Results briefing for the Fiscal Year Ended

March 31, 2016

東京TYFG

June 9, 2016

Tokyo TY Financial Group, Inc.

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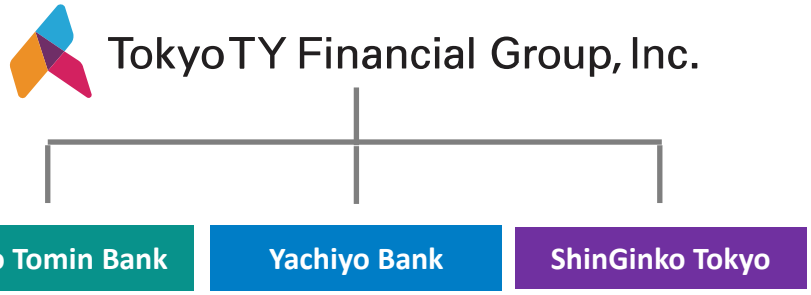
Company profile

Major Group companies



Company history

December 1924	Founded The Yachiyo Bank, Limited
December 1951	Established The Tokyo Tomin Bank, Limited
September 2000	Signed Memorandum of Understanding regarding consideration of a business cooperation
May 2001	Commenced free use of ATMs for each other's customers
June 2001	Commenced common mailing system between branches and head office - Sales of joint deposit products -
April 2004	Established ShinGinko Tokyo, Limited
From November 2011	Joint holding of business exhibitions by The Tokyo Tomin Bank, Limited and The Yachiyo Bank, Limited
October 2014	Business integration by The Tokyo Tomin Bank, Limited and The Yachiyo Bank, Limited Established Tokyo TY Financial Group, Inc.
September 2015	Final agreement regarding business integration between Tokyo TY Financial Group, Inc. and ShinGinko Tokyo, Limited Signed the Agreement on a Comprehensive Affiliation for Industrial Development in Tokyo with the Tokyo metropolitan government
December 2015	Resolved to proceed with concrete reviews and preparations for a three-bank merger by The Tokyo Tomin Bank, Limited, The Yachiyo Bank, Limited, and ShinGinko Tokyo, Limited around FY2017
April 2016	Business integration between Tokyo TY Financial Group, Inc. and ShinGinko Tokyo, Limited

Management philosophy

To be a financial group for small and medium-sized enterprise customers and individual customers in the Tokyo metropolitan area that will contribute to the development of local communities through comprehensive financial services.

Basic strategy

- As one of the largest regional financial institutions headquartered in Tokyo, we will establish a new business model and increase our competitive advantage in the urban-style regional banking market in the Tokyo metropolitan area.
- As a financial institution serving small and medium-sized enterprises and individuals, we will increase our level of community contribution by demonstrating our high-level financial service functions such as consulting and our function of providing stable financing.
- Against a backdrop of high profitability and soundness, we will work to increase the motivation of our bank employees, and take up the challenge of our growth strategies with a sense of unified purpose.

Vision aimed for

Become the urban regional bank group most favored by customers in the Tokyo metropolitan area.

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Profile of subsidiaries

■ Profile of subsidiaries

As of March 31, 2016

	The Tokyo Tomin Bank, Limited	The Yachiyo Bank, Limited	ShinGinko Tokyo, Limited
Establishment	December 12, 1951	December 6, 1924 (founding date)	April 1, 2004*
Head office location	2-3-11, Roppongi, Minato-ku, Tokyo	5-9-2 Shinjuku, Shinjuku-ku, Tokyo	1-21-1 Nishishinjuku, Shinjuku-ku, Tokyo
Capital	48,120 million yen	43,734 million yen	20,000 million yen
Total assets	2,791,960 million yen	2,324,249 million yen	459,169 million yen
Net assets	90,491 million yen	109,626 million yen	60,055 million yen
Number of employees	1,474	1,575	140
Number of branches (including sub-branches)	78	84	1

* The date that the Tokyo metropolitan government acquired all of the shares in BNP Paribas Private Bank Ltd. to establish ShinGinko Tokyo is given as the date on which ShinGinko Tokyo was established. The date on which it was established as a corporation was April 5, 1999.

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Summary of business results

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Summary of business results for the fiscal year ended March 31, 2016 (1) [Tokyo TYFG, two-bank total, and three-bank total]

■ Business performance

(¥ billion)

	Tokyo TYFG (Consolidated)				
	FY2014	FY2015	YoY	FY2015 plan	Achievement rate
Ordinary profit	11.8	14.4	2.6	12.9	111.6%
Profit attributable to owners of parent	57.2	9.4	(47.8)	8.5	110.5%

Results for Tokyo TYFG (consolidated)

○Recorded ordinary profit of 14.4 billion yen and profit attributable to owners of parent of 9.4 billion yen.

* As Tokyo TYFG was established in October 2014, the following items were included in the consolidated results of Tokyo TYFG for the previous fiscal year (FY2014).

- Consolidated results for Tokyo Tomin Bank, which is the acquiring company for accounting purposes, for the 12-month period from April 2014 to March 2015
- Consolidated results for Yachiyo Bank, which is the acquired company for accounting purposes, for the 6-month period from October 2014 to March 2015
- Non-consolidated results for Tokyo TYFG from October 2014 to March 2015
- Other adjustments from consolidated closing (gain on bargain purchase of 50.4 billion yen)

	Two-bank total (non-consolidated) for Tokyo Tomin Bank and Yachiyo Bank			Three-bank total (non-consolidated) for Tokyo Tomin Bank, Yachiyo Bank, and ShinGinko Tokyo		
	FY2014	FY2015	Change	FY2014	FY2015	Change
(1) Ordinary income	85.4	79.7	(5.7)	92.7	88.9	(3.8)
(2) Gross business profit	71.4	68.4	(3.0)	77.1	74.3	(2.8)
(3) Gross core business profit	68.4	66.2	(2.2)	73.7	72.4	(1.3)
(4) Net interest income	56.6	54.3	(2.3)	61.7	60.3	(1.4)
(5) Net fees and commissions	9.7	9.7	(0.0)	9.9	9.8	(0.1)
(6) Other business income	5.0	4.3	(0.7)	5.4	4.1	(1.3)
(7) Of which, gains (losses) on bonds, etc.	3.0	2.1	(0.9)	3.3	1.9	(1.4)
(8) Expenses	54.5	53.5	(1.0)	58.4	57.4	(1.0)
(11) Net core business income	13.9	12.7	(1.2)	15.3	14.9	(0.4)
(12) Transfer to reserve for general possible loan losses	(0.8)	(0.4)	0.4	(0.8)	(0.4)	0.4
(13) Net business income	17.7	15.3	(2.4)	19.5	17.4	(2.1)
(14) Non-recurring profit (loss)	(1.5)	(1.4)	0.1	(1.8)	0.1	1.9
(15) Of which, loss from write-off of non-performing loans	3.5	2.6	(0.9)	3.6	2.7	(0.9)
(16) Of which, gains (losses) on stocks and other securities	0.4	0.1	(0.3)	0.4	0.1	(0.3)
(17) Ordinary profit	16.1	13.9	(2.2)	17.7	17.6	(0.1)
(18) Extraordinary profit (loss)	(0.0)	0.2	0.2	(0.0)	0.2	0.2
(19) Income taxes	6.5	5.1	(1.4)	6.5	4.9	(1.6)
(20) Net income	9.5	9.0	(0.5)	11.0	12.9	1.9
Credit-related costs	1.1	1.9	0.8	0.8	0.3	(0.5)

Results for the three-bank total (non-consolidated)

○Gross core business profit fell 1.3 billion yen YoY to 72.4 billion yen as a result of a decrease in net interest income, etc. due in part to a decline in yields on interest-earning assets.

