Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

May 11, 2016

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 28, 2016
Scheduled date to file Securities Report: June 28, 2016
Scheduled date to commence dividend payments: June 29, 2016
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, 2016 (from April 1, 2015 to March 31, 2016)

(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, 2016	70,526	(1.7)	24,041	(5.9)	15,188	1.7
Year ended March 31, 2015	71,762	0.9	25,574	(1.9)	14,922	(2.4)

	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, 2016	56.31	56.17	5.4	0.5	34.0
Year ended March 31, 2015	53.59	53.46	5.7	0.6	35.6

(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, 2016	4,493,684	283,077	6.2	1,050.21
As of March 31, 2015	4,350,421	276,980	6.2	991.62

(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, 2016	(19,087)	54,114	(9,098)	334,317
Year ended March 31, 2015	76,884	(25,269)	(5,151)	308,389

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, 2015	–	5.50	–	5.50	11.00	3,058	20.5	1.1
Year ended March 31, 2016	–	5.50	–	5.50	11.00	2,930	19.5	1.0
Year ending March 31, 2017 (Forecast)	–	5.50	–	5.50	11.00		21.7	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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, 2016	10,000	(13.2)	6,500	(14.3)	24.39
Full year	20,000	(16.8)	13,500	(11.1)	50.67

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016 (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:	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, 2016	290,855,716 shares	As of March 31, 2015	290,855,716 shares

Number of treasury shares at the end of the period

As of March 31, 2016	24,454,731 shares	As of March 31, 2015	14,486,928 shares

Average number of shares during the period

Year ended March 31, 2016	269,707,365 shares	Year ended March 31, 2015	278,445,655 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Cash and due from banks	310,161	336,389
Call loans and bills bought	2,742	7,780
Trading account securities	2,960	3,671
Securities	1,004,790	964,613
Loans and bills discounted	2,948,592	3,098,839
Foreign exchanges	2,194	1,699
Other assets	12,118	11,692
Tangible fixed assets	68,085	67,786
Buildings, net	16,487	28,886
Land	31,585	31,530
Construction in progress	13,823	926
Other tangible fixed assets	6,188	6,443
Intangible fixed assets	1,013	1,932
Software	660	1,000
Software in progress	153	731
Other intangible fixed assets	200	200
Deferred tax assets	69	67
Customers' liabilities for acceptances and guarantees	7,416	7,433
Allowance for loan losses	(9,723)	(8,222)
Total assets	4,350,421	4,493,684
Liabilities		
Deposits	3,931,633	4,095,472
Negotiable certificates of deposit	9,642	11,467
Call money and bills sold	2,403	–
Borrowed money	91,800	62,400
Foreign exchanges	157	137
Other liabilities	11,087	10,314
Provision for bonuses	1,266	1,294
Provision for directors' bonuses	82	82
Net defined benefit liability	2,181	6,791
Provision for directors' retirement benefits	7	8
Provision for loss on interest repayment	13	13
Provision for reimbursement of deposits	426	527
Provision for contingent loss	660	699
Deferred tax liabilities	9,714	9,276
Deferred tax liabilities for land revaluation	4,946	4,687
Acceptances and guarantees	7,416	7,433
Total liabilities	4,073,441	4,210,607

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Net assets		
Capital stock	49,759	49,759
Capital surplus	39,718	39,718
Retained earnings	138,880	151,110
Treasury shares	(7,342)	(13,450)
Total shareholders' equity	221,016	227,137
Valuation difference on available-for-sale securities	46,046	49,029
Revaluation reserve for land	6,406	6,625
Remeasurements of defined benefit plans	585	(3,015)
Total accumulated other comprehensive income	53,038	52,639
Subscription rights to shares	271	315
Non-controlling interests	2,653	2,983
Total net assets	276,980	283,077
Total liabilities and net assets	4,350,421	4,493,684

Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Ordinary income	71,762	70,526
Interest income	55,814	54,083
Interest on loans and discounts	41,779	40,295
Interest and dividends on securities	13,540	13,240
Interest on call loans and bills bought	73	69
Interest on deposits with banks	419	476
Other interest income	1	0
Fees and commissions	11,073	10,954
Other ordinary income	1,899	2,902
Other income	2,975	2,586
Reversal of allowance for loan losses	919	533
Recoveries of written off claims	9	1
Other	2,045	2,051
Ordinary expenses	46,188	46,485
Interest expenses	2,000	1,941
Interest on deposits	1,765	1,652
Interest on negotiable certificates of deposit	4	13
Interest on call money and bills sold	4	0
Interest on payables under securities lending transactions	147	201
Interest on borrowings and rediscounts	77	73
Fees and commissions payments	3,659	3,716
General and administrative expenses	37,845	38,100
Other expenses	2,682	2,727
Other	2,682	2,727
Ordinary profit	25,574	24,041
Extraordinary income	9	13
Gain on disposal of non-current assets	9	13
Extraordinary losses	552	284
Loss on disposal of non-current assets	204	284
Impairment loss	348	–
Profit before income taxes	25,031	23,769
Income taxes - current	7,777	6,953
Income taxes - deferred	2,125	1,309
Total income taxes	9,903	8,263
Profit	15,127	15,506
Profit attributable to non-controlling interests	204	317
Profit attributable to owners of parent	14,922	15,188

