

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 31, 2019

Company name: The Keiyo Bank, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8544 URL <https://www.keijobank.co.jp/>
 Representative: President Toshiyuki Kumagai
 General Manager of Accounting
 Inquiries: Corporate Planning Division Yukihiro Nezu TEL 043-306-2121
 Scheduled date to file Quarterly Securities Report: February 6, 2019
 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, 2018 (from April 1, 2018 to December 31, 2018)

(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, 2018	50,650	1.8	13,128	(7.1)	8,887	(7.2)
Nine months ended December 31, 2017	49,728	(2.6)	14,144	(7.0)	9,584	(4.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	67.35		67.17	
Nine months ended December 31, 2017	72.69		72.49	

Note: The Bank has implemented share consolidation of its common shares on a one for two basis effective October 1, 2018. Earnings per share and Diluted earnings per share have been calculated as if this consolidation of shares was implemented at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2018	4,909,141		290,509		5.8	
As of March 31, 2018	4,789,498		293,865		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, 2018	–	5.50	–	5.50	11.00
Year ending March 31, 2019	–	5.50	–	–	–
Year ending March 31, 2019 (Forecast)	–	–	–	11.00	–

Note: The Bank has implemented share consolidation of its common shares on a one for two basis effective October 1, 2018. The year-end dividend per share for the fiscal year ending March 31, 2019 reflects the effect of this consolidation of shares, and “–” is indicated for the total amount of annual dividends. The year-end dividend and annual dividends per share for the fiscal year ending March 31, 2019 calculated without factoring in the share consolidation are 5.50 yen and 11.00 yen. Accordingly, there will be no change in the dividend forecasts announced on May 9, 2018.

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	1.1	12,500	3.1	94.71

Note: The Bank has implemented share consolidation of its common shares on a one for two basis effective October 1, 2018. Earnings per share in the forecast of consolidated financial results for the year ending March 31, 2019 factor in the impact of this consolidation of shares.

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(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: Yes
- (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, 2018	143,927,858 shares	As of March 31, 2018	143,927,858 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	11,922,853 shares	As of March 31, 2018	12,069,293 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, 2018	131,959,211 shares	Nine months ended December 31, 2017	131,856,064 shares
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Note: The Bank has implemented share consolidation of its common shares on a one for two basis effective October 1, 2018. Total number of issued shares at the end of the period (including treasury shares), Number of treasury shares at the end of the period, and Average number of shares during the period (cumulative from the beginning of the fiscal year) were calculated as of this consolidation of shares was implemented at the beginning of the previous fiscal year.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Cash and due from banks	291,325	337,762
Call loans and bills bought	9,900	7,063
Trading account securities	4,195	4,321
Securities	928,118	890,143
Loans and bills discounted	3,454,643	3,560,918
Foreign exchanges	4,292	2,259
Other assets	31,898	43,292
Tangible fixed assets	65,706	63,708
Intangible fixed assets	4,471	4,542
Deferred tax assets	42	39
Customers' liabilities for acceptances and guarantees	4,400	4,480
Allowance for loan losses	(9,495)	(9,389)
Total assets	4,789,498	4,909,141
Liabilities		
Deposits	4,419,524	4,577,112
Negotiable certificates of deposit	13,500	13,500
Borrowed money	31,400	—
Foreign exchanges	225	363
Other liabilities	10,324	11,728
Provision for bonuses	1,281	431
Provision for directors' bonuses	66	49
Net defined benefit liability	2,631	2,117
Provision for directors' retirement benefits	5	5
Provision for loss on interest repayment	12	10
Provision for reimbursement of deposits	622	668
Provision for contingent loss	680	738
Deferred tax liabilities	6,316	2,781
Deferred tax liabilities for land revaluation	4,643	4,643
Acceptances and guarantees	4,400	4,480
Total liabilities	4,495,633	4,618,632
Net assets		
Capital stock	49,759	49,759
Capital surplus	39,704	39,704
Retained earnings	167,453	173,406
Treasury shares	(12,947)	(12,789)
Total shareholders' equity	243,970	250,081
Valuation difference on available-for-sale securities	40,483	30,687
Revaluation reserve for land	6,602	6,602
Remeasurements of defined benefit plans	(1,390)	(1,221)
Total accumulated other comprehensive income	45,695	36,068
Share acquisition rights	346	273
Non-controlling interests	3,852	4,085
Total net assets	293,865	290,509
Total liabilities and net assets	4,789,498	4,909,141

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, 2017	Nine months ended December 31, 2018
Ordinary income	49,728	50,650
Interest income	37,826	37,081
Interest on loans and discounts	27,953	27,994
Interest and dividends on securities	9,450	8,630
Fees and commissions	8,150	8,641
Other ordinary income	1,325	623
Other income	2,426	4,304
Ordinary expenses	35,583	37,522
Interest expenses	656	618
Interest on deposits	439	388
Fees and commissions payments	2,863	2,961
Other ordinary expenses	140	1,251
General and administrative expenses	28,967	28,424
Other expenses	2,955	4,267
Ordinary profit	14,144	13,128
Extraordinary income	20	–
Gain on disposal of non-current assets	20	–
Extraordinary losses	214	92
Loss on disposal of non-current assets	200	83
Impairment loss	14	9
Profit before income taxes	13,950	13,035
Income taxes	4,180	3,992
Profit	9,769	9,042
Profit attributable to non-controlling interests	185	155
Profit attributable to owners of parent	9,584	8,887

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	9,769	9,042
Other comprehensive income	6,329	(9,545)
Valuation difference on available-for-sale securities	6,047	(9,711)
Remeasurements of defined benefit plans, net of tax	281	165
Comprehensive income	16,098	(502)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,789	(739)
Comprehensive income attributable to non-controlling interests	309	237