

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2017
(Based on Japanese GAAP)**

February 2, 2018

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: February 6, 2018
 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, 2017 (from April 1, 2017 to December 31, 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	%
Nine months ended December 31, 2017	54,646	2.1	12,547	23.3	8,886	10.3
Nine months ended December 31, 2016	53,493	(3.5)	10,172	(28.2)	8,049	(11.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	265.28		265.12	
Nine months ended December 31, 2016	240.18		240.00	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	4,499,067	248,754	5.5
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	–		
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	316.44

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2017	33,805,456 shares	As of March 31, 2017	33,805,456 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	307,500 shares	As of March 31, 2017	311,831 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2017	33,496,963 shares	Nine months ended December 31, 2016	33,515,156 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Cash and due from banks	211,372	208,934
Monetary claims bought	8,626	9,856
Trading account securities	621	591
Money held in trust	1,500	1,506
Securities	781,884	788,281
Loans and bills discounted	3,412,133	3,393,200
Foreign exchanges	3,858	4,541
Lease receivables and investment assets	19,189	20,235
Other assets	29,467	31,543
Tangible fixed assets	37,398	37,349
Intangible fixed assets	3,050	2,853
Net defined benefit asset	5,843	6,293
Deferred tax assets	1,050	942
Customers' liabilities for acceptances and guarantees	6,516	6,602
Allowance for loan losses	(15,375)	(13,664)
Total assets	4,507,139	4,499,067
Liabilities		
Deposits	3,938,291	3,949,918
Negotiable certificates of deposit	188,765	173,540
Call money and bills sold	24,706	25,865
Payables under securities lending transactions	46,434	22,135
Borrowed money	17,152	15,415
Foreign exchanges	162	250
Bonds payable	15,000	15,000
Other liabilities	20,710	23,550
Provision for bonuses	1,251	305
Provision for directors' bonuses	10	7
Net defined benefit liability	4,120	3,896
Provision for directors' retirement benefits	–	25
Provision for loss on interest repayment	42	59
Provision for reimbursement of deposits	754	852
Provision for point card certificates	76	82
Provision for contingent loss	311	226
Provision for share-based compensation	14	33
Deferred tax liabilities	4,616	8,315
Deferred tax liabilities for land revaluation	4,227	4,227
Acceptances and guarantees	6,516	6,602
Total liabilities	4,273,164	4,250,312

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Net assets		
Capital stock	45,743	45,743
Capital surplus	38,290	38,291
Retained earnings	120,667	126,870
Treasury shares	(907)	(896)
Total shareholders' equity	203,793	210,009
Valuation difference on available-for-sale securities	24,813	32,876
Deferred gains or losses on hedges	(1,399)	(1,278)
Revaluation reserve for land	8,286	8,286
Remeasurements of defined benefit plans	(1,831)	(1,481)
Total accumulated other comprehensive income	29,869	38,401
Subscription rights to shares	80	66
Non-controlling interests	230	277
Total net assets	233,974	248,754
Total liabilities and net assets	4,507,139	4,499,067

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, 2016	Nine months ended December 31, 2017
Ordinary income	53,493	54,646
Interest income	32,847	31,910
Interest on loans and discounts	26,839	25,416
Interest and dividends on securities	5,828	6,290
Fees and commissions	9,431	10,115
Other ordinary income	1,129	1,105
Other income	10,084	11,515
Ordinary expenses	43,321	42,099
Interest expenses	1,601	1,413
Interest on deposits	676	480
Fees and commissions payments	2,773	2,658
Other ordinary expenses	498	879
General and administrative expenses	28,102	27,573
Other expenses	10,345	9,574
Ordinary profit	10,172	12,547
Extraordinary income	–	0
Gain on disposal of non-current assets	–	0
Extraordinary losses	5	8
Loss on disposal of non-current assets	4	7
Impairment loss	–	1
Other	1	–
Profit before income taxes	10,166	12,538
Income taxes - current	2,746	3,571
Income taxes - deferred	(511)	39
Total income taxes	2,235	3,610
Profit	7,930	8,928
Profit (loss) attributable to non-controlling interests	(118)	42
Profit attributable to owners of parent	8,049	8,886

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	7,930	8,928
Other comprehensive income	767	8,533
Valuation difference on available-for-sale securities	(266)	8,063
Deferred gains or losses on hedges	531	120
Remeasurements of defined benefit plans, net of tax	502	349
Comprehensive income	8,698	17,462
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,816	17,418
Comprehensive income attributable to non-controlling interests	(117)	43