

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2020  
(Based on Japanese GAAP)**

May 11, 2020

Company name: The Musashino Bank, Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 8336 URL <http://www.musashinobank.co.jp>  
 Representative: President Kazumasa Nagahori  
 General Manager of  
 Inquiries: Takuo Toma TEL 048-641-6111  
 General Planning and Management Division  
 Scheduled date of ordinary general meeting of shareholders: June 25, 2020  
 Scheduled date to file Securities Report: June 25, 2020  
 Scheduled date to commence dividend payments: June 26, 2020  
 Trading accounts: No  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	67,852	(12.8)	8,745	(23.0)	8,066	50.9
Year ended March 31, 2019	77,858	7.7	11,371	(27.7)	5,345	(51.0)

	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, 2020	240.86	240.75	3.4	0.1	12.8
Year ended March 31, 2019	159.58	159.48	2.2	0.2	14.6

(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, 2020	4,674,059	235,458	5.0	7,029.26
As of March 31, 2019	4,626,044	239,214	5.1	7,130.32

(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, 2020	30,710	9,441	(2,947)	373,991
Year ended March 31, 2019	31,328	78,054	(22,689)	336,786

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, 2019	–	40.00	–	40.00	80.00	2,682	50.1	1.1
Year ended March 31, 2020	–	40.00	–	40.00	80.00	2,683	33.2	1.1
Year ending March 31, 2021 (Forecast)	–	40.00	–	40.00	80.00		33.0	

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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, 2020	34,800	2.0	4,900	(6.8)	3,300	(38.6)	98.55
Full year	70,000	3.1	11,000	25.7	8,100	0.4	241.89

Note: The above forecast reflects the approximate impact of the spread of novel coronavirus disease (COVID-19).

4. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020  
(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 March 31, 2020	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 March 31, 2020	318,691 shares	As of March 31, 2019	310,542 shares
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Average number of shares during the period

Year ended March 31, 2020	33,491,332 shares	Year ended March 31, 2019	33,495,969 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Assets</b>		
Cash and due from banks	347,398	374,688
Monetary claims bought	12,634	510
Trading account securities	62	48
Money held in trust	1,490	1,494
Securities	654,380	624,140
Loans and bills discounted	3,522,130	3,571,715
Foreign exchanges	2,560	5,191
Lease receivables and investments in leases	21,320	21,103
Other assets	34,473	35,043
Tangible fixed assets	36,767	42,224
Buildings, net	9,584	8,843
Land	25,322	25,363
Leased assets, net	24	20
Construction in progress	347	6,391
Other tangible fixed assets	1,488	1,605
Intangible fixed assets	3,910	4,375
Software	3,656	4,068
Leased assets	80	104
Other intangible fixed assets	173	201
Retirement benefit asset	6,732	5,341
Deferred tax assets	1,004	3,218
Customers' liabilities for acceptances and guarantees	4,200	4,795
Allowance for loan losses	(23,023)	(19,831)
Total assets	4,626,044	4,674,059
<b>Liabilities</b>		
Deposits	4,125,430	4,210,049
Negotiable certificates of deposit	157,430	133,830
Call money and bills sold	30,522	30,422
Payables under securities lending transactions	21,151	16,137
Borrowed money	10,933	11,890
Foreign exchanges	199	358
Borrowed money from trust account	–	1,043
Other liabilities	24,519	19,954
Provision for bonuses	1,148	1,133
Provision for bonuses for directors (and other officers)	9	11
Retirement benefit liability	3,542	3,452
Provision for retirement benefits for directors (and other officers)	30	39
Provision for loss on interest repayment	44	52
Provision for reimbursement of deposits	493	366
Provision for point card certificates	85	88
Provision for contingent loss	198	256
Provision for share-based compensation	67	60
Allowance for demolition of non-current assets	611	329
Deferred tax liabilities	1,983	99
Deferred tax liabilities for land revaluation	4,227	4,227
Acceptances and guarantees	4,200	4,795
Total liabilities	4,386,830	4,438,601

