

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 30, 2019

Company name: The Chugoku Bank, Limited
 Stock exchange listing: Tokyo
 Stock code: 8382 URL <https://www.chugin.co.jp/>
 Representative: President Masato Miyanaga
 Inquiries: Managing Executive Officer & General Manager, Management Planning Department
 Tatsuo Hiramoto TEL 086-223-3111
 Scheduled date to file Quarterly Securities Report: February 8, 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

(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	%
Nine months ended December 31, 2018	98,214	(2.2)	19,432	(23.5)	13,448	(23.2)
Nine months ended December 31, 2017	100,437	(5.3)	25,404	(9.0)	17,511	(3.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	71.04		70.95	
Nine months ended December 31, 2017	91.47		91.35	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2018	8,344,913	523,936	6.2	2,773.38
As of March 31, 2018	8,467,295	538,534	6.3	2,831.94

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, 2018	–	10.00	–	10.00	20.00
Year ending March 31, 2019	–	10.00	–		
Year ending March 31, 2019 (Forecast)				10.00	20.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	128,300	(3.1)	24,200	(21.7)	16,200	(23.7)	86.02

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(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: Yes
- (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: No
- Changes in accounting estimates: No
- 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 December 31, 2018	195,272,106 shares	As of March 31, 2018	195,272,106 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	6,464,908 shares	As of March 31, 2018	5,202,795 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	189,286,248 shares	Nine months ended December 31, 2017	191,446,954 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Cash and due from banks	777,680	783,104
Call loans	141,250	202,346
Monetary claims bought	28,998	28,179
Trading account securities	1,827	1,386
Money held in trust	29,000	24,099
Securities	2,618,448	2,336,942
Loans and bills discounted	4,672,001	4,797,019
Foreign exchanges	7,949	15,346
Lease receivables and investment assets	17,934	20,228
Other assets	126,184	91,729
Tangible fixed assets	39,887	39,527
Intangible fixed assets	5,914	4,843
Deferred tax assets	837	965
Customers' liabilities for acceptances and guarantees	34,087	34,205
Allowance for loan losses	(34,707)	(35,011)
Total assets	8,467,295	8,344,913
Liabilities		
Deposits	6,414,356	6,415,277
Negotiable certificates of deposit	216,725	349,087
Call money	57,928	21,419
Payables under repurchase agreements	71,568	110,923
Payables under securities lending transactions	747,270	574,105
Commercial papers	46,157	48,718
Borrowed money	195,355	165,879
Foreign exchanges	223	461
Borrowed money from trust account	1,575	2,591
Other liabilities	98,256	66,118
Provision for bonuses	1,387	–
Provision for directors' bonuses	26	–
Net defined benefit liability	27,740	25,746
Provision for directors' retirement benefits	71	80
Provision for reimbursement of deposits	1,383	817
Provision for point card certificates	112	120
Reserves under special laws	6	6
Deferred tax liabilities	14,528	5,417
Acceptances and guarantees	34,087	34,205
Total liabilities	7,928,760	7,820,977

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Net assets		
Capital stock	15,149	15,149
Capital surplus	8,153	8,153
Retained earnings	433,053	442,708
Treasury shares	(7,400)	(8,901)
Total shareholders' equity	448,955	457,109
Valuation difference on available-for-sale securities	99,824	77,422
Deferred gains or losses on hedges	(4,998)	(6,160)
Remeasurements of defined benefit plans	(5,516)	(4,736)
Total accumulated other comprehensive income	89,309	66,525
Share acquisition rights	269	301
Total net assets	538,534	523,936
Total liabilities and net assets	8,467,295	8,344,913

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Ordinary income	100,437	98,214
Interest income	61,858	60,515
Interest on loans and discounts	35,210	38,339
Interest and dividends on securities	25,576	21,175
Trust fees	0	0
Fees and commissions	12,805	13,521
Other ordinary income	16,491	16,922
Other income	9,281	7,253
Ordinary expenses	75,033	78,781
Interest expenses	10,563	12,500
Interest on deposits	1,467	1,738
Fees and commissions payments	3,250	3,258
Other ordinary expenses	12,240	12,628
General and administrative expenses	45,918	44,265
Other expenses	3,061	6,128
Ordinary profit	25,404	19,432
Extraordinary income	11	15
Gain on disposal of non-current assets	11	15
Extraordinary losses	147	154
Loss on disposal of non-current assets	15	53
Impairment loss	132	100
Profit before income taxes	25,268	19,292
Income taxes - current	7,784	5,841
Income taxes - deferred	(27)	3
Total income taxes	7,756	5,844
Profit	17,511	13,448
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	17,511	13,448

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	17,511	13,448
Other comprehensive income	21,460	(22,784)
Valuation difference on available-for-sale securities	19,114	(22,402)
Deferred gains or losses on hedges	1,358	(1,162)
Remeasurements of defined benefit plans, net of tax	987	780
Comprehensive income	38,972	(9,336)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	38,972	(9,336)
Comprehensive income attributable to non-controlling interests	—	—