

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 1, 2019

Company name: The Musashino Bank, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8336 URL <http://www.musashinobank.co.jp>
 Representative: President Kazumasa Nagahori
 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: August 5, 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	16,781	(13.4)	2,425	(46.5)	1,652	(45.3)
Three months ended June 30, 2018	19,386	4.8	4,542	(0.7)	3,025	(1.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	49.33		49.30	
Three months ended June 30, 2018	90.31		90.25	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	4,570,991	237,853	5.1
As of March 31, 2019	4,626,044	239,214	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, 2019	–	40.00	–	40.00	80.00
Year ending March 31, 2020	–				
Year ending March 31, 2020 (Forecast)		40.00	–	40.00	80.00

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)	113.44
Full year	68,600	(11.8)	11,400	0.2	7,800	45.9	232.84

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
 (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: Yes
- 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 June 30, 2019	33,805,456 shares	As of March 31, 2019	33,805,456 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2019	306,147 shares	As of March 31, 2019	310,542 shares
---------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	33,495,402 shares	Three months ended June 30, 2018	33,496,717 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Cash and due from banks	347,398	325,318
Call loans and bills bought	–	60,754
Monetary claims bought	12,634	11,995
Trading account securities	62	78
Money held in trust	1,490	1,499
Securities	654,380	620,428
Loans and bills discounted	3,522,130	3,459,901
Foreign exchanges	2,560	4,236
Lease receivables and investments in leases	21,320	20,998
Other assets	34,473	34,383
Tangible fixed assets	36,767	36,263
Intangible fixed assets	3,910	4,339
Retirement benefit asset	6,732	6,978
Deferred tax assets	1,004	978
Customers' liabilities for acceptances and guarantees	4,200	5,706
Allowance for loan losses	(23,023)	(22,868)
Total assets	4,626,044	4,570,991
Liabilities		
Deposits	4,125,430	4,106,095
Negotiable certificates of deposit	157,430	134,480
Call money and bills sold	30,522	25,330
Payables under securities lending transactions	21,151	18,001
Borrowed money	10,933	10,602
Foreign exchanges	199	198
Borrowed money from trust account	–	200
Other liabilities	24,519	21,292
Provision for bonuses	1,148	298
Provision for bonuses for directors (and other officers)	9	2
Retirement benefit liability	3,542	3,500
Provision for retirement benefits for directors (and other officers)	30	29
Provision for loss on interest repayment	44	52
Provision for reimbursement of deposits	493	493
Provision for point card certificates	85	87
Provision for contingent loss	198	189
Provision for share-based compensation	67	72
Allowance for demolition of non-current assets	611	354
Deferred tax liabilities	1,983	1,922
Deferred tax liabilities for land revaluation	4,227	4,227
Acceptances and guarantees	4,200	5,706
Total liabilities	4,386,830	4,333,137

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Net assets		
Share capital	45,743	45,743
Capital surplus	38,291	38,291
Retained earnings	131,563	131,874
Treasury shares	(906)	(895)
Total shareholders' equity	214,692	215,014
Valuation difference on available-for-sale securities	18,391	16,727
Deferred gains or losses on hedges	(1,453)	(1,549)
Revaluation reserve for land	8,286	8,286
Remeasurements of defined benefit plans	(1,087)	(1,020)
Total accumulated other comprehensive income	24,137	22,443
Share acquisition rights	66	66
Non-controlling interests	318	329
Total net assets	239,214	237,853
Total liabilities and net assets	4,626,044	4,570,991

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, 2018	Three months ended June 30, 2019
Ordinary income	19,386	16,781
Interest income	10,775	9,979
Interest on loans and discounts	8,355	8,247
Interest and dividends on securities	2,376	1,690
Trust fees	–	2
Fees and commissions	3,281	3,146
Other ordinary income	333	440
Other income	4,997	3,212
Ordinary expenses	14,844	14,356
Interest expenses	580	681
Interest on deposits	146	216
Fees and commissions payments	635	559
Other ordinary expenses	1,306	388
General and administrative expenses	9,131	9,488
Other expenses	3,190	3,239
Ordinary profit	4,542	2,425
Extraordinary income	–	1
Gain on disposal of non-current assets	–	1
Extraordinary losses	96	12
Loss on disposal of non-current assets	9	12
Other	87	–
Profit before income taxes	4,445	2,414
Income taxes - current	796	155
Income taxes - deferred	616	596
Total income taxes	1,413	751
Profit	3,032	1,663
Profit attributable to non-controlling interests	7	11
Profit attributable to owners of parent	3,025	1,652

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	3,032	1,663
Other comprehensive income	(689)	(1,692)
Valuation difference on available-for-sale securities	(785)	(1,663)
Deferred gains or losses on hedges	21	(96)
Remeasurements of defined benefit plans, net of tax	73	66
Comprehensive income	2,342	(29)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,334	(41)
Comprehensive income attributable to non-controlling interests	8	11