

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 14, 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 of ordinary general meeting of shareholders: June 25, 2021  
 Scheduled date to file Securities Report: June 18, 2021  
 Scheduled date to commence dividend payments: June 28, 2021  
 Trading accounts: No  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2021	116,976	(8.1)	21,252	21.6	14,418	20.9
Year ended March 31, 2020	127,318	(1.0)	17,463	(26.3)	11,916	(26.4)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Ordinary profit/ordinary income
	Yen	Yen	%	%	%
Year ended March 31, 2021	76.66	76.58	2.6	0.2	18.1
Year ended March 31, 2020	63.35	63.29	2.2	0.2	13.7

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	9,153,162	562,197	6.1	2,988.31
As of March 31, 2020	8,147,386	511,193	6.2	2,717.29

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	656,480	(227,992)	5,642	998,813
Year ended March 31, 2020	(169,359)	(10,370)	(4,969)	564,672

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	11.00	–	11.00	22.00	4,137	34.7	0.8
Year ended March 31, 2021	–	11.00	–	12.00	23.00	4,325	30.0	0.7
Year ending March 31, 2022 (Forecast)	–	11.50	–	11.50	23.00		29.2	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	55,700	(4.2)	10,500	(12.2)	7,100	(13.6)	37.99
Full year	111,500	(4.6)	21,500	1.1	14,700	1.9	78.66

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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 March 31, 2021	195,272,106 shares	As of March 31, 2020	195,272,106 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	7,213,056 shares	As of March 31, 2020	7,212,380 shares
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Average number of shares during the period

Year ended March 31, 2021	188,059,404 shares	Year ended March 31, 2020	188,087,135 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Cash and due from banks	576,348	1,000,773
Call loans	59,877	125,878
Monetary claims bought	24,928	21,485
Trading securities	1,316	1,148
Money held in trust	27,100	27,300
Securities	2,339,566	2,618,039
Loans and bills discounted	4,899,984	5,135,435
Foreign exchanges	11,960	8,333
Lease receivables and investments in leases	24,130	24,291
Other assets	140,349	162,723
Tangible fixed assets	39,460	38,766
Buildings, net	11,720	11,227
Land	19,725	19,473
Construction in progress	103	67
Leased assets	2,328	2,082
Other tangible fixed assets	5,581	5,915
Intangible fixed assets	3,064	2,437
Software	2,929	1,721
Software in progress	–	620
Other intangible fixed assets	135	94
Deferred tax assets	6,611	809
Customers' liabilities for acceptances and guarantees	33,413	32,031
Allowance for loan losses	(40,724)	(46,291)
<b>Total assets</b>	<b>8,147,386</b>	<b>9,153,162</b>
<b>Liabilities</b>		
Deposits	6,701,781	7,499,830
Negotiable certificates of deposit	194,963	167,189
Call money	30,068	71,293
Securities sold under repurchase agreements	124,704	129,640
Cash collateral received for securities lent	217,164	172,747
Commercial papers	32,611	54,228
Borrowed money	157,365	286,194
Foreign exchanges	272	289
Bonds payable	–	10,000
Borrowed money from trust account	3,309	4,857
Other liabilities	119,768	143,853
Provision for bonuses	1,395	1,332
Provision for bonuses for directors (and other officers)	31	27
Retirement benefit liability	18,245	6,624
Provision for retirement benefits for directors (and other officers)	82	67
Provision for reimbursement of deposits	642	307
Provision for point card certificates	94	88
Reserves under special laws	6	6
Deferred tax liabilities	271	10,354
Acceptances and guarantees	33,413	32,031
<b>Total liabilities</b>	<b>7,636,192</b>	<b>8,590,965</b>

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Net assets		
Share capital	15,149	15,149
Capital surplus	8,153	8,153
Retained earnings	453,024	463,305
Treasury shares	(9,622)	(9,622)
Total shareholders' equity	466,705	476,985
Valuation difference on available-for-sale securities	62,987	96,574
Deferred gains or losses on hedges	(11,456)	(5,320)
Remeasurements of defined benefit plans	(7,221)	(6,258)
Total accumulated other comprehensive income	44,308	84,994
Share acquisition rights	179	217
Total net assets	511,193	562,197
Total liabilities and net assets	8,147,386	9,153,162

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Ordinary income	127,318	116,976
Interest income	76,431	65,448
Interest on loans and discounts	50,485	45,813
Interest and dividends on securities	25,189	18,871
Interest on call loans	153	125
Interest on deposits with banks	359	450
Other interest income	244	187
Trust fees	1	0
Fees and commissions	18,994	18,640
Other ordinary income	21,789	23,240
Other income	10,101	9,646
Recoveries of written off receivables	3	0
Other	10,097	9,646
Ordinary expenses	109,854	95,724
Interest expenses	18,467	6,904
Interest on deposits	2,563	843
Interest on negotiable certificates of deposit	32	27
Interest on call money	284	(124)
Interest expenses on securities sold under repurchase agreements	3,277	268
Interest expenses on cash collateral received for securities lent	658	301
Interest on commercial papers	920	173
Interest on borrowings and rediscounts	2,182	1,078
Interest on bonds	–	35
Other interest expenses	8,546	4,300
Fees and commissions payments	4,359	4,281
Other ordinary expenses	14,182	14,162
General and administrative expenses	58,212	57,285
Other expenses	14,633	13,091
Provision of allowance for loan losses	6,153	8,736
Other	8,480	4,354
Ordinary profit	17,463	21,252
Extraordinary income	1	2
Gain on disposal of non-current assets	1	2
Extraordinary losses	641	344
Loss on disposal of non-current assets	32	94
Impairment losses	608	249
Provision of reserve for financial instruments transaction liabilities	–	0
Profit before income taxes	16,824	20,910
Income taxes - current	5,176	8,332
Income taxes - deferred	(268)	(1,840)
Total income taxes	4,907	6,491
Profit	11,916	14,418
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	11,916	14,418

