

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 13, 2019

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 Ken Otomo TEL 048-641-6111
 General Planning and Management Division
 Scheduled date to file Quarterly Securities Report: February 13, 2019
 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, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	54,612	(0.0)	2,004	(84.0)	(1,285)	–
Nine months ended December 31, 2017	54,646	2.1	12,547	23.3	8,886	10.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	(38.38)		–	
Nine months ended December 31, 2017	265.28		265.12	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	4,497,981	235,241	5.2
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	–		
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	76,100	5.3	10,400	(33.8)	4,500	(58.7)	134.35

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2018	310,016 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)

Nine months ended December 31, 2018	33,496,211 shares	Nine months ended December 31, 2017	33,496,963 shares
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(5) Revisions to forecast of financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

<Revisions to forecast of consolidated financial results>

	Ordinary income	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Previous projections (A)	70,500	16,200	11,100	331.38
Revised projections (B)	76,100	10,400	4,500	134.35
Change in amount (B-A)	5,600	(5,800)	(6,600)	
Change (%)	7.9	(35.8)	(59.4)	
(Reference) Results for the previous year ended March 31, 2018	72,263	15,732	10,917	325.91

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Cash and due from banks	250,530	241,931
Monetary claims bought	10,558	13,957
Trading account securities	364	13
Money held in trust	1,490	1,491
Securities	740,176	704,804
Loans and bills discounted	3,457,846	3,445,611
Foreign exchanges	4,951	2,070
Lease receivables and investment assets	20,985	21,230
Other assets	34,455	36,914
Tangible fixed assets	37,374	36,981
Intangible fixed assets	2,863	3,648
Net defined benefit asset	6,659	7,132
Deferred tax assets	1,010	981
Customers' liabilities for acceptances and guarantees	4,802	4,467
Allowance for loan losses	(13,377)	(23,255)
Total assets	4,560,693	4,497,981
Liabilities		
Deposits	4,030,917	4,034,805
Negotiable certificates of deposit	163,420	126,240
Call money and bills sold	22,187	27,750
Payables under securities lending transactions	21,629	20,901
Borrowed money	15,715	11,768
Foreign exchanges	239	269
Bonds payable	15,000	–
Other liabilities	22,529	23,500
Provision for bonuses	1,210	290
Provision for directors' bonuses	11	7
Net defined benefit liability	3,810	3,627
Provision for directors' retirement benefits	29	27
Provision for loss on interest repayment	59	44
Provision for reimbursement of deposits	651	774
Provision for point card certificates	78	85
Provision for contingent loss	219	200
Provision for share-based compensation	38	61
Allowance for demolition of non-current assets	294	586
Deferred tax liabilities	6,578	3,103
Deferred tax liabilities for land revaluation	4,227	4,227
Acceptances and guarantees	4,802	4,467
Total liabilities	4,313,650	4,262,740

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Net assets		
Capital stock	45,743	45,743
Capital surplus	38,291	38,291
Retained earnings	128,901	124,932
Treasury shares	(900)	(905)
Total shareholders' equity	212,036	208,062
Valuation difference on available-for-sale securities	28,754	20,700
Deferred gains or losses on hedges	(1,279)	(1,296)
Revaluation reserve for land	8,286	8,286
Remeasurements of defined benefit plans	(1,105)	(885)
Total accumulated other comprehensive income	34,655	26,804
Share acquisition rights	66	66
Non-controlling interests	285	307
Total net assets	247,043	235,241
Total liabilities and net assets	4,560,693	4,497,981

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, 2017	Nine months ended December 31, 2018
Ordinary income	54,646	54,612
Interest income	31,910	31,178
Interest on loans and discounts	25,416	24,993
Interest and dividends on securities	6,290	6,047
Fees and commissions	10,115	10,102
Other ordinary income	1,105	1,114
Other income	11,515	12,216
Ordinary expenses	42,099	52,608
Interest expenses	1,413	1,901
Interest on deposits	480	568
Fees and commissions payments	2,658	2,863
Other ordinary expenses	879	1,624
General and administrative expenses	27,573	26,389
Other expenses	9,574	19,829
Ordinary profit	12,547	2,004
Extraordinary income	0	0
Gain on disposal of non-current assets	0	0
Extraordinary losses	8	430
Loss on disposal of non-current assets	7	15
Impairment loss	1	-
Other	-	414
Profit before income taxes	12,538	1,574
Income taxes - current	3,571	3,062
Income taxes - deferred	39	(223)
Total income taxes	3,610	2,838
Profit (loss)	8,928	(1,264)
Profit attributable to non-controlling interests	42	21
Profit (loss) attributable to owners of parent	8,886	(1,285)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit (loss)	8,928	(1,264)
Other comprehensive income	8,533	(7,850)
Valuation difference on available-for-sale securities	8,063	(8,053)
Deferred gains or losses on hedges	120	(16)
Remeasurements of defined benefit plans, net of tax	349	220
Comprehensive income	17,462	(9,114)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,418	(9,136)
Comprehensive income attributable to non-controlling interests	43	22