

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 4, 2021

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 9, 2021  
 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, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020 | 88,208          | (7.2) | 19,438          | 5.6   | 13,326                                  | 5.9   |
| Nine months ended December 31, 2019 | 95,125          | (3.1) | 18,403          | (5.2) | 12,581                                  | (6.4) |

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Nine months ended December 31, 2020 | 70.86              |  | 70.79                      |  |
| Nine months ended December 31, 2019 | 66.88              |  | 66.82                      |  |

(2) Consolidated financial position

|                         | Total assets    | Net assets      | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
|                         | Millions of yen | Millions of yen | %            |
| As of December 31, 2020 | 9,149,334       | 550,970         | 6.0          |
| As of March 31, 2020    | 8,147,386       | 511,193         | 6.2          |

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, 2020             | –                          | 11.00           | –               | 11.00           | 22.00 |
| Year ending March 31, 2021            | –                          | 11.00           | –               |                 |       |
| Year ending March 31, 2021 (Forecast) |                            |                 |                 | 11.00           | 22.00 |

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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 | 112,000         | (12.0) | 17,500          | 0.2 | 12,000                                  | 0.7 | 63.80              |

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020  
(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, 2020 | 195,272,106 shares | As of March 31, 2020 | 195,272,106 shares |
|-------------------------|--------------------|----------------------|--------------------|

Number of treasury shares at the end of the period

|                         |                  |                      |                  |
|-------------------------|------------------|----------------------|------------------|
| As of December 31, 2020 | 7,212,865 shares | As of March 31, 2020 | 7,212,380 shares |
|-------------------------|------------------|----------------------|------------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                     |                    |                                     |                    |
|-------------------------------------|--------------------|-------------------------------------|--------------------|
| Nine months ended December 31, 2020 | 188,059,486 shares | Nine months ended December 31, 2019 | 188,096,201 shares |
|-------------------------------------|--------------------|-------------------------------------|--------------------|

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|  | As of March 31, 2020 | As of December 31, 2020 |
|--|----------------------|-------------------------|
| <b>Assets</b>  |                      |                         |
| Cash and due from banks  | 576,348              | 929,467                 |
| Call loans   | 59,877               | 462,445                 |
| Monetary claims bought   | 24,928               | 24,643                  |
| Trading account securities   | 1,316                | 1,184                   |
| Money held in trust  | 27,100               | 27,598                  |
| Securities   | 2,339,566            | 2,409,719               |
| Loans and bills discounted   | 4,899,984            | 5,109,684               |
| Foreign exchanges  | 11,960               | 5,223                   |
| Lease receivables and investments in leases                          | 24,130               | 24,172                  |
| Other assets   | 140,349              | 123,642                 |
| Tangible fixed assets  | 39,460               | 39,075                  |
| Intangible fixed assets  | 3,064                | 2,315                   |
| Deferred tax assets  | 6,611                | 860                     |
| Customers' liabilities for acceptances and guarantees                | 33,413               | 33,074                  |
| Allowance for loan losses  | (40,724)             | (43,775)                |
| <b>Total assets</b>  | <b>8,147,386</b>     | <b>9,149,334</b>        |
| <b>Liabilities</b>   |                      |                         |
| Deposits   | 6,701,781            | 7,309,568               |
| Negotiable certificates of deposit                                   | 194,963              | 276,522                 |
| Call money   | 30,068               | 71,264                  |
| Payables under repurchase agreements                                 | 124,704              | 133,036                 |
| Payables under securities lending transactions                       | 217,164              | 350,114                 |
| Commercial papers  | 32,611               | 53,281                  |
| Borrowed money   | 157,365              | 264,781                 |
| Foreign exchanges  | 272                  | 327                     |
| Bonds payable  | –                    | 10,000                  |
| Borrowed money from trust account                                    | 3,309                | 4,337                   |
| Other liabilities  | 119,768              | 67,210                  |
| Provision for bonuses  | 1,395                | –                       |
| Provision for bonuses for directors (and other officers)             | 31                   | –                       |
| Retirement benefit liability   | 18,245               | 17,057                  |
| Provision for retirement benefits for directors (and other officers) | 82                   | 65                      |
| Provision for reimbursement of deposits                              | 642                  | 255                     |
| Provision for point card certificates                                | 94                   | 90                      |
| Reserves under special laws  | 6                    | 6                       |
| Deferred tax liabilities   | 271                  | 7,370                   |
| Acceptances and guarantees   | 33,413               | 33,074                  |
| <b>Total liabilities</b>   | <b>7,636,192</b>     | <b>8,598,363</b>        |

