Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

October 31, 2016

Company name: The Keiyo Bank, Ltd.
Stock exchange listing: Tokyo
Stock code: 8544 URL http://www.keiyobank.co.jp/
Representative: President Toshiyuki Kumagai
Inquiries: General Manager of Accounting Corporate Planning Division Yukihiko Nezu TEL 043-306-2121

Scheduled date to file Quarterly Securities Report: November 15, 2016
Scheduled date to commence dividend payments: November 25, 2016
Trading accounts: No
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(1) Consolidated operating results (cumulative) 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	%
Six months ended September 30, 2016	34,411	(1.7)	10,333	(10.3)	6,706	(11.6)
Six months ended September 30, 2015	35,039	(4.0)	11,528	(12.1)	7,590	(9.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2016	25.37	25.31
Six months ended September 30, 2015	27.80	27.73

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2016	4,622,321	283,013	6.0
As of March 31, 2016	4,493,684	283,077	6.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	–	5.50	–	5.50	11.00
Year ending March 31, 2017	–	5.50			
Year ending March 31, 2017 (Forecast)			–	5.50	11.00

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
Full year	20,000	(16.8)	13,500	(11.1)	51.13

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 2016	287,855,716 shares	As of March 31, 2016	290,855,716 shares

Number of treasury shares at the end of the period

As of September 30, 2016	24,201,719 shares	As of March 31, 2016	24,454,731 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2016	264,332,866 shares	Six months ended September 30, 2015	273,005,684 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Cash and due from banks	336,389	335,142
Call loans and bills bought	7,780	7,676
Trading account securities	3,671	3,801
Securities	964,613	1,022,767
Loans and bills discounted	3,098,839	3,169,596
Foreign exchanges	1,699	2,730
Other assets	11,692	12,062
Tangible fixed assets	67,786	67,090
Intangible fixed assets	1,932	2,235
Deferred tax assets	67	68
Customers' liabilities for acceptances and guarantees	7,433	6,971
Allowance for loan losses	(8,222)	(7,820)
Total assets	4,493,684	4,622,321
Liabilities		
Deposits	4,095,472	4,237,104
Negotiable certificates of deposit	11,467	11,500
Borrowed money	62,400	52,400
Foreign exchanges	137	171
Other liabilities	10,314	9,608
Provision for bonuses	1,294	1,283
Provision for directors' bonuses	82	39
Net defined benefit liability	6,791	6,555
Provision for directors' retirement benefits	8	0
Provision for loss on interest repayment	13	10
Provision for reimbursement of deposits	527	574
Provision for contingent loss	699	621
Deferred tax liabilities	9,276	7,777
Deferred tax liabilities for land revaluation	4,687	4,687
Acceptances and guarantees	7,433	6,971
Total liabilities	4,210,607	4,339,308
Net assets		
Capital stock	49,759	49,759
Capital surplus	39,718	39,718
Retained earnings	151,110	154,640
Treasury shares	(13,450)	(12,972)
Total shareholders' equity	227,137	231,145
Valuation difference on available-for-sale securities	49,029	44,629
Revaluation reserve for land	6,625	6,704
Remeasurements of defined benefit plans	(3,015)	(2,770)
Total accumulated other comprehensive income	52,639	48,563
Subscription rights to shares	315	241
Non-controlling interests	2,983	3,062
Total net assets	283,077	283,013
Total liabilities and net assets	4,493,684	4,622,321

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Ordinary income	35,039	34,411
Interest income	26,992	25,766
Interest on loans and discounts	20,227	19,298
Interest and dividends on securities	6,495	6,192
Fees and commissions	5,453	5,160
Other ordinary income	1,102	2,858
Other income	1,491	625
Ordinary expenses	23,510	24,077
Interest expenses	1,004	613
Interest on deposits	852	481
Fees and commissions payments	2,295	2,414
General and administrative expenses	18,994	19,527
Other expenses	1,215	1,522
Ordinary profit	11,528	10,333
Extraordinary income	13	4
Gain on disposal of non-current assets	13	4
Extraordinary losses	25	431
Loss on disposal of non-current assets	25	312
Impairment loss	–	118
Profit before income taxes	11,516	9,906
Income taxes - current	3,416	2,796
Income taxes - deferred	368	307
Total income taxes	3,784	3,103
Profit	7,732	6,802
Profit attributable to non-controlling interests	141	96
Profit attributable to owners of parent	7,590	6,706

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	7,732	6,802
Other comprehensive income	(4,882)	(4,168)
Valuation difference on available-for-sale securities	(4,831)	(4,410)
Remeasurements of defined benefit plans, net of tax	(51)	242
Comprehensive income	2,849	2,634
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,690	2,551
Comprehensive income attributable to non-controlling interests	158	83

Consolidated statements of changes in equity

Six months ended September 30, 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	39,718	138,880	(7,342)	221,016
Changes of items during period					
Dividends of surplus			(1,517)		(1,517)
Profit attributable to owners of parent			7,590		7,590
Purchase of treasury shares				(6,134)	(6,134)
Disposal of treasury shares			(6)	36	30
Reversal of revaluation reserve for land			27		27
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	6,094	(6,097)	(3)
Balance at end of current period	49,759	39,718	144,974	(13,440)	221,012

	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							(1,517)
Profit attributable to owners of parent							7,590
Purchase of treasury shares							(6,134)
Disposal of treasury shares							30
Reversal of revaluation reserve for land							27
Net changes of items other than shareholders' equity	(4,853)	(27)	(47)	(4,927)	9	154	(4,763)
Total changes of items during period	(4,853)	(27)	(47)	(4,927)	9	154	(4,767)
Balance at end of current period	41,193	6,379	538	48,110	280	2,808	272,213

Six months ended September 30, 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	151,110	(13,450)	227,137
Changes of items during period					
Dividends of surplus			(1,462)		(1,462)
Profit attributable to owners of parent			6,706		6,706
Purchase of treasury shares				(1,274)	(1,274)
Disposal of treasury shares			(25)	142	117
Retirement of treasury shares			(1,609)	1,609	–
Reversal of revaluation reserve for land			(79)		(79)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	3,530	477	4,007
Balance at end of current period	49,759	39,718	154,640	(12,972)	231,145

	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	49,029	6,625	(3,015)	52,639	315	2,983	283,077
Changes of items during period							
Dividends of surplus							(1,462)
Profit attributable to owners of parent							6,706
Purchase of treasury shares							(1,274)
Disposal of treasury shares							117
Retirement of treasury shares							–
Reversal of revaluation reserve for land							(79)
Net changes of items other than shareholders' equity	(4,399)	79	244	(4,075)	(74)	78	(4,071)
Total changes of items during period	(4,399)	79	244	(4,075)	(74)	78	(63)
Balance at end of current period	44,629	6,704	(2,770)	48,563	241	3,062	283,013