

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2018
(Based on Japanese GAAP)**

August 1, 2018

Company name: The Musashino Bank, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8336 URL: <http://www.musashinobank.co.jp>
 Representative: President Kikuo Kato
 Managing Executive Officer and General
 Inquiries: Manager of General Planning and Ken Otomo TEL 048-641-6111
 Management Division
 Scheduled date to file Quarterly Securities Report: August 3, 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 three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	19,386	4.8	4,542	(0.7)	3,025	(1.0)
Three months ended June 30, 2017	18,484	1.2	4,576	0.7	3,055	(11.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	90.31		90.25	
Three months ended June 30, 2017	91.23		91.16	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	4,553,948	248,042	5.4
As of March 31, 2018	4,560,693	247,043	5.4

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, 2018	–	40.00	–	40.00	80.00
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		40.00	–	40.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	36,400	1.4	9,000	15.7	6,100	13.7	182.11
Full year	70,500	(2.4)	16,200	2.9	11,100	1.6	331.38

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018
 (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: 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 June 30, 2018	33,805,456 shares	As of March 31, 2018	33,805,456 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	308,982 shares	As of March 31, 2018	308,515 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2018	33,496,717 shares	Three months ended June 30, 2017	33,493,603 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Cash and due from banks	250,530	295,132
Monetary claims bought	10,558	11,264
Trading account securities	364	515
Money held in trust	1,490	1,495
Securities	740,176	718,879
Loans and bills discounted	3,457,846	3,428,424
Foreign exchanges	4,951	4,343
Lease receivables and investment assets	20,985	20,957
Other assets	34,455	33,295
Tangible fixed assets	37,374	37,376
Intangible fixed assets	2,863	3,077
Net defined benefit asset	6,659	6,901
Deferred tax assets	1,010	944
Customers' liabilities for acceptances and guarantees	4,802	4,638
Allowance for loan losses	(13,377)	(13,298)
Total assets	4,560,693	4,553,948
Liabilities		
Deposits	4,030,917	4,011,574
Negotiable certificates of deposit	163,420	167,670
Call money and bills sold	22,187	31,070
Payables under securities lending transactions	21,629	19,455
Borrowed money	15,715	15,699
Foreign exchanges	239	172
Bonds payable	15,000	15,000
Other liabilities	22,529	24,091
Provision for bonuses	1,210	303
Provision for directors' bonuses	11	1
Net defined benefit liability	3,810	3,781
Provision for directors' retirement benefits	29	21
Provision for loss on interest repayment	59	44
Provision for reimbursement of deposits	651	721
Provision for point card certificates	78	81
Provision for contingent loss	219	207
Provision for share-based compensation	38	51
Allowance for demolition of non-current assets	294	258
Deferred tax liabilities	6,578	6,834
Deferred tax liabilities for land revaluation	4,227	4,227
Acceptances and guarantees	4,802	4,638
Total liabilities	4,313,650	4,305,905

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Net assets		
Capital stock	45,743	45,743
Capital surplus	38,291	38,291
Retained earnings	128,901	130,584
Treasury shares	(900)	(902)
Total shareholders' equity	212,036	213,718
Valuation difference on available-for-sale securities	28,754	27,968
Deferred gains or losses on hedges	(1,279)	(1,257)
Revaluation reserve for land	8,286	8,286
Remeasurements of defined benefit plans	(1,105)	(1,032)
Total accumulated other comprehensive income	34,655	33,964
Share acquisition rights	66	66
Non-controlling interests	285	293
Total net assets	247,043	248,042
Total liabilities and net assets	4,560,693	4,553,948

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, 2017	Three months ended June 30, 2018
Ordinary income	18,484	19,386
Interest income	11,065	10,775
Interest on loans and discounts	8,530	8,355
Interest and dividends on securities	2,476	2,376
Fees and commissions	3,371	3,281
Other ordinary income	519	333
Other income	3,528	4,997
Ordinary expenses	13,907	14,844
Interest expenses	448	580
Interest on deposits	160	146
Fees and commissions payments	477	635
Other ordinary expenses	349	1,306
General and administrative expenses	9,485	9,131
Other expenses	3,146	3,190
Ordinary profit	4,576	4,542
Extraordinary losses	2	96
Loss on disposal of non-current assets	2	9
Other	–	87
Profit before income taxes	4,574	4,445
Income taxes - current	1,322	796
Income taxes - deferred	192	616
Total income taxes	1,514	1,413
Profit	3,059	3,032
Profit attributable to non-controlling interests	4	7
Profit attributable to owners of parent	3,055	3,025

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	3,059	3,032
Other comprehensive income	3,463	(689)
Valuation difference on available-for-sale securities	3,333	(785)
Deferred gains or losses on hedges	13	21
Remeasurements of defined benefit plans, net of tax	116	73
Comprehensive income	6,522	2,342
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,518	2,334
Comprehensive income attributable to non-controlling interests	4	8