○Expenses decreased 1.0 billion yen YoY to 57.4 billion yen due to factors including a decline in deposit insurance premiums.

○Credit-related costs decreased 0.5 billion yen YoY due to business conditions at customers being relatively stable and the recording of a reversal of allowances at ShinGinko Tokyo. Credit costs remained low.

○Ordinary profit decreased 0.1 billion yen YoY to 17.6 billion yen, while net income increased 1.9 billion yen YoY to 12.9 billion yen due to factors including a decrease in income taxes.

*All figures less than 1 million yen have been rounded down in the amounts displayed above.

*Net fees and commissions include trust fees for a public works payment receivables trust from ShinGinko Tokyo, Limited.

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Summary of business results for the fiscal year ended March 31, 2016 (2) [individual banks]

Results for individual banks

- At Tokyo Tomin Bank and Yachiyo Bank, net interest income decreased due to continued low interest rate levels as a result of intensified loaning competition and monetary easing. While credit-related costs increased YoY, they remained at low levels.
- At ShinGinko Tokyo, net interest income increased due to factors including an increase in the loan balance, mainly for small and medium-sized enterprises. In credit-related costs, there was a large reversal due to factors including a decline in the uncollectible accounts rate and changes in the calculation method for the reserve for loan losses in order to standardize accounting standards accompanying business integration.

Business performance

(¥ billion)

	Tokyo Tomin Bank (non-consolidated)			Yachiyo Bank (non-consolidated)			ShinGinko Tokyo (non-consolidated)		
	FY2014	FY2015	Change	FY2014	FY2015	Change	FY2014	FY2015	Change
(1) Ordinary income	44.4	42.4	(2.0)	41.0	37.3	(3.7)	7.2	9.1	1.9
(2) Gross business profit	37.8	35.8	(2.0)	33.6	32.6	(1.0)	5.6	5.9	0.3
(3) Gross core business profit	37.2	35.2	(2.0)	31.2	30.9	(0.3)	5.2	6.1	0.9
(4) Net interest income	29.2	28.2	(1.0)	27.3	26.1	(1.2)	5.0	6.0	1.0
(5) Net fees and commissions	6.3	5.5	(0.8)	3.3	4.2	0.9	0.2	0.1	(0.1)
(6) Other business income	2.1	2.0	(0.1)	2.9	2.2	(0.7)	0.3	(0.2)	(0.5)
(7) Of which, gains (losses) on bonds, etc.	0.6	0.5	(0.1)	2.4	1.6	(0.8)	0.3	(0.2)	(0.5)
(8) Expenses	28.8	28.4	(0.4)	25.7	25.1	(0.6)	3.8	3.8	(0.0)
(11) Net core business income	8.3	6.8	(1.5)	5.5	5.8	0.3	1.3	2.2	0.9
(12) Transfer to reserve for general possible loan losses	(0.8)	(0.4)	0.4	-	-	-	-	-	-
(13) Net business income	9.8	7.8	(2.0)	7.9	7.4	(0.5)	1.7	2.0	0.3
(14) Non-recurring profit (loss)	(2.9)	(1.1)	1.8	1.4	(0.2)	(1.6)	(0.2)	1.6	1.8
(15) Of which, reversal of allowance for loan losses	-	-	-	1.4	0.2	(1.2)	0.5	1.2	0.7
(16) Of which, loss from write-off of non-performing loans	2.3	2.2	(0.1)	1.1	0.3	(0.8)	0.1	0.1	(0.0)
(17) Of which, gains (losses) on stocks and other securities	0.1	0.6	0.5	0.2	(0.4)	(0.6)	-	-	-
(18) Ordinary profit	6.8	6.7	(0.1)	9.3	7.1	(2.2)	1.5	3.7	2.2
(19) Extraordinary profit (loss)	(0.0)	0.1	0.1	(0.0)	0.0	0.0	-	(0.0)	(0.0)
(20) Income taxes	3.2	2.6	(0.6)	3.2	2.4	(0.8)	0.0	(0.2)	(0.2)
(21) Net income	3.4	4.2	0.8	6.0	4.7	(1.3)	1.5	3.9	2.4
Credit-related costs	1.5	1.8	0.3	(0.3)	0.1	0.4	(0.3)	(1.5)	(1.2)

*All figures less than 1 million yen have been rounded down in the amounts displayed above.

*ShinGinko Tokyo's net fees and commissions include trust fees for a public works payment receivables trust.

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Plan for the fiscal year ending March 31, 2017

■ FY2016 plan (Tokyo TYFG consolidated)

(¥ billion)

	FY2015 results	FY2016 plan
Ordinary profit	14.4	8.9
Profit attributable to owners of parent	9.4	25.1*

* The FY2016 plan includes the plan for ShinGinko Tokyo that became part of the Tokyo TYFG Group in April 2016.
In addition, the plan for profit attributable to owners of parent for FY2016 includes a gain on bargain purchase of 19.4 billion yen accompanying business integration with ShinGinko Tokyo.

FY2016 plan

○ With regard to the indicators targeted for FY2016 as announced on October 29, 2014 in "Tokyo TY Financial Group Business Plan," we have revised the plan to take into account the impact of changes in the internal and external environments such as negative interest rates and the business integration between Tokyo TYFG and ShinGinko Tokyo.

○ In the plan for FY2016, Tokyo TYFG projects ordinary profit of 8.9 billion yen and profit attributable to owners of parent of 25.1 billion yen, including a gain on bargain purchase of 19.4 billion yen accompanying business integration with ShinGinko Tokyo.

