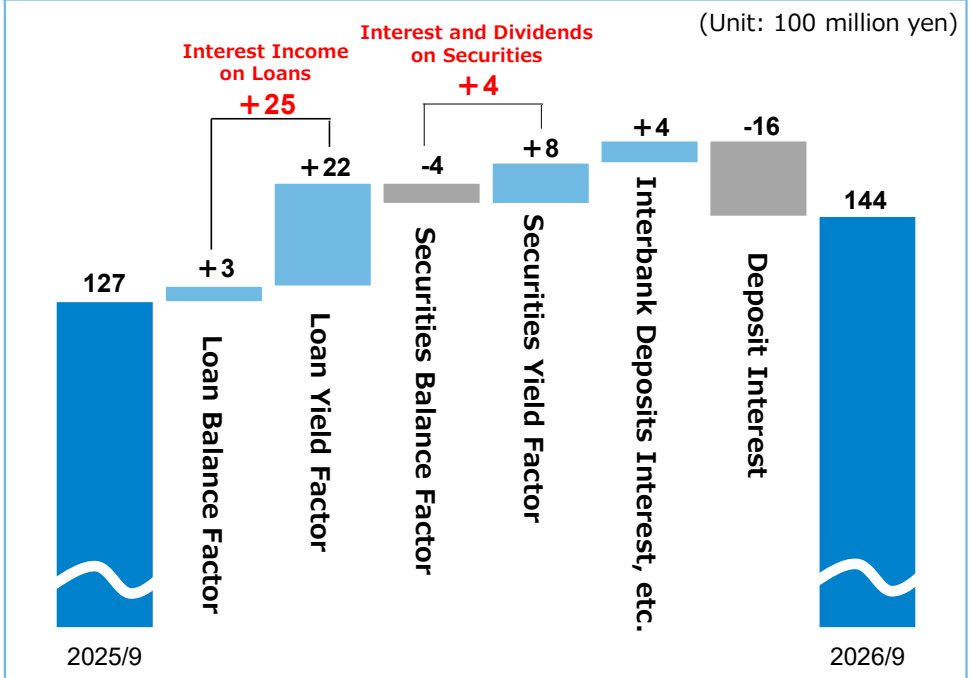
Note: All figures are rounded down to the nearest unit unless otherwise noted.

■ **Increase in Interest Income:** Due to an increase in the loan balance and rising yields, interest income on loans increased by 2.5 billion yen year-on-year. Additionally, interest and dividends from securities increased by 0.4 billion yen year-on-year due to portfolio turnover. As a result, interest income increased by 1.7 billion yen year-on-year to 14.4 billion yen

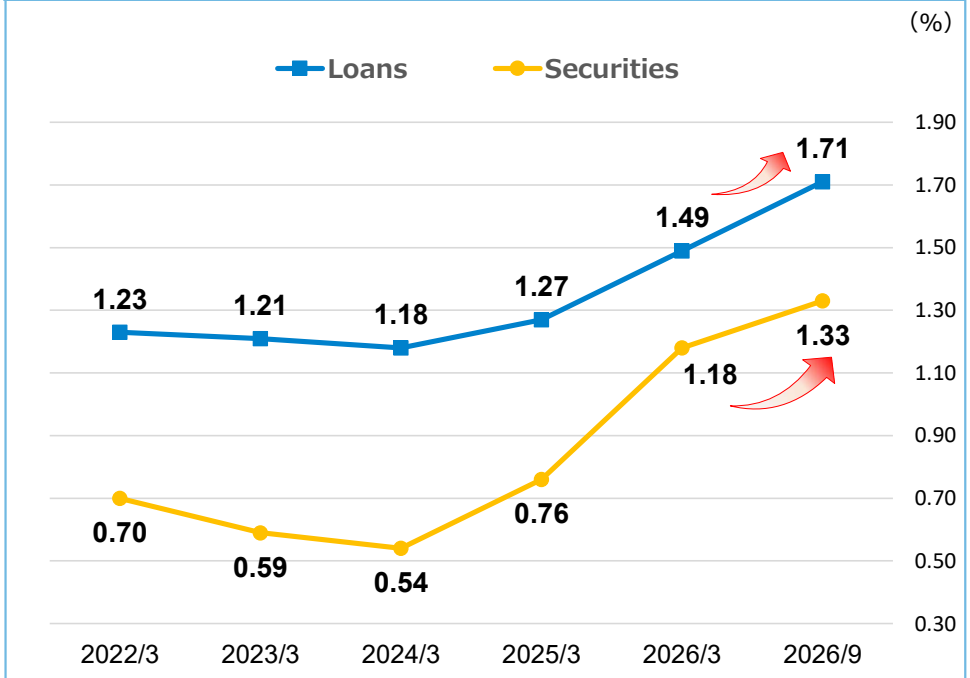
■ **Rising Policy Rates:** The promotion of loans linked to market interest rates contributed to the rise in loan yields following the increase in policy rates

