

Financial Statements
For the Year Ended March. 31, 2015

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.31,2014	As of Mar.31,2015
Assets		
Cash and due from banks	224,661	496,348
Call loans and bills bought	7,181	14,356
Monetary claims bought	14,660	12,509
Trading assets	3,387	4,999
Securities	2,760,304	2,742,510
Loans and bills discounted	5,363,389	5,618,019
Foreign exchanges	2,251	3,296
Lease receivables and investment assets	36,081	38,571
Other assets	47,812	52,719
Property, plant and equipment	96,121	94,961
Buildings, net	33,108	33,833
Land	55,389	52,944
Leased assets, net	30	25
Construction in progress	1,205	116
Other tangible fixed assets	6,388	8,041
Intangible assets	10,902	10,570
Software	6,160	7,100
Other intangible fixed assets	4,742	3,470
Net defined benefit asset	—	1,438
Deferred tax assets	2,245	1,966
Customers' liabilities for acceptances and guarantees	14,522	14,961
Allowance for loan losses	△46,915	△41,765
Allowance for investment loss	△35	△9
Total assets	8,536,571	9,065,458
Liabilities		
Deposits	7,479,902	7,715,598
Negotiable certificates of deposit	10,030	10,045
Call money and bills sold	71,839	44,324
Payables under securities lending transactions	105,996	143,395
Trading liabilities	141	160
Borrowed money	218,248	345,388
Foreign exchanges	353	551
Bonds payable	15,000	15,000
Bonds with subscription rights to shares	—	36,051
Borrowed money from trust account	19	13
Other liabilities	62,790	66,084
Provision for directors' bonuses	48	62
Net defined benefit liability	8,834	7,997
Provision for directors' retirement benefits	39	39
Provision for reimbursement of deposits	1,993	2,164
Provision for point card certificates	127	138
Provision for loss on interest repayment	2	7
Provision for contingent loss	1,505	1,169
Reserves under special laws	1	2
Deferred tax liabilities	14,352	48,507
Deferred tax liabilities for land revaluation	11,872	10,136
Negative goodwill	1,975	1,817
Acceptances and guarantees	14,522	14,961
Total liabilities	8,019,600	8,463,618

(Millions of yen)

	As of Mar.31,2014	As of Mar.31,2015
Net assets		
Capital stock	85,113	85,113
Capital surplus	58,574	58,574
Retained earnings	300,506	311,093
Treasury shares	△21,079	△21,619
Total shareholders' equity	<u>423,113</u>	<u>433,160</u>
Valuation difference on available-for-sale securities	86,445	159,909
Deferred gains or losses on hedges	△2,072	△1,725
Revaluation reserve for land	12,184	12,666
Remeasurements of defined benefit plans	△5,656	△3,756
Total accumulated other comprehensive income	<u>90,900</u>	<u>167,094</u>
Subscription rights to shares	113	147
Minority interests	2,843	1,437
Total net assets	<u>516,971</u>	<u>601,840</u>
Total liabilities and net assets	<u>8,536,571</u>	<u>9,065,458</u>

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

(Consolidated Statements of Income)

