

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

January 30, 2020

Company name: The Chugoku Bank, Limited  
 Stock exchange listing: Tokyo  
 Stock code: 8382 URL <https://www.chugin.co.jp/>  
 Representative: President Sadanori Katoh  
 Executive Officer General Manager, Management Planning Department  
 Inquiries: Masakazu Yamagata TEL 086-223-3111  
 Scheduled date to file Quarterly Securities Report: February 12, 2020  
 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, 2019 (from April 1, 2019 to December 31, 2019)

(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, 2019	95,125	(3.1)	18,403	(5.2)	12,581	(6.4)
Nine months ended December 31, 2018	98,214	(2.2)	19,432	(23.5)	13,448	(23.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	66.88		66.82	
Nine months ended December 31, 2018	71.04		70.95	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	8,626,556	554,895	6.4
As of March 31, 2019	8,253,750	537,818	6.5

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, 2019	–	10.00	–	12.00	22.00
Year ending March 31, 2020	–	11.00	–		
Year ending March 31, 2020 (Forecast)				11.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	124,800	(2.9)	20,000	(15.5)	13,200	(18.5)	70.19

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019  
(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, 2019	195,272,106 shares	As of March 31, 2019	195,272,106 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	7,212,285 shares	As of March 31, 2019	6,955,248 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, 2019	188,096,201 shares	Nine months ended December 31, 2018	189,286,248 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
<b>Assets</b>		
Cash and due from banks	763,344	750,073
Call loans	39,677	282,326
Monetary claims bought	31,550	28,102
Trading account securities	2,375	1,813
Money held in trust	21,600	22,170
Securities	2,389,510	2,486,622
Loans and bills discounted	4,802,184	4,870,982
Foreign exchanges	9,042	11,050
Lease receivables and investments in leases	21,019	23,324
Other assets	133,214	109,711
Tangible fixed assets	39,588	39,168
Intangible fixed assets	4,487	3,440
Deferred tax assets	947	823
Customers' liabilities for acceptances and guarantees	32,490	35,949
Allowance for loan losses	(37,281)	(39,002)
<b>Total assets</b>	<b>8,253,750</b>	<b>8,626,556</b>
<b>Liabilities</b>		
Deposits	6,630,177	6,653,230
Negotiable certificates of deposit	170,112	296,783
Call money	18,790	23,546
Payables under repurchase agreements	125,088	175,262
Payables under securities lending transactions	377,224	637,012
Commercial papers	48,717	26,233
Borrowed money	164,089	115,814
Foreign exchanges	1,709	657
Borrowed money from trust account	2,760	3,117
Other liabilities	104,264	62,440
Provision for bonuses	1,404	–
Provision for bonuses for directors (and other officers)	23	–
Retirement benefit liability	28,383	26,968
Provision for retirement benefits for directors (and other officers)	83	78
Provision for reimbursement of deposits	995	569
Provision for point card certificates	114	99
Reserves under special laws	6	6
Deferred tax liabilities	9,496	13,890
Acceptances and guarantees	32,490	35,949
<b>Total liabilities</b>	<b>7,715,931</b>	<b>8,071,660</b>

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Net assets		
Share capital	15,149	15,149
Capital surplus	8,153	8,153
Retained earnings	445,459	453,689
Treasury shares	(9,401)	(9,622)
Total shareholders' equity	459,361	467,369
Valuation difference on available-for-sale securities	93,687	102,643
Deferred gains or losses on hedges	(8,893)	(9,131)
Remeasurements of defined benefit plans	(6,648)	(6,157)
Total accumulated other comprehensive income	78,145	87,354
Share acquisition rights	311	171
Total net assets	537,818	554,895
Total liabilities and net assets	8,253,750	8,626,556

**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, 2018	Nine months ended December 31, 2019
Ordinary income	98,214	95,125
Interest income	60,515	59,240
Interest on loans and discounts	38,339	38,115
Interest and dividends on securities	21,175	20,569
Trust fees	0	0
Fees and commissions	13,521	13,597
Other ordinary income	16,922	16,040
Other income	7,253	6,245
Ordinary expenses	78,781	76,721
Interest expenses	12,500	14,360
Interest on deposits	1,738	1,929
Fees and commissions payments	3,258	3,290
Other ordinary expenses	12,628	8,770
General and administrative expenses	44,265	43,899
Other expenses	6,128	6,400
Ordinary profit	19,432	18,403
Extraordinary income	15	1
Gain on disposal of non-current assets	15	1
Extraordinary losses	154	301
Loss on disposal of non-current assets	53	11
Impairment loss	100	289
Profit before income taxes	19,292	18,103
Income taxes - current	5,841	5,500
Income taxes - deferred	3	21
Total income taxes	5,844	5,522
Profit	13,448	12,581
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	13,448	12,581

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

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	13,448	12,581
Other comprehensive income	(22,784)	9,209
Valuation difference on available-for-sale securities	(22,402)	8,956
Deferred gains or losses on hedges	(1,162)	(238)
Remeasurements of defined benefit plans, net of tax	780	491
Comprehensive income	(9,336)	21,790
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(9,336)	21,790
Comprehensive income attributable to non-controlling interests	—	—