

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 11, 2021

Company name: The Chukyo Bank, Limited
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8530 URL: <https://www.chukyo-bank.co.jp/>
 Representative: President Hideo Kobayashi
 Managing Executive Officer and General
 Inquiries: Manager, General Planning and Administration Department Makoto Hayakawa TEL 052-249-1613
 Scheduled date to file Quarterly Securities Report: November 16, 2021
 Scheduled date to commence dividend payments: December 6, 2021
 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 six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	15,894	(8.1)	2,190	31.6	457	(43.8)
Six months ended September 30, 2020	17,285	11.1	1,664	(22.7)	812	(37.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	21.04		20.92	
Six months ended September 30, 2020	37.45		37.21	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	2,352,134	111,812	4.7
As of March 31, 2021	2,107,003	110,691	5.2

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, 2021	-	20.00	-	20.00	40.00
Year ending March 31, 2022	-	20.00	-	20.00	40.00
Year ending March 31, 2022 (Forecast)	-	-	-	20.00	40.00

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 profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Full year	3,800	4.6	1,900	(18.6)	87.35

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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
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|--|-----|
| 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: | Yes |
| 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 September 30, 2021	21,780,058 shares	As of March 31, 2021	21,745,958 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	4,519 shares	As of March 31, 2021	30,473 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, 2021	21,751,233 shares	Six months ended September 30, 2020	21,697,425 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Cash and due from banks	92,026	371,439
Securities	430,763	421,190
Loans and bills discounted	1,535,869	1,521,034
Foreign exchanges	15,931	8,304
Other assets	15,288	15,378
Tangible fixed assets	18,419	18,391
Intangible fixed assets	1,814	1,719
Retirement benefit asset	2,943	3,210
Deferred tax assets	387	352
Customers' liabilities for acceptances and guarantees	2,813	2,650
Allowance for loan losses	(9,255)	(11,535)
Total assets	2,107,003	2,352,134
Liabilities		
Deposits	1,891,435	1,903,145
Negotiable certificates of deposit	5,310	5,310
Cash collateral received for securities lent	–	112,958
Borrowed money	56,300	182,900
Foreign exchanges	22	61
Bonds payable	5,000	5,000
Other liabilities	27,636	21,258
Provision for bonuses	622	657
Retirement benefit liability	149	127
Provision for reimbursement of deposits	149	139
Provision for contingent loss	492	530
Deferred tax liabilities	3,842	3,252
Deferred tax liabilities for land revaluation	2,537	2,329
Acceptances and guarantees	2,813	2,650
Total liabilities	1,996,311	2,240,321
Net assets		
Share capital	31,844	31,879
Capital surplus	23,994	24,029
Retained earnings	35,211	35,644
Treasury shares	(78)	(10)
Total shareholders' equity	90,973	91,543
Valuation difference on available-for-sale securities	14,393	15,391
Deferred gains or losses on hedges	(650)	(526)
Revaluation reserve for land	5,407	4,936
Remeasurements of defined benefit plans	269	264
Total accumulated other comprehensive income	19,419	20,065
Share acquisition rights	299	204
Total net assets	110,691	111,812
Total liabilities and net assets	2,107,003	2,352,134

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, 2020	Six months ended September 30, 2021
Ordinary income	17,285	15,894
Interest income	9,622	9,634
Interest on loans and discounts	6,515	6,834
Interest and dividends on securities	3,053	2,712
Fees and commissions	2,525	3,050
Other ordinary income	2,806	869
Other income	2,331	2,339
Ordinary expenses	15,620	13,704
Interest expenses	527	422
Interest on deposits	119	79
Fees and commissions payments	1,000	1,028
Other ordinary expenses	2,336	587
General and administrative expenses	8,997	8,725
Other expenses	2,759	2,940
Ordinary profit	1,664	2,190
Extraordinary income	–	–
Extraordinary losses	3	2,098
Loss on disposal of non-current assets	3	7
Impairment losses	–	1,213
Other	–	877
Profit before income taxes	1,661	92
Income taxes - current	789	990
Income taxes - deferred	58	(1,356)
Total income taxes	848	(365)
Profit	812	457
Profit attributable to owners of parent	812	457

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	812	457
Other comprehensive income	2,567	1,116
Valuation difference on available-for-sale securities	2,734	997
Deferred gains or losses on hedges	(198)	124
Remeasurements of defined benefit plans, net of tax	30	(5)
Share of other comprehensive income of entities accounted for using equity method	1	–
Comprehensive income	3,380	1,574
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,380	1,574

