

**Financial Statements**

**For the Year Ended March. 31, 2014**

**THE JOYO BANK, LTD.**

Table of Contents

A. CONSOLIDATED FINANCIAL INFORMATION

1. Consolidated Balance Sheets	1
2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	3
3. Consolidated Statements of Changes in Net Assets	5
4. Consolidated Statements of Cash Flows	7

B. NON-CONSOLIDATED FINANCIAL INFORMATION

1. Non-Consolidated Balance Sheets	9
2. Non-Consolidated Statements of Income	1 1
3. Non-Consolidated Statements of Changes in Net Assets	1 3

(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 Mar.31,2014
<b>Assets</b>		
Cash and due from banks	318,396	224,661
Call loans and bills bought	1,829	7,181
Monetary claims bought	27,336	14,660
Trading assets	2,719	3,387
Securities	2,651,398	2,760,304
Loans and bills discounted	5,108,316	5,363,389
Foreign exchanges	1,844	2,251
Lease receivables and investment assets	30,906	36,081
Other assets	55,410	47,812
Property, plant and equipment	93,839	96,121
Buildings, net	31,682	33,108
Land	55,721	55,389
Leased assets, net	3	30
Construction in progress	711	1,205
Other tangible fixed assets	5,721	6,388
Intangible assets	8,958	10,902
Software	4,691	6,160
Other intangible fixed assets	4,266	4,742
Deferred tax assets	2,801	2,245
Customers' liabilities for acceptances and guarantees	15,731	14,522
Allowance for loan losses	△51,420	△46,915
Allowance for investment loss	△35	△35
<b>Total assets</b>	<b>8,268,033</b>	<b>8,536,571</b>
<b>Liabilities</b>		
Deposits	7,344,463	7,479,902
Negotiable certificates of deposit	15,459	10,030
Call money and bills sold	38,466	71,839
Payables under securities lending transactions	91,283	105,996
Trading liabilities	160	141
Borrowed money	120,245	218,248
Foreign exchanges	265	353
Bonds payable	15,000	15,000
Borrowed money from trust account	26	19
Other liabilities	82,157	62,790
Provision for directors' bonuses	49	48
Provision for retirement benefits	5,265	—
Net defined benefit liability	—	8,834
Provision for directors' retirement benefits	33	39
Provision for reimbursement of deposits	1,849	1,993
Provision for point card certificates	130	127
Provision for loss on interest repayment	6	2
Provision for contingent loss	1,519	1,505
Reserves under special laws	1	1
Deferred tax liabilities	15,162	14,352
Deferred tax liabilities for land revaluation	11,974	11,872
Negative goodwill	2,133	1,975
Acceptances and guarantees	15,731	14,522
<b>Total liabilities</b>	<b>7,761,383</b>	<b>8,019,600</b>

(Millions of yen)

	As of Mar.31,2013	As of Mar.31,2014
Net assets		
Capital stock	85,113	85,113
Capital surplus	58,574	58,574
Retained earnings	286,893	300,506
Treasury shares	△23,299	△21,079
Total shareholders' equity	407,281	423,113
Valuation difference on available-for-sale securities	87,047	86,445
Deferred gains or losses on hedges	△2,651	△2,072
Revaluation reserve for land	12,359	12,184
Remeasurements of defined benefit plans	—	△5,656
Total accumulated other comprehensive income	96,754	90,900
Subscription rights to shares	120	113
Minority interests	2,493	2,843
Total net assets	506,649	516,971
Total liabilities and net assets	8,268,033	8,536,571

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

(Consolidated Statements of Income)

(Millions of yen)

	For FY2012 ended Mar.31,2013	For FY2013 ended Mar.31,2014
Ordinary income	150,451	159,179
Interest income	98,070	95,180
Interest on loans and discounts	72,655	69,594
Interest and dividends on securities	24,420	24,854
Interest on call loans and bills bought	130	40
Interest on deposits with banks	484	346
Other interest income	379	342
Trust fees	37	25
Fees and commissions	23,912	24,279
Trading income	1,089	1,517
Other ordinary income	5,956	7,800
Other income	21,385	30,376
Recoveries of written off claims	2,455	2,754
Other	18,930	27,621
Ordinary expenses	114,497	117,858
Interest expenses	5,227	4,773
Interest on deposits	3,348	2,579
Interest on negotiable certificates of deposit	6	4
Interest on call money and bills sold	91	147
Interest on payables under securities lending transactions	207	278
Interest on borrowings and rediscounts	209	265
Interest on bonds	253	254
Other interest expenses	1,109	1,243
Fees and commissions payments	7,011	7,136
Other ordinary expenses	973	6,215
General and administrative expenses	71,176	72,785
Other expenses	30,108	26,947
Provision of allowance for loan losses	6,620	4,045
Other	23,488	22,902
Ordinary profit	35,953	41,320
Extraordinary income	16	6
Gain on disposal of non-current assets	16	6
Extraordinary losses	945	1,159
Loss on disposal of non-current assets	636	561
Impairment loss	308	597
Transfer to reserve for financial products transaction liabilities	—	0
Income before income taxes and minority interests	35,024	40,168
Income taxes – current	10,861	12,277
Income taxes – deferred	1,143	2,500
Total income taxes	12,005	14,778
Income before minority interests	23,018	25,389
Minority interests in income	291	347
Net income	22,726	25,042

