

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 Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 1, 2017

Company name: The Musashino Bank, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8336 URL <http://www.musashinobank.co.jp>
 Representative: President Kikuo Kato
 Executive Officer and General Manager of
 Inquiries: General Planning and Management Division Ritsu Kumagai TEL 048-641-6111
 Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(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	%
Three months ended June 30, 2017	18,484	1.2	4,576	0.7	3,055	(11.6)
Three months ended June 30, 2016	18,255	(4.9)	4,541	(16.1)	3,460	(0.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	91.23		91.16	
Three months ended June 30, 2016	103.19		103.11	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2017	4,479,419		239,156		5.3	
As of March 31, 2017	4,507,139		233,974		5.1	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2017	–	40.00	–	40.00	80.00
Year ending March 31, 2018	–				
Year ending March 31, 2018 (Forecast)		40.00	–	40.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Ordinary income		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2017	35,600	(0.4)	7,600	2.3	5,200	(14.9)	155.25
Full year	71,500	0.8	15,200	17.9	10,600	8.5	316.48

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (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: No
- (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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: Yes
- 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 June 30, 2017	33,805,456 shares	As of March 31, 2017	33,805,456 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2017	311,377 shares	As of March 31, 2017	311,831 shares
---------------------	----------------	----------------------	----------------

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

Three months ended June 30, 2017	33,493,603 shares	Three months ended June 30, 2016	33,534,916 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Cash and due from banks	211,372	215,654
Monetary claims bought	8,626	6,598
Trading account securities	621	793
Money held in trust	1,500	1,504
Securities	781,884	781,905
Loans and bills discounted	3,412,133	3,384,190
Foreign exchanges	3,858	3,070
Lease receivables and investment assets	19,189	19,258
Other assets	29,467	27,532
Tangible fixed assets	37,398	37,324
Intangible fixed assets	3,050	3,018
Net defined benefit asset	5,843	6,075
Deferred tax assets	1,050	1,023
Customers' liabilities for acceptances and guarantees	6,516	6,425
Allowance for loan losses	(15,375)	(14,957)
Total assets	4,507,139	4,479,419
Liabilities		
Deposits	3,938,291	3,919,671
Negotiable certificates of deposit	188,765	192,135
Call money and bills sold	24,706	12,320
Payables under securities lending transactions	46,434	36,340
Borrowed money	17,152	17,896
Foreign exchanges	162	307
Bonds payable	15,000	15,000
Other liabilities	20,710	24,173
Provision for bonuses	1,251	311
Provision for directors' bonuses	10	1
Net defined benefit liability	4,120	4,058
Provision for directors' retirement benefits	–	19
Provision for loss on interest repayment	42	59
Provision for reimbursement of deposits	754	607
Provision for point card certificates	76	77
Provision for contingent loss	311	291
Provision for share-based compensation	14	26
Deferred tax liabilities	4,616	6,312
Deferred tax liabilities for land revaluation	4,227	4,227
Acceptances and guarantees	6,516	6,425
Total liabilities	4,273,164	4,240,262

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Net assets		
Capital stock	45,743	45,743
Capital surplus	38,290	38,290
Retained earnings	120,667	122,381
Treasury shares	(907)	(906)
Total shareholders' equity	203,793	205,508
Valuation difference on available-for-sale securities	24,813	28,146
Deferred gains or losses on hedges	(1,399)	(1,385)
Revaluation reserve for land	8,286	8,286
Remeasurements of defined benefit plans	(1,831)	(1,714)
Total accumulated other comprehensive income	29,869	33,332
Subscription rights to shares	80	80
Non-controlling interests	230	234
Total net assets	233,974	239,156
Total liabilities and net assets	4,507,139	4,479,419

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Ordinary income	18,255	18,484
Interest income	11,071	11,065
Interest on loans and discounts	9,078	8,530
Interest and dividends on securities	1,941	2,476
Fees and commissions	3,098	3,371
Other ordinary income	397	519
Other income	3,687	3,528
Ordinary expenses	13,714	13,907
Interest expenses	553	448
Interest on deposits	262	160
Fees and commissions payments	555	477
Other ordinary expenses	260	349
General and administrative expenses	9,570	9,485
Other expenses	2,774	3,146
Ordinary profit	4,541	4,576
Extraordinary losses	0	2
Loss on disposal of non-current assets	0	2
Profit before income taxes	4,540	4,574
Income taxes - current	462	1,322
Income taxes - deferred	606	192
Total income taxes	1,068	1,514
Profit	3,471	3,059
Profit attributable to non-controlling interests	11	4
Profit attributable to owners of parent	3,460	3,055

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	3,471	3,059
Other comprehensive income	(3,230)	3,463
Valuation difference on available-for-sale securities	(2,786)	3,333
Deferred gains or losses on hedges	(611)	13
Remeasurements of defined benefit plans, net of tax	167	116
Comprehensive income	240	6,522
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	231	6,518
Comprehensive income attributable to non-controlling interests	9	4