■ FY2016 plan (three-bank total and individual banks)

(¥ billion)

	Total for three banks			Tokyo Tomin Bank (non-consolidated)			Yachiyo Bank (non-consolidated)			ShinGinko Tokyo (non-consolidated)		
	FY2015 results	FY2016 plan	Change	FY2015 results	FY2016 plan	Change	FY2015 results	FY2016 plan	Change	FY2015 results	FY2016 plan	Change
Gross core business profit	72.4	71.6	(0.8)	35.2	36.3	1.1	30.9	30.2	(0.7)	6.1	5.0	(1.1)
Of which, net interest income	60.3	58.4	(1.9)	28.2	28.3	0.1	26.1	25.0	(1.1)	6.0	5.0	(1.0)
Expenses	57.4	57.5	0.1	28.4	28.1	(0.3)	25.1	25.2	0.1	3.8	4.1	0.3
Net core business income	14.9	14.1	(0.8)	6.8	8.1	1.3	5.8	5.0	(0.8)	2.2	0.8	(1.4)
Credit-related costs	0.3	4.0	3.7	1.8	2.5	0.7	0.1	1.3	1.2	(1.5)	0.2	1.7
Ordinary profit	17.6	11.0	(6.6)	6.7	5.0	(1.7)	7.1	5.1	(2.0)	3.7	0.8	(2.9)
Net income	12.9	7.9	(5.0)	4.2	3.5	(0.7)	4.7	3.6	(1.1)	3.9	0.7	(3.2)
Ordinary profit (consolidated)*	19.1	11.1	(8.0)	7.8	4.5	(3.3)	7.6	5.7	(1.9)	-	-	-
Profit attributable to owners of parent (consolidated)*	13.6	7.2	(6.4)	4.7	2.5	(2.2)	4.9	3.9	(1.0)	-	-	-

* The figures for the consolidated three-bank total are the total for Tokyo Tomin Bank and Yachiyo Bank on a consolidated basis, and ShinGinko Tokyo on a non-consolidated basis.

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Overview of profit plan

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Interest income

■ Status of interest income (three-bank total)

(¥ billion)

Account	Item	FY2014	FY2015	Change
Loan	Average balance	3,402.9	3,477.5	+74.6
	Yield	1.53	1.41	-0.12
	Interest	52.2	49.1	-3.1
Securities	Average balance	1,338.1	1,361.1	+23.0
	Yield	0.93	1.04	+0.11
	Interest and dividends	12.4	14.2	+1.8
Deposits	Average balance	4,660.0	4,728.1	+68.1
	Yield	0.06	0.06	±0
	Interest	3.2	3.0	-0.2

■ Measures to improve interest income

Secure loan yields by leveraging competitive advantages

○ While a decline in loan yields is expected as a result of the impact of negative interest rates, efforts will be made to leverage competitive advantages in order to scale down the amount of reduction by strengthening the consulting function through implementation of measures in affiliation with the Tokyo metropolitan government, etc.

Flexible management of securities

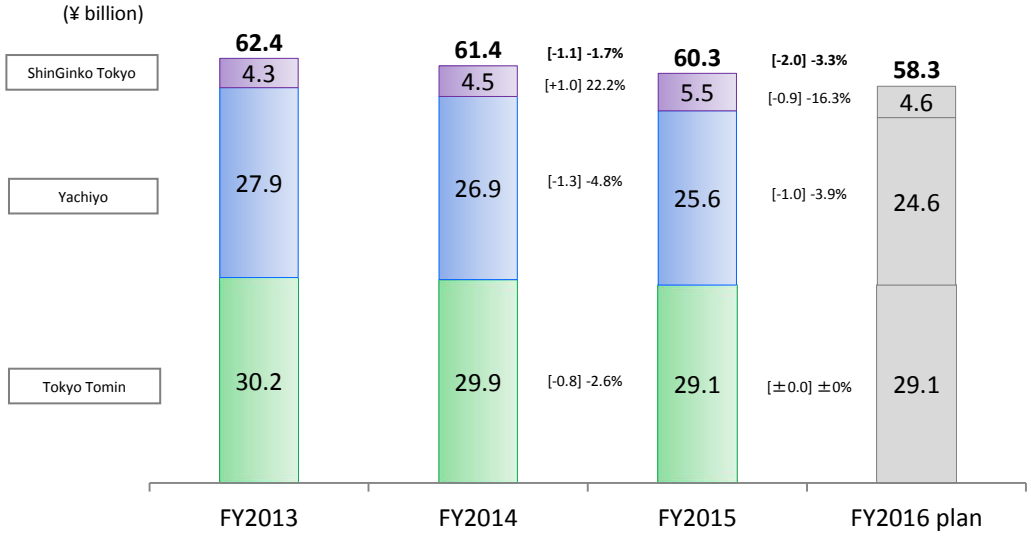
○ Secure yields through flexible asset management while keeping a close watch on interest rate trends.

Improve procurement costs (the deposit yield) through measures such as reviewing preferential interest rate products

○ Improve the deposit yield through means such as reviewing each preferential interest rate deposit product and the interest rate premiums on large time deposits, and reinforcing demand deposits.

■ Status of interest income (by bank)

(Figures within brackets are changes compared to end of the previous fiscal year; percentages are change rates)

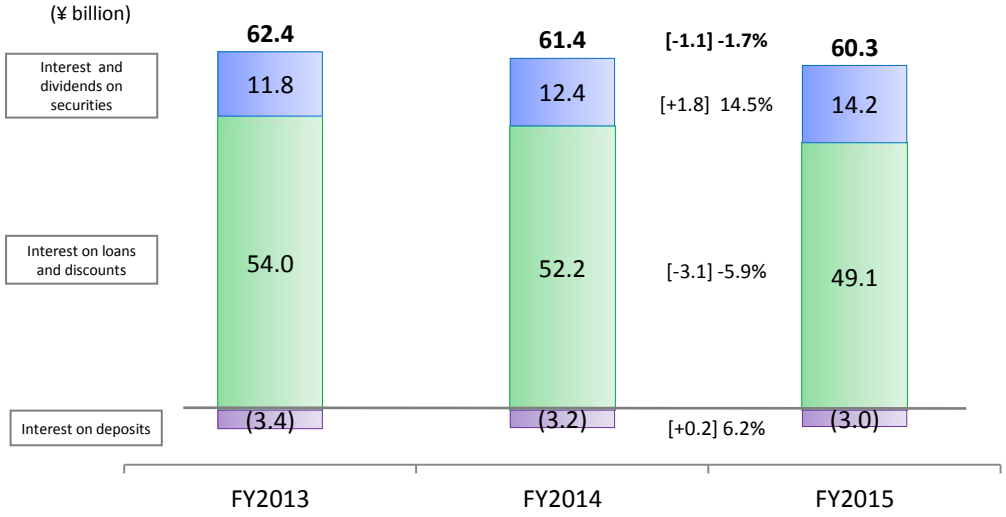


*1. Other interest income is excluded.

