

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 2023

Company name: The Keiyo Bank, Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 8544 URL <https://www.keiyobank.co.jp/>  
 Representative: President Toshiyuki Kumagai  
 General Manager of Accounting  
 Inquiries: Corporate Planning Division Yukihiko Nezu TEL 043-306-2121  
 Scheduled date of ordinary general meeting of shareholders: June 28, 2023  
 Scheduled date to file Securities Report: June 28, 2023  
 Scheduled date to commence dividend payments: June 29, 2023  
 Trading accounts: No  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (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, 2023	65,614	(0.1)	15,174	(6.3)	10,390	(7.1)
Year ended March 31, 2022	65,745	4.4	16,210	35.2	11,185	51.5

	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, 2023	81.80	–	3.5	0.2	23.1
Year ended March 31, 2022	86.84	–	3.8	0.2	24.6

#### (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, 2023	6,575,882	296,079	4.4	2,313.85
As of March 31, 2022	6,903,217	295,983	4.2	2,288.27

#### (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, 2023	(510,165)	26,677	(3,724)	1,233,546
Year ended March 31, 2022	1,331,087	(118,574)	(4,268)	1,720,759

### 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, 2022	–	10.00	–	10.50	20.50	2,641	23.6	0.9
Year ended March 31, 2023	–	11.00	–	11.00	22.00	2,802	26.8	0.9
Year ending March 31, 2024 (Forecast)	–	11.00	–	11.00	22.00		30.3	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	7,400	(22.3)	5,000	(24.1)	39.81
Full year	13,400	(11.6)	9,100	(12.4)	72.47

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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: Yes

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, 2023	133,927,858 shares	As of March 31, 2022	135,927,858 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	8,362,351 shares	As of March 31, 2022	8,856,244 shares
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Average number of shares during the period

Year ended March 31, 2023	127,003,210 shares	Year ended March 31, 2022	128,809,264 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Cash and due from banks	1,722,133	1,234,268
Call loans and bills bought	1,529	3,614
Trading securities	3,406	3,129
Money held in trust	3,007	3,024
Securities	1,154,419	1,118,530
Loans and bills discounted	3,898,801	4,087,888
Foreign exchanges	11,963	9,524
Other assets	42,951	40,396
Tangible fixed assets	58,122	56,992
Buildings, net	22,568	21,574
Land	30,762	30,762
Construction in progress	375	546
Other tangible fixed assets	4,416	4,110
Intangible fixed assets	11,453	16,764
Software	2,288	2,323
Software in progress	8,996	14,272
Other intangible fixed assets	168	168
Retirement benefit asset	2,147	5,150
Deferred tax assets	6,664	8,099
Customers' liabilities for acceptances and guarantees	2,997	3,044
Allowance for loan losses	(16,382)	(14,546)
Total assets	6,903,217	6,575,882
<b>Liabilities</b>		
Deposits	5,141,976	5,298,647
Negotiable certificates of deposit	58,602	51,000
Call money and bills sold	–	260,000
Cash collateral received for securities lent	462,219	412,895
Borrowed money	921,100	235,900
Foreign exchanges	143	113
Other liabilities	11,565	8,924
Provision for bonuses	1,330	1,351
Provision for bonuses for directors (and other officers)	70	70
Retirement benefit liability	240	935
Provision for retirement benefits for directors (and other officers)	6	5
Provision for share awards	284	326
Provision for loss on interest repayment	1	–
Provision for reimbursement of deposits	461	291
Provision for contingent loss	1,087	1,074
Deferred tax liabilities	575	651
Deferred tax liabilities for land revaluation	4,570	4,570
Acceptances and guarantees	2,997	3,044
Total liabilities	6,607,233	6,279,802

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Net assets		
Share capital	49,759	49,759
Capital surplus	39,704	39,704
Retained earnings	183,058	188,967
Treasury shares	(7,315)	(6,553)
Total shareholders' equity	265,208	271,878
Valuation difference on available-for-sale securities	18,576	10,327
Revaluation reserve for land	7,040	7,040
Remeasurements of defined benefit plans	(49)	1,294
Total accumulated other comprehensive income	25,567	18,662
Non-controlling interests	5,208	5,538
Total net assets	295,983	296,079
Total liabilities and net assets	6,903,217	6,575,882

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Ordinary income	65,745	65,614
Interest income	48,966	46,621
Interest on loans and discounts	35,568	35,156
Interest and dividends on securities	11,342	9,630
Interest on call loans and bills bought	1	65
Interest on deposits with banks	2,053	1,766
Other interest income	0	1
Fees and commissions	13,552	12,720
Other ordinary income	754	537
Other income	2,472	5,735
Reversal of allowance for loan losses	–	2,139
Recoveries of written off receivables	1	4
Other	2,470	3,591
Ordinary expenses	49,535	50,439
Interest expenses	629	637
Interest on deposits	216	208
Interest on negotiable certificates of deposit	2	1
Interest on call money and bills sold	(40)	(58)
Interest expenses on cash collateral received for securities lent	451	486
Interest on borrowings and rediscounts	0	0
Other interest expenses	–	0
Fees and commissions payments	4,506	4,658
Other ordinary expenses	3,844	8,544
General and administrative expenses	35,533	34,769
Other expenses	5,020	1,828
Provision of allowance for loan losses	2,770	–
Other	2,250	1,828
Ordinary profit	16,210	15,174
Extraordinary income	336	–
Gain on disposal of non-current assets	18	–
Gain on reversal of share acquisition rights	317	–
Extraordinary losses	400	101
Loss on disposal of non-current assets	178	47
Impairment losses	8	53
Provision for share awards	214	–
Profit before income taxes	16,145	15,073
Income taxes - current	4,323	2,870
Income taxes - deferred	460	1,608
Total income taxes	4,783	4,479
Profit	11,361	10,594
Profit attributable to non-controlling interests	176	204
Profit attributable to owners of parent	11,185	10,390

