Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2014 (Based on Japanese GAAP)

May 9, 2014

Company name: The Keiyo Bank, Ltd.
Stock exchange listing: Tokyo
Stock code: 8544 URL http://www.keiyobank.co.jp/
Representative: President Nobuo Kojima
Inquiries: Managing Director Toshiyuki Kumagai TEL 043-222-2121
Scheduled date of ordinary general meeting of shareholders: June 27, 2014
Scheduled date to file Securities Report: June 27, 2014
Scheduled date to commence dividend payments: June 30, 2014
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, 2014 (from April 1, 2013 to March 31, 2014)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Ordinary income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2014	71,091	(3.6)	26,075	1.7	15,303	1.5
Year ended March 31, 2013	73,822	(3.2)	25,618	8.5	15,074	25.9

	Net income per share	Diluted net income per share	Net income/equity	Ordinary profit/total assets	Ordinary profit/ordinary income
	Yen	Yen	%	%	%
Year ended March 31, 2014	54.75	54.64	6.3	0.6	36.6
Year ended March 31, 2013	53.93	53.85	6.8	0.6	34.7

(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, 2014	4,122,415	246,686	5.9	873.50
As of March 31, 2013	3,937,068	236,760	5.9	839.51

(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, 2014	152,610	71,203	(3,079)	261,926
Year ended March 31, 2013	19,469	(28,530)	(2,804)	41,191

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, 2013	–	5.00	–	6.00	11.00	3,074	20.3	1.3
Year ended March 31, 2014	–	5.00	–	5.50	10.50	2,935	19.1	1.2
Year ending March 31, 2015 (Forecast)	–	5.50	–	5.50	11.00		20.4	

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Ordinary profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2014	11,000	(16.6)	7,000	(12.6)	25.04
Full year	23,000	(11.7)	15,000	(1.9)	53.67

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2014 (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:	No
Restatement of prior period financial statements after error corrections:	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, 2014	290,855,716 shares	As of March 31, 2013	290,855,716 shares

Number of treasury shares at the end of the period

As of March 31, 2014	11,389,583 shares	As of March 31, 2013	11,400,663 shares

Average number of shares during the period

Year ended March 31, 2014	279,483,023 shares	Year ended March 31, 2013	279,469,665 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Cash and due from banks	42,955	263,605
Call loans and bills bought	154,283	32,685
Trading account securities	1,597	2,068
Securities	1,015,176	949,376
Loans and bills discounted	2,653,681	2,801,989
Foreign exchanges	1,435	1,525
Other assets	13,213	12,430
Tangible fixed assets	56,436	60,887
Buildings, net	16,800	17,090
Land	32,091	31,918
Construction in progress	917	5,307
Other tangible fixed assets	6,626	6,570
Intangible fixed assets	203	503
Software	2	302
Other intangible fixed assets	200	200
Deferred tax assets	182	107
Customers' liabilities for acceptances and guarantees	10,582	8,560
Allowance for loan losses	(12,678)	(11,323)
Total assets	3,937,068	4,122,415
Liabilities		
Deposits	3,617,503	3,771,691
Negotiable certificates of deposit	7,234	8,197
Borrowed money	29,550	52,740
Foreign exchanges	162	141
Other liabilities	14,807	13,580
Provision for bonuses	1,207	1,263
Provision for directors' bonuses	82	82
Provision for retirement benefits	11,660	-
Net defined benefit liability	-	12,417
Provision for directors' retirement benefits	11	10
Provision for loss on interest repayment	26	21
Provision for reimbursement of deposits	361	403
Provision for contingent loss	814	785
Deferred tax liabilities	734	286
Deferred tax liabilities for land revaluation	5,568	5,547
Acceptances and guarantees	10,582	8,560
Total liabilities	3,700,308	3,875,729

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Net assets		
Capital stock	49,759	49,759
Capital surplus	39,728	39,721
Retained earnings	114,308	126,581
Treasury shares	(5,275)	(5,273)
Total shareholders' equity	198,522	210,789
Valuation difference on available-for-sale securities	30,113	28,061
Revaluation reserve for land	5,970	5,932
Remeasurements of defined benefit plans	-	(670)
Total accumulated other comprehensive income	36,084	33,324
Subscription rights to shares	181	241
Minority interests	1,972	2,331
Total net assets	236,760	246,686
Total liabilities and net assets	3,937,068	4,122,415

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

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Ordinary income	73,822	71,091
Interest income	59,876	58,193
Interest on loans and discounts	45,387	43,656
Interest and dividends on securities	14,199	14,292
Interest on call loans and bills bought	287	218
Interest on deposits with banks	0	25
Other interest income	1	1
Fees and commissions	9,192	9,737
Other ordinary income	4,063	1,721
Other income	689	1,438
Recoveries of written off claims	6	99
Other	683	1,339
Ordinary expenses	48,203	45,015
Interest expenses	2,344	1,984
Interest on deposits	2,306	1,939
Interest on negotiable certificates of deposit	5	6
Interest on call money and bills sold	1	2
Interest on payables under securities lending transactions	0	2
Interest on borrowings and rediscounts	30	33
Fees and commissions payments	3,637	3,201
Other ordinary expenses	-	11
General and administrative expenses	37,181	37,276
Other expenses	5,039	2,542
Provision of allowance for loan losses	597	151
Other	4,441	2,390
Ordinary profit	25,618	26,075
Extraordinary income	5	110
Gain on disposal of non-current assets	5	110
Extraordinary losses	634	744
Loss on disposal of non-current assets	423	218
Impairment loss	211	164
Other	-	360
Income before income taxes and minority interests	24,990	25,441
Income taxes - current	8,463	8,839
Income taxes - deferred	1,116	1,024
Total income taxes	9,579	9,863
Income before minority interests	15,410	15,577
Minority interests in income	335	273
Net income	15,074	15,303

