

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 9, 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: November 22, 2018  
 Scheduled date to commence dividend payments: December 7, 2018  
 Trading accounts: No  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2018 (from April 1, 2018 to September 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	%
Six months ended September 30, 2018	64,758	(0.7)	14,012	(8.9)	9,713	(8.0)
Six months ended September 30, 2017	65,261	(2.0)	15,385	(16.7)	10,566	(16.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2018	51.28		51.21	
Six months ended September 30, 2017	55.16		55.09	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2018	8,396,481	548,619	6.5	2,896.75
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)	85.83

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2018  
 (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 September 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 September 30, 2018	5,981,545 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)

Six months ended September 30, 2018	189,418,308 shares	Six months ended September 30, 2017	191,539,739 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
<b>Assets</b>		
Cash and due from banks	777,680	678,743
Call loans	141,250	261,466
Monetary claims bought	28,998	28,684
Trading account securities	1,827	1,942
Money held in trust	29,000	24,337
Securities	2,618,448	2,503,665
Loans and bills discounted	4,672,001	4,724,731
Foreign exchanges	7,949	10,764
Lease receivables and investment assets	17,934	19,425
Other assets	126,184	96,090
Tangible fixed assets	39,887	39,620
Intangible fixed assets	5,914	5,198
Deferred tax assets	837	877
Customers' liabilities for acceptances and guarantees	34,087	34,705
Allowance for loan losses	(34,707)	(33,771)
<b>Total assets</b>	<b>8,467,295</b>	<b>8,396,481</b>
<b>Liabilities</b>		
Deposits	6,414,356	6,374,299
Negotiable certificates of deposit	216,725	349,055
Call money	57,928	36,686
Payables under repurchase agreements	71,568	78,273
Payables under securities lending transactions	747,270	622,907
Commercial papers	46,157	48,719
Borrowed money	195,355	172,825
Foreign exchanges	223	159
Borrowed money from trust account	1,575	2,391
Other liabilities	98,256	82,456
Provision for bonuses	1,387	1,354
Provision for directors' bonuses	26	–
Net defined benefit liability	27,740	26,347
Provision for directors' retirement benefits	71	76
Provision for reimbursement of deposits	1,383	1,028
Provision for point card certificates	112	123
Reserves under special laws	6	6
Deferred tax liabilities	14,528	16,444
Acceptances and guarantees	34,087	34,705
<b>Total liabilities</b>	<b>7,928,760</b>	<b>7,847,862</b>

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Net assets		
Capital stock	15,149	15,149
Capital surplus	8,153	8,153
Retained earnings	433,053	440,866
Treasury shares	(7,400)	(8,401)
Total shareholders' equity	448,955	455,768
Valuation difference on available-for-sale securities	99,824	100,588
Deferred gains or losses on hedges	(4,998)	(3,032)
Remeasurements of defined benefit plans	(5,516)	(4,996)
Total accumulated other comprehensive income	89,309	92,559
Share acquisition rights	269	291
Total net assets	538,534	548,619
Total liabilities and net assets	8,467,295	8,396,481

**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, 2017	Six months ended September 30, 2018
Ordinary income	65,261	64,758
Interest income	40,366	40,338
Interest on loans and discounts	23,148	25,417
Interest and dividends on securities	16,589	14,227
Trust fees	0	0
Fees and commissions	8,463	9,102
Other ordinary income	10,690	11,499
Other income	5,741	3,818
Ordinary expenses	49,875	50,746
Interest expenses	6,880	8,019
Interest on deposits	1,017	1,172
Fees and commissions payments	2,159	2,178
Other ordinary expenses	7,719	8,842
General and administrative expenses	31,168	29,592
Other expenses	1,947	2,112
Ordinary profit	15,385	14,012
Extraordinary income	0	15
Gain on disposal of non-current assets	0	15
Extraordinary losses	143	143
Loss on disposal of non-current assets	11	42
Impairment loss	132	100
Profit before income taxes	15,242	13,883
Income taxes - current	3,514	3,512
Income taxes - deferred	1,161	656
Total income taxes	4,675	4,169
Profit	10,566	9,713
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	10,566	9,713

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

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	10,566	9,713
Other comprehensive income	12,312	3,250
Valuation difference on available-for-sale securities	11,431	763
Deferred gains or losses on hedges	222	1,966
Remeasurements of defined benefit plans, net of tax	658	520
Comprehensive income	22,879	12,963
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,879	12,963
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Six months ended September 30, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	15,149	8,153	422,805	(12,116)	433,992
Changes of items during period					
Dividends of surplus			(1,917)		(1,917)
Profit attributable to owners of parent			10,566		10,566
Purchase of treasury shares				(600)	(600)
Disposal of treasury shares			(34)	172	138
Retirement of treasury shares			(7,143)	7,143	–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	1,470	6,716	8,186
Balance at end of current period	15,149	8,153	424,276	(5,400)	442,179

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	93,420	(6,086)	(6,713)	80,621	361	514,975
Changes of items during period						
Dividends of surplus						(1,917)
Profit attributable to owners of parent						10,566
Purchase of treasury shares						(600)
Disposal of treasury shares						138
Retirement of treasury shares						–
Net changes of items other than shareholders' equity	11,431	222	658	12,312	(113)	12,198
Total changes of items during period	11,431	222	658	12,312	(113)	20,385
Balance at end of current period	104,852	(5,863)	(6,054)	92,934	247	535,360

Six months ended September 30, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	15,149	8,153	433,053	(7,400)	448,955
Changes of items during period					
Dividends of surplus			(1,900)		(1,900)
Profit attributable to owners of parent			9,713		9,713
Purchase of treasury shares				(1,000)	(1,000)
Disposal of treasury shares			(0)	0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	7,813	(1,000)	6,812
Balance at end of current period	15,149	8,153	440,866	(8,401)	455,768

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	99,824	(4,998)	(5,516)	89,309	269	538,534
Changes of items during period						
Dividends of surplus						(1,900)
Profit attributable to owners of parent						9,713
Purchase of treasury shares						(1,000)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	763	1,966	520	3,250	21	3,271
Total changes of items during period	763	1,966	520	3,250	21	10,084
Balance at end of current period	100,588	(3,032)	(4,996)	92,559	291	548,619