2. Interest on negotiable certificates of deposit is included.

■ Status of interest income (by account)

(Figures within brackets are changes compared to end of the previous fiscal year; percentages are change rates)



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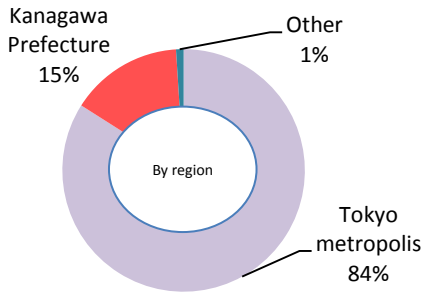
Loans

Loan balances

- In the total loans for the three banks, 78.8% were loans for small and medium-sized enterprises and individuals, while in the regional breakdown, Tokyo metropolis and Kanagawa Prefecture accounted for 99% of loans.
- The three-bank total deposit-loan ratio was 74.4%.
- Finance for small and medium-sized enterprises was enhanced through the opening of the Tokyo Tomin Bank Shinbashi Corporate Sales Division and the Yachiyo Bank Yokohama-Nishiguchi Branch, and the establishment of the ShinGinko Tokyo Corporate Consultation Headquarters.
- Enhanced lineup of financial products supporting small and medium-sized enterprises including “Jigyou no Chikara (Strength of Business)” and “Chizai no Chikara (Strength of Intellectual Property)” in cooperation with the Tokyo metropolitan government’s New Guaranteed Loan Program and the Tokyo Metropolitan Small and Medium Enterprise Support Center.

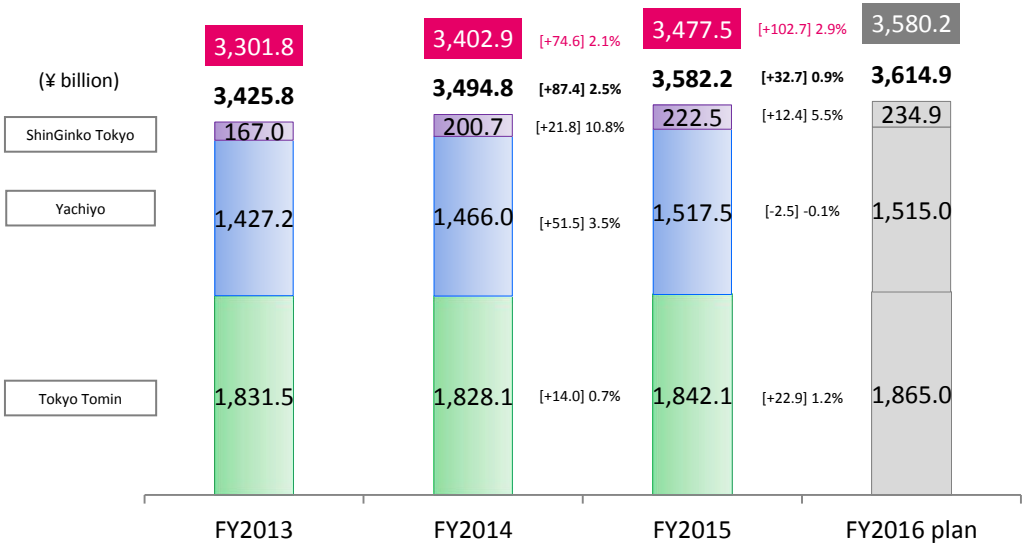
Composition of balance by region (three-bank total)

(As of end of March 31, 2016)



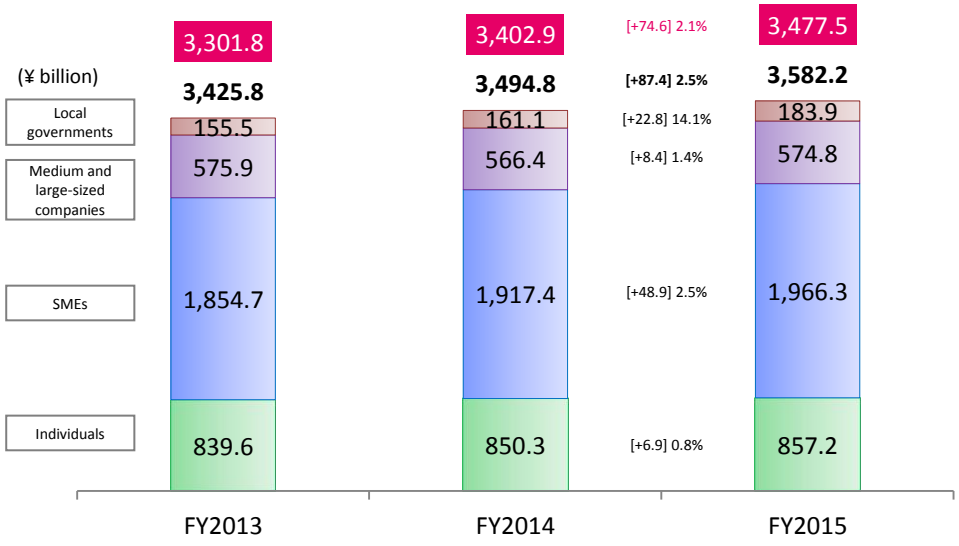
Loan balance by bank

(The numbers in white are average balances for the term; figures within brackets are changes compared to end of the previous fiscal year; percentages are change rates)



Loan balance by type of customer (three-bank total)

(The numbers in white are average balances for the term; figures within brackets are changes compared to end of the previous fiscal year)



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Loans by industry

Loan balance by industry

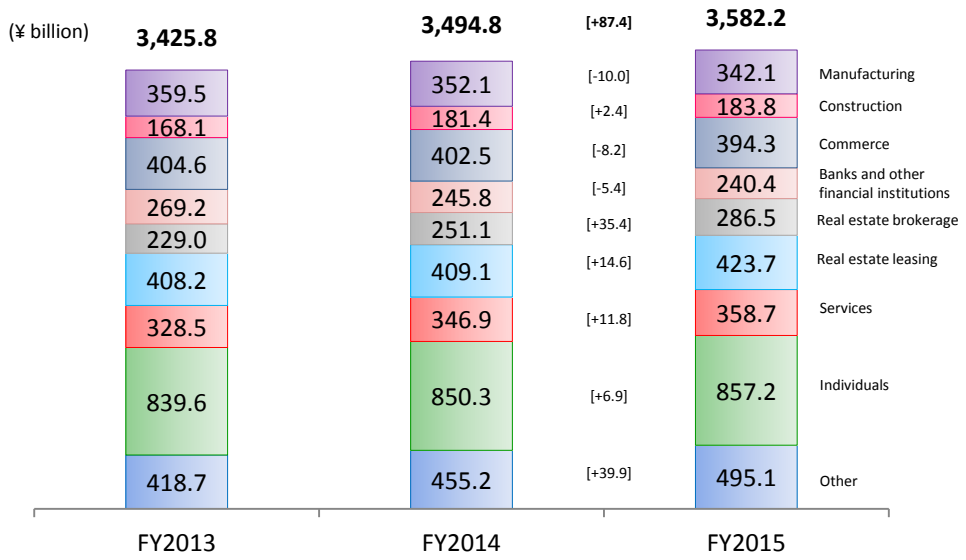
○ Industries are relatively diversified, and the balance of loans by industry is composed of a well-balanced portfolio.

