Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Based on Japanese GAAP)

May 12, 2015

Company name: The Keiyo Bank, Ltd.
Stock exchange listing: Tokyo
Stock code: 8544 URL http://www.keiyobank.co.jp/
Representative: President Nobuo Kojima
Inquiries: General Manager, Corporate Planning Division Kazuo Fujisaki TEL 043-306-2121
Scheduled date of ordinary general meeting of shareholders: June 25, 2015
Scheduled date to file Securities Report: June 25, 2015
Scheduled date to commence dividend payments: June 26, 2015
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, 2015 (from April 1, 2014 to March 31, 2015)

(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, 2015	71,762	0.9	25,574	(1.9)	14,922	(2.4)
Year ended March 31, 2014	71,091	(3.6)	26,075	1.7	15,303	1.5

	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, 2015	53.59	53.46	5.7	0.6	35.6
Year ended March 31, 2014	54.75	54.64	6.3	0.6	36.6

(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, 2015	4,350,421	276,980	6.2	991.62
As of March 31, 2014	4,122,415	246,686	5.9	873.50

(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, 2015	76,884	(25,269)	(5,151)	308,389
Year ended March 31, 2014	152,610	71,203	(3,079)	261,926

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, 2014	–	5.00	–	5.50	10.50	2,935	19.1	1.2
Year ended March 31, 2015	–	5.50	–	5.50	11.00	3,058	20.5	1.1
Year ending March 31, 2016 (Forecast)	–	5.50	–	5.50	11.00		20.2	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	10,000	(23.7)	7,000	(16.3)	25.32
Full year	22,000	(13.9)	15,000	0.5	54.27

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015 (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, 2015	290,855,716 shares	As of March 31, 2014	290,855,716 shares

Number of treasury shares at the end of the period

As of March 31, 2015	14,486,928 shares	As of March 31, 2014	11,389,583 shares

Average number of shares during the period

Year ended March 31, 2015	278,445,655 shares	Year ended March 31, 2014	279,483,023 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Cash and due from banks	263,605	310,161
Call loans and bills bought	32,685	2,742
Trading account securities	2,068	2,960
Securities	949,376	1,004,790
Loans and bills discounted	2,801,989	2,948,592
Foreign exchanges	1,525	2,194
Other assets	12,430	12,118
Tangible fixed assets	60,887	68,085
Buildings, net	17,090	16,487
Land	31,918	31,585
Construction in progress	5,307	13,823
Other tangible fixed assets	6,570	6,188
Intangible fixed assets	503	1,013
Software	302	660
Software in progress	–	153
Other intangible fixed assets	200	200
Deferred tax assets	107	69
Customers' liabilities for acceptances and guarantees	8,560	7,416
Allowance for loan losses	(11,323)	(9,723)
Total assets	4,122,415	4,350,421
Liabilities		
Deposits	3,771,691	3,931,633
Negotiable certificates of deposit	8,197	9,642
Call money and bills sold	–	2,403
Borrowed money	52,740	91,800
Foreign exchanges	141	157
Other liabilities	13,580	11,087
Provision for bonuses	1,263	1,266
Provision for directors' bonuses	82	82
Net defined benefit liability	12,417	2,181
Provision for directors' retirement benefits	10	7
Provision for loss on interest repayment	21	13
Provision for reimbursement of deposits	403	426
Provision for contingent loss	785	660
Deferred tax liabilities	286	9,714
Deferred tax liabilities for land revaluation	5,547	4,946
Acceptances and guarantees	8,560	7,416
Total liabilities	3,875,729	4,073,441

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Net assets		
Capital stock	49,759	49,759
Capital surplus	39,721	39,718
Retained earnings	126,581	138,880
Treasury shares	(5,273)	(7,342)
Total shareholders' equity	210,789	221,016
Valuation difference on available-for-sale securities	28,061	46,046
Revaluation reserve for land	5,932	6,406
Remeasurements of defined benefit plans	(670)	585
Total accumulated other comprehensive income	33,324	53,038
Subscription rights to shares	241	271
Minority interests	2,331	2,653
Total net assets	246,686	276,980
Total liabilities and net assets	4,122,415	4,350,421

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Ordinary income	71,091	71,762
Interest income	58,193	55,814
Interest on loans and discounts	43,656	41,779
Interest and dividends on securities	14,292	13,540
Interest on call loans and bills bought	218	73
Interest on deposits with banks	25	419
Other interest income	1	1
Fees and commissions	9,737	11,073
Other ordinary income	1,721	1,899
Other income	1,438	2,975
Reversal of allowance for loan losses	–	919
Recoveries of written off claims	99	9
Other	1,339	2,045
Ordinary expenses	45,015	46,188
Interest expenses	1,984	2,000
Interest on deposits	1,939	1,765
Interest on negotiable certificates of deposit	6	4
Interest on call money and bills sold	2	4
Interest on payables under securities lending transactions	2	147
Interest on borrowings and rediscounts	33	77
Fees and commissions payments	3,201	3,659
Other ordinary expenses	11	–
General and administrative expenses	37,276	37,845
Other expenses	2,542	2,682
Provision of allowance for loan losses	151	–
Other	2,390	2,682
Ordinary profit	26,075	25,574
Extraordinary income	110	9
Gain on disposal of non-current assets	110	9
Extraordinary losses	744	552
Loss on disposal of non-current assets	218	204
Impairment loss	164	348
Other	360	–
Income before income taxes and minority interests	25,441	25,031
Income taxes - current	8,839	7,777
Income taxes - deferred	1,024	2,125
Total income taxes	9,863	9,903
Income before minority interests	15,577	15,127
Minority interests in income	273	204
Net income	15,303	14,922

