

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 11, 2022

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
 Executive Officer and General Manager,
 Inquiries: General Planning and Administration Hisashi Sebayashi TEL 052-249-1613
 Department
 Scheduled date of ordinary general meeting of shareholders: June 24, 2022
 Scheduled date to file Securities Report: June 24, 2022
 Scheduled date to commence dividend payments: June 27, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	31,528	0.2	6,067	67.0	3,728	59.7
Year ended March 31, 2021	31,446	1.6	3,632	4.0	2,333	0.7

	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, 2022	171.30	170.30	3.4	0.2	19.2
Year ended March 31, 2021	107.51	106.79	2.2	0.1	11.5

(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, 2022	2,348,196	108,146	4.5	4,955.94
As of March 31, 2021	2,107,003	110,691	5.2	5,083.59

(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, 2022	231,238	28,619	(1,179)	349,803
Year ended March 31, 2021	(71,880)	91,616	(1,303)	91,124

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, 2021	—	20.00	—	20.00	40.00	867	37.2	0.8
Year ended March 31, 2022	—	20.00	—	35.00	55.00	1,197	32.1	1.0
Year ending March 31, 2023 (Forecast)	—	141.00	—	—	—	—	—	—

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	1,700	(22.4)	800	75.0	36.74
Full year	4,200	(30.8)	2,800	(24.9)	128.59

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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:

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 March 31, 2022	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 March 31, 2022	5,150 shares	As of March 31, 2021	30,473 shares
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Average number of shares during the period

Year ended March 31, 2022	21,763,215 shares	Year ended March 31, 2021	21,706,615 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Cash and due from banks	92,026	350,633
Securities	430,763	405,263
Loans and bills discounted	1,535,869	1,549,464
Foreign exchanges	15,931	6,589
Other assets	15,288	21,757
Tangible fixed assets	18,419	17,802
Buildings, net	3,682	3,409
Land	13,862	13,060
Leased assets, net	465	291
Construction in progress	5	397
Other tangible fixed assets	403	642
Intangible fixed assets	1,814	1,724
Software	1,367	1,361
Leased assets	337	228
Other intangible fixed assets	110	133
Retirement benefit asset	2,943	3,251
Deferred tax assets	387	341
Customers' liabilities for acceptances and guarantees	2,813	2,462
Allowance for loan losses	(9,255)	(11,093)
Total assets	2,107,003	2,348,196
Liabilities		
Deposits	1,891,435	1,854,796
Negotiable certificates of deposit	5,310	5,310
Call money and bills sold	–	45,000
Cash collateral received for securities lent	–	9,001
Borrowed money	56,300	291,500
Foreign exchanges	22	57
Bonds payable	5,000	5,000
Other liabilities	27,636	22,374
Provision for bonuses	622	534
Retirement benefit liability	149	–
Provision for reimbursement of deposits	149	122
Provision for contingent loss	492	562
Deferred tax liabilities	3,842	1,030
Deferred tax liabilities for land revaluation	2,537	2,298
Acceptances and guarantees	2,813	2,462
Total liabilities	1,996,311	2,240,049

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Net assets		
Share capital	31,844	31,879
Capital surplus	23,994	24,029
Retained earnings	35,211	38,551
Treasury shares	(78)	(11)
Total shareholders' equity	90,973	94,448
Valuation difference on available-for-sale securities	14,393	8,110
Deferred gains or losses on hedges	(650)	472
Revaluation reserve for land	5,407	4,864
Remeasurements of defined benefit plans	269	18
Total accumulated other comprehensive income	19,419	13,466
Share acquisition rights	299	230
Total net assets	110,691	108,146
Total liabilities and net assets	2,107,003	2,348,196

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Ordinary income	31,446	31,528
Interest income	18,876	19,085
Interest on loans and discounts	13,344	13,459
Interest and dividends on securities	5,427	5,231
Interest on deposits with banks	65	375
Other interest income	39	19
Fees and commissions	5,399	5,985
Other ordinary income	3,598	1,415
Other income	3,571	5,042
Recoveries of written off receivables	0	1
Other	3,570	5,041
Ordinary expenses	27,814	25,461
Interest expenses	996	821
Interest on deposits	229	149
Interest on negotiable certificates of deposit	8	8
Interest on call money and bills sold	–	(1)
Interest expenses on cash collateral received for securities lent	1	6
Interest on bonds	56	56
Other interest expenses	701	602
Fees and commissions payments	2,022	1,993
Other ordinary expenses	2,958	1,404
General and administrative expenses	17,690	17,025
Other expenses	4,145	4,216
Provision of allowance for loan losses	2,678	2,475
Other	1,466	1,740
Ordinary profit	3,632	6,067
Extraordinary income	307	584
Gain on disposal of non-current assets	62	584
Gain on liquidation of subsidiaries and associates	245	–
Extraordinary losses	206	2,141
Loss on disposal of non-current assets	20	13
Impairment losses	185	1,250
Other	–	876
Profit before income taxes	3,733	4,509
Income taxes - current	1,529	1,506
Income taxes - deferred	(129)	(725)
Total income taxes	1,399	781
Profit	2,333	3,728
Profit attributable to owners of parent	2,333	3,728

