Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

January 31, 2017

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: February 3, 2017
Scheduled date to commence dividend payments: –
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 nine months ended December 31, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	51,099	(2.2)	15,214	(14.0)	10,035	(13.4)
Nine months ended December 31, 2015	52,300	(4.5)	17,712	(13.5)	11,598	(11.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	37.99	37.90
Nine months ended December 31, 2015	42.82	42.72

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	4,668,082	283,985	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 nine months ended December 31, 2016 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) 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

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 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 December 31, 2016	24,208,739 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)

Nine months ended December 31, 2016	264,105,131 shares	Nine months ended December 31, 2015	270,800,365 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Cash and due from banks	336,389	333,814
Call loans and bills bought	7,780	5,740
Trading account securities	3,671	4,309
Securities	964,613	1,025,282
Loans and bills discounted	3,098,839	3,211,438
Foreign exchanges	1,699	2,528
Other assets	11,692	17,230
Tangible fixed assets	67,786	67,062
Intangible fixed assets	1,932	2,584
Deferred tax assets	67	68
Customers' liabilities for acceptances and guarantees	7,433	6,545
Allowance for loan losses	(8,222)	(8,523)
Total assets	4,493,684	4,668,082
Liabilities		
Deposits	4,095,472	4,293,220
Negotiable certificates of deposit	11,467	11,500
Borrowed money	62,400	42,400
Foreign exchanges	137	99
Other liabilities	10,314	10,209
Provision for bonuses	1,294	440
Provision for directors' bonuses	82	59
Net defined benefit liability	6,791	6,439
Provision for directors' retirement benefits	8	1
Provision for loss on interest repayment	13	10
Provision for reimbursement of deposits	527	575
Provision for contingent loss	699	654
Deferred tax liabilities	9,276	7,296
Deferred tax liabilities for land revaluation	4,687	4,643
Acceptances and guarantees	7,433	6,545
Total liabilities	4,210,607	4,384,097
Net assets		
Capital stock	49,759	49,759
Capital surplus	39,718	39,718
Retained earnings	151,110	156,624
Treasury shares	(13,450)	(12,975)
Total shareholders' equity	227,137	233,126
Valuation difference on available-for-sale securities	49,029	43,495
Revaluation reserve for land	6,625	6,602
Remeasurements of defined benefit plans	(3,015)	(2,648)
Total accumulated other comprehensive income	52,639	47,449
Subscription rights to shares	315	264
Non-controlling interests	2,983	3,144
Total net assets	283,077	283,985
Total liabilities and net assets	4,493,684	4,668,082

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Ordinary income	52,300	51,099
Interest income	40,726	38,855
Interest on loans and discounts	30,348	28,872
Interest and dividends on securities	9,967	9,571
Fees and commissions	8,469	7,955
Other ordinary income	1,335	3,114
Other income	1,769	1,175
Ordinary expenses	34,588	35,885
Interest expenses	1,504	875
Interest on deposits	1,275	673
Fees and commissions payments	2,557	2,636
Other ordinary expenses	–	16
General and administrative expenses	28,589	29,674
Other expenses	1,936	2,682
Ordinary profit	17,712	15,214
Extraordinary income	13	4
Gain on disposal of non-current assets	13	4
Extraordinary losses	94	469
Loss on disposal of non-current assets	94	350
Impairment loss	–	118
Profit before income taxes	17,630	14,750
Income taxes	5,847	4,566
Profit	11,783	10,183
Profit attributable to non-controlling interests	185	147
Profit attributable to owners of parent	11,598	10,035

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	11,783	10,183
Other comprehensive income	1,555	(5,149)
Valuation difference on available-for-sale securities	1,632	(5,512)
Remeasurements of defined benefit plans, net of tax	(76)	363
Comprehensive income	13,339	5,034
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,094	4,868
Comprehensive income attributable to non-controlling interests	244	165