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	15,127	15,506
Other comprehensive income	19,878	(355)
Valuation difference on available-for-sale securities	18,090	3,018
Revaluation reserve for land	512	246
Remeasurements of defined benefit plans, net of tax	1,275	(3,620)
Comprehensive income	35,005	15,150
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,675	14,816
Comprehensive income attributable to non-controlling interests	330	333

Consolidated statements of changes in equity

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)
Profit attributable to owners of parent			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	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 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)
Profit attributable to owners of parent							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

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	49,759	39,718	138,880	(7,342)	221,016
Changes of items during period					
Dividends of surplus			(2,979)		(2,979)
Profit attributable to owners of parent			15,188		15,188
Purchase of treasury shares				(6,146)	(6,146)
Disposal of treasury shares			(6)	38	31
Reversal of revaluation reserve for land			27		27
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	12,229	(6,107)	6,121
Balance at end of current period	49,759	39,718	151,110	(13,450)	227,137

	Accumulated other comprehensive income				Subscription rights to shares	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 current period	46,046	6,406	585	53,038	271	2,653	276,980
Changes of items during period							
Dividends of surplus							(2,979)
Profit attributable to owners of parent							15,188
Purchase of treasury shares							(6,146)
Disposal of treasury shares							31
Reversal of revaluation reserve for land							27
Net changes of items other than shareholders' equity	2,982	219	(3,600)	(399)	44	329	(24)
Total changes of items during period	2,982	219	(3,600)	(399)	44	329	6,096
Balance at end of current period	49,029	6,625	(3,015)	52,639	315	2,983	283,077

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	25,031	23,769
Depreciation	3,253	4,287
Impairment loss	348	–
Increase (decrease) in allowance for loan losses	(1,600)	(1,501)
Increase (decrease) in provision for bonuses	3	28
Increase (decrease) in net defined benefit liability	(7,832)	(467)
Increase (decrease) in provision for directors' retirement benefits	(3)	1
Increase (decrease) in provision for loss on interest repayment	(7)	0
Increase (decrease) in provision for reimbursement of deposits	23	101
Increase (decrease) in provision for contingent loss	(124)	39
Gain on fund management	(42,274)	(40,842)
Financing expenses	2,000	1,941
Loss (gain) related to securities	(15,865)	(16,382)
Foreign exchange losses (gains)	(1,335)	208
Loss (gain) on disposal of non-current assets	195	271
Net decrease (increase) in loans and bills discounted	(146,603)	(150,247)
Net increase (decrease) in deposit	159,942	163,839
Net increase (decrease) in negotiable certificates of deposit	1,444	1,825
Net increase (decrease) in borrowed money	39,059	(29,400)
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	(94)	(300)
Net decrease (increase) in call loans	29,943	(5,037)
Net increase (decrease) in call money	2,403	(2,403)
Net decrease (increase) in foreign exchanges - assets	(668)	495
Net increase (decrease) in foreign exchanges - liabilities	16	(20)
Proceeds from fund management	42,326	40,979
Payments for finance	(2,698)	(2,040)
Other, net	(649)	(1,013)
Subtotal	86,233	(11,868)
Income taxes paid	(9,349)	(7,219)
Net cash provided by (used in) operating activities	76,884	(19,087)
Cash flows from investing activities		
Purchase of securities	(326,375)	(238,045)
Proceeds from sales of securities	191,893	148,638
Proceeds from redemption of securities	107,147	135,332
Proceeds from fund management as investing activities	13,569	13,368
Purchase of tangible fixed assets	(10,776)	(3,965)
Proceeds from sales of tangible fixed assets	73	67
Purchase of intangible assets	(650)	(1,154)
Other, net	(152)	(128)
Net cash provided by (used in) investing activities	(25,269)	54,114

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Cash dividends paid	(3,068)	(2,979)
Dividends paid to non-controlling interests	(4)	(4)
Purchase of treasury shares	(2,135)	(6,146)
Proceeds from sales of treasury shares	57	31
Net cash provided by (used in) financing activities	(5,151)	(9,098)
Net increase (decrease) in cash and cash equivalents	46,462	25,927
Cash and cash equivalents at beginning of period	261,926	308,389
Cash and cash equivalents at end of period	308,389	334,317