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income before minority interests	15,410	15,577
Other comprehensive income	14,994	(1,985)
Valuation difference on available-for-sale securities	14,994	(1,985)
Comprehensive income	30,404	13,591
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	30,002	13,252
Comprehensive income attributable to minority interests	402	339

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	49,759	39,730	101,978	(5,266)	186,201
Changes of items during period					
Dividends of surplus	-	-	(2,789)	-	(2,789)
Net income	-	-	15,074	-	15,074
Purchase of treasury shares	-	-	-	(17)	(17)
Disposal of treasury shares	-	(1)	-	8	7
Reversal of revaluation reserve for land	-	-	45	-	45
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during period	-	(1)	12,330	(8)	12,320
Balance at end of current period	49,759	39,728	114,308	(5,275)	198,522

	Accumulated other comprehensive income				Subscription rights to shares	Minority 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 current period	15,185	6,015	-	21,201	87	1,575	209,066
Changes of items during period							
Dividends of surplus	-	-	-	-	-	-	(2,789)
Net income	-	-	-	-	-	-	15,074
Purchase of treasury shares	-	-	-	-	-	-	(17)
Disposal of treasury shares	-	-	-	-	-	-	7
Reversal of revaluation reserve for land	-	-	-	-	-	-	45
Net changes of items other than shareholders' equity	14,927	(45)	-	14,882	93	397	15,373
Total changes of items during period	14,927	(45)	-	14,882	93	397	27,694
Balance at end of current period	30,113	5,970	-	36,084	181	1,972	236,760

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	49,759	39,728	114,308	(5,275)	198,522
Changes of items during period					
Dividends of surplus	-	-	(3,068)	-	(3,068)
Net income	-	-	15,303	-	15,303
Purchase of treasury shares	-	-	-	(40)	(40)
Disposal of treasury shares	-	(7)	-	41	34
Reversal of revaluation reserve for land	-	-	37	-	37
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during period	-	(7)	12,273	1	12,267
Balance at end of current period	49,759	39,721	126,581	(5,273)	210,789

	Accumulated other comprehensive income				Subscription rights to shares	Minority 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 current period	30,113	5,970	-	36,084	181	1,972	236,760
Changes of items during period							
Dividends of surplus	-	-	-	-	-	-	(3,068)
Net income	-	-	-	-	-	-	15,303
Purchase of treasury shares	-	-	-	-	-	-	(40)
Disposal of treasury shares	-	-	-	-	-	-	34
Reversal of revaluation reserve for land	-	-	-	-	-	-	37
Net changes of items other than shareholders' equity	(2,051)	(37)	(670)	(2,759)	59	358	(2,341)
Total changes of items during period	(2,051)	(37)	(670)	(2,759)	59	358	9,926
Balance at end of current period	28,061	5,932	(670)	33,324	241	2,331	246,686

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	24,990	25,441
Depreciation	3,299	3,190
Impairment loss	211	164
Increase (decrease) in allowance for loan losses	(1,477)	(1,354)
Increase (decrease) in provision for bonuses	(11)	55
Increase (decrease) in provision for directors' bonuses	10	-
Increase (decrease) in provision for retirement benefits	(672)	(11,660)
Increase (decrease) in net defined benefit liability	-	11,417
Increase (decrease) in provision for directors' retirement benefits	(0)	(0)
Increase (decrease) in provision for loss on interest repayment	(12)	(5)
Increase (decrease) in provision for reimbursement of deposits	(0)	41
Increase (decrease) in provision for contingent loss	(56)	(29)
Gain on fund management	(45,676)	(43,901)
Financing expenses	2,344	1,984
Loss (gain) related to securities	(15,159)	(15,872)
Foreign exchange losses (gains)	(1,151)	(710)
Loss (gain) on disposal of non-current assets	417	108
Net decrease (increase) in loans and bills discounted	(131,507)	(148,308)
Net increase (decrease) in deposit	135,487	154,187
Net increase (decrease) in negotiable certificates of deposit	(1,178)	963
Net increase (decrease) in borrowed money	(2,600)	23,189
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	93	85
Net decrease (increase) in call loans	17,253	121,597
Net decrease (increase) in foreign exchanges - assets	(582)	(90)
Net increase (decrease) in foreign exchanges - liabilities	76	(20)
Proceeds from fund management	45,746	44,100
Payments for finance	(2,620)	(3,240)
Other, net	1,321	(600)
Subtotal	28,544	160,734
Income taxes paid	(9,075)	(8,124)
Net cash provided by (used in) operating activities	19,469	152,610
Cash flows from investing activities		
Purchase of securities	(231,054)	(73,965)
Proceeds from sales of securities	142,332	57,298
Proceeds from redemption of securities	51,126	81,816
Proceeds from fund management as investing activities	14,010	14,267
Purchase of tangible fixed assets	(4,654)	(8,093)
Proceeds from sales of tangible fixed assets	19	221
Purchase of intangible assets	-	(310)
Other, net	(311)	(31)
Net cash provided by (used in) investing activities	(28,530)	71,203

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from financing activities		
Cash dividends paid	(2,789)	(3,068)
Cash dividends paid to minority shareholders	(4)	(4)
Purchase of treasury shares	(17)	(40)
Proceeds from sales of treasury shares	7	34
Net cash provided by (used in) financing activities	(2,804)	(3,079)
Net increase (decrease) in cash and cash equivalents	(11,865)	220,734
Cash and cash equivalents at beginning of period	53,057	41,191
Cash and cash equivalents at end of period	41,191	261,926