■ **Rising Securities Yields:** Yields on the securities portfolio also rose significantly due to the effects of portfolio turnover

Factors Affecting Changes in Net Interest Income



Trends in Loan and Securities Yields



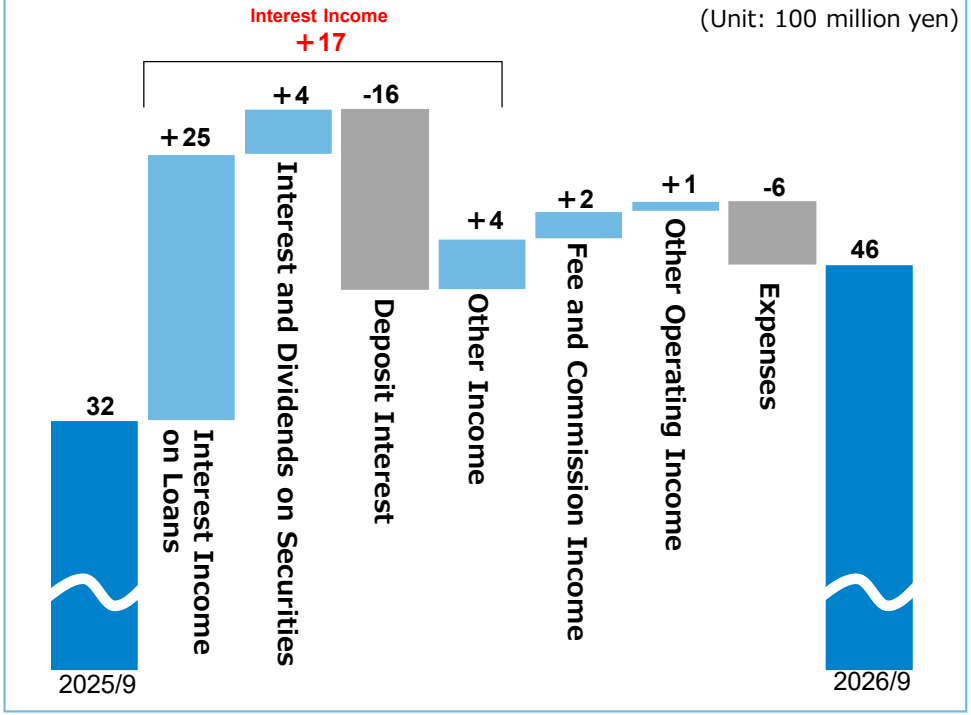
Factors Contributing to Changes in Core Business Net Profit

Note: All figures are rounded down to the nearest unit unless otherwise noted.

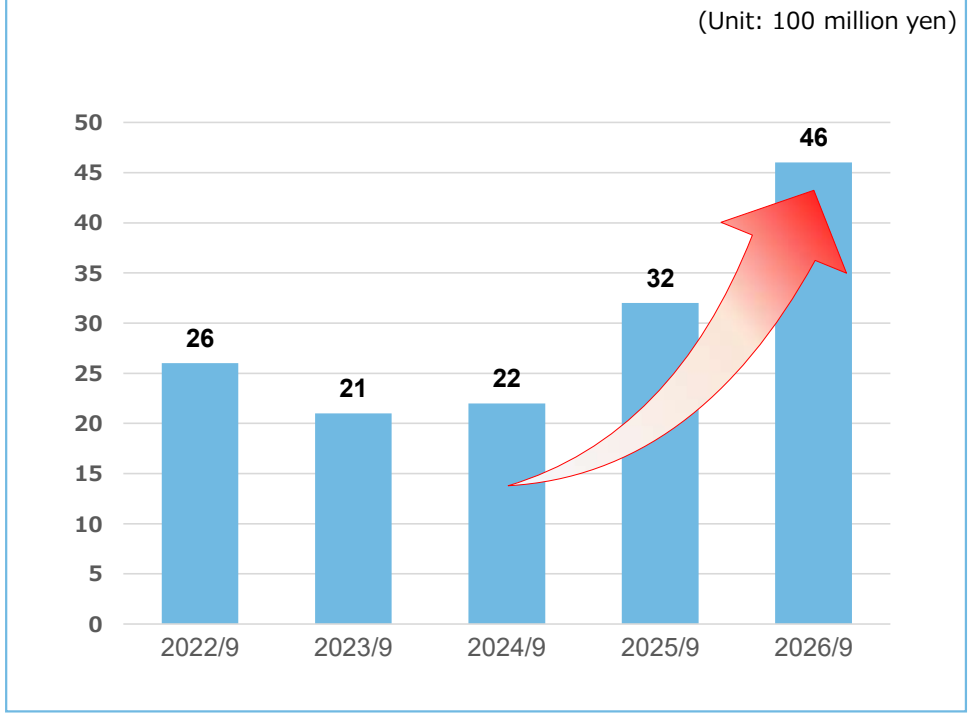
■ **Steady Growth in Core Operating Income:** Despite an increase in expenses such as personnel costs, Core Business Net Profit, which reflects the profitability of the core business, increased by 1.3 billion yen year-on-year to 4.6 billion yen, driven by steady growth in interest income and fee and commission income