	(Millions of yen)	
	For FY2013 ended Mar.31,2014	For FY2014 ended Mar.31,2015
Ordinary income	159,179	156,118
Interest income	95,180	95,952
Interest on loans and discounts	69,594	67,763
Interest and dividends on securities	24,854	27,455
Interest on call loans and bills bought	40	25
Interest on deposits with banks	346	287
Other interest income	342	420
Trust fees	25	26
Fees and commissions	24,279	26,271
Trading income	1,517	1,842
Other ordinary income	7,800	5,240
Other income	30,376	26,786
Recoveries of written off claims	2,754	2,892
Other	27,621	23,894
Ordinary expenses	117,858	110,388
Interest expenses	4,773	5,120
Interest on deposits	2,579	2,390
Interest on negotiable certificates of deposit	4	5
Interest on call money and bills sold	147	214
Interest on payables under securities lending transactions	278	271
Interest on borrowings and rediscounts	265	417
Interest on bonds	254	254
Other interest expenses	1,243	1,567
Fees and commissions payments	7,136	7,490
Other ordinary expenses	6,215	2,263
General and administrative expenses	72,785	72,161
Other expenses	26,947	23,352
Provision of allowance for loan losses	4,045	943
Other	22,902	22,408
Ordinary profit	<u>41,320</u>	<u>45,730</u>
Extraordinary income	6	1,787
Gain on disposal of non-current assets	6	451
Gain on bargain purchase	—	1,335
Extraordinary losses	1,159	1,574
Loss on disposal of non-current assets	561	553
Impairment loss	597	1,020
Transfer to reserve for financial products transaction liabilities	0	0
Income before income taxes and minority interests	<u>40,168</u>	<u>45,943</u>
Income taxes – current	12,277	12,497
Income taxes – deferred	2,500	4,517
Total income taxes	<u>14,778</u>	<u>17,015</u>
Income before minority interests	<u>25,389</u>	<u>28,927</u>
Minority interests in income	347	247
Net income	<u>25,042</u>	<u>28,680</u>

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	For FY2013 ended Mar.31,2014	For FY2014 ended Mar.31,2015
Income before minority interests	25,389	28,927
Other comprehensive income	△17	76,782
Valuation difference on available-for-sale securities	△596	73,489
Deferred gains or losses on hedges	579	347
Revaluation reserve for land	—	1,045
Remeasurements of defined benefit plans, net of tax	—	1,900
Comprehensive income	<u>25,372</u>	<u>105,710</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,019	105,438
Comprehensive income attributable to minority interests	352	271

3. Consolidated Statements of Changes in Net Assets

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

For FY2014 ended Mar.31,2015

(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	300,506	△21,079	423,113
Cumulative effects of changes in accounting policies			△748		△748
Restated balance	85,113	58,574	299,757	△21,079	422,364
Changes of items during period					
Dividends of surplus			△6,622		△6,622
Net income			28,680		28,680
Purchase of treasury shares				△11,842	△11,842
Disposal of treasury shares			△3	19	16
Retirement of treasury shares			△11,283	11,283	—
Reversal of revaluation reserve for land			564		564
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	11,335	△539	10,795
Balance at end of current period	85,113	58,574	311,093	△21,619	433,160

(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			
86,445	△2,072	12,184	△5,656	90,900	113	2,843	516,971
							△748
86,445	△2,072	12,184	△5,656	90,900	113	2,843	516,222
							△6,622
							28,680
							△11,842
							16
							564
73,464	347	481	1,900	76,194	33	△1,405	74,821
73,464	347	481	1,900	76,194	33	△1,405	85,617
159,909	△1,725	12,666	△3,756	167,094	147	1,437	601,840

