

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

October 31, 2017

Company name: The Keiyo Bank, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8544 URL <http://www.keiyo.com>
 Representative: President Toshiyuki Kumagai
 Inquiries: General Manager of Accounting Yukihiko Nezu TEL 043-306-2121
 Corporate Planning Division
 Scheduled date to file Quarterly Securities Report: November 14, 2017
 Scheduled date to commence dividend payments: November 27, 2017
 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 six months ended September 30, 2017 (from April 1, 2017 to September 30, 2017)

(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	%
Six months ended September 30, 2017	33,008	(4.0)	9,381	(9.2)	6,298	(6.0)
Six months ended September 30, 2016	34,411	(1.7)	10,333	(10.3)	6,706	(11.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2017	23.88		23.82	
Six months ended September 30, 2016	25.37		25.31	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	4,756,801	290,993	6.0
As of March 31, 2017	4,598,425	283,219	6.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2017	–	5.50	–	5.50	11.00
Year ending March 31, 2018	–	5.50	–	–	–
Year ending March 31, 2018 (Forecast)	–	–	–	5.50	11.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	18,000	1.8	12,500	7.4	47.39

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2017
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) 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

(3) Number of issued shares (common shares)

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

As of September 30, 2017	287,855,716 shares	As of March 31, 2017	287,855,716 shares
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Number of treasury shares at the end of the period

As of September 30, 2017	24,121,399 shares	As of March 31, 2017	24,195,137 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2017	263,703,529 shares	Six months ended September 30, 2016	264,332,866 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Cash and due from banks	214,970	320,803
Call loans and bills bought	6,082	7,670
Trading account securities	4,192	4,107
Securities	1,013,957	970,275
Loans and bills discounted	3,271,474	3,351,969
Foreign exchanges	2,861	4,064
Other assets	17,854	32,168
Tangible fixed assets	67,236	65,973
Intangible fixed assets	3,304	4,087
Deferred tax assets	60	53
Customers' liabilities for acceptances and guarantees	6,159	5,125
Allowance for loan losses	(9,729)	(9,497)
Total assets	4,598,425	4,756,801
Liabilities		
Deposits	4,237,075	4,385,840
Negotiable certificates of deposit	13,500	13,500
Borrowed money	32,400	32,400
Foreign exchanges	106	194
Other liabilities	8,923	10,604
Provision for bonuses	1,292	1,273
Provision for directors' bonuses	66	33
Net defined benefit liability	4,056	3,755
Provision for directors' retirement benefits	2	4
Provision for loss on interest repayment	15	16
Provision for reimbursement of deposits	573	623
Provision for contingent loss	628	669
Deferred tax liabilities	5,762	7,123
Deferred tax liabilities for land revaluation	4,643	4,643
Acceptances and guarantees	6,159	5,125
Total liabilities	4,315,206	4,465,807
Net assets		
Capital stock	49,759	49,759
Capital surplus	39,704	39,704
Retained earnings	158,239	163,085
Treasury shares	(12,973)	(12,938)
Total shareholders' equity	234,730	239,611
Valuation difference on available-for-sale securities	40,541	42,927
Revaluation reserve for land	6,602	6,602
Remeasurements of defined benefit plans	(2,342)	(2,152)
Total accumulated other comprehensive income	44,802	47,377
Subscription rights to shares	287	303
Non-controlling interests	3,398	3,701
Total net assets	283,219	290,993
Total liabilities and net assets	4,598,425	4,756,801

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, 2016	Six months ended September 30, 2017
Ordinary income	34,411	33,008
Interest income	25,766	25,028
Interest on loans and discounts	19,298	18,589
Interest and dividends on securities	6,192	6,162
Fees and commissions	5,160	5,216
Other ordinary income	2,858	1,147
Other income	625	1,615
Ordinary expenses	24,077	23,626
Interest expenses	613	440
Interest on deposits	481	301
Fees and commissions payments	2,414	2,629
Other ordinary expenses	–	139
General and administrative expenses	19,527	19,173
Other expenses	1,522	1,244
Ordinary profit	10,333	9,381
Extraordinary income	4	4
Gain on disposal of non-current assets	4	4
Extraordinary losses	431	158
Loss on disposal of non-current assets	312	158
Impairment loss	118	–
Profit before income taxes	9,906	9,227
Income taxes - current	2,796	2,577
Income taxes - deferred	307	201
Total income taxes	3,103	2,778
Profit	6,802	6,449
Profit attributable to non-controlling interests	96	151
Profit attributable to owners of parent	6,706	6,298

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	6,802	6,449
Other comprehensive income	(4,168)	2,656
Valuation difference on available-for-sale securities	(4,410)	2,468
Remeasurements of defined benefit plans, net of tax	242	187
Comprehensive income	2,634	9,105
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,551	8,873
Comprehensive income attributable to non-controlling interests	83	232

Consolidated statements of changes in equity

Six months ended September 30, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	49,759	39,718	151,110	(13,450)	227,137
Changes of items during period					
Dividends of surplus			(1,462)		(1,462)
Profit attributable to owners of parent			6,706		6,706
Purchase of treasury shares				(1,274)	(1,274)
Disposal of treasury shares			(25)	142	117
Retirement of treasury shares			(1,609)	1,609	-
Reversal of revaluation reserve for land			(79)		(79)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	3,530	477	4,007
Balance at end of current period	49,759	39,718	154,640	(12,972)	231,145

	Accumulated other comprehensive income				Subscription rights to shares	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 current period	49,029	6,625	(3,015)	52,639	315	2,983	283,077
Changes of items during period							
Dividends of surplus							(1,462)
Profit attributable to owners of parent							6,706
Purchase of treasury shares							(1,274)
Disposal of treasury shares							117
Retirement of treasury shares							-
Reversal of revaluation reserve for land							(79)
Net changes of items other than shareholders' equity	(4,399)	79	244	(4,075)	(74)	78	(4,071)
Total changes of items during period	(4,399)	79	244	(4,075)	(74)	78	(63)
Balance at end of current period	44,629	6,704	(2,770)	48,563	241	3,062	283,013

Six months ended September 30, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	49,759	39,704	158,239	(12,973)	234,730
Changes of items during period					
Dividends of surplus			(1,448)		(1,448)
Profit attributable to owners of parent			6,298		6,298
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares			(3)	42	38
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	4,845	35	4,881
Balance at end of current period	49,759	39,704	163,085	(12,938)	239,611

	Accumulated other comprehensive income				Subscription rights to shares	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 current period	40,541	6,602	(2,342)	44,802	287	3,398	283,219
Changes of items during period							
Dividends of surplus							(1,448)
Profit attributable to owners of parent							6,298
Purchase of treasury shares							(6)
Disposal of treasury shares							38
Net changes of items other than shareholders' equity	2,385	–	189	2,575	15	302	2,893
Total changes of items during period	2,385	–	189	2,575	15	302	7,774
Balance at end of current period	42,927	6,602	(2,152)	47,377	303	3,701	290,993