■ **Positive Impact of Market Rates and Portfolio Turnover:** In addition to rising domestic market interest rates, the portfolio turnover on the investment side proved successful, resulting in a steady progression of Core Business Net Profit for the second quarter

Factors Affecting Changes in Core Operating Profit



Status of Core Operating Profit



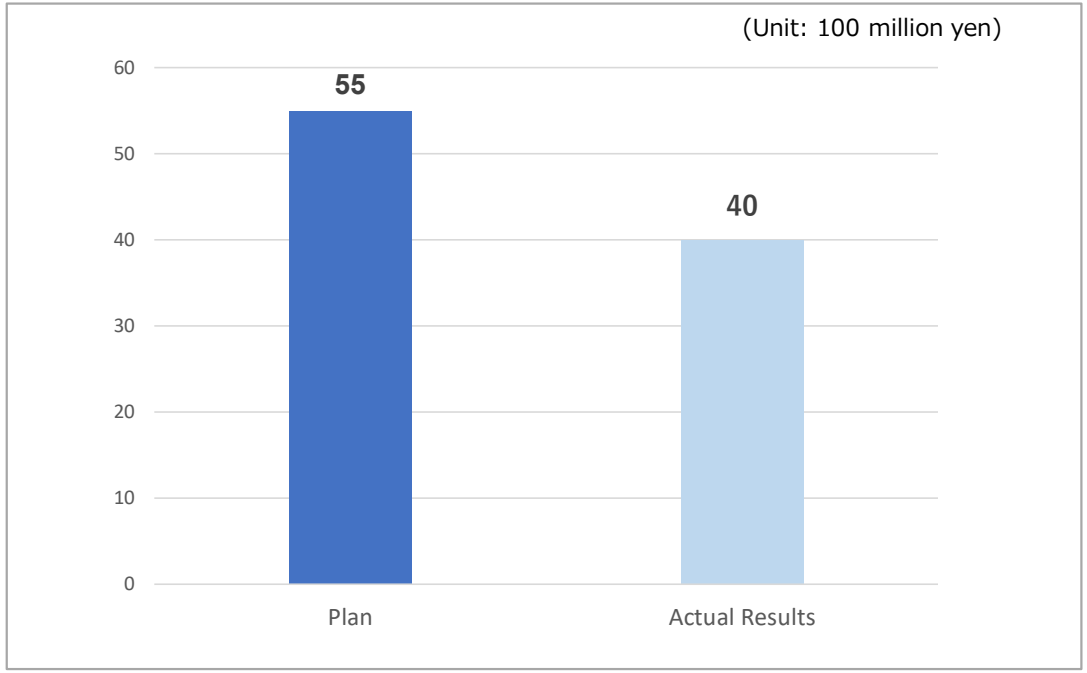
Progress on Securities Sales and Business Forecasts

Note: All figures are rounded down to the nearest unit unless otherwise noted.

- **Disposal of Non-Performing Loans:** On July 14, 2026, the bank announced that it would utilize gains of 5.5 billion yen from the sale of securities to offset a 5.8 billion yen loss related to non-performing loans transferred to Zen To-Shin Co., Ltd.
- **Progress as of September 2026:** As of the end of September 2026, the bank has recognized gains of 4.0 billion yen from securities sales, representing approximately 70% progress against the initial plan
- **Remaining Securities:** Regarding the remaining securities designated for sale, the bank will make appropriate judgments in a timely manner based on future earnings conditions

- **Progress of Second Quarter Results (Standalone):** The The Bank's standalone financial results for the first half of the fiscal year are progressing in line with expectations. The Ordinary Profit is at 48.3% of the full-year forecast, and the net income is at 67.6%
- **Full-Year Forecast for FY2027:** Due to the uncertainty in the outlook for financial and economic conditions, the full-year performance forecast for the fiscal year ending March 2027 remains unchanged from the figures announced on May 12, 2026

Sale of Securities



Second Quarter Results and Full-Year Forecasts

(Unit: Million yen)

Standalone Basis	Ordinary Profit	Net Income
Second Quarter Initial Forecast (Revised Forecast as of November 4)	2,500 (2,500)	2,500 (3,710)
Actual Results	2,416	3,718
Full-Year Forecast	5,000	5,500

(Unit: Million yen)

Consolidated Basis	Ordinary Profit	Net Income Attributable to Owners of the Parent Company
Second Quarter Initial Forecast (Revised Forecast as of November 4)	2,500 (2,500)	2,500 (3,700)
Actual Results	2,390	3,702
Full-Year Forecast	5,000	5,500



＜Contact Information＞

THE TOWA BANK, LTD. Corporate Planning Department

Planning & Public Relations, Iizuka

e-mail 91003@mb.towabank.co.jp

Tel+81-27-230-1502