

Financial Statements

For the Six Months Ended Sep. 30, 2013

THE JOYO BANK, LTD.

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(Note)

Information presented herein has been extracted from the original material, solely for the convenience of the readers outside Japan.

The amounts presented herein have not been audited.

A. CONSOLIDATED FINANCIAL INFORMATION

1. Consolidated Balance Sheets

	(Millions of yen)	
	As of Mar.31,2013	As of Sep.30,2013
Assets		
Cash and due from banks	318,396	426,860
Call loans and bills bought	1,829	2,486
Monetary claims bought	27,336	22,754
Trading assets	2,719	3,221
Securities	2,651,398	2,619,206
Loans and bills discounted	5,108,316	5,208,223
Foreign exchanges	1,844	2,729
Lease receivables and investment assets	30,906	32,781
Other assets	55,410	48,481
Tangible fixed assets	93,839	94,650
Intangible fixed assets	8,958	10,295
Deferred tax assets	2,801	2,807
Customers' liabilities for acceptances and guarantees	15,731	16,072
Allowance for loan losses	△51,420	△49,857
Allowance for investment loss	△35	△35
Total assets	8,268,033	8,440,678
Liabilities		
Deposits	7,344,463	7,452,441
Negotiable certificates of deposit	15,459	4,064
Call money and bills sold	38,466	52,345
Payables under securities lending transactions	91,283	101,046
Trading liabilities	160	128
Borrowed money	120,245	174,706
Foreign exchanges	265	437
Bonds payable	15,000	15,000
Borrowed money from trust account	26	18
Other liabilities	82,157	67,553
Provision for directors' bonuses	49	—
Provision for retirement benefits	5,265	5,084
Provision for directors' retirement benefits	33	32
Provision for reimbursement of deposits	1,849	1,808
Provision for point card certificates	130	132
Provision for loss on interest repayment	6	6
Provision for contingent loss	1,519	1,667
Reserves under the special laws	1	1
Deferred tax liabilities	15,162	16,445
Deferred tax liabilities for land revaluation	11,974	11,939
Negative goodwill	2,133	2,054
Acceptances and guarantees	15,731	16,072
Total liabilities	7,761,383	7,922,988

(Millions of yen)

	As of Mar.31,2013	As of Sep.30,2013
Net assets		
Capital stock	85,113	85,113
Capital surplus	58,574	58,574
Retained earnings	286,893	292,934
Treasury stock	<u>△23,299</u>	<u>△21,027</u>
Total shareholders' equity	<u>407,281</u>	<u>415,594</u>
Valuation difference on available-for-sale securities	87,047	89,312
Deferred gains or losses on hedges	△2,651	△2,238
Revaluation reserve for land	<u>12,359</u>	<u>12,295</u>
Total accumulated other comprehensive income	<u>96,754</u>	<u>99,369</u>
Subscription rights to shares	120	90
Minority interests	<u>2,493</u>	<u>2,636</u>
Total net assets	<u>506,649</u>	<u>517,690</u>
Total liabilities and net assets	<u>8,268,033</u>	<u>8,440,678</u>

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)	(Millions of yen)	
	For the six months ended Sep.30,2012	For the six months ended Sep.30,2013
Ordinary income	76,733	86,143
Interest income	49,833	48,072
Interest on loans and discounts	36,728	34,869
Interest and dividends on securities	12,536	12,838
Trust fees	18	11
Fees and commissions	11,900	12,347
Trading income	412	852
Other ordinary income	3,950	6,115
Other income	10,618	18,745
Ordinary expenses	59,162	63,755
Interest expenses	2,763	2,444
Interest on deposits	1,878	1,387
Fees and commissions payments	3,551	3,628
Other ordinary expenses	532	5,078
General and administrative expenses	36,428	37,276
Other expenses	15,886	15,327
Ordinary profit	17,571	22,388
Extraordinary income	4	3
Gain on disposal of noncurrent assets	4	3
Extraordinary loss	321	230
Loss on disposal of noncurrent assets	143	140
Impairment loss	177	90
Income before income taxes and minority interests	17,254	22,161
Income taxes—current	4,093	7,671
Income taxes—deferred	1,103	120
Total income taxes	5,196	7,792
Income before minority interests	12,057	14,369
Minority interests in income	113	143
Net income	11,944	14,225