## (Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	For FY2012 ended Mar.31,2013	For FY2013 ended Mar.31,2014
Income before minority interests	23,018	25,389
Other comprehensive income	46,888	△ 17
Valuation difference on available-for-sale securities	46,834	△ 596
Deferred gains or losses on hedges	53	579
Comprehensive income	<u>69,906</u>	<u>25,372</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	69,612	25,019
Comprehensive income attributable to minority interests	294	352

## 3. Consolidated Statements of Changes in Net Assets

For FY2012 ended Mar.31,2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,113	58,574	275,598	△24,913	394,371
Changes of items during period					
Dividends of surplus			△6,069		△6,069
Net income			22,726		22,726
Purchase of treasury shares				△3,854	△3,854
Disposal of treasury shares			△5	18	13
Retirement of treasury shares			△5,450	5,450	—
Reversal of revaluation reserve for land			93		93
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	11,295	1,614	12,909
Balance at end of current period	85,113	58,574	286,893	△23,299	407,281

(Millions of yen)

Accumulated other comprehensive income					Subscription rights to shares	Minority interests	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			
40,214	△2,705	12,452	—	49,961	81	2,201	446,615
							△6,069
							22,726
							△3,854
							13
							93
46,832	53	△93	—	46,793	39	291	47,124
46,832	53	△93	—	46,793	39	291	60,033
87,047	△2,651	12,359	—	96,754	120	2,493	506,649

For FY2013 ended Mar.31,2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,113	58,574	286,893	△23,299	407,281
Changes of items during period					
Dividends of surplus			△6,735		△6,735
Net income			25,042		25,042
Purchase of treasury shares				△2,710	△2,710
Disposal of treasury shares			△24	85	60
Retirement of treasury shares			△4,844	4,844	—
Reversal of revaluation reserve for land			174		174
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	13,612	2,219	15,832
Balance at end of current period	85,113	58,574	300,506	△21,079	423,113

(Millions of yen)

Accumulated other comprehensive income					Subscription rights to shares	Minority interests	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			
87,047	△2,651	12,359	—	96,754	120	2,493	506,649
							△6,735
							25,042
							△2,710
							60
							—
							174
△601	579	△174	△5,656	△5,853	△6	350	△5,510
△601	579	△174	△5,656	△5,853	△6	350	10,321
86,445	△2,072	12,184	△5,656	90,900	113	2,843	516,971



## 4. Consolidated Statements of Cash Flows

	(Millions of yen)	
	For FY2012 ended Mar.31,2013	For FY2013 ended Mar.31,2014
Cash flows from operating activities		
Income before income taxes and minority interests	35,024	40,168
Depreciation	5,334	5,841
Impairment loss	308	597
Amortization of negative goodwill	△158	△158
Increase (decrease) in allowance for loan losses	713	△4,504
Increase (decrease) in allowance for investment loss	△275	—
Increase (decrease) in provision for directors' retirement benefits	7	5
Increase (decrease) in provision for reimbursement of deposits	137	144
Increase (decrease) in provision for point card certificates	△7	△2
Increase (decrease) in provision for contingent loss	△221	△13
Increase (decrease) in provision for loss on interest repayment	△4	△3
Increase (decrease) in provision for directors' bonuses	3	△1
Increase (decrease) in provision for retirement benefits	40	—
Increase (decrease) in net defined benefit liability	—	△606
Gain on fund management	△104,699	△101,539
Financing expenses	5,227	4,773
Loss (gain) related to securities	4,314	95
Foreign exchange losses (gains)	△27,468	△23,567
Loss (gain) on disposal of non-current assets	620	554
Net decrease (increase) in trading assets	1,056	△667
Net increase (decrease) in trading liabilities	△31	△18
Decrease (increase) in lease investment assets	△2,412	△5,174
Net decrease (increase) in loans and bills discounted	△155,545	△255,073
Net increase (decrease) in deposit	86,606	135,439
Net increase (decrease) in negotiable certificates of deposit	△4,392	△5,429
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	20,936	103,003
Net decrease (increase) in deposit (excluding cash equivalent)	3,729	△5,597
Net decrease (increase) in call loans	7,933	7,324
Net increase (decrease) in call money	20,904	33,373
Net increase (decrease) in payables under securities lending transactions	52,394	14,712
Net decrease (increase) in foreign exchanges – assets	△86	△407
Net increase (decrease) in foreign exchanges – liabilities	27	88
Net increase (decrease) in borrowed money from trust account	9	△7
Proceeds from fund management	104,557	102,620
Payments for finance	△6,969	△5,724
Other, net	1,732	△7,559
Subtotal	49,349	32,686
Income taxes paid	△5,370	△12,453
Net cash provided by (used in) operating activities	43,978	20,232

