

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 13, 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: November 24, 2020
 Scheduled date to commence dividend payments: December 8, 2020
 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, 2020 (from April 1, 2020 to September 30, 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	%
Six months ended September 30, 2020	58,173	(8.7)	11,967	(7.5)	8,226	(4.8)
Six months ended September 30, 2019	63,780	(1.5)	12,943	(7.6)	8,644	(11.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	43.74		43.70	
Six months ended September 30, 2019	45.95		45.90	

(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, 2020	8,772,702	537,849	6.1	2,858.94
As of March 31, 2020	8,147,386	511,193	6.2	2,717.29

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 six months ended September 30, 2020
(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: –
- Restatement of prior period financial statements: –

(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, 2020	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 September 30, 2020	7,212,653 shares	As of March 31, 2020	7,212,380 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, 2020	188,059,580 shares	Six months ended September 30, 2019	188,114,461 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Cash and due from banks	576,348	867,756
Call loans	59,877	215,557
Monetary claims bought	24,928	22,389
Trading account securities	1,316	1,177
Money held in trust	27,100	27,112
Securities	2,339,566	2,386,321
Loans and bills discounted	4,899,984	5,047,898
Foreign exchanges	11,960	15,096
Lease receivables and investments in leases	24,130	24,074
Other assets	140,349	131,958
Tangible fixed assets	39,460	39,381
Intangible fixed assets	3,064	2,486
Deferred tax assets	6,611	882
Customers' liabilities for acceptances and guarantees	33,413	33,304
Allowance for loan losses	(40,724)	(42,693)
Total assets	8,147,386	8,772,702
Liabilities		
Deposits	6,701,781	7,145,672
Negotiable certificates of deposit	194,963	268,234
Call money	30,068	71,559
Payables under repurchase agreements	124,704	124,607
Payables under securities lending transactions	217,164	154,884
Commercial papers	32,611	46,532
Borrowed money	157,365	255,503
Foreign exchanges	272	916
Borrowed money from trust account	3,309	3,666
Other liabilities	119,768	107,641
Provision for bonuses	1,395	1,339
Provision for bonuses for directors (and other officers)	31	–
Retirement benefit liability	18,245	17,358
Provision for retirement benefits for directors (and other officers)	82	62
Provision for reimbursement of deposits	642	459
Provision for point card certificates	94	94
Reserves under special laws	6	6
Deferred tax liabilities	271	3,010
Acceptances and guarantees	33,413	33,304
Total liabilities	7,636,192	8,234,852

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Net assets		
Share capital	15,149	15,149
Capital surplus	8,153	8,153
Retained earnings	453,024	459,182
Treasury shares	(9,622)	(9,622)
Total shareholders' equity	466,705	472,862
Valuation difference on available-for-sale securities	62,987	81,638
Deferred gains or losses on hedges	(11,456)	(10,086)
Remeasurements of defined benefit plans	(7,221)	(6,763)
Total accumulated other comprehensive income	44,308	64,788
Share acquisition rights	179	197
Total net assets	511,193	537,849
Total liabilities and net assets	8,147,386	8,772,702

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, 2019	Six months ended September 30, 2020
Ordinary income	63,780	58,173
Interest income	39,416	33,970
Interest on loans and discounts	25,505	23,155
Interest and dividends on securities	13,509	10,460
Trust fees	0	0
Fees and commissions	9,213	9,203
Other ordinary income	10,513	11,598
Other income	4,637	3,400
Ordinary expenses	50,836	46,206
Interest expenses	9,694	3,916
Interest on deposits	1,300	416
Fees and commissions payments	2,174	2,129
Other ordinary expenses	5,888	6,186
General and administrative expenses	29,450	28,598
Other expenses	3,628	5,375
Ordinary profit	12,943	11,967
Extraordinary income	1	1
Gain on disposal of non-current assets	1	1
Extraordinary losses	298	143
Loss on disposal of non-current assets	8	70
Impairment loss	289	72
Profit before income taxes	12,646	11,825
Income taxes - current	3,691	4,058
Income taxes - deferred	310	(459)
Total income taxes	4,001	3,598
Profit	8,644	8,226
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	8,644	8,226

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	8,644	8,226
Other comprehensive income	6,805	20,479
Valuation difference on available-for-sale securities	9,181	18,650
Deferred gains or losses on hedges	(2,703)	1,370
Remeasurements of defined benefit plans, net of tax	327	458
Comprehensive income	15,450	28,706
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,450	28,706
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Six months ended September 30, 2019

(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			(2,259)		(2,259)
Profit attributable to owners of parent			8,644		8,644
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	–	–	6,361	(221)	6,140
Balance at end of period	15,149	8,153	451,821	(9,622)	465,502

	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						(2,259)
Profit attributable to owners of parent						8,644
Purchase of treasury shares						(412)
Disposal of treasury shares						168
Net changes in items other than shareholders' equity	9,181	(2,703)	327	6,805	(148)	6,656
Total changes during period	9,181	(2,703)	327	6,805	(148)	12,796
Balance at end of period	102,868	(11,596)	(6,321)	84,950	162	550,615

Six months ended September 30, 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	453,024	(9,622)	466,705
Changes during period					
Dividends of surplus			(2,068)		(2,068)
Profit attributable to owners of parent			8,226		8,226
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	–	–	6,157	(0)	6,157
Balance at end of period	15,149	8,153	459,182	(9,622)	472,862

	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						(2,068)
Profit attributable to owners of parent						8,226
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	18,650	1,370	458	20,479	18	20,497
Total changes during period	18,650	1,370	458	20,479	18	26,655
Balance at end of period	81,638	(10,086)	(6,763)	64,788	197	537,849