

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2019
(Based on Japanese GAAP)**

May 10, 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 General Planning and Ken Otomo TEL 048-641-6111
 Management Division
 Scheduled date of ordinary general meeting of shareholders: June 26, 2019
 Scheduled date to file Securities Report: June 26, 2019
 Scheduled date to commence dividend payments: June 27, 2019
 Trading accounts: No
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

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	%
Year ended March 31, 2019	77,858	7.7	11,371	(27.7)	5,345	(51.0)
Year ended March 31, 2018	72,263	1.9	15,732	22.0	10,917	11.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Ordinary profit/ordinary income
	Yen	Yen	%	%	%
Year ended March 31, 2019	159.58	159.48	2.2	0.2	14.6
Year ended March 31, 2018	325.91	325.71	4.5	0.3	21.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	4,626,044	239,214	5.1	7,130.32
As of March 31, 2018	4,560,693	247,043	5.4	7,364.61

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	31,328	78,054	(22,689)	336,786
Year ended March 31, 2018	(1,310)	45,749	(5,172)	250,092

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2018	–	40.00	–	40.00	80.00	2,682	24.5	1.1
Year ended March 31, 2019	–	40.00	–	40.00	80.00	2,682	50.1	1.1
Year ending March 31, 2020 (Forecast)	–	40.00	–	40.00	80.00		34.3	

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	34,500	(7.2)	5,700	(25.5)	3,800	(25.1)	113.45
Full year	68,600	(11.8)	11,400	0.2	7,800	45.9	232.87

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(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 March 31, 2019	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 March 31, 2019	310,542 shares	As of March 31, 2018	308,515 shares
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Average number of shares during the period

Year ended March 31, 2019	33,495,969 shares	Year ended March 31, 2018	33,497,055 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Cash and due from banks	250,530	347,398
Monetary claims bought	10,558	12,634
Trading account securities	364	62
Money held in trust	1,490	1,490
Securities	740,176	654,380
Loans and bills discounted	3,457,846	3,522,130
Foreign exchanges	4,951	2,560
Lease receivables and investment assets	20,985	21,320
Other assets	34,455	34,473
Tangible fixed assets	37,374	36,767
Buildings, net	9,999	9,584
Land	25,322	25,322
Leased assets, net	–	24
Construction in progress	244	347
Other tangible fixed assets	1,808	1,488
Intangible fixed assets	2,863	3,910
Software	2,688	3,656
Leased assets	–	80
Other intangible fixed assets	175	173
Retirement benefit asset	6,659	6,732
Deferred tax assets	1,010	1,004
Customers' liabilities for acceptances and guarantees	4,802	4,200
Allowance for loan losses	(13,377)	(23,023)
Total assets	4,560,693	4,626,044
Liabilities		
Deposits	4,030,917	4,125,430
Negotiable certificates of deposit	163,420	157,430
Call money and bills sold	22,187	30,522
Payables under securities lending transactions	21,629	21,151
Borrowed money	15,715	10,933
Foreign exchanges	239	199
Bonds payable	15,000	–
Other liabilities	22,529	24,519
Provision for bonuses	1,210	1,148
Provision for bonuses for directors (and other officers)	11	9
Retirement benefit liability	3,810	3,542
Provision for retirement benefits for directors (and other officers)	29	30
Provision for loss on interest repayment	59	44
Provision for reimbursement of deposits	651	493
Provision for point card certificates	78	85
Provision for contingent loss	219	198
Provision for share-based compensation	38	67
Allowance for demolition of non-current assets	294	611
Deferred tax liabilities	6,578	1,983
Deferred tax liabilities for land revaluation	4,227	4,227
Acceptances and guarantees	4,802	4,200
Total liabilities	4,313,650	4,386,830

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Net assets		
Capital stock	45,743	45,743
Capital surplus	38,291	38,291
Retained earnings	128,901	131,563
Treasury shares	(900)	(906)
Total shareholders' equity	212,036	214,692
Valuation difference on available-for-sale securities	28,754	18,391
Deferred gains or losses on hedges	(1,279)	(1,453)
Revaluation reserve for land	8,286	8,286
Remeasurements of defined benefit plans	(1,105)	(1,087)
Total accumulated other comprehensive income	34,655	24,137
Share acquisition rights	66	66
Non-controlling interests	285	318
Total net assets	247,043	239,214
Total liabilities and net assets	4,560,693	4,626,044

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Ordinary income	72,263	77,858
Interest income	42,373	41,193
Interest on loans and discounts	33,731	33,176
Interest and dividends on securities	8,387	7,794
Interest on call loans and bills bought	(4)	(17)
Interest on deposits with banks	0	0
Other interest income	259	240
Fees and commissions	13,824	13,856
Other ordinary income	1,365	1,892
Other income	14,699	20,915
Recoveries of written off claims	568	822
Other	14,131	20,093
Ordinary expenses	56,530	66,487
Interest expenses	1,938	2,622
Interest on deposits	624	788
Interest on negotiable certificates of deposit	31	26
Interest on call money and bills sold	301	797
Interest on payables under securities lending transactions	258	469
Interest on borrowings and rediscounts	113	57
Interest on bonds	91	65
Other interest expenses	518	417
Fees and commissions payments	3,751	3,958
Other ordinary expenses	1,525	1,646
General and administrative expenses	36,587	34,923
Other expenses	12,727	23,337
Provision of allowance for loan losses	1,716	11,831
Other	11,010	11,505
Ordinary profit	15,732	11,371
Extraordinary income	0	1
Gain on disposal of non-current assets	0	1
Extraordinary losses	399	455
Loss on disposal of non-current assets	7	15
Impairment loss	1	—
Other	390	439
Profit before income taxes	15,334	10,917
Income taxes - current	4,573	5,905
Income taxes - deferred	(207)	(363)
Total income taxes	4,366	5,541
Profit	10,967	5,376
Profit attributable to non-controlling interests	50	31
Profit attributable to owners of parent	10,917	5,345