(Consolidated Statements of Comprehensive Income)	(Millions of yen)	
	For the six months ended Sep.30,2012	For the six months ended Sep.30,2013
Income before minority interests	12,057	14,369
Other comprehensive income	△4,414	2,680
Valuation difference on available-for-sale securities	△4,327	2,266
Deferred gains or losses on hedges	△87	413
Comprehensive income	7,643	17,049
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,527	16,904
Comprehensive income attributable to minority interests	115	145

3. Consolidated Statements of Changes in Net Assets

	(Millions of yen)	
	For the six months ended Sep.30,2012	For the six months ended Sep.30,2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	85,113	85,113
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	<u>85,113</u>	<u>85,113</u>
Capital surplus		
Balance at the beginning of current period	58,574	58,574
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	<u>58,574</u>	<u>58,574</u>
Retained earnings		
Balance at the beginning of current period	275,598	286,893
Changes of items during the period		
Dividends from surplus	△ 3,043	△ 3,378
Net income	11,944	14,225
Disposal of treasury stock	△ 3	△ 24
Retirement of treasury stock	△ 5,450	△ 4,844
Reversal of revaluation reserve for land	23	63
Total changes of items during the period	<u>3,469</u>	<u>6,041</u>
Balance at the end of current period	<u>279,068</u>	<u>292,934</u>
Treasury stock		
Balance at the beginning of current period	△ 24,913	△ 23,299
Changes of items during the period		
Purchase of treasury stock	△ 1,707	△ 2,653
Disposal of treasury stock	12	81
Retirement of treasury stock	5,450	4,844
Total changes of items during the period	<u>3,755</u>	<u>2,272</u>
Balance at the end of current period	<u>△ 21,158</u>	<u>△ 21,027</u>
Total shareholders' equity		
Balance at the beginning of current period	394,371	407,281
Changes of items during the period		
Dividends from surplus	△ 3,043	△ 3,378
Net income	11,944	14,225
Purchase of treasury stock	△ 1,707	△ 2,653
Disposal of treasury stock	8	56
Retirement of treasury stock	—	—
Reversal of revaluation reserve for land	23	63
Total changes of items during the period	<u>7,225</u>	<u>8,313</u>
Balance at the end of current period	<u>401,596</u>	<u>415,594</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	40,214	87,047
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 4,328	2,264
Total changes of items during the period	<u>△ 4,328</u>	<u>2,264</u>
Balance at the end of current period	<u>35,885</u>	<u>89,312</u>

	(Millions of yen)	
	For the six months ended Sep.30,2012	For the six months ended Sep.30,2013
Deferred gains or losses on hedges		
Balance at the beginning of current period	△ 2,705	△ 2,651
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 87	413
Total changes of items during the period	△ 87	413
Balance at the end of current period	△ 2,792	△ 2,238
Revaluation reserve for land		
Balance at the beginning of current period	12,452	12,359
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 23	△ 63
Total changes of items during the period	△ 23	△ 63
Balance at the end of current period	12,428	12,295
Total accumulated other comprehensive income		
Balance at the beginning of current period	49,961	96,754
Changes of items during the period		
Net changes of items other than shareholders' equity	△ 4,439	2,615
Total changes of items during the period	△ 4,439	2,615
Balance at the end of current period	45,521	99,369
Subscription rights to shares		
Balance at the beginning of current period	81	120
Changes of items during the period		
Net changes of items other than shareholders' equity	16	△ 30
Total changes of items during the period	16	△ 30
Balance at the end of current period	98	90
Minority interests		
Balance at the beginning of current period	2,201	2,493
Changes of items during the period		
Net changes of items other than shareholders' equity	112	142
Total changes of items during the period	112	142
Balance at the end of current period	2,313	2,636
Total net assets		
Balance at the beginning of current period	446,615	506,649
Changes of items during the period		
Dividends from surplus	△ 3,043	△ 3,378
Net income	11,944	14,225
Purchase of treasury stock	△ 1,707	△ 2,653
Disposal of treasury stock	8	56
Reversal of revaluation reserve for land	23	63
Net changes of items other than shareholders' equity	△ 4,310	2,727
Total changes of items during the period	2,915	11,041
Balance at the end of current period	449,530	517,690

