

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 12, 2021

Company name: The Keiyo Bank, Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 8544 URL <https://www.keiyobank.co.jp/>  
 Representative: President Toshiyuki Kumagai  
 General Manager of Accounting  
 Inquiries: Corporate Planning Division Yukihiro Nezu TEL 043-306-2121  
 Scheduled date of ordinary general meeting of shareholders: June 25, 2021  
 Scheduled date to file Securities Report: June 25, 2021  
 Scheduled date to commence dividend payments: June 28, 2021  
 Trading accounts: No  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2021	62,957	(7.5)	11,987	46.5	7,383	32.6
Year ended March 31, 2020	68,081	0.9	8,182	(47.7)	5,564	(47.2)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Ordinary profit/ordinary income
	Yen	Yen	%	%	%
Year ended March 31, 2021	56.52	56.32	2.5	0.2	19.0
Year ended March 31, 2020	42.52	42.39	1.9	0.1	12.0

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	5,553,028	298,051	5.2	2,240.83
As of March 31, 2020	4,994,723	282,306	5.5	2,125.95

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	366,396	(99,751)	(2,248)	512,515
Year ended March 31, 2020	23,671	(45,206)	(3,829)	248,118

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	11.00	–	9.00	20.00	2,610	47.0	0.9
Year ended March 31, 2021	–	9.00	–	10.00	19.00	2,482	33.6	0.8
Year ending March 31, 2022 (Forecast)	–	9.50	–	9.50	19.00		32.8	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	5,600	(10.7)	3,700	(12.4)	28.51
Full year	11,200	(6.5)	7,500	1.5	57.86

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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 March 31, 2021	138,927,858 shares	As of March 31, 2020	138,927,858 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	8,265,010 shares	As of March 31, 2020	8,394,348 shares
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Average number of shares during the period

Year ended March 31, 2021	130,631,503 shares	Year ended March 31, 2020	130,874,973 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Cash and due from banks	250,132	514,412
Call loans and bills bought	3,980	–
Trading securities	3,931	3,656
Money held in trust	–	2,954
Securities	933,367	1,047,334
Loans and bills discounted	3,694,413	3,875,818
Foreign exchanges	3,498	7,739
Other assets	39,748	41,022
Tangible fixed assets	61,313	59,477
Buildings, net	25,388	23,642
Land	31,059	30,806
Construction in progress	134	583
Other tangible fixed assets	4,731	4,444
Intangible fixed assets	6,222	7,886
Software	1,966	2,160
Software in progress	4,056	5,557
Other intangible fixed assets	199	168
Retirement benefit asset	–	1,970
Deferred tax assets	6,809	3,197
Customers' liabilities for acceptances and guarantees	3,940	3,203
Allowance for loan losses	(12,635)	(15,643)
<b>Total assets</b>	<b>4,994,723</b>	<b>5,553,028</b>
<b>Liabilities</b>		
Deposits	4,665,243	4,926,199
Negotiable certificates of deposit	17,000	85,874
Borrowed money	–	216,600
Foreign exchanges	135	165
Other liabilities	15,242	14,569
Provision for bonuses	1,307	1,314
Provision for bonuses for directors (and other officers)	61	60
Retirement benefit liability	2,507	284
Provision for retirement benefits for directors (and other officers)	2	5
Provision for loss on interest repayment	5	2
Provision for reimbursement of deposits	799	589
Provision for contingent loss	1,165	1,023
Deferred tax liabilities	363	515
Deferred tax liabilities for land revaluation	4,639	4,570
Acceptances and guarantees	3,940	3,203
<b>Total liabilities</b>	<b>4,712,416</b>	<b>5,254,977</b>

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Net assets		
Share capital	49,759	49,759
Capital surplus	39,704	39,704
Retained earnings	171,957	177,123
Treasury shares	(8,432)	(8,301)
Total shareholders' equity	252,989	258,286
Valuation difference on available-for-sale securities	20,065	27,015
Revaluation reserve for land	7,198	7,040
Remeasurements of defined benefit plans	(2,744)	451
Total accumulated other comprehensive income	24,519	34,507
Share acquisition rights	346	312
Non-controlling interests	4,451	4,944
Total net assets	282,306	298,051
Total liabilities and net assets	4,994,723	5,553,028

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Ordinary income	68,081	62,957
Interest income	47,930	47,810
Interest on loans and discounts	36,557	36,097
Interest and dividends on securities	10,818	11,151
Interest on call loans and bills bought	87	(3)
Interest on deposits with banks	466	564
Other interest income	0	0
Fees and commissions	10,849	11,648
Other ordinary income	1,801	988
Other income	7,499	2,510
Recoveries of written off receivables	3	2
Other	7,496	2,508
Ordinary expenses	59,899	50,970
Interest expenses	778	753
Interest on deposits	454	323
Interest on negotiable certificates of deposit	2	2
Interest on call money and bills sold	(12)	(5)
Interest expenses on cash collateral received for securities lent	334	433
Interest on borrowings and rediscounts	0	0
Fees and commissions payments	4,447	4,377
Other ordinary expenses	471	2,201
General and administrative expenses	37,067	36,647
Other expenses	17,134	6,991
Provision of allowance for loan losses	13,188	4,173
Other	3,945	2,817
Ordinary profit	8,182	11,987
Extraordinary income	235	95
Gain on disposal of non-current assets	235	95
Extraordinary losses	329	1,217
Loss on disposal of non-current assets	127	229
Impairment losses	202	987
Profit before income taxes	8,087	10,866
Income taxes - current	5,514	4,124
Income taxes - deferred	(3,198)	(878)
Total income taxes	2,316	3,246
Profit	5,771	7,620
Profit attributable to non-controlling interests	206	236
Profit attributable to owners of parent	5,564	7,383