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Net assets		
Share capital	45,743	45,743
Capital surplus	38,291	38,352
Retained earnings	131,563	136,947
Treasury shares	(906)	(909)
Total shareholders' equity	214,692	220,133
Valuation difference on available-for-sale securities	18,391	10,543
Deferred gains or losses on hedges	(1,453)	(1,454)
Revaluation reserve for land	8,286	8,286
Remeasurements of defined benefit plans	(1,087)	(2,122)
Total accumulated other comprehensive income	24,137	15,253
Share acquisition rights	66	47
Non-controlling interests	318	23
Total net assets	239,214	235,458
Total liabilities and net assets	4,626,044	4,674,059

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Ordinary income	77,858	67,852
Interest income	41,193	38,872
Interest on loans and discounts	33,176	32,560
Interest and dividends on securities	7,794	6,115
Interest on call loans and bills bought	(17)	(25)
Interest on deposits with banks	0	0
Other interest income	240	222
Trust fees	–	15
Fees and commissions	13,856	14,209
Other ordinary income	1,892	1,836
Other income	20,915	12,918
Recoveries of written off receivables	822	373
Other	20,093	12,544
Ordinary expenses	66,487	59,106
Interest expenses	2,622	2,479
Interest on deposits	788	847
Interest on negotiable certificates of deposit	26	26
Interest on call money and bills sold	797	746
Interest on payables under securities lending transactions	469	443
Interest on borrowings and rediscounts	57	38
Interest on bonds	65	–
Other interest expenses	417	376
Fees and commissions payments	3,958	3,838
Other ordinary expenses	1,646	1,484
General and administrative expenses	34,923	35,400
Other expenses	23,337	15,902
Provision of allowance for loan losses	11,831	4,164
Other	11,505	11,738
Ordinary profit	11,371	8,745
Extraordinary income	1	1
Gain on disposal of non-current assets	1	1
Extraordinary losses	455	15
Loss on disposal of non-current assets	15	15
Other	439	–
Profit before income taxes	10,917	8,732
Income taxes - current	5,905	1,054
Income taxes - deferred	(363)	(415)
Total income taxes	5,541	638
Profit	5,376	8,094
Profit attributable to non-controlling interests	31	27
Profit attributable to owners of parent	5,345	8,066

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	5,376	8,094
Other comprehensive income	(10,516)	(8,883)
Valuation difference on available-for-sale securities	(10,361)	(7,847)
Deferred gains or losses on hedges	(173)	(0)
Remeasurements of defined benefit plans, net of tax	18	(1,035)
Comprehensive income	(5,140)	(789)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,173)	(817)
Comprehensive income attributable to non-controlling interests	33	27

## Consolidated statements of changes in equity

Fiscal year ended March 31, 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	128,901	(900)	212,036
Changes 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 from retained earnings to capital surplus		0	(0)		–
Purchase of share of consolidated subsidiaries treasury stock					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,662	(6)	2,656
Balance at end of 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 period	28,754	(1,279)	8,286	(1,105)	34,655	66	285	247,043
Changes 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 from retained earnings to capital surplus								–
Purchase of share of consolidated subsidiaries treasury stock								–
Net changes in items other than shareholders' equity	(10,363)	(173)	–	18	(10,518)	–	32	(10,485)
Total changes during period	(10,363)	(173)	–	18	(10,518)	–	32	(7,829)
Balance at end of period	18,391	(1,453)	8,286	(1,087)	24,137	66	318	239,214



Fiscal year ended March 31, 2020

(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 during period					
Dividends of surplus			(2,682)		(2,682)
Profit attributable to owners of parent			8,066		8,066
Purchase of treasury shares				(42)	(42)
Disposal of treasury shares		1		39	40
Transfer from retained earnings to capital surplus		–	–		–
Purchase of share of consolidated subsidiaries treasury stock		59			59
Net changes in items other than shareholders' equity					
Total changes during period	–	60	5,383	(3)	5,441
Balance at end of period	45,743	38,352	136,947	(909)	220,133