B. NON-CONSOLIDATED FINANCIAL INFORMATION

1. Non-Consolidated Balance Sheets

	(Millions of yen)	
	As of Mar.31,2013	As of Sep.30,2013
Assets		
Cash and due from banks	318,319	426,507
Call loans	1,829	2,486
Monetary claims bought	27,336	22,754
Trading assets	2,719	3,221
Securities	2,644,104	2,610,842
Loans and bills discounted	5,139,973	5,240,557
Foreign exchanges	1,844	2,729
Other assets	38,858	31,701
Other	38,858	31,701
Tangible fixed assets	86,224	86,928
Intangible fixed assets	9,027	10,303
Customers' liabilities for acceptances and guarantees	15,731	16,072
Allowance for loan losses	△45,118	△43,735
Allowance for investment loss	△35	△35
Total assets	8,240,814	8,410,334
Liabilities		
Deposits	7,355,391	7,463,308
Negotiable certificates of deposit	16,559	5,964
Call money	38,466	52,345
Payables under securities lending transactions	91,283	101,046
Trading liabilities	160	128
Borrowed money	115,340	168,781
Foreign exchanges	265	437
Bonds payable	15,000	15,000
Borrowed money from trust account	26	18
Other liabilities	61,712	46,094
Income taxes payable	7,320	7,052
Lease obligations	3,406	3,323
Other	50,985	35,718
Provision for directors' bonuses	49	—
Provision for retirement benefits	4,766	4,556
Provision for reimbursement of deposits	1,849	1,808
Provision for point card certificates	95	96
Provision for contingent loss	1,519	1,667
Deferred tax liabilities	16,614	17,904
Deferred tax liabilities for land revaluation	10,976	10,942
Acceptances and guarantees	15,731	16,072
Total liabilities	7,745,810	7,906,174

THE JOYO BANK, LTD.

(Millions of yen)

	As of Mar.31,2013	As of Sep.30,2013
Net assets		
Capital stock	85,113	85,113
Capital surplus	58,574	58,574
Legal capital surplus	58,574	58,574
Retained earnings	280,396	284,550
Legal retained earnings	55,317	55,317
Other retained earnings	225,079	229,233
Reserve for advanced depreciation of noncurrent assets	364	363
General reserve	202,432	207,432
Retained earnings brought forward	22,282	21,438
Treasury stock	△24,066	△21,647
Total shareholders' equity	400,017	406,590
Valuation difference on available-for-sale securities	86,988	89,251
Deferred gains or losses on hedges	△2,651	△2,238
Revaluation reserve for land	10,529	10,466
Total valuation and translation adjustments	94,866	97,479
Subscription rights to shares	120	90
Total net assets	495,004	504,159
Total liabilities and net assets	8,240,814	8,410,334

2. Non-Consolidated Statements of Income

	(Millions of yen)	
	For the six months ended Sep.30,2012	For the six months ended Sep.30,2013
Ordinary income	67,384	75,798
Interest income	49,906	48,145
Interest on loans and discounts	36,797	34,936
Interest and dividends on securities	12,519	12,824
Trust fees	18	11
Fees and commissions	10,516	10,862
Trading income	135	197
Other ordinary income	3,944	6,110
Other income	2,862	10,470
Ordinary expenses	51,532	55,879
Interest expenses	2,740	2,415
Interest on deposits	1,879	1,388
Fees and commissions payments	3,901	4,058
Other ordinary expenses	532	5,078
General and administrative expenses	36,108	36,751
Other expenses	8,248	7,574
Ordinary profit	<u>15,852</u>	<u>19,919</u>
Extraordinary income	4	3
Extraordinary loss	<u>240</u>	<u>229</u>
Income before income taxes	<u>15,616</u>	<u>19,694</u>
Income taxes-current	3,411	7,076
Income taxes-deferred	<u>1,145</u>	<u>132</u>
Total income taxes	<u>4,557</u>	<u>7,209</u>
Net income	<u>11,059</u>	<u>12,485</u>

3. Non-Consolidated Statements of Changes in Net Assets

	(Millions of yen)	
	For the six months ended Sep.30,2012	For the six months ended Sep.30,2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	85,113	85,113
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	<u>85,113</u>	<u>85,113</u>
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	58,574	58,574
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	<u>58,574</u>	<u>58,574</u>
Total capital surplus		
Balance at the beginning of current period	58,574	58,574
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	<u>58,574</u>	<u>58,574</u>
Retained earnings		
Legal retained earnings		
Balance at the beginning of current period	55,317	55,317
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	<u>55,317</u>	<u>55,317</u>
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets		
Balance at the beginning of current period	252	364
Changes of items during the period		
Reversal of reserve for advanced depreciation of noncurrent assets	<u>△1</u>	<u>△1</u>
Total changes of items during the period	<u>△1</u>	<u>△1</u>
Balance at the end of current period	<u>250</u>	<u>363</u>
Reserve for special account for advanced depreciation of noncurrent assets		
Balance at the beginning of current period	50	—
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	<u>50</u>	<u>—</u>
General reserve		
Balance at the beginning of current period	198,432	202,432
Changes of items during the period		
Provision of general reserve	<u>4,000</u>	<u>5,000</u>
Total changes of items during the period	<u>4,000</u>	<u>5,000</u>
Balance at the end of current period	<u>202,432</u>	<u>207,432</u>

