

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

Company name: The Keiyo Bank, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8544 URL <https://www.keiyobank.co.jp/>
 Representative: President Toshiyuki Kumagai
 Inquiries: General Manager of Accounting Yukihiko Nezu TEL 043-306-2121
 Corporate Planning Division
 Scheduled date of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: June 29, 2022
 Trading accounts: No
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	65,745	4.4	16,210	35.2	11,185	51.5
Year ended March 31, 2021	62,957	(7.5)	11,987	46.5	7,383	32.6

	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, 2022	86.84	–	3.8	0.2	24.6
Year ended March 31, 2021	56.52	56.32	2.5	0.2	19.0

(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, 2022	6,903,217	295,983	4.2	2,288.27
As of March 31, 2021	5,553,028	298,051	5.2	2,240.83

(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, 2022	1,331,177	(118,664)	(4,268)	1,720,759
Year ended March 31, 2021	366,396	(99,751)	(2,248)	512,515

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, 2021	–	9.00	–	10.00	19.00	2,482	33.6	0.8
Year ended March 31, 2022	–	10.00	–	10.50	20.50	2,641	23.6	0.9
Year ending March 31, 2023 (Forecast)	–	11.00	–	11.00	22.00		26.6	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	8,700	(5.1)	5,900	(8.2)	46.43
Full year	15,400	(4.9)	10,500	(6.1)	82.63

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: Yes

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, 2022	135,927,858 shares	As of March 31, 2021	138,927,858 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	8,856,244 shares	As of March 31, 2021	8,265,010 shares
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Average number of shares during the period

Year ended March 31, 2022	128,809,264 shares	Year ended March 31, 2021	130,631,503 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Cash and due from banks	514,412	1,722,133
Call loans and bills bought	–	1,529
Trading securities	3,656	3,406
Money held in trust	2,954	3,007
Securities	1,047,334	1,154,419
Loans and bills discounted	3,875,818	3,898,801
Foreign exchanges	7,739	11,963
Other assets	41,022	42,951
Tangible fixed assets	59,477	58,122
Buildings, net	23,642	22,568
Land	30,806	30,762
Construction in progress	583	375
Other tangible fixed assets	4,444	4,416
Intangible fixed assets	7,886	11,453
Software	2,160	2,288
Software in progress	5,557	8,996
Other intangible fixed assets	168	168
Retirement benefit asset	1,970	2,147
Deferred tax assets	3,197	6,664
Customers' liabilities for acceptances and guarantees	3,203	2,997
Allowance for loan losses	(15,643)	(16,382)
Total assets	5,553,028	6,903,217
Liabilities		
Deposits	4,926,199	5,141,976
Negotiable certificates of deposit	85,874	58,602
Cash collateral received for securities lent	–	462,219
Borrowed money	216,600	921,100
Foreign exchanges	165	143
Other liabilities	14,569	11,565
Provision for bonuses	1,314	1,330
Provision for bonuses for directors (and other officers)	60	70
Retirement benefit liability	284	240
Provision for retirement benefits for directors (and other officers)	5	6
Provision for share awards	–	284
Provision for loss on interest repayment	2	1
Provision for reimbursement of deposits	589	461
Provision for contingent loss	1,023	1,087
Deferred tax liabilities	515	575
Deferred tax liabilities for land revaluation	4,570	4,570
Acceptances and guarantees	3,203	2,997
Total liabilities	5,254,977	6,607,233

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Net assets		
Share capital	49,759	49,759
Capital surplus	39,704	39,704
Retained earnings	177,123	183,058
Treasury shares	(8,301)	(7,315)
Total shareholders' equity	258,286	265,208
Valuation difference on available-for-sale securities	27,015	18,576
Revaluation reserve for land	7,040	7,040
Remeasurements of defined benefit plans	451	(49)
Total accumulated other comprehensive income	34,507	25,567
Share acquisition rights	312	–
Non-controlling interests	4,944	5,208
Total net assets	298,051	295,983
Total liabilities and net assets	5,553,028	6,903,217

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Ordinary income	62,957	65,745
Interest income	47,810	48,966
Interest on loans and discounts	36,097	35,568
Interest and dividends on securities	11,151	11,342
Interest on call loans and bills bought	(3)	1
Interest on deposits with banks	564	2,053
Other interest income	0	0
Fees and commissions	11,648	13,552
Other ordinary income	988	754
Other income	2,510	2,472
Recoveries of written off receivables	2	1
Other	2,508	2,470
Ordinary expenses	50,970	49,535
Interest expenses	753	629
Interest on deposits	323	216
Interest on negotiable certificates of deposit	2	2
Interest on call money and bills sold	(5)	(40)
Interest expenses on cash collateral received for securities lent	433	451
Interest on borrowings and rediscounts	0	0
Fees and commissions payments	4,377	4,506
Other ordinary expenses	2,201	3,844
General and administrative expenses	36,647	35,533
Other expenses	6,991	5,020
Provision of allowance for loan losses	4,173	2,770
Other	2,817	2,250
Ordinary profit	11,987	16,210
Extraordinary income	95	336
Gain on disposal of non-current assets	95	18
Gain on reversal of share acquisition rights	–	317
Extraordinary losses	1,217	400
Loss on disposal of non-current assets	229	178
Impairment losses	987	8
Provision for share awards	–	214
Profit before income taxes	10,866	16,145
Income taxes - current	4,124	4,323
Income taxes - deferred	(878)	460
Total income taxes	3,246	4,783
Profit	7,620	11,361
Profit attributable to non-controlling interests	236	176
Profit attributable to owners of parent	7,383	11,185

