

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 Six Months Ended September 30, 2017 (Based on Japanese GAAP)

November 10, 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: November 28, 2017
 Scheduled date to commence dividend payments: December 8, 2017
 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, 2017 (from April 1, 2017 to September 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	%
Six months ended September 30, 2017	35,864	0.2	7,775	4.7	5,364	(12.2)
Six months ended September 30, 2016	35,768	(4.9)	7,423	(26.4)	6,114	(4.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2017	160.14		160.04	
Six months ended September 30, 2016	182.39		182.25	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	4,460,174	242,903	5.4
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	–	40.00	–	40.00	80.00
Year ending March 31, 2018 (Forecast)	–	–	–	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
Full year	71,500	0.8	15,200	17.9	10,600	8.5	316.43

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2017
 (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: Yes
- 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, 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 September 30, 2017	306,595 shares	As of March 31, 2017	311,831 shares
--------------------------	----------------	----------------------	----------------

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

Six months ended September 30, 2017	33,496,227 shares	Six months ended September 30, 2016	33,525,697 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Cash and due from banks	211,372	167,400
Monetary claims bought	8,626	7,588
Trading account securities	621	488
Money held in trust	1,500	1,501
Securities	781,884	784,802
Loans and bills discounted	3,412,133	3,406,282
Foreign exchanges	3,858	5,155
Lease receivables and investment assets	19,189	20,232
Other assets	29,467	28,492
Tangible fixed assets	37,398	37,177
Intangible fixed assets	3,050	2,912
Net defined benefit asset	5,843	6,064
Deferred tax assets	1,050	990
Customers' liabilities for acceptances and guarantees	6,516	6,216
Allowance for loan losses	(15,375)	(15,131)
Total assets	4,507,139	4,460,174
Liabilities		
Deposits	3,938,291	3,932,473
Negotiable certificates of deposit	188,765	180,120
Call money and bills sold	24,706	12,400
Payables under securities lending transactions	46,434	13,390
Borrowed money	17,152	18,081
Foreign exchanges	162	119
Bonds payable	15,000	15,000
Other liabilities	20,710	22,460
Provision for bonuses	1,251	1,223
Provision for directors' bonuses	10	4
Net defined benefit liability	4,120	3,972
Provision for directors' retirement benefits	–	22
Provision for loss on interest repayment	42	59
Provision for reimbursement of deposits	754	631
Provision for point card certificates	76	82
Provision for contingent loss	311	233
Provision for share-based compensation	14	28
Deferred tax liabilities	4,616	6,523
Deferred tax liabilities for land revaluation	4,227	4,227
Acceptances and guarantees	6,516	6,216
Total liabilities	4,273,164	4,217,270

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Net assets		
Capital stock	45,743	45,743
Capital surplus	38,290	38,291
Retained earnings	120,667	124,689
Treasury shares	(907)	(893)
Total shareholders' equity	203,793	207,831
Valuation difference on available-for-sale securities	24,813	29,400
Deferred gains or losses on hedges	(1,399)	(1,324)
Revaluation reserve for land	8,286	8,286
Remeasurements of defined benefit plans	(1,831)	(1,598)
Total accumulated other comprehensive income	29,869	34,763
Subscription rights to shares	80	66
Non-controlling interests	230	242
Total net assets	233,974	242,903
Total liabilities and net assets	4,507,139	4,460,174

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, 2016	Six months ended September 30, 2017
Ordinary income	35,768	35,864
Interest income	21,680	21,241
Interest on loans and discounts	18,019	17,016
Interest and dividends on securities	3,551	4,111
Fees and commissions	6,512	6,894
Other ordinary income	817	783
Other income	6,758	6,944
Ordinary expenses	28,345	28,088
Interest expenses	1,071	904
Interest on deposits	493	326
Fees and commissions payments	1,666	1,567
Other ordinary expenses	374	606
General and administrative expenses	18,962	18,519
Other expenses	6,268	6,490
Ordinary profit	7,423	7,775
Extraordinary income	–	0
Gain on disposal of non-current assets	–	0
Extraordinary losses	5	7
Loss on disposal of non-current assets	4	6
Impairment loss	–	1
Other	1	–
Profit before income taxes	7,418	7,768
Income taxes - current	1,917	2,600
Income taxes - deferred	(545)	(205)
Total income taxes	1,371	2,395
Profit	6,046	5,372
Profit (loss) attributable to non-controlling interests	(68)	8
Profit attributable to owners of parent	6,114	5,364

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	6,046	5,372
Other comprehensive income	(4,173)	4,894
Valuation difference on available-for-sale securities	(4,377)	4,587
Deferred gains or losses on hedges	(131)	74
Remeasurements of defined benefit plans, net of tax	335	232
Comprehensive income	1,872	10,267
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,941	10,257
Comprehensive income attributable to non-controlling interests	(68)	9

Consolidated statements of changes in equity

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	45,743	38,351	113,922	(804)	197,213
Changes of items during period					
Dividends of surplus			(1,676)		(1,676)
Profit attributable to owners of parent			6,114		6,114
Purchase of treasury shares				(101)	(101)
Disposal of treasury shares		(0)		0	0
Transfer to capital surplus from retained earnings		0	(0)		–
Sales of shares of consolidated subsidiaries		–			–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	4,437	(100)	4,337
Balance at end of current period	45,743	38,351	118,360	(904)	201,550

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	27,116	(2,056)	8,286	(2,712)	30,633	74	1,157	229,078
Changes of items during period								
Dividends of surplus								(1,676)
Profit attributable to owners of parent								6,114
Purchase of treasury shares								(101)
Disposal of treasury shares								0
Transfer to capital surplus from retained earnings								–
Sales of shares of consolidated subsidiaries								–
Net changes of items other than shareholders' equity	(4,377)	(131)	–	335	(4,173)	6	(69)	(4,236)
Total changes of items during period	(4,377)	(131)	–	335	(4,173)	6	(69)	100
Balance at end of current period	22,739	(2,188)	8,286	(2,377)	26,460	80	1,087	229,179

Six months ended September 30, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	45,743	38,290	120,667	(907)	203,793
Changes of items during period					
Dividends of surplus			(1,341)		(1,341)
Profit attributable to owners of parent			5,364		5,364
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		(0)		18	17
Transfer to capital surplus from retained earnings		0	(0)		-
Sales of shares of consolidated subsidiaries		1			1
Net changes of items other than shareholders' equity					
Total changes of items during period	-	1	4,022	14	4,037
Balance at end of current period	45,743	38,291	124,689	(893)	207,831

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	24,813	(1,399)	8,286	(1,831)	29,869	80	230	233,974
Changes of items during period								
Dividends of surplus								(1,341)
Profit attributable to owners of parent								5,364
Purchase of treasury shares								(3)
Disposal of treasury shares								17
Transfer to capital surplus from retained earnings								-
Sales of shares of consolidated subsidiaries								1
Net changes of items other than shareholders' equity	4,586	74	-	232	4,893	(14)	12	4,891
Total changes of items during period	4,586	74	-	232	4,893	(14)	12	8,929
Balance at end of current period	29,400	(1,324)	8,286	(1,598)	34,763	66	242	242,903