(Millions of yen)

	For FY2012 ended Mar.31,2013	For FY2013 ended Mar.31,2014
Cash flows from investing activities		
Purchase of securities	△ 712,034	△ 794,302
Proceeds from sales of securities	319,994	417,373
Proceeds from redemption of securities	302,033	282,427
Purchase of property, plant and equipment	△ 5,486	△ 7,099
Proceeds from sales of property, plant and equipment	186	154
Purchase of intangible assets	△ 2,188	△ 3,751
Net cash provided by (used in) investing activities	△ 97,494	△ 105,198
Cash flows from financing activities		
Decrease in subordinated borrowings	—	△ 5,000
Cash dividends paid	△ 6,069	△ 6,735
Cash dividends paid to minority shareholders	△ 2	△ 2
Purchase of treasury shares	△ 3,854	△ 2,710
Proceeds from sales of treasury shares	13	60
Net cash provided by (used in) financing activities	△ 9,912	△ 14,386
Effect of exchange rate change on cash and cash equivalents	25	20
Net increase (decrease) in cash and cash equivalents	△ 63,402	△ 99,332
Cash and cash equivalents at beginning of period	373,098	309,695
Cash and cash equivalents at end of period	309,695	210,363

## B. NON-CONSOLIDATED FINANCIAL INFORMATION

## 1. Non-Consolidated Balance Sheets

(Millions of yen)

	As of Mar.31,2013	As of Mar.31,2014
<b>Assets</b>		
Cash and due from banks	318,319	224,629
Cash	57,669	85,460
Due from banks	260,649	139,168
Call loans	1,829	7,181
Monetary claims bought	27,336	14,660
Trading assets	2,719	3,387
Trading account securities	2,320	2,914
Derivatives of trading securities	—	0
Trading-related financial derivatives	399	472
Securities	2,644,104	2,752,517
Government bonds	1,402,278	1,368,039
Local government bonds	301,379	323,554
Corporate bonds	408,445	408,670
Stocks	203,759	220,402
Other securities	328,241	431,850
Loans and bills discounted	5,139,973	5,399,342
Bills discounted	25,989	22,637
Loans on bills	333,344	307,050
Loans on deeds	4,216,270	4,508,618
Overdrafts	564,369	561,035
Foreign exchanges	1,844	2,251
Due from foreign banks (our accounts)	1,320	1,704
Foreign bills bought	22	223
Foreign bills receivable	501	323
Other assets	34,294	27,212
Domestic exchange settlement account, debit	158	61
Prepaid expenses	1,183	842
Accrued income	8,790	8,177
Initial margins of futures markets	160	160
Derivatives other than for trading – assets	2,283	2,036
Cash collateral paid for financial instruments	4,312	1,458
Other	17,405	14,476
Property, plant and equipment	86,224	88,578
Buildings, net	29,110	30,646
Land	50,358	50,316
Leased assets, net	2,845	2,994
Construction in progress	711	1,193
Other tangible fixed assets	3,199	3,427
Intangible assets	9,027	10,833
Software	4,456	5,953
Leased assets	555	331
Other intangible fixed assets	4,014	4,548
Prepaid pension cost	4,563	4,756
Customers' liabilities for acceptances and guarantees	15,731	14,522
Allowance for loan losses	△45,118	△41,362
Allowance for investment loss	△35	△35
<b>Total assets</b>	<b>8,240,814</b>	<b>8,508,476</b>

## THE JOYO BANK, LTD.

(Millions of yen)