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	11,361	10,594
Other comprehensive income	(8,847)	(6,773)
Valuation difference on available-for-sale securities	(8,340)	(8,126)
Remeasurements of defined benefit plans, net of tax	(507)	1,352
Comprehensive income	2,513	3,820
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,245	3,485
Comprehensive income attributable to non-controlling interests	268	335

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	49,759	39,704	177,123	(8,301)	258,286
Changes during period					
Dividends of surplus			(2,601)		(2,601)
Profit attributable to owners of parent			11,185		11,185
Purchase of treasury shares				(1,675)	(1,675)
Disposal of treasury shares			(5)	18	13
Cancellation of treasury shares			(2,644)	2,644	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,935	986	6,921
Balance at end of period	49,759	39,704	183,058	(7,315)	265,208

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	27,015	7,040	451	34,507	312	4,944	298,051
Changes during period							
Dividends of surplus							(2,601)
Profit attributable to owners of parent							11,185
Purchase of treasury shares							(1,675)
Disposal of treasury shares							13
Cancellation of treasury shares							–
Net changes in items other than shareholders' equity	(8,439)	–	(501)	(8,940)	(312)	263	(8,989)
Total changes during period	(8,439)	–	(501)	(8,940)	(312)	263	(2,067)
Balance at end of period	18,576	7,040	(49)	25,567	–	5,208	295,983

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	49,759	39,704	183,058	(7,315)	265,208
Changes during period					
Dividends of surplus			(2,756)		(2,756)
Profit attributable to owners of parent			10,390		10,390
Purchase of treasury shares				(1,000)	(1,000)
Disposal of treasury shares				37	37
Cancellation of treasury shares			(1,725)	1,725	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,908	761	6,670
Balance at end of period	49,759	39,704	188,967	(6,553)	271,878

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	18,576	7,040	(49)	25,567	5,208	295,983
Changes during period						
Dividends of surplus						(2,756)
Profit attributable to owners of parent						10,390
Purchase of treasury shares						(1,000)
Disposal of treasury shares						37
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	(8,249)	–	1,344	(6,904)	330	(6,574)
Total changes during period	(8,249)	–	1,344	(6,904)	330	95
Balance at end of period	10,327	7,040	1,294	18,662	5,538	296,079



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	16,145	15,073
Depreciation	3,652	3,556
Impairment losses	8	53
Increase (decrease) in allowance for loan losses	738	(1,836)
Increase (decrease) in provision for bonuses	15	21
Increase (decrease) in provision for bonuses for directors (and other officers)	9	(0)
Decrease (increase) in retirement benefit asset	(686)	(702)
Increase (decrease) in retirement benefit liability	(153)	334
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	(0)
Increase (decrease) in provision for share awards	284	41
Increase (decrease) in provision for loss on interest repayment	(1)	(1)
Increase (decrease) in provision for reimbursement of deposits	(127)	(170)
Increase (decrease) in provision for contingent loss	63	(12)
Interest income	(37,624)	(36,990)
Interest expenses	629	637
Loss (gain) related to securities	(9,824)	(4,859)
Loss (gain) on money held in trust	(53)	(16)
Foreign exchange losses (gains)	(1,809)	(4,386)
Loss (gain) on disposal of non-current assets	159	47
Net decrease (increase) in loans and bills discounted	(22,982)	(189,087)
Net increase (decrease) in deposits	215,777	156,670
Net increase (decrease) in negotiable certificates of deposit	(27,272)	(7,602)
Net increase (decrease) in borrowed money	704,500	(685,200)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	523	651
Net decrease (increase) in call loans	(1,529)	(2,084)
Net increase (decrease) in call money	–	260,000
Net increase (decrease) in cash collateral received for securities lent	462,219	(49,324)
Net decrease (increase) in foreign exchanges - assets	(4,224)	2,439
Net increase (decrease) in foreign exchanges - liabilities	(21)	(30)
Interest received	37,574	37,058
Interest paid	(664)	(657)
Other, net	(507)	322
Subtotal	1,334,822	(506,056)
Income taxes paid	(3,734)	(4,109)
Net cash provided by (used in) operating activities	1,331,087	(510,165)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Purchase of securities	(384,732)	(251,118)
Proceeds from sale of securities	145,991	155,760
Proceeds from redemption of securities	114,075	118,715
Proceeds from fund management as investing activities	12,153	11,160
Purchase of tangible fixed assets	(1,518)	(1,577)
Proceeds from sale of tangible fixed assets	64	–
Purchase of intangible assets	(4,462)	(6,222)
Other, net	(146)	(41)
Net cash provided by (used in) investing activities	(118,574)	26,677
Cash flows from financing activities		
Purchase of treasury shares	(1,675)	(1,000)
Proceeds from sale of treasury shares	13	37
Dividends paid	(2,601)	(2,756)
Dividends paid to non-controlling interests	(4)	(4)
Net cash provided by (used in) financing activities	(4,268)	(3,724)
Net increase (decrease) in cash and cash equivalents	1,208,244	(487,213)
Cash and cash equivalents at beginning of period	512,515	1,720,759
Cash and cash equivalents at end of period	1,720,759	1,233,546