

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

July 31, 2018

Company name: The Keiyo Bank, Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 8544 URL <http://www.keijobank.co.jp/>  
 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: August 3, 2018  
 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 three months ended June 30, 2018 (from April 1, 2018 to June 30, 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	%
Three months ended June 30, 2018	17,538	5.5	4,753	0.2	3,228	(0.4)
Three months ended June 30, 2017	16,614	(6.1)	4,742	(15.9)	3,243	(11.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	12.24		12.20	
Three months ended June 30, 2017	12.30		12.26	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	4,936,050	295,392	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	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	5.50	–	11.00	–

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
Six months ending September 30, 2018	9,000	(4.0)	6,000	(4.7)	22.73
Full year	18,000	1.1	12,500	3.1	94.71

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2018	287,855,716 shares	As of March 31, 2018	287,855,716 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	23,834,372 shares	As of March 31, 2018	24,138,586 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2018	263,725,574 shares	Three months ended June 30, 2017	263,669,813 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Assets</b>		
Cash and due from banks	291,325	419,871
Call loans and bills bought	9,900	7,707
Trading account securities	4,195	4,293
Securities	928,118	908,887
Loans and bills discounted	3,454,643	3,485,486
Foreign exchanges	4,292	3,220
Other assets	31,898	41,684
Tangible fixed assets	65,706	65,014
Intangible fixed assets	4,471	4,679
Deferred tax assets	42	42
Customers' liabilities for acceptances and guarantees	4,400	4,427
Allowance for loan losses	(9,495)	(9,265)
<b>Total assets</b>	<b>4,789,498</b>	<b>4,936,050</b>
<b>Liabilities</b>		
Deposits	4,419,524	4,586,334
Negotiable certificates of deposit	13,500	13,500
Borrowed money	31,400	10,000
Foreign exchanges	225	108
Other liabilities	10,324	11,115
Provision for bonuses	1,281	429
Provision for directors' bonuses	66	16
Net defined benefit liability	2,631	2,460
Provision for directors' retirement benefits	5	4
Provision for loss on interest repayment	12	12
Provision for reimbursement of deposits	622	659
Provision for contingent loss	680	754
Deferred tax liabilities	6,316	6,192
Deferred tax liabilities for land revaluation	4,643	4,643
Acceptances and guarantees	4,400	4,427
<b>Total liabilities</b>	<b>4,495,633</b>	<b>4,640,657</b>
<b>Net assets</b>		
Capital stock	49,759	49,759
Capital surplus	39,704	39,704
Retained earnings	167,453	169,199
Treasury shares	(12,947)	(12,784)
<b>Total shareholders' equity</b>	<b>243,970</b>	<b>245,880</b>
Valuation difference on available-for-sale securities	40,483	40,034
Revaluation reserve for land	6,602	6,602
Remeasurements of defined benefit plans	(1,390)	(1,334)
<b>Total accumulated other comprehensive income</b>	<b>45,695</b>	<b>45,302</b>
Share acquisition rights	346	234
Non-controlling interests	3,852	3,974
<b>Total net assets</b>	<b>293,865</b>	<b>295,392</b>
<b>Total liabilities and net assets</b>	<b>4,789,498</b>	<b>4,936,050</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Ordinary income	16,614	17,538
Interest income	12,912	12,543
Interest on loans and discounts	9,283	9,257
Interest and dividends on securities	3,491	3,127
Fees and commissions	2,814	2,914
Other ordinary income	168	216
Other income	720	1,863
Ordinary expenses	11,872	12,784
Interest expenses	221	210
Interest on deposits	155	130
Fees and commissions payments	1,320	1,338
Other ordinary expenses	12	1,007
General and administrative expenses	9,527	9,427
Other expenses	789	801
Ordinary profit	4,742	4,753
Extraordinary losses	33	67
Loss on disposal of non-current assets	33	58
Impairment loss	–	9
Profit before income taxes	4,709	4,685
Income taxes	1,392	1,413
Profit	3,317	3,271
Profit attributable to non-controlling interests	73	42
Profit attributable to owners of parent	3,243	3,228

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	3,317	3,271
Other comprehensive income	3,104	(309)
Valuation difference on available-for-sale securities	3,010	(364)
Remeasurements of defined benefit plans, net of tax	93	55
Comprehensive income	6,421	2,962
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,325	2,835
Comprehensive income attributable to non-controlling interests	95	126