Consolidated statements of changes in equity

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	31,844	23,994	33,817	(169)	89,487
Changes during period					
Dividends of surplus			(433)		(433)
Profit attributable to owners of parent			812		812
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares			(21)	94	73
Net changes in items other than shareholders' equity					
Total changes during period	–	–	357	92	450
Balance at end of period	31,844	23,994	34,174	(76)	89,937

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,011	(725)	5,357	(953)	9,690	295	99,472
Changes during period							
Dividends of surplus							(433)
Profit attributable to owners of parent							812
Purchase of treasury shares							(1)
Disposal of treasury shares							73
Net changes in items other than shareholders' equity	2,735	(198)	–	30	2,567	(34)	2,532
Total changes during period	2,735	(198)	–	30	2,567	(34)	2,983
Balance at end of period	8,747	(923)	5,357	(923)	12,257	260	102,455

Six months ended September 30, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	31,844	23,994	35,211	(78)	90,973
Cumulative effects of changes in accounting policies			(48)		(48)
Restated balance	31,844	23,994	35,163	(78)	90,924
Changes during period					
Issuance of new shares	35	35			70
Dividends of surplus			(434)		(434)
Profit attributable to owners of parent			457		457
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares			(13)	68	54
Reversal of revaluation reserve for land			471		471
Net changes in items other than shareholders' equity					
Total changes during period	35	35	481	67	618
Balance at end of period	31,879	24,029	35,644	(10)	91,543

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	14,393	(650)	5,407	269	19,419	299	110,691
Cumulative effects of changes in accounting policies							(48)
Restated balance	14,393	(650)	5,407	269	19,419	299	110,643
Changes during period							
Issuance of new shares							70
Dividends of surplus							(434)
Profit attributable to owners of parent							457
Purchase of treasury shares							(1)
Disposal of treasury shares							54
Reversal of revaluation reserve for land							471
Net changes in items other than shareholders' equity	997	124	(471)	(5)	645	(94)	550
Total changes during period	997	124	(471)	(5)	645	(94)	1,169
Balance at end of period	15,391	(526)	4,936	264	20,065	204	111,812

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	1,661	92
Depreciation	709	578
Impairment losses	–	1,213
Other extraordinary loss (income)	–	877
Share of loss (profit) of entities accounted for using equity method	103	–
Increase (decrease) in allowance for loan losses	1,332	2,280
Increase (decrease) in provision for bonuses	32	34
Decrease (increase) in retirement benefit asset	(423)	(274)
Increase (decrease) in retirement benefit liability	19	(21)
Increase (decrease) in provision for reimbursement of deposits	(58)	(10)
Increase (decrease) in provision for contingent loss	(23)	37
Interest income	(9,622)	(9,634)
Interest expenses	527	422
Loss (gain) related to securities	(2,579)	(2,393)
Foreign exchange losses (gains)	1,258	(367)
Loss (gain) on disposal of non-current assets	3	7
Net decrease (increase) in loans and bills discounted	(146,219)	14,835
Net increase (decrease) in deposits	122,246	11,709
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	20,600	126,600
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	19	26
Net increase (decrease) in cash collateral received for securities lent	(30,411)	112,958
Net decrease (increase) in foreign exchanges - assets	1,472	7,627
Net increase (decrease) in foreign exchanges - liabilities	(95)	38
Decrease (increase) in other assets	197	(60)
Increase (decrease) in other liabilities	336	580
Interest received	6,547	6,901
Interest paid	(535)	(426)
Subtotal	(32,901)	273,634
Income taxes paid	(533)	(1,029)
Income taxes refund	335	61
Net cash provided by (used in) operating activities	(33,099)	272,667
Cash flows from investing activities		
Purchase of securities	(41,701)	(28,906)
Proceeds from sale of securities	51,342	16,643
Proceeds from redemption of securities	68,728	18,729
Proceeds from fund management as investing activities	2,970	2,442
Purchase of tangible fixed assets	(303)	(1,229)
Proceeds from sale of property, plant and equipment	30	–
Purchase of intangible assets	(301)	(299)
Net cash provided by (used in) investing activities	80,764	7,381

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Payments as financing activities	(28)	(28)
Dividends paid	(433)	(434)
Purchase of treasury shares	(1)	(1)
Proceeds from sale of treasury shares	73	54
Repayments of lease obligations	(231)	(154)
Net cash provided by (used in) financing activities	(622)	(563)
Effect of exchange rate change on cash and cash equivalents	(46)	(45)
Net increase (decrease) in cash and cash equivalents	46,996	279,439
Cash and cash equivalents at beginning of period	72,691	91,124
Cash and cash equivalents at end of period	119,688	370,564