

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 13, 2021

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: General Planning and Management Division Takuo Toma TEL 048-641-6111
 Scheduled date of ordinary general meeting of shareholders: June 25, 2021
 Scheduled date to file Securities Report: June 25, 2021
 Scheduled date to commence dividend payments: June 28, 2021
 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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	71,418	5.2	12,807	46.4	8,022	(0.5)
Year ended March 31, 2020	67,852	(12.8)	8,745	(23.0)	8,066	50.9

	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, 2021	239.57	239.46	3.3	0.2	17.9
Year ended March 31, 2020	240.86	240.75	3.4	0.1	12.8

(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, 2021	5,319,971	249,179	4.6	7,439.22
As of March 31, 2020	4,674,059	235,458	5.0	7,029.26

(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, 2021	425,702	(57,734)	(2,685)	739,274
Year ended March 31, 2020	30,710	9,441	(2,947)	373,991

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, 2020	–	40.00	–	40.00	80.00	2,683	33.2	1.1
Year ended March 31, 2021	–	40.00	–	40.00	80.00	2,682	33.3	1.1
Year ending March 31, 2022 (Forecast)	–	40.00	–	40.00	80.00		32.6	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	34,300	(0.6)	6,400	12.8	4,400	32.7	131.40
Full year	69,100	(3.2)	11,900	(7.0)	8,200	2.2	244.88

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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, 2021	33,805,456 shares	As of March 31, 2020	33,805,456 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	320,038 shares	As of March 31, 2020	318,691 shares
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Average number of shares during the period

Year ended March 31, 2021	33,486,268 shares	Year ended March 31, 2020	33,491,332 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Cash and due from banks	374,688	739,970
Monetary claims bought	510	613
Trading securities	48	62
Money held in trust	1,494	1,494
Securities	624,140	683,379
Loans and bills discounted	3,571,715	3,789,948
Foreign exchanges	5,191	3,157
Lease receivables and investments in leases	21,103	21,245
Other assets	35,043	33,796
Tangible fixed assets	42,224	48,069
Buildings, net	8,843	8,535
Land	25,363	25,363
Leased assets, net	20	13
Construction in progress	6,391	11,995
Other tangible fixed assets	1,605	2,161
Intangible fixed assets	4,375	4,533
Software	4,068	4,253
Leased assets	104	78
Other intangible fixed assets	201	201
Retirement benefit asset	5,341	8,986
Deferred tax assets	3,218	1,126
Customers' liabilities for acceptances and guarantees	4,795	5,315
Allowance for loan losses	(19,831)	(21,730)
Total assets	4,674,059	5,319,971
Liabilities		
Deposits	4,210,049	4,586,566
Negotiable certificates of deposit	133,830	71,390
Call money and bills sold	30,422	35,427
Cash collateral received for securities lent	16,137	20,158
Borrowed money	11,890	311,228
Foreign exchanges	358	223
Borrowed money from trust account	1,043	3,283
Other liabilities	19,954	25,504
Provision for bonuses	1,133	1,152
Provision for bonuses for directors (and other officers)	11	12
Retirement benefit liability	3,452	3,255
Provision for retirement benefits for directors (and other officers)	39	32
Provision for loss on interest repayment	52	42
Provision for reimbursement of deposits	366	320
Provision for point card certificates	88	96
Provision for contingent loss	256	318
Provision for share-based compensation	60	78
Allowance for demolition of non-current assets	329	—
Deferred tax liabilities	99	2,159
Deferred tax liabilities for land revaluation	4,227	4,227
Acceptances and guarantees	4,795	5,315
Total liabilities	4,438,601	5,070,791

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Net assets		
Share capital	45,743	45,743
Capital surplus	38,352	38,352
Retained earnings	136,947	142,286
Treasury shares	(909)	(911)
Total shareholders' equity	220,133	225,471
Valuation difference on available-for-sale securities	10,543	15,099
Deferred gains or losses on hedges	(1,454)	(311)
Revaluation reserve for land	8,286	8,286
Remeasurements of defined benefit plans	(2,122)	559
Total accumulated other comprehensive income	15,253	23,634
Share acquisition rights	47	47
Non-controlling interests	23	26
Total net assets	235,458	249,179
Total liabilities and net assets	4,674,059	5,319,971

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Ordinary income	67,852	71,418
Interest income	38,872	39,380
Interest on loans and discounts	32,560	32,478
Interest and dividends on securities	6,115	6,615
Interest on call loans and bills bought	(25)	(6)
Interest on deposits with banks	0	0
Other interest income	222	293
Trust fees	15	55
Fees and commissions	14,209	14,808
Other ordinary income	1,836	2,167
Other income	12,918	15,005
Recoveries of written off receivables	373	579
Other	12,544	14,426
Ordinary expenses	59,106	58,611
Interest expenses	2,479	1,274
Interest on deposits	847	538
Interest on negotiable certificates of deposit	26	12
Interest on call money and bills sold	746	188
Interest expenses on cash collateral received for securities lent	443	100
Interest on borrowings and rediscounts	38	39
Other interest expenses	376	395
Fees and commissions payments	3,838	4,016
Other ordinary expenses	1,484	1,741
General and administrative expenses	35,400	35,473
Other expenses	15,902	16,105
Provision of allowance for loan losses	4,164	4,283
Other	11,738	11,821
Ordinary profit	8,745	12,807
Extraordinary income	1	0
Gain on disposal of non-current assets	1	0
Extraordinary losses	15	11
Loss on disposal of non-current assets	15	11
Profit before income taxes	8,732	12,796
Income taxes - current	1,054	4,148
Income taxes - deferred	(415)	622
Total income taxes	638	4,771
Profit	8,094	8,025
Profit attributable to non-controlling interests	27	3
Profit attributable to owners of parent	8,066	8,022