	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 during period								
Dividends of surplus								(2,682)
Profit attributable to owners of parent								8,066
Purchase of treasury shares								(42)
Disposal of treasury shares								40
Transfer from retained earnings to capital surplus								–
Purchase of share of consolidated subsidiaries treasury stock								59
Net changes in items other than shareholders' equity	(7,847)	(0)	–	(1,035)	(8,884)	(18)	(294)	(9,197)
Total changes during period	(7,847)	(0)	–	(1,035)	(8,884)	(18)	(294)	(3,755)
Balance at end of period	10,543	(1,454)	8,286	(2,122)	15,253	47	23	235,458

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	10,917	8,732
Depreciation	2,387	2,870
Share of loss (profit) of entities accounted for using equity method	(11)	(7)
Increase (decrease) in allowance for loan losses	9,645	(3,191)
Increase (decrease) in provision for bonuses	(61)	(14)
Increase (decrease) in provision for bonuses for directors (and other officers)	(1)	1
Decrease (increase) in retirement benefit asset	(466)	(476)
Increase (decrease) in retirement benefit liability	(269)	(96)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	9
Increase (decrease) in provision for loss on interest repayment	(15)	8
Increase (decrease) in provision for reimbursement of deposits	(158)	(126)
Increase (decrease) in provision for point card certificates	6	3
Increase (decrease) in provision for contingent loss	(21)	58
Increase (decrease) in provision for share-based compensation	28	(6)
Increase (decrease) in allowance for demolition of non-current assets	317	(282)
Interest income	(41,193)	(38,872)
Interest expenses	2,622	2,479
Loss (gain) related to securities	(6,830)	(8)
Loss (gain) on money held in trust	8	3
Foreign exchange losses (gains)	(1,872)	1,123
Loss (gain) on disposal of non-current assets	14	13
Net decrease (increase) in trading account securities	301	13
Net decrease (increase) in loans and bills discounted	(64,284)	(49,584)
Net increase (decrease) in deposits	94,512	84,619
Net increase (decrease) in negotiable certificates of deposit	(5,990)	(23,600)
Net increase (decrease) in payables under securities lending transactions	(477)	(5,013)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	217	957
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	(10,174)	9,915
Net decrease (increase) in call loans	(2,075)	12,123
Net increase (decrease) in call money	8,334	(100)
Net decrease (increase) in foreign exchanges - assets	2,391	(2,630)
Net increase (decrease) in foreign exchanges - liabilities	(39)	158
Net increase (decrease) in borrowed money from trust account	–	1,043
Interest received	41,752	40,021
Interest paid	(2,583)	(2,596)
Other, net	(987)	(326)
Subtotal	35,946	37,219
Income taxes paid	(4,617)	(6,509)
Net cash provided by (used in) operating activities	31,328	30,710

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from investing activities		
Purchase of securities	(187,262)	(237,880)
Proceeds from sales of securities	80,015	32,422
Proceeds from redemption of securities	188,064	223,679
Increase in money held in trust	(9)	(9)
Purchase of tangible fixed assets	(775)	(7,006)
Proceeds from sales of property, plant and equipment	1	13
Purchase of intangible assets	(1,965)	(1,661)
Payments for asset retirement obligations	(14)	(114)
Net cash provided by (used in) investing activities	78,054	9,441
Cash flows from financing activities		
Decrease in subordinated borrowings	(5,000)	–
Redemption of subordinated bonds	(15,000)	–
Dividends paid	(2,682)	(2,682)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of treasury shares	(6)	(42)
Purchase of treasury shares of subsidiaries	–	(262)
Proceeds from sales of treasury shares	0	40
Net cash provided by (used in) financing activities	(22,689)	(2,947)
Net increase (decrease) in cash and cash equivalents	86,694	37,204
Cash and cash equivalents at beginning of period	250,092	336,786
Cash and cash equivalents at end of period	336,786	373,991