

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 9, 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: November 28, 2018  
 Scheduled date to commence dividend payments: December 10, 2018  
 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, 2018 (from April 1, 2018 to September 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	%
Six months ended September 30, 2018	37,200	3.7	7,660	(1.4)	5,076	(5.3)
Six months ended September 30, 2017	35,864	0.2	7,775	4.7	5,364	(12.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2018	151.55		151.45	
Six months ended September 30, 2017	160.14		160.04	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	4,551,821	251,237	5.5
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	-	40.00	-	40.00	80.00
Year ending March 31, 2019 (Forecast)	-	-	-	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
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 six months ended September 30, 2018  
 (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, 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 September 30, 2018	309,467 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)

Six months ended September 30, 2018	33,496,451 shares	Six months ended September 30, 2017	33,496,227 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
<b>Assets</b>		
Cash and due from banks	250,530	255,926
Monetary claims bought	10,558	12,083
Trading account securities	364	163
Money held in trust	1,490	1,495
Securities	740,176	718,885
Loans and bills discounted	3,457,846	3,464,674
Foreign exchanges	4,951	3,349
Lease receivables and investment assets	20,985	21,370
Other assets	34,455	35,061
Tangible fixed assets	37,374	37,181
Intangible fixed assets	2,863	3,176
Net defined benefit asset	6,659	6,895
Deferred tax assets	1,010	1,001
Customers' liabilities for acceptances and guarantees	4,802	4,697
Allowance for loan losses	(13,377)	(14,140)
<b>Total assets</b>	<b>4,560,693</b>	<b>4,551,821</b>
<b>Liabilities</b>		
Deposits	4,030,917	4,024,518
Negotiable certificates of deposit	163,420	153,500
Call money and bills sold	22,187	33,872
Payables under securities lending transactions	21,629	16,103
Borrowed money	15,715	11,149
Foreign exchanges	239	253
Bonds payable	15,000	15,000
Other liabilities	22,529	24,010
Provision for bonuses	1,210	1,191
Provision for directors' bonuses	11	4
Net defined benefit liability	3,810	3,715
Provision for directors' retirement benefits	29	24
Provision for loss on interest repayment	59	44
Provision for reimbursement of deposits	651	721
Provision for point card certificates	78	86
Provision for contingent loss	219	205
Provision for share-based compensation	38	56
Allowance for demolition of non-current assets	294	257
Deferred tax liabilities	6,578	6,943
Deferred tax liabilities for land revaluation	4,227	4,227
Acceptances and guarantees	4,802	4,697
<b>Total liabilities</b>	<b>4,313,650</b>	<b>4,300,583</b>

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Net assets		
Capital stock	45,743	45,743
Capital surplus	38,291	38,291
Retained earnings	128,901	132,635
Treasury shares	(900)	(903)
Total shareholders' equity	212,036	215,767
Valuation difference on available-for-sale securities	28,754	28,803
Deferred gains or losses on hedges	(1,279)	(1,027)
Revaluation reserve for land	8,286	8,286
Remeasurements of defined benefit plans	(1,105)	(959)
Total accumulated other comprehensive income	34,655	35,103
Share acquisition rights	66	66
Non-controlling interests	285	300
Total net assets	247,043	251,237
Total liabilities and net assets	4,560,693	4,551,821

**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, 2017	Six months ended September 30, 2018
Ordinary income	35,864	37,200
Interest income	21,241	21,113
Interest on loans and discounts	17,016	16,726
Interest and dividends on securities	4,111	4,302
Fees and commissions	6,894	6,905
Other ordinary income	783	687
Other income	6,944	8,493
Ordinary expenses	28,088	29,539
Interest expenses	904	1,228
Interest on deposits	326	344
Fees and commissions payments	1,567	1,760
Other ordinary expenses	606	1,554
General and administrative expenses	18,519	17,784
Other expenses	6,490	7,211
Ordinary profit	7,775	7,660
Extraordinary income	0	0
Gain on disposal of non-current assets	0	0
Extraordinary losses	7	95
Loss on disposal of non-current assets	6	10
Impairment loss	1	–
Other	–	85
Profit before income taxes	7,768	7,565
Income taxes - current	2,600	2,287
Income taxes - deferred	(205)	188
Total income taxes	2,395	2,476
Profit	5,372	5,089
Profit attributable to non-controlling interests	8	13
Profit attributable to owners of parent	5,364	5,076

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	5,372	5,089
Other comprehensive income	4,894	449
Valuation difference on available-for-sale securities	4,587	50
Deferred gains or losses on hedges	74	252
Remeasurements of defined benefit plans, net of tax	232	146
Comprehensive income	10,267	5,538
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,257	5,524
Comprehensive income attributable to non-controlling interests	9	14

## Consolidated statements of changes in equity

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					Share acquisition rights	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

Six months ended September 30, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	45,743	38,291	128,901	(900)	212,036
Changes of items during period					
Dividends of surplus			(1,341)		(1,341)
Profit attributable to owners of parent			5,076		5,076
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		–		–	–
Transfer to capital surplus from retained earnings		–	–		–
Sales of shares of consolidated subsidiaries		–			–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	3,734	(3)	3,731
Balance at end of current period	45,743	38,291	132,635	(903)	215,767

	Accumulated other comprehensive income					Share acquisition rights	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	28,754	(1,279)	8,286	(1,105)	34,655	66	285	247,043
Changes of items during period								
Dividends of surplus								(1,341)
Profit attributable to owners of parent								5,076
Purchase of treasury shares								(3)
Disposal of treasury shares								–
Transfer to capital surplus from retained earnings								–
Sales of shares of consolidated subsidiaries								–
Net changes of items other than shareholders' equity	48	252	–	146	447	–	14	462
Total changes of items during period	48	252	–	146	447	–	14	4,194
Balance at end of current period	28,803	(1,027)	8,286	(959)	35,103	66	300	251,237