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	8,094	8,025
Other comprehensive income	(8,883)	8,381
Valuation difference on available-for-sale securities	(7,847)	4,555
Deferred gains or losses on hedges	(0)	1,142
Remeasurements of defined benefit plans, net of tax	(1,035)	2,682
Comprehensive income	(789)	16,406
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(817)	16,403
Comprehensive income attributable to non-controlling interests	27	3

Consolidated statements of changes in equity

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
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
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

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	45,743	38,352	136,947	(909)	220,133
Changes during period					
Dividends of surplus			(2,682)		(2,682)
Profit attributable to owners of parent			8,022		8,022
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		–		–	–
Purchase of share of consolidated subsidiaries treasury stock		–			–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,339	(2)	5,337
Balance at end of period	45,743	38,352	142,286	(911)	225,471

	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	10,543	(1,454)	8,286	(2,122)	15,253	47	23	235,458
Changes during period								
Dividends of surplus								(2,682)
Profit attributable to owners of parent								8,022
Purchase of treasury shares								(2)
Disposal of treasury shares								–
Purchase of share of consolidated subsidiaries treasury stock								–
Net changes in items other than shareholders' equity	4,555	1,142	–	2,682	8,381	–	3	8,384
Total changes during period	4,555	1,142	–	2,682	8,381	–	3	13,721
Balance at end of period	15,099	(311)	8,286	559	23,634	47	26	249,179

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	8,732	12,796
Depreciation	2,870	2,711
Share of loss (profit) of entities accounted for using equity method	(7)	(2)
Increase (decrease) in allowance for loan losses	(3,191)	1,898
Increase (decrease) in provision for bonuses	(14)	18
Increase (decrease) in provision for bonuses for directors (and other officers)	1	0
Decrease (increase) in retirement benefit asset	(476)	(450)
Increase (decrease) in retirement benefit liability	(96)	(191)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	9	(7)
Increase (decrease) in provision for loss on interest repayment	8	(9)
Increase (decrease) in provision for reimbursement of deposits	(126)	(46)
Increase (decrease) in provision for point card certificates	3	7
Increase (decrease) in provision for contingent loss	58	61
Increase (decrease) in provision for share-based compensation	(6)	17
Increase (decrease) in allowance for demolition of non-current assets	(282)	(329)
Interest income	(38,872)	(39,380)
Interest expenses	2,479	1,274
Loss (gain) related to securities	(8)	(1,694)
Loss (gain) on money held in trust	3	2
Foreign exchange losses (gains)	1,123	(2,029)
Loss (gain) on disposal of non-current assets	13	10
Net decrease (increase) in trading securities	13	(13)
Net decrease (increase) in loans and bills discounted	(49,584)	(218,233)
Net increase (decrease) in deposits	84,619	376,517
Net increase (decrease) in negotiable certificates of deposit	(23,600)	(62,440)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	957	299,337
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	9,915	0
Net decrease (increase) in call loans	12,123	(102)
Net increase (decrease) in call money	(100)	5,005
Net increase (decrease) in cash collateral received for securities lent	(5,013)	4,020
Net decrease (increase) in foreign exchanges - assets	(2,630)	2,033
Net increase (decrease) in foreign exchanges - liabilities	158	(134)
Net increase (decrease) in borrowed money from trust account	1,043	2,239
Interest received	40,021	39,896
Interest paid	(2,596)	(1,406)
Other, net	(326)	3,557
Subtotal	37,219	424,934
Income taxes refund	–	2,160
Income taxes paid	(6,509)	(1,392)
Net cash provided by (used in) operating activities	30,710	425,702

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Purchase of securities	(237,880)	(309,024)
Proceeds from sale of securities	32,422	81,587
Proceeds from redemption of securities	223,679	178,329
Increase in money held in trust	(9)	(5)
Purchase of tangible fixed assets	(7,006)	(7,110)
Proceeds from sale of property, plant and equipment	13	7
Purchase of intangible assets	(1,661)	(1,518)
Payments for asset retirement obligations	(114)	(1)
Net cash provided by (used in) investing activities	9,441	(57,734)
Cash flows from financing activities		
Dividends paid	(2,682)	(2,682)
Dividends paid to non-controlling interests	(0)	–
Purchase of treasury shares	(42)	(2)
Purchase of treasury shares of subsidiaries	(262)	–
Proceeds from sale of treasury shares	40	–
Net cash provided by (used in) financing activities	(2,947)	(2,685)
Net increase (decrease) in cash and cash equivalents	37,204	365,282
Cash and cash equivalents at beginning of period	336,786	373,991
Cash and cash equivalents at end of period	373,991	739,274