4. Consolidated Statements of Cash Flows

	(Millions of yen)	
	For FY2013 ended Mar.31,2014	For FY2014 ended Mar.31,2015
Cash flows from operating activities		
Income before income taxes and minority interests	40,168	45,943
Depreciation	5,841	5,710
Impairment loss	597	1,020
Gain on bargain purchase	—	△1,335
Amortization of negative goodwill	△158	△158
Increase (decrease) in allowance for loan losses	△4,504	△5,150
Increase (decrease) in allowance for investment loss	—	△26
Increase (decrease) in provision for directors' retirement benefits	5	0
Increase (decrease) in provision for reimbursement of deposits	144	170
Increase (decrease) in provision for point card certificates	△2	10
Increase (decrease) in provision for contingent loss	△13	△336
Increase (decrease) in provision for loss on interest repayment	△3	4
Increase (decrease) in provision for directors' bonuses	△1	13
Increase (decrease) in asset for retirement benefits	—	△1,438
Increase (decrease) in net defined benefit liability	△606	△836
Gain on fund management	△101,539	△103,319
Financing expenses	4,773	5,120
Loss (gain) related to securities	95	1,658
Foreign exchange losses (gains)	△23,567	△35,769
Loss (gain) on disposal of non-current assets	554	102
Net decrease (increase) in trading assets	△667	△1,612
Net increase (decrease) in trading liabilities	△18	19
Decrease (increase) in lease investment assets	△5,174	△2,489
Net decrease (increase) in loans and bills discounted	△255,073	△254,630
Net increase (decrease) in deposit	135,439	235,695
Net increase (decrease) in negotiable certificates of deposit	△5,429	15
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	103,003	132,539
Net decrease (increase) in deposit (excluding cash equivalent)	△5,597	11,383
Net decrease (increase) in call loans	7,324	△5,024
Net increase (decrease) in call money	33,373	△27,515
Net increase (decrease) in payables under securities lending transactions	14,712	37,399
Net decrease (increase) in foreign exchanges – assets	△407	△1,045
Net increase (decrease) in foreign exchanges – liabilities	88	198
Net increase (decrease) in borrowed money from trust account	△7	△5
Proceeds from fund management	102,620	102,982
Payments for finance	△5,724	△5,367
Other, net	△7,559	680
Subtotal	32,686	134,608
Income taxes paid	△12,453	△13,624
Net cash provided by (used in) operating activities	20,232	120,983

	(Millions of yen)	
	For FY2013 ended Mar.31,2014	For FY2014 ended Mar.31,2015
Cash flows from investing activities		
Purchase of securities	△794,302	△863,354
Proceeds from sales of securities	417,373	736,166
Proceeds from redemption of securities	282,427	287,759
Purchase of tangible fixed assets	△7,099	△4,665
Proceeds from sales of tangible fixed assets	154	1,941
Purchase of intangible fixed assets	△3,751	△2,259
Purchase of shares of subsidiaries	—	△339
Net cash provided by (used in) investing activities	<u>△105,198</u>	<u>155,249</u>
Cash flows from financing activities		
Proceeds from issuance of bonds with subscription rights to shares	—	30,674
Decrease in subordinated borrowings	△5,000	△5,400
Cash dividends paid	△6,735	△6,622
Cash dividends paid to minority shareholders	△2	△2
Purchase of treasury shares	△2,710	△11,842
Proceeds from sales of treasury shares	60	3
Net cash provided by (used in) financing activities	<u>△14,386</u>	<u>6,810</u>
Effect of exchange rate change on cash and cash equivalents	<u>20</u>	<u>27</u>
Net increase (decrease) in cash and cash equivalents	<u>△99,332</u>	<u>283,070</u>
Cash and cash equivalents at beginning of period	<u>309,695</u>	<u>210,363</u>
Cash and cash equivalents at end of period	<u>210,363</u>	<u>493,433</u>

B. NON-CONSOLIDATED FINANCIAL INFORMATION

1. Non-Consolidated Balance Sheets

(Millions of yen)

