

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 8, 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: November 27, 2019  
 Scheduled date to commence dividend payments: December 10, 2019  
 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, 2019 (from April 1, 2019 to September 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	%
Six months ended September 30, 2019	34,109	(8.3)	5,257	(31.3)	5,383	6.0
Six months ended September 30, 2018	37,200	3.7	7,660	(1.4)	5,076	(5.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2019	160.72		160.62	
Six months ended September 30, 2018	151.55		151.45	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	4,651,708	242,067	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	-	40.00	-	-	-
Year ending March 31, 2020 (Forecast)	-	-	-	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
Full year	68,200	(12.4)	10,500	(7.6)	8,800	64.6	262.78

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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: Yes
- Changes in accounting estimates: Yes
- 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, 2019	33,805,456 shares	As of March 31, 2019	33,805,456 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	317,641 shares	As of March 31, 2019	310,542 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, 2019	33,495,337 shares	Six months ended September 30, 2018	33,496,451 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
<b>Assets</b>		
Cash and due from banks	347,398	383,008
Monetary claims bought	12,634	10,472
Trading account securities	62	6
Money held in trust	1,490	1,495
Securities	654,380	637,112
Loans and bills discounted	3,522,130	3,521,156
Foreign exchanges	2,560	3,650
Lease receivables and investments in leases	21,320	21,465
Other assets	34,473	32,717
Tangible fixed assets	36,767	41,789
Intangible fixed assets	3,910	4,332
Retirement benefit asset	6,732	6,973
Deferred tax assets	1,004	988
Customers' liabilities for acceptances and guarantees	4,200	5,420
Allowance for loan losses	(23,023)	(18,882)
<b>Total assets</b>	<b>4,626,044</b>	<b>4,651,708</b>
<b>Liabilities</b>		
Deposits	4,125,430	4,175,344
Negotiable certificates of deposit	157,430	139,610
Call money and bills sold	30,522	29,785
Payables under securities lending transactions	21,151	15,687
Borrowed money	10,933	10,292
Foreign exchanges	199	231
Borrowed money from trust account	–	530
Other liabilities	24,519	21,450
Provision for bonuses	1,148	1,162
Provision for bonuses for directors (and other officers)	9	5
Retirement benefit liability	3,542	3,486
Provision for retirement benefits for directors (and other officers)	30	33
Provision for loss on interest repayment	44	52
Provision for reimbursement of deposits	493	493
Provision for point card certificates	85	89
Provision for contingent loss	198	242
Provision for share-based compensation	67	54
Allowance for demolition of non-current assets	611	354
Deferred tax liabilities	1,983	1,086
Deferred tax liabilities for land revaluation	4,227	4,227
Acceptances and guarantees	4,200	5,420
<b>Total liabilities</b>	<b>4,386,830</b>	<b>4,409,641</b>

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Net assets		
Share capital	45,743	45,743
Capital surplus	38,291	38,292
Retained earnings	131,563	135,605
Treasury shares	(906)	(907)
Total shareholders' equity	214,692	218,734
Valuation difference on available-for-sale securities	18,391	17,246
Deferred gains or losses on hedges	(1,453)	(1,619)
Revaluation reserve for land	8,286	8,286
Remeasurements of defined benefit plans	(1,087)	(953)
Total accumulated other comprehensive income	24,137	22,958
Share acquisition rights	66	47
Non-controlling interests	318	326
Total net assets	239,214	242,067
Total liabilities and net assets	4,626,044	4,651,708

**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, 2018	Six months ended September 30, 2019
Ordinary income	37,200	34,109
Interest income	21,113	19,516
Interest on loans and discounts	16,726	16,402
Interest and dividends on securities	4,302	3,021
Trust fees	–	7
Fees and commissions	6,905	6,885
Other ordinary income	687	952
Other income	8,493	6,747
Ordinary expenses	29,539	28,851
Interest expenses	1,228	1,311
Interest on deposits	344	441
Fees and commissions payments	1,760	1,660
Other ordinary expenses	1,554	646
General and administrative expenses	17,784	18,094
Other expenses	7,211	7,137
Ordinary profit	7,660	5,257
Extraordinary income	0	1
Gain on disposal of non-current assets	0	1
Extraordinary losses	95	13
Loss on disposal of non-current assets	10	13
Other	85	–
Profit before income taxes	7,565	5,244
Income taxes - current	2,287	298
Income taxes - deferred	188	(445)
Total income taxes	2,476	(146)
Profit	5,089	5,391
Profit attributable to non-controlling interests	13	8
Profit attributable to owners of parent	5,076	5,383

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

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	5,089	5,391
Other comprehensive income	449	(1,177)
Valuation difference on available-for-sale securities	50	(1,144)
Deferred gains or losses on hedges	252	(166)
Remeasurements of defined benefit plans, net of tax	146	133
Comprehensive income	5,538	4,213
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,524	4,204
Comprehensive income attributable to non-controlling interests	14	8

## Consolidated statements of changes in equity

Six months ended September 30, 2018

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	45,743	38,291	128,901	(900)	212,036
Changes in 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		–		–	–
Net changes in items other than shareholders' equity					
Total changes in items during period	–	–	3,734	(3)	3,731
Balance at end of 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 period	28,754	(1,279)	8,286	(1,105)	34,655	66	285	247,043
Changes in 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								–
Net changes in items other than shareholders' equity	48	252	–	146	447	–	14	462
Total changes in items during period	48	252	–	146	447	–	14	4,194
Balance at end of period	28,803	(1,027)	8,286	(959)	35,103	66	300	251,237

Six months ended September 30, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	45,743	38,291	131,563	(906)	214,692
Changes in items during period					
Dividends of surplus			(1,341)		(1,341)
Profit attributable to owners of parent			5,383		5,383
Purchase of treasury shares				(40)	(40)
Disposal of treasury shares		1		39	40
Net changes in items other than shareholders' equity					
Total changes in items during period	–	1	4,041	(1)	4,041
Balance at end of period	45,743	38,292	135,605	(907)	218,734

	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 period	18,391	(1,453)	8,286	(1,087)	24,137	66	318	239,214
Changes in items during period								
Dividends of surplus								(1,341)
Profit attributable to owners of parent								5,383
Purchase of treasury shares								(40)
Disposal of treasury shares								40
Net changes in items other than shareholders' equity	(1,145)	(166)	–	133	(1,178)	(18)	8	(1,188)
Total changes in items during period	(1,145)	(166)	–	133	(1,178)	(18)	8	2,853
Balance at end of period	17,246	(1,619)	8,286	(953)	22,958	47	326	242,067