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	10,967	5,376
Other comprehensive income	4,787	(10,516)
Valuation difference on available-for-sale securities	3,942	(10,361)
Deferred gains or losses on hedges	119	(173)
Remeasurements of defined benefit plans, net of tax	725	18
Comprehensive income	15,755	(5,140)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,703	(5,173)
Comprehensive income attributable to non-controlling interests	51	33

Consolidated statements of changes in equity

Fiscal year ended March 31, 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	38,290	120,667	(907)	203,793
Changes of items during period					
Dividends of surplus			(2,682)		(2,682)
Profit attributable to owners of parent			10,917		10,917
Purchase of treasury shares				(11)	(11)
Disposal of treasury shares		(0)		18	18
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	8,233	7	8,242
Balance at end of current period	45,743	38,291	128,901	(900)	212,036

	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								(2,682)
Profit attributable to owners of parent								10,917
Purchase of treasury shares								(11)
Disposal of treasury shares								18
Transfer to capital surplus from retained earnings								–
Sales of shares of consolidated subsidiaries								1
Net changes of items other than shareholders' equity	3,941	119	–	725	4,786	(14)	54	4,826
Total changes of items during period	3,941	119	–	725	4,786	(14)	54	13,068
Balance at end of current period	28,754	(1,279)	8,286	(1,105)	34,655	66	285	247,043

Fiscal year ended March 31, 2019

(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			(2,682)		(2,682)
Profit attributable to owners of parent			5,345		5,345
Purchase of treasury shares				(6)	(6)
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	–	–	2,662	(6)	2,656
Balance at end of current period	45,743	38,291	131,563	(906)	214,692

	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								(2,682)
Profit attributable to owners of parent								5,345
Purchase of treasury shares								(6)
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	(10,363)	(173)	–	18	(10,518)	–	32	(10,485)
Total changes of items during period	(10,363)	(173)	–	18	(10,518)	–	32	(7,829)
Balance at end of current period	18,391	(1,453)	8,286	(1,087)	24,137	66	318	239,214

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	15,334	10,917
Depreciation	3,271	2,387
Impairment loss	1	–
Share of loss (profit) of entities accounted for using equity method	(8)	(11)
Increase (decrease) in allowance for loan losses	(1,998)	9,645
Increase (decrease) in provision for bonuses	(41)	(61)
Increase (decrease) in provision for bonuses for directors (and other officers)	1	(1)
Decrease (increase) in retirement benefit asset	(438)	(466)
Increase (decrease) in retirement benefit liability	(314)	(269)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	29	1
Increase (decrease) in provision for loss on interest repayment	16	(15)
Increase (decrease) in provision for reimbursement of deposits	(102)	(158)
Increase (decrease) in provision for point card certificates	2	6
Increase (decrease) in provision for contingent loss	(91)	(21)
Increase (decrease) in provision for share-based compensation	23	28
Increase (decrease) in allowance for demolition of non-current assets	294	317
Gain on fund management	(42,373)	(41,193)
Financing expenses	1,938	2,622
Loss (gain) related to securities	(578)	(6,830)
Loss (gain) on money held in trust	6	8
Foreign exchange losses (gains)	2,579	(1,872)
Loss (gain) on disposal of non-current assets	7	14
Net decrease (increase) in trading account securities	257	301
Net decrease (increase) in loans and bills discounted	(45,713)	(64,284)
Net increase (decrease) in deposit	92,626	94,512
Net increase (decrease) in negotiable certificates of deposit	(25,345)	(5,990)
Net increase (decrease) in payables under securities lending transactions	(24,805)	(477)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	1,062	217
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	108	(10,174)
Net decrease (increase) in call loans	(1,932)	(2,075)
Net increase (decrease) in call money	(2,519)	8,334
Net decrease (increase) in foreign exchanges - assets	(1,092)	2,391
Net increase (decrease) in foreign exchanges - liabilities	76	(39)
Proceeds from fund management	42,636	41,752
Payments for finance	(1,904)	(2,583)
Other, net	(9,137)	(987)
Subtotal	1,877	35,946
Income taxes paid	(3,187)	(4,617)
Net cash provided by (used in) operating activities	(1,310)	31,328

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from investing activities		
Purchase of securities	(161,253)	(187,262)
Proceeds from sales of securities	47,093	80,015
Proceeds from redemption of securities	162,748	188,064
Increase in money held in trust	–	(9)
Decrease in money held in trust	0	–
Purchase of tangible fixed assets	(1,945)	(775)
Proceeds from sales of property, plant and equipment	1	1
Purchase of intangible assets	(892)	(1,965)
Payments for asset retirement obligations	(2)	(14)
Net cash provided by (used in) investing activities	45,749	78,054
Cash flows from financing activities		
Decrease in subordinated borrowings	(2,500)	(5,000)
Redemption of subordinated bonds	–	(15,000)
Cash dividends paid	(2,682)	(2,682)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of treasury shares	(11)	(6)
Proceeds from sales of treasury shares	17	0
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	4	–
Net cash provided by (used in) financing activities	(5,172)	(22,689)
Net increase (decrease) in cash and cash equivalents	39,266	86,694
Cash and cash equivalents at beginning of period	210,826	250,092
Cash and cash equivalents at end of period	250,092	336,786