Housing-related loans

○ Efforts were made to promote housing related loans at specialty offices of Tokyo Tomin Bank Loan Plaza (four locations) and Yachiyo Bank Loan Center (five locations) and increase total transactions with individuals through means such as work-site sales to the employees of customers by branches.

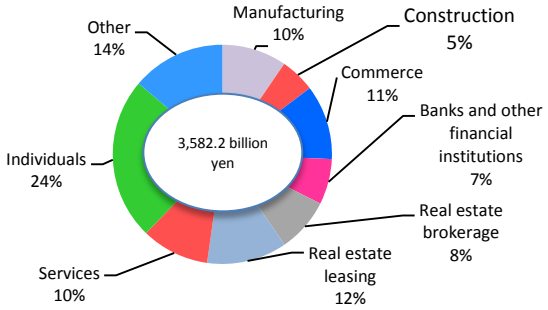
■ Loan balance by industry (three-bank total)

(Figures within brackets are changes compared to end of the previous fiscal year)



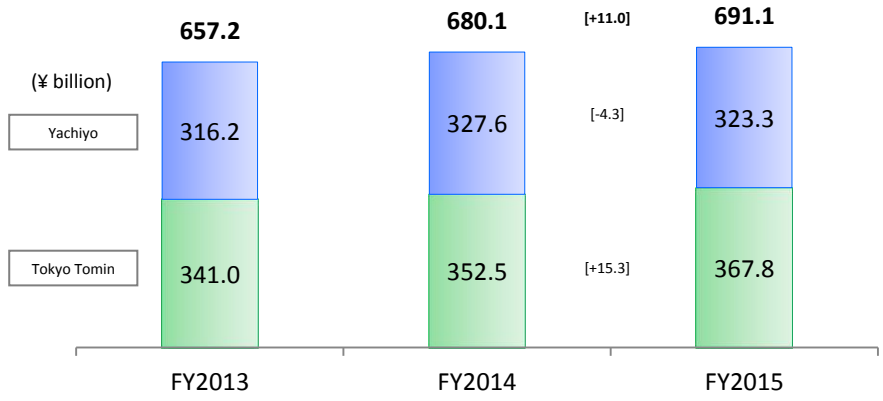
■ Composition of loans by industry (three-bank total)

(As of end of March 31, 2016)



■ Housing-related loans (Tokyo Tomin Bank and Yachiyo Bank)

(Figures within brackets are changes compared to end of the previous fiscal year)



*ShinGinko Tokyo does not handle housing-related loans.

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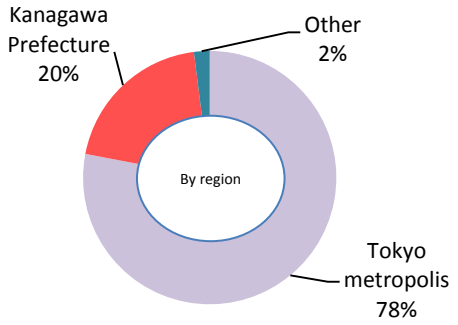
Deposits

Deposit balance

- ○ The deposit balance increased, particularly corporate demand deposits and public funds.
- ○ By region, Tokyo metropolis and Kanagawa Prefecture accounted for 98% of the balance.
- ○ Efforts made to increase balances and average balances by promoting the acquisition of corporate demand deposits as well as pension and salary payment accounts and by increasing personal deposits through the handling of deposit products in response to the needs of various generations.

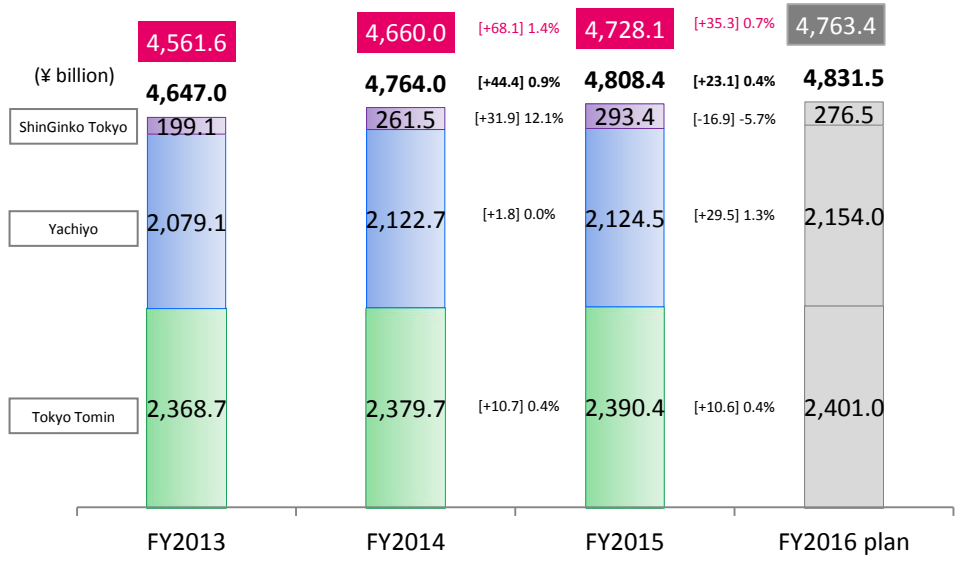
■Composition of deposit balance by region (three-bank total)

(As of March 31, 2016)



■ Deposit balance by bank

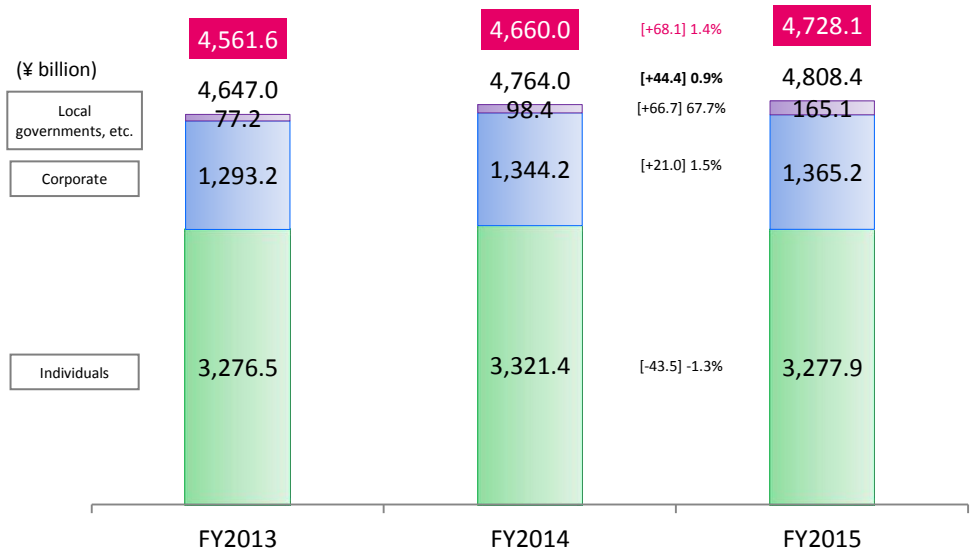
(The numbers in white are average balances for the term; figures within brackets are changes compared to end of the previous fiscal year; percentages are change rates)



* Negotiable certificates of deposit are not included.