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	11,916	14,418
Other comprehensive income	(33,836)	40,685
Valuation difference on available-for-sale securities	(30,699)	33,586
Deferred gains or losses on hedges	(2,563)	6,136
Remeasurements of defined benefit plans, net of tax	(573)	963
Comprehensive income	(21,919)	55,104
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(21,919)	55,104
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,149	8,153	445,459	(9,401)	459,361
Changes during period					
Dividends of surplus			(4,328)		(4,328)
Profit attributable to owners of parent			11,916		11,916
Purchase of treasury shares				(412)	(412)
Disposal of treasury shares			(23)	191	168
Net changes in items other than shareholders' equity					
Total changes during period	–	–	7,564	(221)	7,343
Balance at end of period	15,149	8,153	453,024	(9,622)	466,705

	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 period	93,687	(8,893)	(6,648)	78,145	311	537,818
Changes during period						
Dividends of surplus						(4,328)
Profit attributable to owners of parent						11,916
Purchase of treasury shares						(412)
Disposal of treasury shares						168
Net changes in items other than shareholders' equity	(30,699)	(2,563)	(573)	(33,836)	(131)	(33,968)
Total changes during period	(30,699)	(2,563)	(573)	(33,836)	(131)	(26,624)
Balance at end of period	62,987	(11,456)	(7,221)	44,308	179	511,193

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,149	8,153	453,024	(9,622)	466,705
Changes during period					
Dividends of surplus			(4,137)		(4,137)
Profit attributable to owners of parent			14,418		14,418
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(0)	0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	–	10,280	(0)	10,280
Balance at end of period	15,149	8,153	463,305	(9,622)	476,985

	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 period	62,987	(11,456)	(7,221)	44,308	179	511,193
Changes during period						
Dividends of surplus						(4,137)
Profit attributable to owners of parent						14,418
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	33,586	6,136	963	40,685	37	40,723
Total changes during period	33,586	6,136	963	40,685	37	51,003
Balance at end of period	96,574	(5,320)	(6,258)	84,994	217	562,197



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	16,824	20,910
Depreciation	4,452	4,474
Impairment losses	608	249
Share-based payment expenses	35	37
Provision of allowance for doubtful accounts	6,153	8,736
Increase (decrease) in provision for bonuses	(8)	(63)
Increase (decrease) in provision for bonuses for directors (and other officers)	7	(3)
Increase (decrease) in retirement benefit liability	(10,962)	(10,234)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1)	(14)
Increase (decrease) in provision for reimbursement of deposits	(353)	(335)
Increase (decrease) in provision for point card certificates	(19)	(6)
Interest income	(76,431)	(65,448)
Interest expenses	18,467	6,904
Loss (gain) related to securities	443	(5,037)
Loss (gain) on money held in trust	(9)	(109)
Foreign exchange losses (gains)	5,980	(5,163)
Loss (gain) on disposal of non-current assets	9	11
Net decrease (increase) in trading securities	1,059	167
Decrease (increase) in other assets	(12,382)	(19,468)
Net decrease (increase) in lease receivables and investments in leases	(3,141)	(161)
Increase (decrease) in other liabilities	16,590	28,207
Net decrease (increase) in loans and bills discounted	(100,510)	(238,621)
Net increase (decrease) in deposits	71,603	798,048
Net increase (decrease) in negotiable certificates of deposit	24,851	(27,774)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(6,723)	128,828
Net decrease (increase) in call loans	(13,577)	(62,557)
Net increase (decrease) in payables under repurchase agreements	(383)	4,935
Net increase (decrease) in call money	11,278	41,224
Net increase (decrease) in cash collateral received for securities lent	(160,060)	(44,416)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	2,286	9,715
Net increase (decrease) in commercial papers	(16,106)	21,617
Net decrease (increase) in foreign exchanges - assets	(2,918)	3,626
Net increase (decrease) in foreign exchanges - liabilities	(1,437)	17
Net increase (decrease) in borrowed money from trust account	549	1,548
Interest received	81,119	69,155
Interest paid	(19,601)	(8,461)
Subtotal	(162,306)	660,539
Income taxes paid	(7,053)	(4,088)
Income taxes refund	–	30
Net cash provided by (used in) operating activities	(169,359)	656,480

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Purchase of securities	(862,548)	(949,024)
Proceeds from sale of securities	570,149	410,210
Proceeds from redemption of securities	291,041	314,319
Increase in money held in trust	(7,565)	(205)
Decrease in money held in trust	2,074	114
Purchase of tangible fixed assets	(3,572)	(2,605)
Proceeds from sale of tangible fixed assets	71	18
Purchase of intangible assets	(21)	(820)
Net cash provided by (used in) investing activities	(10,370)	(227,992)
Cash flows from financing activities		
Issuance of subordinated bonds	–	10,000
Dividends paid	(4,328)	(4,137)
Purchase of treasury shares	(412)	(0)
Repayments of lease obligations	(228)	(220)
Proceeds from sale of treasury shares	0	0
Proceeds from exercise of employee share options	0	–
Net cash provided by (used in) financing activities	(4,969)	5,642
Effect of exchange rate change on cash and cash equivalents	(9)	10
Net increase (decrease) in cash and cash equivalents	(184,709)	434,140
Cash and cash equivalents at beginning of period	749,382	564,672
Cash and cash equivalents at end of period	564,672	998,813