

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

January 31, 2020

Company name: The Keiyo Bank, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8544 URL <https://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: February 6, 2020
 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, 2019 (from April 1, 2019 to December 31, 2019)

(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, 2019	52,775	4.1	8,793	(33.0)	6,030	(32.1)
Nine months ended December 31, 2018	50,650	1.8	13,128	(7.1)	8,887	(7.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	46.03		45.90	
Nine months ended December 31, 2018	67.35		67.17	

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, 2019	5,046,707		293,084		5.7	
As of March 31, 2019	4,895,368		294,855		5.9	

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, 2019	–	5.50	–	11.00	–
Year ending March 31, 2020	–	11.00	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	11.00	22.00

Note: The Bank has implemented share consolidation of its common shares on a one for two basis effective October 1, 2018. For the fiscal year ended March 31, 2019, dividend per share for the 2nd quarter-end is calculated without factoring in this share consolidation, and “–” is indicated for the total amount of annual dividends. The annual dividends per share for the fiscal year ended March 31, 2019 calculated on a post-consolidation basis are 22.00 yen.

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	11,100	(29.1)	7,500	(28.8)	57.30

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019 (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, 2019	138,927,858 shares	As of March 31, 2019	143,927,858 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	8,393,886 shares	As of March 31, 2019	11,923,488 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, 2019	130,987,882 shares	Nine months ended December 31, 2018	131,959,211 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. Average number of shares during the period (cumulative from the beginning of the fiscal year) has been calculated as if 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, 2019	As of December 31, 2019
Assets		
Cash and due from banks	275,936	332,246
Call loans and bills bought	6,265	6,446
Trading account securities	4,247	4,094
Securities	888,553	922,744
Loans and bills discounted	3,613,625	3,669,013
Foreign exchanges	2,949	5,388
Other assets	40,335	44,439
Tangible fixed assets	63,385	62,019
Intangible fixed assets	5,661	6,364
Deferred tax assets	37	95
Customers' liabilities for acceptances and guarantees	3,915	4,022
Allowance for loan losses	(9,545)	(10,167)
Total assets	4,895,368	5,046,707
Liabilities		
Deposits	4,556,163	4,712,503
Negotiable certificates of deposit	16,000	16,000
Foreign exchanges	173	69
Other liabilities	10,782	11,401
Provision for bonuses	1,245	464
Provision for bonuses for directors (and other officers)	66	45
Retirement benefit liability	2,669	2,205
Provision for retirement benefits for directors (and other officers)	5	1
Provision for loss on interest repayment	8	9
Provision for reimbursement of deposits	623	816
Provision for contingent loss	867	1,012
Deferred tax liabilities	3,349	431
Deferred tax liabilities for land revaluation	4,639	4,639
Acceptances and guarantees	3,915	4,022
Total liabilities	4,600,513	4,753,623
Net assets		
Share capital	49,759	49,759
Capital surplus	39,704	39,704
Retained earnings	174,810	172,659
Treasury shares	(12,789)	(8,432)
Total shareholders' equity	251,485	253,691
Valuation difference on available-for-sale securities	33,642	29,177
Revaluation reserve for land	6,858	6,858
Remeasurements of defined benefit plans	(1,663)	(1,461)
Total accumulated other comprehensive income	38,837	34,575
Share acquisition rights	293	325
Non-controlling interests	4,238	4,491
Total net assets	294,855	293,084
Total liabilities and net assets	4,895,368	5,046,707

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, 2018	Nine months ended December 31, 2019
Ordinary income	50,650	52,775
Interest income	37,081	36,005
Interest on loans and discounts	27,994	27,553
Interest and dividends on securities	8,630	8,029
Fees and commissions	8,641	8,159
Other ordinary income	623	1,316
Other income	4,304	7,293
Ordinary expenses	37,522	43,981
Interest expenses	618	596
Interest on deposits	388	352
Fees and commissions payments	2,961	3,204
Other ordinary expenses	1,251	25
General and administrative expenses	28,424	28,051
Other expenses	4,267	12,103
Ordinary profit	13,128	8,793
Extraordinary income	–	158
Gain on disposal of non-current assets	–	158
Extraordinary losses	92	125
Loss on disposal of non-current assets	83	103
Impairment loss	9	22
Profit before income taxes	13,035	8,825
Income taxes	3,992	2,677
Profit	9,042	6,148
Profit attributable to non-controlling interests	155	117
Profit attributable to owners of parent	8,887	6,030

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	9,042	6,148
Other comprehensive income	(9,545)	(4,122)
Valuation difference on available-for-sale securities	(9,711)	(4,322)
Remeasurements of defined benefit plans, net of tax	165	199
Comprehensive income	(502)	2,025
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(739)	1,768
Comprehensive income attributable to non-controlling interests	237	257