■Deposit balance by client (three-bank total)

(The numbers in white are average balances for the term; figures within brackets are changes compared to end of the previous fiscal year; percentages are change rates)



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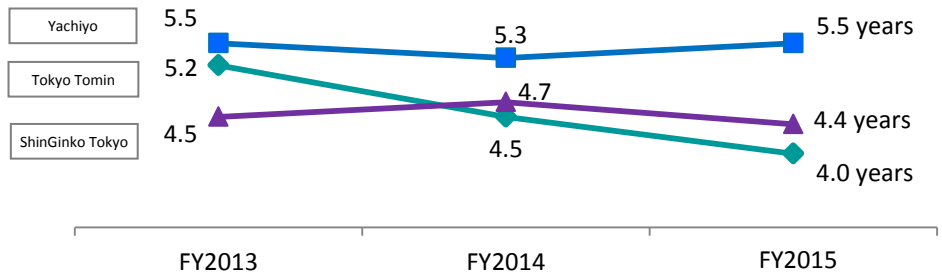
Securities

Securities balance

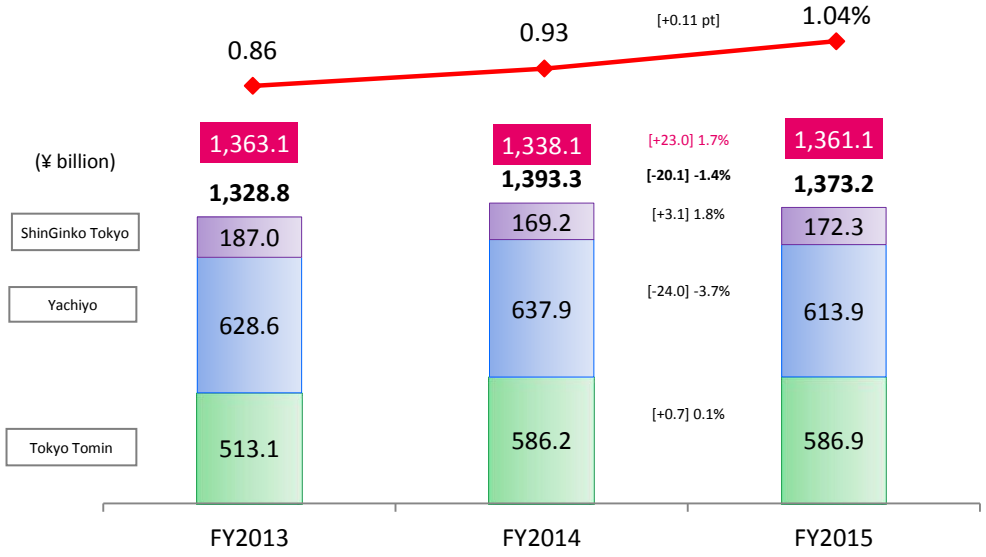
- While the balance decreased due to restraint in reinvestments in government bonds corresponding to redemption at Yachiyo Bank from the perspective of mitigating interest rate risk and securing yields, yields increased as a result of factors including efforts towards investment diversification.
- Within an environment of continued low interest rates, efforts will be made to thoroughly ensure management of investment volumes, the amount of risk, and duration as we keep a close watch on market trends while securing profits through flexible and diversified investments in instruments including US government bonds, corporate bonds, and investment trusts.

Duration



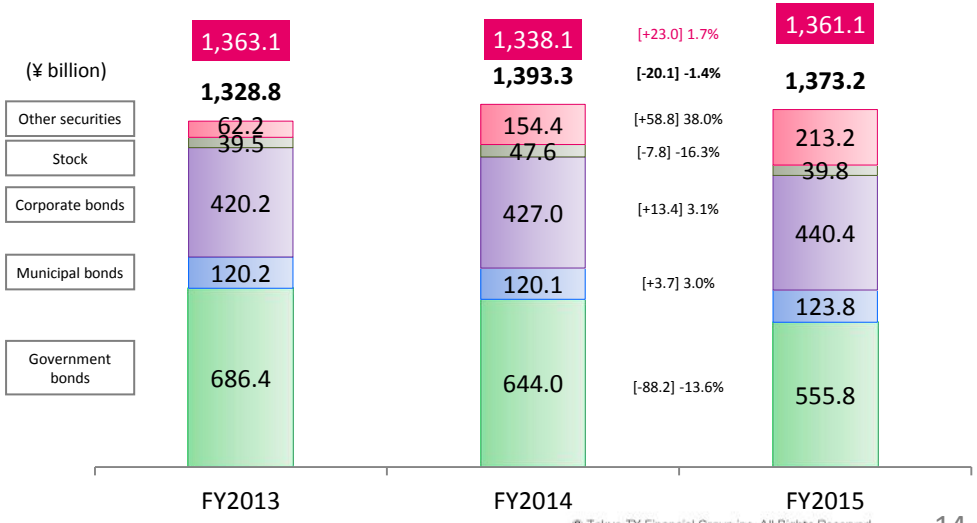
Securities balance and yields by bank (three-bank total)

(The numbers in white are average balances for the term; figures within brackets are changes compared to end of the previous fiscal year; percentages are change rates)



Securities balance by investment (three-bank total)

(The numbers in white are average balances for the term; figures within brackets are changes compared to end of the previous fiscal year; percentages are change rates)



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Yields

Loan yield

○ Loan yields continue to fall due to the fact that the impact on funding demand by SMEs remains limited, competition continues to intensify, and negative interest rates have been introduced.

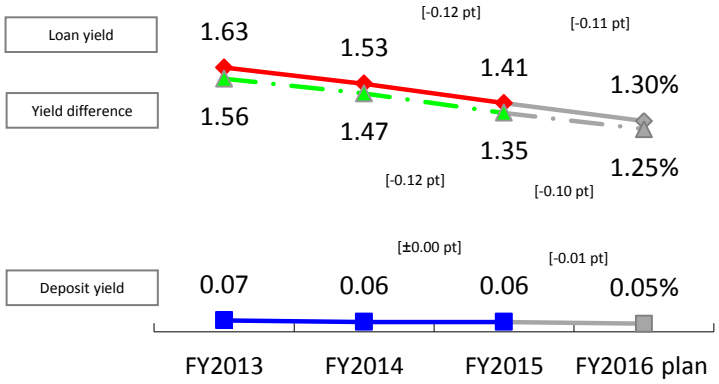
Measures to improve the loan yield

○ Through the promotion of financial platform service “Club TY” and joint measures with the Tokyo metropolitan government, work to provide high-value-added service and fine-tuned support, improve relationships of trust with clients, and leverage competitive advantages in order to scale down the amount of reduction in loan yields.