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	7,620	11,361
Other comprehensive income	10,406	(8,847)
Valuation difference on available-for-sale securities	7,198	(8,340)
Remeasurements of defined benefit plans, net of tax	3,207	(507)
Comprehensive income	18,026	2,513
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,529	2,245
Comprehensive income attributable to non-controlling interests	497	268

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2022

(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	177,123	(8,301)	258,286
Changes during period					
Dividends of surplus			(2,601)		(2,601)
Profit attributable to owners of parent			11,185		11,185
Purchase of treasury shares				(1,675)	(1,675)
Disposal of treasury shares			(5)	18	13
Cancellation of treasury shares			(2,644)	2,644	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,935	986	6,921
Balance at end of period	49,759	39,704	183,058	(7,315)	265,208

	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	27,015	7,040	451	34,507	312	4,944	298,051
Changes during period							
Dividends of surplus							(2,601)
Profit attributable to owners of parent							11,185
Purchase of treasury shares							(1,675)
Disposal of treasury shares							13
Cancellation of treasury shares							–
Net changes in items other than shareholders' equity	(8,439)	–	(501)	(8,940)	(312)	263	(8,989)
Total changes during period	(8,439)	–	(501)	(8,940)	(312)	263	(2,067)
Balance at end of period	18,576	7,040	(49)	25,567	–	5,208	295,983

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	10,866	16,145
Depreciation	3,721	3,652
Impairment losses	987	8
Increase (decrease) in allowance for loan losses	3,007	738
Increase (decrease) in provision for bonuses	7	15
Increase (decrease) in provision for bonuses for directors (and other officers)	(0)	9
Decrease (increase) in retirement benefit asset	(581)	(686)
Increase (decrease) in retirement benefit liability	365	(153)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	1
Increase (decrease) in provision for share awards	–	284
Increase (decrease) in provision for loss on interest repayment	(3)	(1)
Increase (decrease) in provision for reimbursement of deposits	(209)	(127)
Increase (decrease) in provision for contingent loss	(142)	63
Interest income	(36,658)	(37,624)
Interest expenses	753	629
Loss (gain) related to securities	(11,232)	(9,734)
Loss (gain) on money held in trust	45	(53)
Foreign exchange losses (gains)	(1,198)	(1,809)
Loss (gain) on disposal of non-current assets	133	159
Net decrease (increase) in loans and bills discounted	(181,405)	(22,982)
Net increase (decrease) in deposits	260,955	215,777
Net increase (decrease) in negotiable certificates of deposit	68,874	(27,272)
Net increase (decrease) in borrowed money	216,600	704,500
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	116	523
Net decrease (increase) in call loans	3,980	(1,529)
Net increase (decrease) in cash collateral received for securities lent	–	462,219
Net decrease (increase) in foreign exchanges - assets	(4,240)	(4,224)
Net increase (decrease) in foreign exchanges - liabilities	29	(21)
Interest received	36,361	37,574
Interest paid	(643)	(664)
Other, net	1,772	(507)
Subtotal	372,264	1,334,911
Income taxes paid	(5,867)	(3,734)
Net cash provided by (used in) operating activities	366,396	1,331,177

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Purchase of securities	(366,242)	(384,732)
Proceeds from sale of securities	147,021	145,901
Proceeds from redemption of securities	115,579	114,075
Increase in money held in trust	(3,000)	–
Proceeds from fund management as investing activities	11,561	12,153
Purchase of tangible fixed assets	(2,018)	(1,518)
Proceeds from sale of tangible fixed assets	95	64
Purchase of intangible assets	(2,569)	(4,462)
Other, net	(177)	(146)
Net cash provided by (used in) investing activities	(99,751)	(118,664)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(1,675)
Proceeds from sale of treasury shares	107	13
Dividends paid	(2,350)	(2,601)
Dividends paid to non-controlling interests	(4)	(4)
Net cash provided by (used in) financing activities	(2,248)	(4,268)
Net increase (decrease) in cash and cash equivalents	264,396	1,208,244
Cash and cash equivalents at beginning of period	248,118	512,515
Cash and cash equivalents at end of period	512,515	1,720,759