	(Millions of yen)	
	For the six months ended Sep.30,2012	For the six months ended Sep.30,2013
Retained earnings brought forward		
Balance at the beginning of current period	17,598	22,282
Changes of items during the period		
Dividends from surplus	△3,043	△3,378
Net income	11,059	12,485
Reversal of reserve for advanced depreciation of noncurrent assets	1	1
Provision of general reserve	△4,000	△5,000
Disposal of treasury stock	△4	△27
Retirement of treasury stock	△5,649	△4,989
Reversal of revaluation reserve for land	23	63
Total changes of items during the period	<u>△1,612</u>	<u>△844</u>
Balance at the end of current period	<u>15,985</u>	<u>21,438</u>
Total retained earnings		
Balance at the beginning of current period	271,650	280,396
Changes of items during the period		
Dividends from surplus	△3,043	△3,378
Net income	11,059	12,485
Reversal of reserve for advanced depreciation of noncurrent assets	—	—
Provision of general reserve	—	—
Disposal of treasury stock	△4	△27
Retirement of treasury stock	△5,649	△4,989
Reversal of revaluation reserve for land	23	63
Total changes of items during the period	<u>2,385</u>	<u>4,153</u>
Balance at the end of current period	<u>274,035</u>	<u>284,550</u>
Treasury stock		
Balance at the beginning of current period	△25,881	△24,066
Changes of items during the period		
Purchase of treasury stock	△1,707	△2,653
Disposal of treasury stock	13	84
Retirement of treasury stock	5,649	4,989
Total changes of items during the period	<u>3,955</u>	<u>2,419</u>
Balance at the end of current period	<u>△21,926</u>	<u>△21,647</u>
Total shareholders' equity		
Balance at the beginning of current period	389,455	400,017
Changes of items during the period		
Dividends from surplus	△3,043	△3,378
Net income	11,059	12,485
Purchase of treasury stock	△1,707	△2,653
Disposal of treasury stock	8	56
Retirement of treasury stock	—	—
Reversal of revaluation reserve for land	23	63
Total changes of items during the period	<u>6,340</u>	<u>6,573</u>
Balance at the end of current period	<u>395,796</u>	<u>406,590</u>

	(Millions of yen)	
	For the six months ended Sep.30,2012	For the six months ended Sep.30,2013
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	40,141	86,988
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>△4,324</u>	<u>2,263</u>
Total changes of items during the period	<u>△4,324</u>	<u>2,263</u>
Balance at the end of current period	<u>35,816</u>	<u>89,251</u>
Deferred gains or losses on hedges		
Balance at the beginning of current period	△2,705	△2,651
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>△87</u>	<u>413</u>
Total changes of items during the period	<u>△87</u>	<u>413</u>
Balance at the end of current period	<u>△2,792</u>	<u>△2,238</u>
Revaluation reserve for land		
Balance at the beginning of current period	10,623	10,529
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>△23</u>	<u>△63</u>
Total changes of items during the period	<u>△23</u>	<u>△63</u>
Balance at the end of current period	<u>10,599</u>	<u>10,466</u>
Total valuation and translation adjustments		
Balance at the beginning of current period	48,058	94,866
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>△4,434</u>	<u>2,613</u>
Total changes of items during the period	<u>△4,434</u>	<u>2,613</u>
Balance at the end of current period	<u>43,623</u>	<u>97,479</u>
Subscription rights to shares		
Balance at the beginning of current period	81	120
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>16</u>	<u>△30</u>
Total changes of items during the period	<u>16</u>	<u>△30</u>
Balance at the end of current period	<u>98</u>	<u>90</u>
Total net assets		
Balance at the beginning of current period	437,596	495,004
Changes of items during the period		
Dividends from surplus	△3,043	△3,378
Net income	11,059	12,485
Purchase of treasury stock	△1,707	△2,653
Disposal of treasury stock	8	56
Reversal of revaluation reserve for land	23	63
Net changes of items other than shareholders' equity	<u>△4,418</u>	<u>2,582</u>
Total changes of items during the period	<u>1,922</u>	<u>9,155</u>
Balance at the end of current period	<u>439,518</u>	<u>504,159</u>