	As of Mar.31,2013	As of Mar.31,2014
<b>Liabilities</b>		
Deposits	7,355,391	7,490,926
Current deposits	157,636	146,143
Ordinary deposits	4,200,174	4,350,601
Saving deposits	47,016	46,088
Deposits at notice	24,492	23,006
Time deposits	2,820,605	2,790,051
Other deposits	105,465	135,035
Negotiable certificates of deposit	16,559	13,430
Call money	38,466	71,839
Payables under securities lending transactions	91,283	105,996
Trading liabilities	160	141
Trading-related financial derivatives	160	141
Borrowed money	115,340	211,396
Borrowings from other banks	115,340	211,396
Foreign exchanges	265	353
Foreign bills sold	226	306
Foreign bills payable	39	47
Bonds payable	15,000	15,000
Borrowed money from trust account	26	19
Other liabilities	61,712	39,433
Domestic exchange settlement account, credit	115	203
Income taxes payable	7,320	6,756
Accrued expenses	8,095	7,085
Unearned revenue	1,883	2,513
Deposits received from employees	1,531	1,540
Variation margins of futures markets	—	0
Derivatives other than for trading – liabilities	8,704	6,699
Lease obligations	3,406	3,335
Other	30,655	11,299
Provision for directors' bonuses	49	48
Provision for retirement benefits	4,766	4,325
Provision for reimbursement of deposits	1,849	1,993
Provision for point card certificates	95	99
Provision for contingent loss	1,519	1,505
Deferred tax liabilities	16,614	18,893
Deferred tax liabilities for land revaluation	10,976	10,908
Acceptances and guarantees	15,731	14,522
<b>Total liabilities</b>	<b>7,745,810</b>	<b>8,000,835</b>
<b>Net assets</b>		
Capital stock	85,113	85,113
Capital surplus	58,574	58,574
Legal capital surplus	58,574	58,574
Retained earnings	280,396	290,841
Legal retained earnings	55,317	55,317
Other retained earnings	225,079	235,524
Reserve for advanced depreciation of non-current assets	364	408
General reserve	202,432	207,432
Retained earnings brought forward	22,282	27,684
Treasury shares	△24,066	△21,699
<b>Total shareholders' equity</b>	<b>400,017</b>	<b>412,829</b>
Valuation difference on available-for-sale securities	86,988	86,365
Deferred gains or losses on hedges	△2,651	△2,072
Revaluation reserve for land	10,529	10,404
<b>Total valuation and translation adjustments</b>	<b>94,866</b>	<b>94,697</b>
Subscription rights to shares	120	113
<b>Total net assets</b>	<b>495,004</b>	<b>507,640</b>
<b>Total liabilities and net assets</b>	<b>8,240,814</b>	<b>8,508,476</b>

## 2. Non-Consolidated Statements of Income

	(Millions of yen)	
	For FY2012 ended Mar.31,2013	For FY2013 ended Mar.31,2014
Ordinary income	131,163	138,551
Interest income	98,209	95,316
Interest on loans and discounts	72,781	69,718
Interest and dividends on securities	24,391	24,827
Interest on call loans	130	40
Interest on deposits with banks	484	346
Other interest income	421	383
Trust fees	37	25
Fees and commissions	21,011	21,251
Fees and commissions on domestic and foreign exchanges	6,367	6,294
Other fees and commissions	14,644	14,956
Trading income	283	412
Gains on trading account securities transactions	151	198
Income from trading-related financial derivatives transactions	131	213
Other ordinary income	5,956	7,784
Gains on foreign exchange transactions	710	836
Gains on sales of bonds	4,672	5,600
Gains on redemption of bonds	265	1,053
Income from derivatives other than for trading or hedging	263	294
Other	45	0
Other income	5,664	13,760
Recoveries of written off claims	2,102	2,277
Gain on sales of stocks and other securities	1,178	8,946
Other	2,383	2,536
Ordinary expenses	99,437	102,713
Interest expenses	5,180	4,715
Interest on deposits	3,350	2,582
Interest on negotiable certificates of deposit	7	4
Interest on call money	91	147
Interest on payables under securities lending transactions	207	278
Interest on borrowings and rediscounts	209	265
Interest on bonds	253	254
Interest on interest swaps	1,016	1,111
Other interest expenses	43	71
Fees and commissions payments	7,848	8,099
Fees and commissions on domestic and foreign exchanges	1,240	1,242
Other fees and commissions	6,608	6,856
Other ordinary expenses	973	6,215
Loss on sales of bonds	489	6,215
Loss on devaluation of bonds	483	—
General and administrative expenses	70,425	71,909
Other expenses	15,008	11,774
Provision of allowance for loan losses	6,857	4,771
Provision for contingent loss	—	156
Provision for reimbursement of deposits	409	391
Provision for point card certificates	75	98
Written-off of loans	3,810	3,053
Losses on sales of stocks and other securities	1,705	1,458
Losses on devaluation of stocks and other securities	939	5
Other	1,208	1,838
Ordinary profit	<u>31,726</u>	<u>35,837</u>