	As of Mar.31,2014	As of Mar.31,2015
Assets		
Cash and due from banks	224,629	496,325
Cash	85,460	74,676
Due from banks	139,168	421,649
Call loans	7,181	14,356
Monetary claims bought	14,660	12,509
Trading assets	3,387	4,492
Trading account securities	2,914	3,757
Derivatives of trading securities	0	—
Trading-related financial derivatives	472	734
Securities	2,752,517	2,735,418
Government bonds	1,368,039	1,180,504
Local government bonds	323,554	205,255
Corporate bonds	408,670	435,479
Stocks	220,402	280,669
Other securities	431,850	633,508
Loans and bills discounted	5,399,342	5,656,407
Bills discounted	22,637	21,755
Loans on bills	307,050	298,553
Loans on deeds	4,508,618	4,768,247
Overdrafts	561,035	567,851
Foreign exchanges	2,251	3,296
Due from foreign banks (our accounts)	1,704	2,532
Foreign bills bought	223	162
Foreign bills receivable	323	602
Other assets	27,212	30,378
Domestic exchange settlement account, debit	61	109
Prepaid expenses	842	788
Accrued income	8,177	8,615
Initial margins of futures markets	160	160
Derivatives other than for trading – assets	2,036	3,188
Cash collateral paid for financial instruments	1,458	3,437
Other	14,476	14,079
Property, plant and equipment	88,578	87,397
Buildings, net	30,646	31,272
Land	50,316	48,338
Leased assets, net	2,994	2,843
Construction in progress	1,193	116
Other tangible fixed assets	3,427	4,825
Intangible assets	10,833	10,058
Software	5,953	6,717
Leased assets	331	291
Other intangible fixed assets	4,548	3,049
Prepaid pension cost	4,756	7,083
Customers' liabilities for acceptances and guarantees	14,522	14,961
Allowance for loan losses	△41,362	△36,690
Allowance for investment loss	△35	△9
Total assets	8,508,476	9,035,987

(Millions of yen)

	As of Mar.31,2014	As of Mar.31,2015
Liabilities		
Deposits	7,490,926	7,728,736
Current deposits	146,143	154,014
Ordinary deposits	4,350,601	4,584,733
Saving deposits	46,088	45,800
Deposits at notice	23,006	17,969
Time deposits	2,790,051	2,786,607
Other deposits	135,035	139,612
Negotiable certificates of deposit	13,430	15,945
Call money	71,839	44,324
Payables under securities lending transactions	105,996	143,395
Trading liabilities	141	160
Trading-related financial derivatives	141	160
Borrowed money	211,396	336,922
Borrowings from other banks	211,396	336,922
Foreign exchanges	353	551
Foreign bills sold	306	516
Foreign bills payable	47	35
Bonds payable	15,000	15,000
Bonds with subscription rights to shares	—	36,051
Borrowed money from trust account	19	13
Other liabilities	39,433	41,220
Domestic exchange settlement account, credit	203	120
Income taxes payable	6,756	5,097
Accrued expenses	7,085	6,816
Unearned revenue	2,513	2,513
Deposits received from employees	1,540	1,498
Variation margins of futures markets	0	—
Derivatives other than for trading – liabilities	6,699	8,991
Lease obligations	3,335	3,139
Other	11,299	13,042
Provision for directors' bonuses	48	59
Provision for retirement benefits	4,325	7,543
Provision for reimbursement of deposits	1,993	2,164
Provision for point card certificates	99	104
Provision for contingent loss	1,505	1,169
Deferred tax liabilities	18,893	51,169
Deferred tax liabilities for land revaluation	10,908	9,420
Acceptances and guarantees	14,522	14,961
Total liabilities	8,000,835	8,448,913
Net assets		
Capital stock	85,113	85,113
Capital surplus	58,574	58,574
Legal capital surplus	58,574	58,574
Retained earnings	290,841	296,107
Legal retained earnings	55,317	55,317
Other retained earnings	235,524	240,790
Reserve for advanced depreciation of non-current assets	408	810
General reserve	207,432	212,432
Retained earnings brought forward	27,684	27,547
Treasury shares	△21,699	△22,014
Total shareholders' equity	412,829	417,780
Valuation difference on available-for-sale securities	86,365	159,727
Deferred gains or losses on hedges	△2,072	△1,725
Revaluation reserve for land	10,404	11,144
Total valuation and translation adjustments	94,697	169,146
Subscription rights to shares	113	147
Total net assets	507,640	587,074
Total liabilities and net assets	8,508,476	9,035,987