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	15,577	15,127
Other comprehensive income	(1,985)	19,878
Valuation difference on available-for-sale securities	(1,985)	18,090
Revaluation reserve for land	–	512
Remeasurements of defined benefit plans, net of tax	–	1,275
Comprehensive income	13,591	35,005
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,252	34,675
Comprehensive income attributable to minority interests	339	330

Consolidated statements of changes in net assets

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

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	49,759	39,721	126,581	(5,273)	210,789
Cumulative effects of changes in accounting policies			412		412
Restated balance	49,759	39,721	126,994	(5,273)	211,202
Changes of items during period					
Dividends of surplus			(3,068)		(3,068)
Net income			14,922		14,922
Purchase of treasury shares				(2,135)	(2,135)
Disposal of treasury shares		(3)	(6)	66	57
Reversal of revaluation reserve for land			38		38
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(3)	11,885	(2,068)	9,813
Balance at end of current period	49,759	39,718	138,880	(7,342)	221,016

	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	28,061	5,932	(670)	33,324	241	2,331	246,686
Cumulative effects of changes in accounting policies						(2)	410
Restated balance	28,061	5,932	(670)	33,324	241	2,328	247,096
Changes of items during period							
Dividends of surplus							(3,068)
Net income							14,922
Purchase of treasury shares							(2,135)
Disposal of treasury shares							57
Reversal of revaluation reserve for land							38
Net changes of items other than shareholders' equity	17,984	473	1,255	19,714	30	325	20,070
Total changes of items during period	17,984	473	1,255	19,714	30	325	29,884
Balance at end of current period	46,046	6,406	585	53,038	271	2,653	276,980

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	25,441	25,031
Depreciation	3,190	3,253
Impairment loss	164	348
Increase (decrease) in allowance for loan losses	(1,354)	(1,600)
Increase (decrease) in provision for bonuses	55	3
Increase (decrease) in net defined benefit liability	(243)	(7,832)
Increase (decrease) in provision for directors' retirement benefits	(0)	(3)
Increase (decrease) in provision for loss on interest repayment	(5)	(7)
Increase (decrease) in provision for reimbursement of deposits	41	23
Increase (decrease) in provision for contingent loss	(29)	(124)
Gain on fund management	(43,901)	(42,274)
Financing expenses	1,984	2,000
Loss (gain) related to securities	(15,872)	(15,865)
Foreign exchange losses (gains)	(710)	(1,335)
Loss (gain) on disposal of non-current assets	108	195
Net decrease (increase) in loans and bills discounted	(148,308)	(146,603)
Net increase (decrease) in deposit	154,187	159,942
Net increase (decrease) in negotiable certificates of deposit	963	1,444
Net increase (decrease) in borrowed money	23,189	39,059
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	85	(94)
Net decrease (increase) in call loans	121,597	29,943
Net increase (decrease) in call money	–	2,403
Net decrease (increase) in foreign exchanges - assets	(90)	(668)
Net increase (decrease) in foreign exchanges - liabilities	(20)	16
Proceeds from fund management	44,100	42,326
Payments for finance	(3,240)	(2,698)
Other, net	(600)	(649)
Subtotal	160,734	86,233
Income taxes paid	(8,124)	(9,349)
Net cash provided by (used in) operating activities	152,610	76,884
Cash flows from investing activities		
Purchase of securities	(73,965)	(326,375)
Proceeds from sales of securities	57,298	191,893
Proceeds from redemption of securities	81,816	107,147
Proceeds from fund management as investing activities	14,267	13,569
Purchase of tangible fixed assets	(8,093)	(10,776)
Proceeds from sales of tangible fixed assets	221	73
Purchase of intangible assets	(310)	(650)
Other, net	(31)	(152)
Net cash provided by (used in) investing activities	71,203	(25,269)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Cash dividends paid	(3,068)	(3,068)
Cash dividends paid to minority shareholders	(4)	(4)
Purchase of treasury shares	(40)	(2,135)
Proceeds from sales of treasury shares	34	57
Net cash provided by (used in) financing activities	(3,079)	(5,151)
Net increase (decrease) in cash and cash equivalents	220,734	46,462
Cash and cash equivalents at beginning of period	41,191	261,926
Cash and cash equivalents at end of period	261,926	308,389