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	5,771	7,620
Other comprehensive income	(14,646)	10,406
Valuation difference on available-for-sale securities	(13,558)	7,198
Remeasurements of defined benefit plans, net of tax	(1,088)	3,207
Comprehensive income	(8,875)	18,026
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(9,093)	17,529
Comprehensive income attributable to non-controlling interests	217	497

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(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 during period					
Dividends of surplus			(2,887)		(2,887)
Profit attributable to owners of parent			5,564		5,564
Purchase of treasury shares				(965)	(965)
Disposal of treasury shares			(3)	31	28
Cancellation of treasury shares			(5,290)	5,290	–
Reversal of revaluation reserve for land			(236)		(236)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(2,853)	4,357	1,503
Balance at end of period	49,759	39,704	171,957	(8,432)	252,989

	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 during period							
Dividends of surplus							(2,887)
Profit attributable to owners of parent							5,564
Purchase of treasury shares							(965)
Disposal of treasury shares							28
Cancellation of treasury shares							–
Reversal of revaluation reserve for land							(236)
Net changes in items other than shareholders' equity	(13,576)	339	(1,081)	(14,318)	52	213	(14,052)
Total changes during period	(13,576)	339	(1,081)	(14,318)	52	213	(12,548)
Balance at end of period	20,065	7,198	(2,744)	24,519	346	4,451	282,306

Fiscal year ended March 31, 2021

(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	171,957	(8,432)	252,989
Changes during period					
Dividends of surplus			(2,350)		(2,350)
Profit attributable to owners of parent			7,383		7,383
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(24)	131	107
Reversal of revaluation reserve for land			157		157
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,166	130	5,297
Balance at end of period	49,759	39,704	177,123	(8,301)	258,286

	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	20,065	7,198	(2,744)	24,519	346	4,451	282,306
Changes during period							
Dividends of surplus							(2,350)
Profit attributable to owners of parent							7,383
Purchase of treasury shares							(0)
Disposal of treasury shares							107
Reversal of revaluation reserve for land							157
Net changes in items other than shareholders' equity	6,949	(157)	3,196	9,987	(33)	492	10,447
Total changes during period	6,949	(157)	3,196	9,987	(33)	492	15,744
Balance at end of period	27,015	7,040	451	34,507	312	4,944	298,051



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	8,087	10,866
Depreciation	3,948	3,721
Impairment losses	202	987
Increase (decrease) in allowance for loan losses	3,090	3,007
Increase (decrease) in provision for bonuses	61	7
Increase (decrease) in provision for bonuses for directors (and other officers)	(5)	(0)
Decrease (increase) in retirement benefit asset	–	(581)
Increase (decrease) in retirement benefit liability	(2,110)	365
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(3)	2
Increase (decrease) in provision for loss on interest repayment	(2)	(3)
Increase (decrease) in provision for reimbursement of deposits	175	(209)
Increase (decrease) in provision for contingent loss	298	(142)
Interest income	(37,111)	(36,658)
Interest expenses	778	753
Loss (gain) related to securities	(17,177)	(11,232)
Loss (gain) on money held in trust	–	45
Foreign exchange losses (gains)	619	(1,198)
Loss (gain) on disposal of non-current assets	(108)	133
Net decrease (increase) in loans and bills discounted	(80,787)	(181,405)
Net increase (decrease) in deposits	109,080	260,955
Net increase (decrease) in negotiable certificates of deposit	1,000	68,874
Net increase (decrease) in borrowed money	–	216,600
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	439	116
Net decrease (increase) in call loans	2,284	3,980
Net decrease (increase) in foreign exchanges - assets	(549)	(4,240)
Net increase (decrease) in foreign exchanges - liabilities	(37)	29
Interest received	37,266	36,361
Interest paid	(772)	(643)
Other, net	(416)	1,772
Subtotal	28,249	372,264
Income taxes paid	(4,577)	(5,867)
Net cash provided by (used in) operating activities	23,671	366,396
Cash flows from investing activities		
Purchase of securities	(292,911)	(366,242)
Proceeds from sale of securities	124,169	147,021
Proceeds from redemption of securities	115,653	115,579
Increase in money held in trust	–	(3,000)
Proceeds from fund management as investing activities	10,415	11,561
Purchase of tangible fixed assets	(1,305)	(2,018)
Proceeds from sale of tangible fixed assets	235	95
Purchase of intangible assets	(1,351)	(2,569)
Other, net	(111)	(177)
Net cash provided by (used in) investing activities	(45,206)	(99,751)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Dividends paid	(2,887)	(2,350)
Dividends paid to non-controlling interests	(4)	(4)
Purchase of treasury shares	(965)	(0)
Proceeds from sale of treasury shares	28	107
Net cash provided by (used in) financing activities	(3,829)	(2,248)
Net increase (decrease) in cash and cash equivalents	(25,364)	264,396
Cash and cash equivalents at beginning of period	273,483	248,118
Cash and cash equivalents at end of period	248,118	512,515