(Millions of yen)

	For FY2012 ended Mar.31,2013	For FY2013 ended Mar.31,2014
Extraordinary income	16	6
Gain on disposal of non-current assets	16	6
Extraordinary losses	850	691
Loss on disposal of non-current assets	622	522
Impairment loss	228	169
Income before income taxes	<u>30,891</u>	<u>35,153</u>
Income taxes – current	9,468	11,090
Income taxes – deferred	1,044	1,990
Total income taxes	<u>10,513</u>	<u>13,081</u>
Net income	<u>20,378</u>	<u>22,071</u>

## 3. Non-Consolidated Statements of Changes in Net Assets

For FY2012 ended Mar.31,2013

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		Retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of current period	85,113	58,574	58,574	55,317
Changes of items during period				
Dividends of surplus				
Net income				
Provision of reserve for advanced depreciation of non-current assets				
Reversal of reserve for advanced depreciation of non-current assets				
Provision of reserve for special account for advanced depreciation of non-current assets				
Reversal of reserve for special account for advanced depreciation of non-current assets				
Provision of general reserve				
Purchase of treasury shares				
Disposal of treasury shares				
Retirement of treasury shares				
Reversal of revaluation reserve for land				
Net changes of items other than shareholders' equity				
Total changes of items during period	—	—	—	—
Balance at end of current period	85,113	58,574	58,574	55,317

(Millions of yen)

Shareholders' equity						
Retained earnings					Treasury shares	Total shareholders' equity
Other retained earnings				Total retained earnings		
Reserve for advanced depreciation of non-current assets	Reserve for special account for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward			
252	50	198,432	17,598	271,650	△25,881	389,455
			△6,069	△6,069		△6,069
			20,378	20,378		20,378
116			△116	—		
△3			3	—		
	—		—	—		
	△50		50	—		
		4,000	△4,000	—		
					△3,854	△3,854
			△5	△5	19	13
			△5,649	△5,649	5,649	—
			93	93		93
112	△50	4,000	4,684	8,746	1,814	10,561
364	—	202,432	22,282	280,396	△24,066	400,017

(Millions of yen)

Valuation and translation adjustments				Subscription rights to shares	Total net assets
Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
40,141	△ 2,705	10,623	48,058	81	437,596
					△ 6,069
					20,378
					△ 3,854
					13
					93
46,847	53	△ 93	46,807	39	46,846
46,847	53	△ 93	46,807	39	57,408
86,988	△ 2,651	10,529	94,866	120	495,004

For FY2013 ended Mar.31,2014

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		Retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of current period	85,113	58,574	58,574	55,317
Changes of items during period				
Dividends of surplus				
Net income				
Provision of reserve for advanced depreciation of non-current assets				
Reversal of reserve for advanced depreciation of non-current assets				
Provision of reserve for special account for advanced depreciation of non-current assets				
Reversal of reserve for special account for advanced depreciation of non-current assets				
Provision of general reserve				
Purchase of treasury shares				
Disposal of treasury shares				
Retirement of treasury shares				
Reversal of revaluation reserve for land				
Net changes of items other than shareholders' equity				
Total changes of items during period	—	—	—	—
Balance at end of current period	85,113	58,574	58,574	55,317



(Millions of yen)

Shareholders' equity							
Retained earnings					Total retained earnings	Treasury shares	Total shareholders' equity
Other retained earnings							
Reserve for advanced depreciation of non-current assets	Reserve for special account for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward				
364	—	202,432	22,282	280,396	△24,066	400,017	
			△6,735	△6,735		△6,735	
			22,071	22,071		22,071	
46			△46	—			
△3			3	—			
	—		—	—			
	—		—	—			
		5,000	△5,000	—			
					△2,710	△2,710	
			△27	△27	88	60	
			△4,989	△4,989	4,989	—	
			124	124		124	
43	—	5,000	5,401	10,444	2,367	12,812	
408	—	207,432	27,684	290,841	△21,699	412,829	

(Millions of yen)

Valuation and translation adjustments				Subscription rights to shares	Total net assets
Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
86,988	△2,651	10,529	94,866	120	495,004
					△6,735
					22,071
					△2,710
					60
					124
△622	579	△124	△168	△6	△175
△622	579	△124	△168	△6	12,636
86,365	△2,072	10,404	94,697	113	507,640