

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2019
(Based on Japanese GAAP)**

November 8, 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: November 14, 2019
 Scheduled date to commence dividend payments: December 2, 2019
 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, 2019 (from April 1, 2019 to September 30, 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	%
Six months ended September 30, 2019	34,668	2.4	6,208	(22.0)	4,214	(21.5)
Six months ended September 30, 2018	33,830	2.4	7,967	(15.0)	5,374	(14.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2019	32.12		32.03	
Six months ended September 30, 2018	40.73		40.62	

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 September 30, 2019	5,002,194	296,103	5.8
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	Yen	Yen	Yen	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 six months ended September 30, 2019
(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, 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 September 30, 2019	8,393,649 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)

Six months ended September 30, 2019	131,216,020 shares	Six months ended September 30, 2018	131,935,906 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.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Cash and due from banks	275,936	363,043
Call loans and bills bought	6,265	5,770
Trading account securities	4,247	4,297
Securities	888,553	879,003
Loans and bills discounted	3,613,625	3,646,450
Foreign exchanges	2,949	2,976
Other assets	40,335	40,394
Tangible fixed assets	63,385	62,312
Intangible fixed assets	5,661	5,606
Deferred tax assets	37	45
Customers' liabilities for acceptances and guarantees	3,915	4,035
Allowance for loan losses	(9,545)	(11,743)
Total assets	4,895,368	5,002,194
Liabilities		
Deposits	4,556,163	4,663,512
Negotiable certificates of deposit	16,000	16,000
Foreign exchanges	173	302
Other liabilities	10,782	10,267
Provision for bonuses	1,245	1,253
Provision for bonuses for directors (and other officers)	66	30
Retirement benefit liability	2,669	2,357
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	811
Provision for contingent loss	867	975
Deferred tax liabilities	3,349	1,893
Deferred tax liabilities for land revaluation	4,639	4,639
Acceptances and guarantees	3,915	4,035
Total liabilities	4,600,513	4,706,091
Net assets		
Share capital	49,759	49,759
Capital surplus	39,704	39,704
Retained earnings	174,810	172,279
Treasury shares	(12,789)	(8,432)
Total shareholders' equity	251,485	253,311
Valuation difference on available-for-sale securities	33,642	32,785
Revaluation reserve for land	6,858	6,858
Remeasurements of defined benefit plans	(1,663)	(1,528)
Total accumulated other comprehensive income	38,837	38,115
Share acquisition rights	293	305
Non-controlling interests	4,238	4,370
Total net assets	294,855	296,103
Total liabilities and net assets	4,895,368	5,002,194

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, 2018	Six months ended September 30, 2019
Ordinary income	33,830	34,668
Interest income	24,421	23,935
Interest on loans and discounts	18,621	18,384
Interest and dividends on securities	5,492	5,263
Fees and commissions	5,573	5,410
Other ordinary income	436	1,068
Other income	3,398	4,254
Ordinary expenses	25,862	28,460
Interest expenses	414	400
Interest on deposits	262	239
Fees and commissions payments	2,647	2,724
Other ordinary expenses	1,247	17
General and administrative expenses	18,817	18,533
Other expenses	2,734	6,784
Ordinary profit	7,967	6,208
Extraordinary losses	84	63
Loss on disposal of non-current assets	75	63
Impairment loss	9	–
Profit before income taxes	7,882	6,145
Income taxes - current	1,782	3,064
Income taxes - deferred	591	(1,204)
Total income taxes	2,374	1,859
Profit	5,508	4,285
Profit attributable to non-controlling interests	134	70
Profit attributable to owners of parent	5,374	4,214

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	5,508	4,285
Other comprehensive income	(1,911)	(656)
Valuation difference on available-for-sale securities	(2,022)	(789)
Remeasurements of defined benefit plans, net of tax	110	132
Comprehensive income	3,596	3,629
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,274	3,492
Comprehensive income attributable to non-controlling interests	322	136

Consolidated statements of changes in equity

Six months ended September 30, 2018

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	49,759	39,704	167,453	(12,947)	243,970
Changes in items during period					
Dividends of surplus			(1,450)		(1,450)
Profit attributable to owners of parent			5,374		5,374
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares			(31)	165	133
Net changes in items other than shareholders' equity					
Total changes in items during period	–	–	3,892	159	4,051
Balance at end of period	49,759	39,704	171,345	(12,787)	248,022

	Accumulated other comprehensive income				Share acquisition rights	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 period	40,483	6,602	(1,390)	45,695	346	3,852	293,865
Changes in items during period							
Dividends of surplus							(1,450)
Profit attributable to owners of parent							5,374
Purchase of treasury shares							(5)
Disposal of treasury shares							133
Net changes in items other than shareholders' equity	(2,212)	–	112	(2,100)	(92)	317	(1,874)
Total changes in items during period	(2,212)	–	112	(2,100)	(92)	317	2,177
Balance at end of period	38,270	6,602	(1,278)	43,595	254	4,170	296,042

Six months ended September 30, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	49,759	39,704	174,810	(12,789)	251,485
Changes in items during period					
Dividends of surplus			(1,452)		(1,452)
Profit attributable to owners of parent			4,214		4,214
Purchase of treasury shares				(964)	(964)
Disposal of treasury shares			(3)	31	28
Cancellation of treasury shares			(5,290)	5,290	–
Net changes in items other than shareholders' equity					
Total changes in items during period	–	–	(2,531)	4,357	1,826
Balance at end of period	49,759	39,704	172,279	(8,432)	253,311

	Accumulated other comprehensive income				Share acquisition rights	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 period	33,642	6,858	(1,663)	38,837	293	4,238	294,855
Changes in items during period							
Dividends of surplus							(1,452)
Profit attributable to owners of parent							4,214
Purchase of treasury shares							(964)
Disposal of treasury shares							28
Cancellation of treasury shares							–
Net changes in items other than shareholders' equity	(857)	–	134	(722)	11	131	(578)
Total changes in items during period	(857)	–	134	(722)	11	131	1,247
Balance at end of period	32,785	6,858	(1,528)	38,115	305	4,370	296,103