○ For FY2016, the loan yield is expected to drop by 0.11 points YoY to 1.30% for the three-bank total.

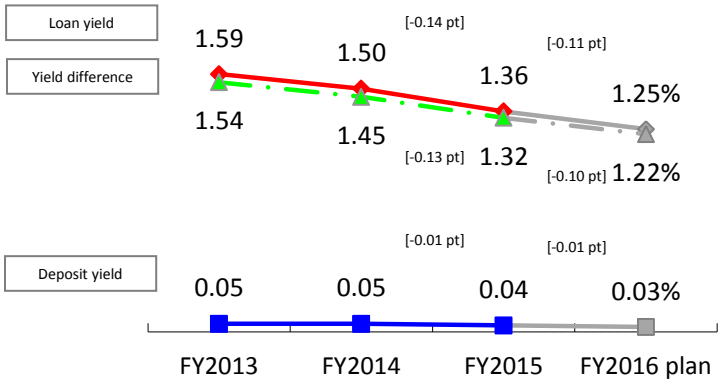
Yields (three-bank total)

(Figures within brackets are changes compared to end of the previous fiscal year)



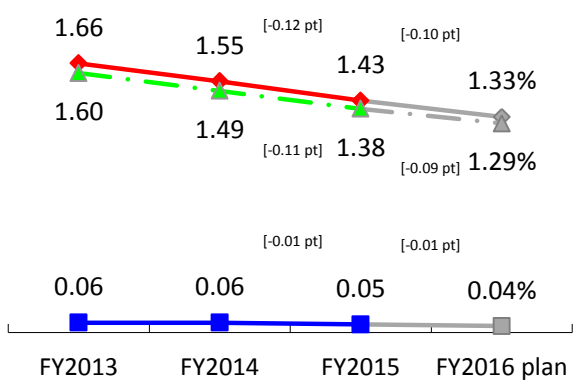
Yields (Tokyo Tomin)

(Figures within brackets are changes compared to end of the previous fiscal year)



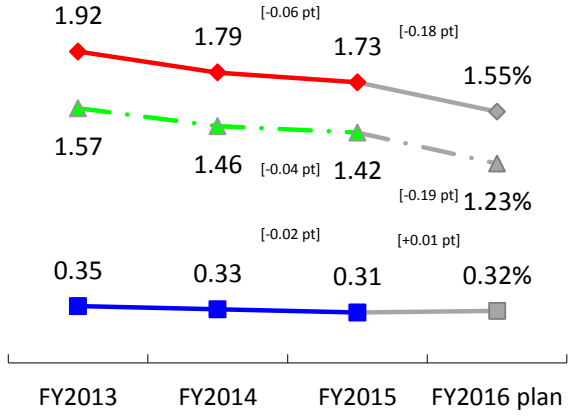
Yields (Yachiyo)

(Figures within brackets are changes compared to end of the previous fiscal year)



Yields (ShinGinko Tokyo)

(Figures within brackets are changes compared to end of the previous fiscal year)



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Assets under management

Status of assets under management (Tokyo Tomin Bank and Yachiyo Bank)

- ○ While the two banks focused on sales in assets under management through efforts including the sales of joint investment trust products by both banks and the implementation of joint training, the investment trust balance decreased 3.5 billion yen compared to end of the previous fiscal year in terms of the total for the two banks due to a decline in the base value of investment trusts.
- ○ The insurance balance grew 17.1 billion yen compared to end of the previous fiscal year in terms of the total for both banks, mostly for single-premium whole life insurance.
- ○ Commissions fell YoY in terms of the total for both banks, underpinned by an unstable investment environment.

Sales structure for financial products to individuals

<Tokyo Tomin Bank>

- Sales are conducted mainly by customer sales department personnel, sales department personnel responsible for individual customers outside the branches, and money consultants.
  In addition, asset management partners and asset management advisors are also stationed at each branch.

<Yachiyo Bank>

- An asset management manager and at least one asset management representative are assigned to each branch. Furthermore, area money advisors who conduct activities spanning multiple branches have been assigned since April 2015.

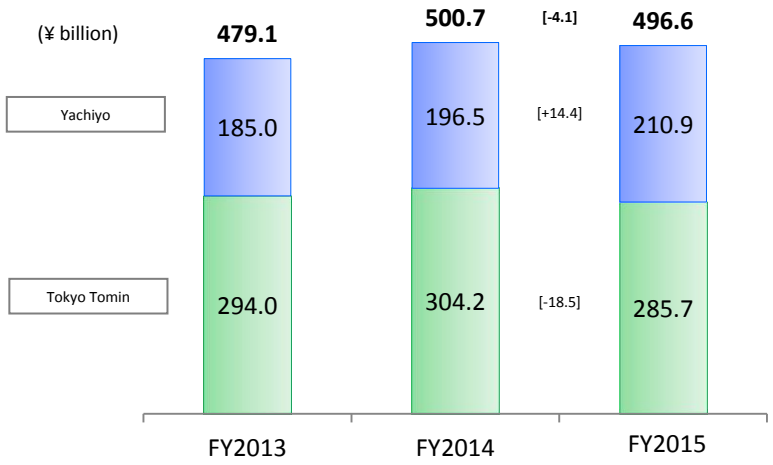
Commissions on assets under management by bank

(¥ billion)

		FY2013	FY2014	FY2015	YoY
Tokyo Tomin	Investment trusts	3.16	3.75	2.56	(1.19)
	Insurance	0.75	0.86	0.96	0.1
	Public bonds	0.02	0.02	0.01	(0.01)
	Total	3.93	4.63	3.53	(1.10)
Yachiyo	Investment trusts	0.81	1.24	1.32	0.08
	Insurance	0.30	0.48	0.73	0.25
	Public bonds	0.06	0.06	0.03	(0.03)
	Total	1.19	1.79	2.09	0.30

Balance of assets under management by bank

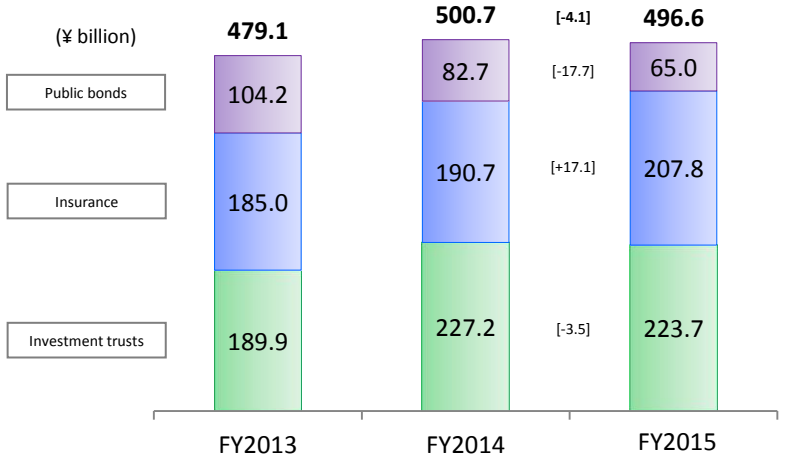
(Figures within brackets are changes compared to end of the previous fiscal year)



*ShinGinko Tokyo does not handle investment trusts, insurance, etc.

