

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 3, 2018

Company name: The Chugoku Bank, Limited
 Stock exchange listing: Tokyo
 Stock code: 8382 URL <http://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: August 9, 2018
 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, 2018 (from April 1, 2018 to June 30, 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	%
Three months ended June 30, 2018	34,381	4.1	7,991	30.2	5,402	32.1
Three months ended June 30, 2017	33,016	(6.7)	6,133	(45.2)	4,088	(45.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	28.50		28.46	
Three months ended June 30, 2017	21.33		21.30	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2018	8,429,087		543,869		6.4	
As of March 31, 2018	8,467,295		538,534		6.3	

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	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	10.00	–	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
Six months ending September 30, 2018	61,500	(5.7)	12,000	(22.0)	7,900	(25.2)	41.73
Full year	124,100	(6.3)	23,100	(25.2)	15,400	(27.5)	81.35

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 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 June 30, 2018	5,981,439 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)

Three months ended June 30, 2018	189,547,401 shares	Three months ended June 30, 2017	191,587,322 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Cash and due from banks	777,680	739,186
Call loans	141,250	268,120
Monetary claims bought	28,998	27,983
Trading account securities	1,827	2,956
Money held in trust	29,000	29,107
Securities	2,618,448	2,505,673
Loans and bills discounted	4,672,001	4,696,098
Foreign exchanges	7,949	7,193
Lease receivables and investment assets	17,934	18,603
Other assets	126,184	89,217
Tangible fixed assets	39,887	39,714
Intangible fixed assets	5,914	5,554
Deferred tax assets	837	841
Customers' liabilities for acceptances and guarantees	34,087	33,065
Allowance for loan losses	(34,707)	(34,229)
Total assets	8,467,295	8,429,087
Liabilities		
Deposits	6,414,356	6,370,181
Negotiable certificates of deposit	216,725	400,561
Call money	57,928	24,334
Payables under repurchase agreements	71,568	108,926
Payables under securities lending transactions	747,270	651,210
Commercial papers	46,157	11,567
Borrowed money	195,355	168,882
Foreign exchanges	223	133
Borrowed money from trust account	1,575	2,004
Other liabilities	98,256	70,166
Provision for bonuses	1,387	–
Provision for directors' bonuses	26	–
Net defined benefit liability	27,740	26,986
Provision for directors' retirement benefits	71	73
Provision for reimbursement of deposits	1,383	1,229
Provision for point card certificates	112	119
Reserves under special laws	6	6
Deferred tax liabilities	14,528	15,769
Acceptances and guarantees	34,087	33,065
Total liabilities	7,928,760	7,885,218

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Net assets		
Capital stock	15,149	15,149
Capital surplus	8,153	8,153
Retained earnings	433,053	436,555
Treasury shares	(7,400)	(8,400)
Total shareholders' equity	448,955	451,457
Valuation difference on available-for-sale securities	99,824	102,453
Deferred gains or losses on hedges	(4,998)	(5,065)
Remeasurements of defined benefit plans	(5,516)	(5,256)
Total accumulated other comprehensive income	89,309	92,131
Share acquisition rights	269	280
Total net assets	538,534	543,869
Total liabilities and net assets	8,467,295	8,429,087

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, 2017	Three months ended June 30, 2018
Ordinary income	33,016	34,381
Interest income	20,945	20,844
Interest on loans and discounts	11,341	12,482
Interest and dividends on securities	9,332	8,045
Trust fees	–	0
Fees and commissions	4,307	4,600
Other ordinary income	5,305	6,056
Other income	2,458	2,880
Ordinary expenses	26,882	26,389
Interest expenses	3,285	4,045
Interest on deposits	461	548
Fees and commissions payments	1,078	1,113
Other ordinary expenses	4,495	5,010
General and administrative expenses	16,602	15,133
Other expenses	1,421	1,087
Ordinary profit	6,133	7,991
Extraordinary income	0	15
Gain on disposal of non-current assets	0	15
Extraordinary losses	3	4
Loss on disposal of non-current assets	3	4
Profit before income taxes	6,130	8,001
Income taxes - current	2,042	2,596
Income taxes - deferred	0	3
Total income taxes	2,042	2,599
Profit	4,088	5,402
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	4,088	5,402

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	4,088	5,402
Other comprehensive income	7,261	2,822
Valuation difference on available-for-sale securities	6,909	2,628
Deferred gains or losses on hedges	23	(66)
Remeasurements of defined benefit plans, net of tax	329	260
Comprehensive income	11,350	8,224
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,350	8,224
Comprehensive income attributable to non-controlling interests	—	—