



May 25, 2026

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Representative: Hiroshi Ebara, Representative
Director, President & Chief
Executive Officer
(Securities code: 8558 TSE Prime
Market)
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Notice of Revision of Financial Targets in the Medium-Term Management Plan Phase 1 and Long-Term Vision

THE TOWA BANK, LTD. (the “Bank,” President and Chief Executive Officer, Hiroshi Ebara) hereby announces that it has decided to revise the “Financial Targets (KPIs) in the Medium-Term Management Plan Phase 1 and Long-Term Vision,” announced on May 31, 2024, as follows.

1. Reasons for Revision

The Bank will conduct a revision of its financial targets, including ROE, reflecting domestic market interest rates that are higher than its initial plan and forecast to increase even further to a certain level going forward. It will also take into account the impact on earnings due to proactively reshuffling its investment portfolio on the operations side, as announced on March 13, 2026.

2. Revision Details of Financial Targets in the Medium-term Management Plan Phase 1 and Long-Term Vision

Performance Aspect	Indicator (non-consolidated)	Medium-Term Management Plan Phase 1 2027/3		Long-Term Vision 2033/3	
		Before revision	After revision	Before revision	After revision
Capital efficiency	ROE (consolidated)	3.7%	6.4%	7.0%	8.0%
Profitability	Core net business profit	¥6.3 bn	¥6.7 bn	¥12.0 bn	¥15.0 bn
	Profit (newly established)	—	¥5.5 bn	—	¥10.0 bn
Soundness	Capital adequacy ratio	8.64%	7.00%	10% level	Approx. 9.5%
Operating efficiency	Core OHR*	77.2%	77.0%		

* The OHR calculation will be revised to cost / core gross business profit. Moreover, the target prior to revision was 65.1% (on a calculation of costs (deducting mechanization-related expenses) / gross business profit)

Note: Please refer to the attached materials for details. The earnings forecasts and other forward-looking statements in this document are based on information available at the time of this announcement and certain assumptions deemed reasonable. Actual results may differ significantly due to various factors such as changes in the business environment going forward.

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TOWA 東和銀行

Regarding Revision of Financial Targets (KPIs) in the Medium-term Management Plan Phase 1 and Long-term Vision

Securities code: 8558

1. Revision of Financial Targets

- We will revise our financial targets, reflecting domestic market interest rates that are higher than our initial plan and forecast to increase even further going forward, to a certain level. We also take into account the impact on earnings due to proactively reshuffling our investment portfolio on the operations side, as announced on March 13, 2026.
- We established a new indicator, “profit,” indicating profitability.