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	2,333	3,728
Other comprehensive income	9,679	(5,410)
Valuation difference on available-for-sale securities	8,381	(6,282)
Deferred gains or losses on hedges	74	1,123
Remeasurements of defined benefit plans, net of tax	1,223	(250)
Comprehensive income	12,013	(1,682)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,013	(1,682)

Consolidated statements of changes in equity

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	31,844	23,994	33,817	(169)	89,487
Changes during period					
Dividends of surplus			(867)		(867)
Profit attributable to owners of parent			2,333		2,333
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares			(21)	94	73
Reversal of revaluation reserve for land			(49)		(49)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,394	91	1,486
Balance at end of period	31,844	23,994	35,211	(78)	90,973

	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							(867)
Profit attributable to owners of parent							2,333
Purchase of treasury shares							(3)
Disposal of treasury shares							73
Reversal of revaluation reserve for land							(49)
Net changes in items other than shareholders' equity	8,381	74	49	1,223	9,729	3	9,733
Total changes during period	8,381	74	49	1,223	9,729	3	11,219
Balance at end of period	14,393	(650)	5,407	269	19,419	299	110,691

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	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			(869)		(869)
Profit attributable to owners of parent			3,728		3,728
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares			(13)	68	54
Reversal of revaluation reserve for land			542		542
Net changes in items other than shareholders' equity					
Total changes during period	35	35	3,387	66	3,523
Balance at end of period	31,879	24,029	38,551	(11)	94,448

	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							(869)
Profit attributable to owners of parent							3,728
Purchase of treasury shares							(2)
Disposal of treasury shares							54
Reversal of revaluation reserve for land							542
Net changes in items other than shareholders' equity	(6,282)	1,123	(542)	(250)	(5,952)	(68)	(6,021)
Total changes during period	(6,282)	1,123	(542)	(250)	(5,952)	(68)	(2,497)
Balance at end of period	8,110	472	4,864	18	13,466	230	108,146

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	3,733	4,509
Depreciation	1,412	1,188
Impairment losses	185	1,250
Loss (gain) on liquidation of subsidiaries and associates	(245)	–
Other extraordinary loss (income)	–	292
Share of loss (profit) of entities accounted for using equity method	113	–
Increase (decrease) in allowance for loan losses	1,216	1,838
Increase (decrease) in provision for bonuses	(0)	(88)
Decrease (increase) in retirement benefit asset	(734)	(653)
Increase (decrease) in retirement benefit liability	52	(164)
Increase (decrease) in provision for reimbursement of deposits	(240)	(26)
Increase (decrease) in provision for contingent loss	(17)	70
Interest income	(18,876)	(19,085)
Interest expenses	996	821
Loss (gain) related to securities	(3,399)	(3,894)
Foreign exchange losses (gains)	(429)	(3,971)
Loss (gain) on disposal of non-current assets	(37)	(598)
Net decrease (increase) in loans and bills discounted	(172,122)	(13,594)
Net increase (decrease) in deposits	121,645	(36,639)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	19,300	235,200
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	246	71
Net increase (decrease) in call money	–	45,000
Net increase (decrease) in cash collateral received for securities lent	(30,411)	9,001
Net decrease (increase) in foreign exchanges - assets	(5,341)	9,341
Net increase (decrease) in foreign exchanges - liabilities	(77)	34
Decrease (increase) in other assets	1,104	(2,153)
Increase (decrease) in other liabilities	(1,230)	(7,934)
Interest received	13,357	13,808
Interest paid	(1,000)	(797)
Subtotal	(70,801)	232,829
Income taxes paid	(1,415)	(1,652)
Income taxes refund	335	61
Net cash provided by (used in) operating activities	(71,880)	231,238

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Purchase of securities	(78,290)	(65,350)
Proceeds from sale of securities	81,854	55,430
Proceeds from redemption of securities	82,342	34,854
Proceeds from liquidation of associates	1,746	–
Proceeds from fund management as investing activities	5,159	4,748
Purchase of tangible fixed assets	(550)	(1,345)
Proceeds from sale of property, plant and equipment	155	966
Purchase of intangible assets	(801)	(684)
Net cash provided by (used in) investing activities	91,616	28,619
Cash flows from financing activities		
Payments as financing activities	(56)	(56)
Dividends paid	(867)	(869)
Purchase of treasury shares	(3)	(2)
Proceeds from sale of treasury shares	73	54
Repayments of lease liabilities	(448)	(305)
Net cash provided by (used in) financing activities	(1,303)	(1,179)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	18,432	258,679
Cash and cash equivalents at beginning of period	72,691	91,124
Cash and cash equivalents at end of period	91,124	349,803