(Millions of yen)

|   | As of March 31, 2020 | As of December 31, 2020 |
|---|----------------------|-------------------------|
| Net assets  |                      |                         |
| Share capital   | 15,149               | 15,149                  |
| Capital surplus                                       | 8,153                | 8,153                   |
| Retained earnings                                     | 453,024              | 462,214                 |
| Treasury shares                                       | (9,622)              | (9,622)                 |
| Total shareholders' equity                            | 466,705              | 475,894                 |
| Valuation difference on available-for-sale securities | 62,987               | 90,327                  |
| Deferred gains or losses on hedges                    | (11,456)             | (8,924)                 |
| Remeasurements of defined benefit plans               | (7,221)              | (6,533)                 |
| Total accumulated other comprehensive income          | 44,308               | 74,868                  |
| Share acquisition rights                              | 179                  | 207                     |
| Total net assets                                      | 511,193              | 550,970                 |
| Total liabilities and net assets                      | 8,147,386            | 9,149,334               |

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

|  | Nine months ended<br>December 31, 2019 | Nine months ended<br>December 31, 2020 |
|--|--|--|
| Ordinary income                                  | 95,125                                 | 88,208                                 |
| Interest income                                  | 59,240                                 | 50,403                                 |
| Interest on loans and discounts                  | 38,115                                 | 34,524                                 |
| Interest and dividends on securities             | 20,569                                 | 15,318                                 |
| Trust fees                                       | 0                                      | 0                                      |
| Fees and commissions                             | 13,597                                 | 13,549                                 |
| Other ordinary income                            | 16,040                                 | 17,271                                 |
| Other income                                     | 6,245                                  | 6,984                                  |
| Ordinary expenses                                | 76,721                                 | 68,770                                 |
| Interest expenses                                | 14,360                                 | 5,404                                  |
| Interest on deposits                             | 1,929                                  | 634                                    |
| Fees and commissions payments                    | 3,290                                  | 3,212                                  |
| Other ordinary expenses                          | 8,770                                  | 9,121                                  |
| General and administrative expenses              | 43,899                                 | 42,987                                 |
| Other expenses                                   | 6,400                                  | 8,044                                  |
| Ordinary profit                                  | 18,403                                 | 19,438                                 |
| Extraordinary income                             | 1                                      | 1                                      |
| Gain on disposal of non-current assets           | 1                                      | 1                                      |
| Extraordinary losses                             | 301                                    | 167                                    |
| Loss on disposal of non-current assets           | 11                                     | 80                                     |
| Impairment loss                                  | 289                                    | 86                                     |
| Profit before income taxes                       | 18,103                                 | 19,272                                 |
| Income taxes - current                           | 5,500                                  | 6,419                                  |
| Income taxes - deferred                          | 21                                     | (474)                                  |
| Total income taxes                               | 5,522                                  | 5,945                                  |
| Profit   | 12,581                                 | 13,326                                 |
| Profit attributable to non-controlling interests | -                                      | -                                      |
| Profit attributable to owners of parent          | 12,581                                 | 13,326                                 |

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

(Millions of yen)

|  | Nine months ended<br>December 31, 2019 | Nine months ended<br>December 31, 2020 |
|--|--|--|
| Profit   | 12,581                                 | 13,326                                 |
| Other comprehensive income                                     | 9,209                                  | 30,559                                 |
| Valuation difference on available-for-sale securities          | 8,956                                  | 27,340                                 |
| Deferred gains or losses on hedges                             | (238)                                  | 2,531                                  |
| Remeasurements of defined benefit plans, net of tax            | 491                                    | 687                                    |
| Comprehensive income   | 21,790                                 | 43,886                                 |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 21,790                                 | 43,886                                 |
| Comprehensive income attributable to non-controlling interests | —                                      | —                                      |