Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 6, 2020

Company name: The Keiyo Bank, Ltd.
Stock exchange listing: Tokyo
Stock code: 8544 URL https://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 20, 2020
Scheduled date to commence dividend payments: December 3, 2020
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, 2020 (from April 1, 2020 to September 30, 2020)

(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, 2020	31,985	(7.7)	6,275	1.0	4,226	0.2
Six months ended September 30, 2019	34,668	2.4	6,208	(22.0)	4,214	(21.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	32.36	32.25
Six months ended September 30, 2019	32.12	32.03

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	5,436,161	284,814	5.1
As of March 31, 2020	4,994,723	282,306	5.5

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, 2020	–	11.00	–	9.00	20.00
Year ending March 31, 2021	–	9.00			
Year ending March 31, 2021 (Forecast)			–	9.00	18.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	9,800	19.7	6,500	16.8	49.75

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2020 (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:	No
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, 2020	138,927,858 shares	As of March 31, 2020	138,927,858 shares

Number of treasury shares at the end of the period

As of September 30, 2020	8,264,138 shares	As of March 31, 2020	8,394,348 shares

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

Six months ended September 30, 2020	130,599,790 shares	Six months ended September 30, 2019	131,216,020 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Cash and due from banks	250,132	564,709
Call loans and bills bought	3,980	5,275
Trading account securities	3,931	4,029
Securities	933,367	995,693
Loans and bills discounted	3,694,413	3,754,532
Foreign exchanges	3,498	7,936
Other assets	39,748	40,111
Tangible fixed assets	61,313	60,124
Intangible fixed assets	6,222	6,980
Deferred tax assets	6,809	7,475
Customers' liabilities for acceptances and guarantees	3,940	3,788
Allowance for loan losses	(12,635)	(14,496)
Total assets	4,994,723	5,436,161
Liabilities		
Deposits	4,665,243	4,929,424
Negotiable certificates of deposit	17,000	40,000
Borrowed money	–	158,200
Foreign exchanges	135	142
Other liabilities	15,242	9,281
Provision for bonuses	1,307	1,256
Provision for bonuses for directors (and other officers)	61	23
Retirement benefit liability	2,507	2,394
Provision for retirement benefits for directors (and other officers)	2	2
Provision for loss on interest repayment	5	3
Provision for reimbursement of deposits	799	709
Provision for contingent loss	1,165	1,034
Deferred tax liabilities	363	446
Deferred tax liabilities for land revaluation	4,639	4,639
Acceptances and guarantees	3,940	3,788
Total liabilities	4,712,416	5,151,346
Net assets		
Share capital	49,759	49,759
Capital surplus	39,704	39,704
Retained earnings	171,957	174,984
Treasury shares	(8,432)	(8,301)
Total shareholders' equity	252,989	256,147
Valuation difference on available-for-sale securities	20,065	19,013
Revaluation reserve for land	7,198	7,198
Remeasurements of defined benefit plans	(2,744)	(2,522)
Total accumulated other comprehensive income	24,519	23,689
Share acquisition rights	346	277
Non-controlling interests	4,451	4,699
Total net assets	282,306	284,814
Total liabilities and net assets	4,994,723	5,436,161

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, 2019	Six months ended September 30, 2020
Ordinary income	34,668	31,985
Interest income	23,935	24,147
Interest on loans and discounts	18,384	18,046
Interest and dividends on securities	5,263	5,854
Fees and commissions	5,410	5,135
Other ordinary income	1,068	641
Other income	4,254	2,060
Ordinary expenses	28,460	25,709
Interest expenses	400	399
Interest on deposits	239	182
Fees and commissions payments	2,724	2,841
Other ordinary expenses	17	411
General and administrative expenses	18,533	18,355
Other expenses	6,784	3,701
Ordinary profit	6,208	6,275
Extraordinary losses	63	71
Loss on disposal of non-current assets	63	62
Impairment loss	–	8
Profit before income taxes	6,145	6,204
Income taxes - current	3,064	2,166
Income taxes - deferred	(1,204)	(294)
Total income taxes	1,859	1,872
Profit	4,285	4,331
Profit attributable to non-controlling interests	70	105
Profit attributable to owners of parent	4,214	4,226

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	4,285	4,331
Other comprehensive income	(656)	(682)
Valuation difference on available-for-sale securities	(789)	(903)
Remeasurements of defined benefit plans, net of tax	132	221
Comprehensive income	3,629	3,648
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,492	3,396
Comprehensive income attributable to non-controlling interests	136	252

Consolidated statements of changes in equity

Six months ended September 30, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	49,759	39,704	174,810	(12,789)	251,485
Changes during period					
Dividends of surplus			(1,452)		(1,452)
Profit attributable to owners of parent			4,214		4,214
Purchase of treasury shares				(964)	(964)
Disposal of treasury shares			(3)	31	28
Cancellation of treasury shares			(5,290)	5,290	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(2,531)	4,357	1,826
Balance at end of period	49,759	39,704	172,279	(8,432)	253,311

	Accumulated other comprehensive income				Share acquisition rights	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 period	33,642	6,858	(1,663)	38,837	293	4,238	294,855
Changes during period							
Dividends of surplus							(1,452)
Profit attributable to owners of parent							4,214
Purchase of treasury shares							(964)
Disposal of treasury shares							28
Cancellation of treasury shares							–
Net changes in items other than shareholders' equity	(857)	–	134	(722)	11	131	(578)
Total changes during period	(857)	–	134	(722)	11	131	1,247
Balance at end of period	32,785	6,858	(1,528)	38,115	305	4,370	296,103

Six months ended September 30, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	49,759	39,704	171,957	(8,432)	252,989
Changes during period					
Dividends of surplus			(1,174)		(1,174)
Profit attributable to owners of parent			4,226		4,226
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(23)	131	107
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,027	131	3,158
Balance at end of period	49,759	39,704	174,984	(8,301)	256,147

	Accumulated other comprehensive income				Share acquisition rights	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 period	20,065	7,198	(2,744)	24,519	346	4,451	282,306
Changes during period							
Dividends of surplus							(1,174)
Profit attributable to owners of parent							4,226
Purchase of treasury shares							(0)
Disposal of treasury shares							107
Net changes in items other than shareholders' equity	(1,052)	–	222	(830)	(68)	248	(651)
Total changes during period	(1,052)	–	222	(830)	(68)	248	2,507
Balance at end of period	19,013	7,198	(2,522)	23,689	277	4,699	284,814