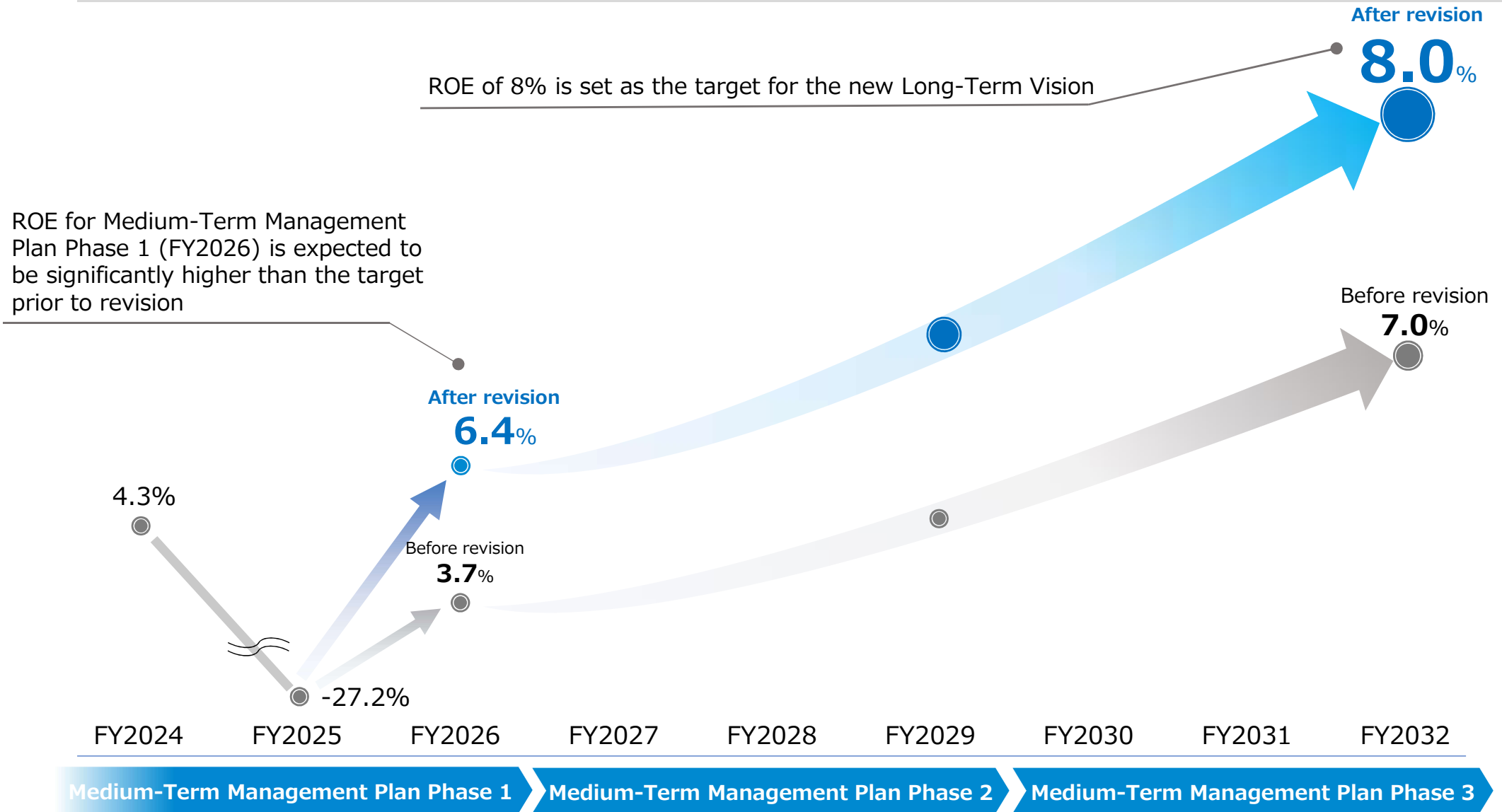
Indicator (Non-consolidated)	Medium-Term Management Plan Phase 1 2027/3			Long-term Vision 2033/3		
	Before revision	After revision	Difference	Before revision	After revision	Difference
ROE (consolidated)	3.7%	6.4 %	+2.7 ppt	7.0%	8.0 %	+1.0 ppt
Core net business profit	¥6.3 bn	¥6.7 bn	+¥0.4 bn	¥12.0 bn	¥15.0 bn	+¥3.0 bn
Profit (newly established)	–	¥5.5 bn	–	–	¥10.0 bn	–
Capital adequacy ratio* ¹	8.64%	7.00 %	-1.64 ppt	10% level	Approx. 9.5 %	- 0.5 ppt
Core OHR* ²	77.2%	77.0 %	- 0.2 ppt			

*1 The capital adequacy ratio is expected to fall below the initial target due to a bulk sale of available-for-sale securities

*2 The OHR calculation basis will be revised to cost / core gross business profit. Moreover, the target prior to revision was 65.1% (on a calculation basis of costs (deducting mechanization-related costs) / gross business profit)

2. Toward Achieving ROE of 8%

- We expect to enhance our profitability by proactively reshuffling our investment portfolio on the operations side, including increasing loans to regional customers and improving yields on securities through reinvestment.
- We will realize ROE of 8% by executing the strategies of the Medium-Term Management Plan Phases 1–3.





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The earnings forecasts and other forward-looking statements in this document are based on information available at the time of this announcement and certain assumptions deemed reasonable. Actual results may differ significantly due to various factors such as changes in the business environment going forward.