2. Non-Consolidated Statements of Income

	(Millions of yen)	
	For FY2013 ended Mar.31,2014	For FY2014 ended Mar.31,2015
Ordinary income	138,551	133,415
Interest income	95,316	96,111
Interest on loans and discounts	69,718	67,922
Interest and dividends on securities	24,827	27,428
Interest on call loans	40	25
Interest on deposits with banks	346	287
Other interest income	383	447
Trust fees	25	26
Fees and commissions	21,251	22,994
Fees and commissions on domestic and foreign exchanges	6,294	6,264
Other fees and commissions	14,956	16,730
Trading income	412	586
Gains on trading account securities transactions	198	181
Income from trading-related financial derivatives transactions	213	405
Other ordinary income	7,784	5,218
Gains on foreign exchange transactions	836	967
Gains on sales of bonds	5,600	4,171
Gains on redemption of bonds	1,053	78
Income from derivatives other than for trading or hedging	294	—
Other	0	0
Other income	13,760	8,478
Recoveries of written off claims	2,277	2,462
Gain on sales of stocks and other securities	8,946	3,345
Other	2,536	2,670
Ordinary expenses	102,713	93,010
Interest expenses	4,715	5,062
Interest on deposits	2,582	2,392
Interest on negotiable certificates of deposit	4	6
Interest on call money	147	214
Interest on payables under securities lending transactions	278	271
Interest on borrowings and rediscounts	265	417
Interest on bonds	254	254
Interest on interest swaps	1,111	1,310
Other interest expenses	71	195
Fees and commissions payments	8,099	8,533
Fees and commissions on domestic and foreign exchanges	1,242	1,293
Other fees and commissions	6,856	7,239
Other ordinary expenses	6,215	2,263
Loss on sales of bonds	6,215	1,595
Expenses on derivatives other than for trading or hedging	—	668
General and administrative expenses	71,909	71,430
Other expenses	11,774	5,720
Provision of allowance for loan losses	4,771	1,099
Provision for contingent loss	156	—
Provision of allowance for investment loss	—	0
Provision for reimbursement of deposits	391	467
Provision for point card certificates	98	86
Written-off of loans	3,053	2,521
Losses on sales of stocks and other securities	1,458	534
Losses on devaluation of stocks and other securities	5	0
Other	1,838	1,011
Ordinary profit	<u>35,837</u>	<u>40,404</u>

(Millions of yen)

	For FY2013 ended Mar.31,2014	For FY2014 ended Mar.31,2015
Extraordinary income	6	108
Gain on disposal of non-current assets	6	108
Extraordinary losses	691	1,566
Loss on disposal of non-current assets	522	546
Impairment loss	169	1,020
Income before income taxes	35,153	38,945
Income taxes – current	11,090	11,154
Income taxes – deferred	1,990	3,875
Total income taxes	13,081	15,030
Net income	22,071	23,915

3. Non-Consolidated Statements of Changes in Net Assets

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 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		Retained earnings brought forward			
Reserve for advanced depreciation of non-current assets	General reserve				
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	—		
		△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

For FY2014 ended Mar.31,2015

(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
Cumulative effects of changes in accounting policies				
Restated balance	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 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	General reserve	Retained earnings brought forward			
408	207,432	27,684	290,841	△21,699	412,829
		△748	△748		△748
408	207,432	26,936	290,093	△21,699	412,080
		△6,622	△6,622		△6,622
		23,915	23,915		23,915
451		△451	—		
△48		48	—		
	5,000	△5,000	—		
				△11,842	△11,842
		△3	△3	20	16
		△11,508	△11,508	11,508	—
		232	232		232
402	5,000	611	6,014	△314	5,699
810	212,432	27,547	296,107	△22,014	417,780

(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		
86,365	△2,072	10,404	94,697	113	507,640
					△748
86,365	△2,072	10,404	94,697	113	506,892
					△6,622
					23,915
					△11,842
					16
					232
73,362	347	739	74,449	33	74,482
73,362	347	739	74,449	33	80,181
159,727	△1,725	11,144	169,146	147	587,074