Balance of assets under management by item (two-bank total)

(Figures within brackets are changes compared to end of the previous fiscal year)



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Problem assets subject to disclosure under the Financial Reconstruction Law and credit-related costs

Amount and ratio of problem assets subject to disclosure under the Financial Reconstruction Law (in the case of partial direct write-offs)

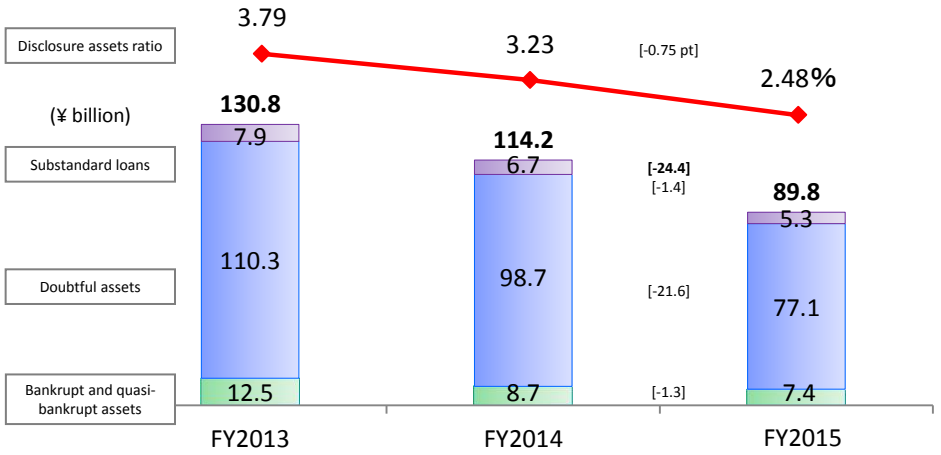
○ The disclosure assets amount fell by 24.4 billion yen compared to end of the previous fiscal year for the three-bank total, while disclosure assets ratio dropped by 0.75 points to improve to 2.48%.

Credit-related costs

○ Credit-related costs remained low due to factors including the fact that the business conditions of borrowers have been relatively stable and the focus placed on reconstruction support.

■ Amount and ratio of problem assets subject to disclosure under the Financial Reconstruction Law (three-bank total) [In the case of partial direct write-offs]

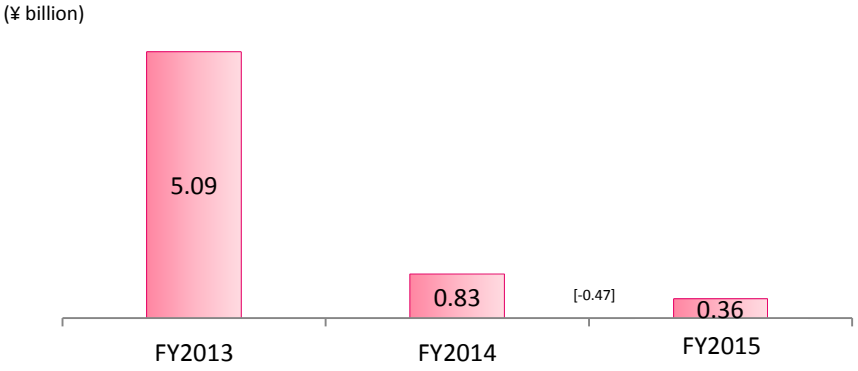
(Figures within brackets are changes compared to end of the previous fiscal year)



*While the three banks did not make any partial direct write-offs, this states the figures in the case of partial direct write-offs.

■ Credit-related costs (three-bank total)

(Figures within brackets are changes compared to end of the previous fiscal year)



■ Coverage status of problem assets subject to disclosure under the Financial Reconstruction Law (three-bank total) [Before partial direct write-offs]

(¥ billion)

	FY2015
Covered amount	**80.0**
Reserve for possible loan losses	**21.2**
Collateral, guarantees, etc.	**58.8**
Problem assets	**97.3**
Coverage ratio	**82.2%**

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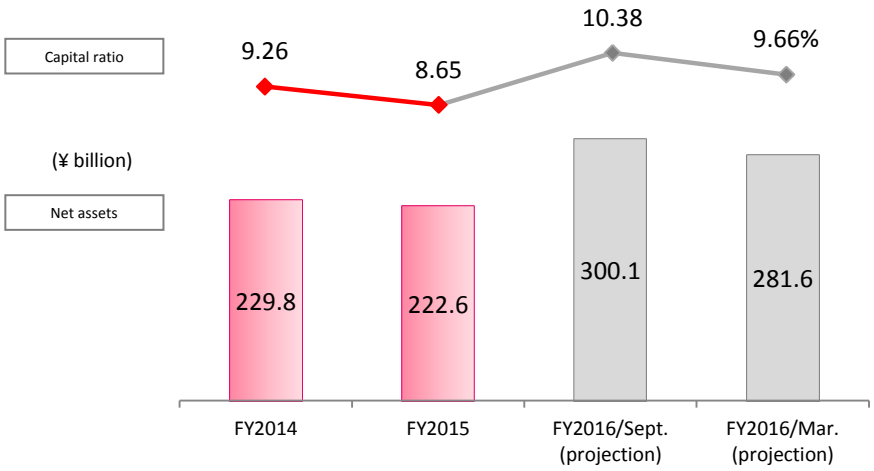
Capital ratio

Consolidated capital ratio (Tokyo TYFG)

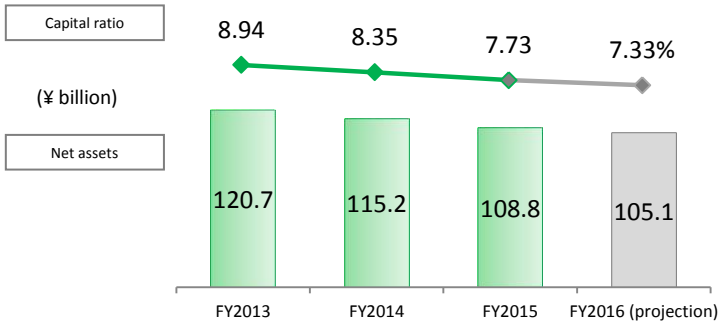


* Because Tokyo TYFG was established in October 2014, the results from FY2014 are displayed.
* Because ShinGinko Tokyo underwent business integration with Tokyo TYFG in April 2014, it is not included in the results for FY2014 and FY2015.

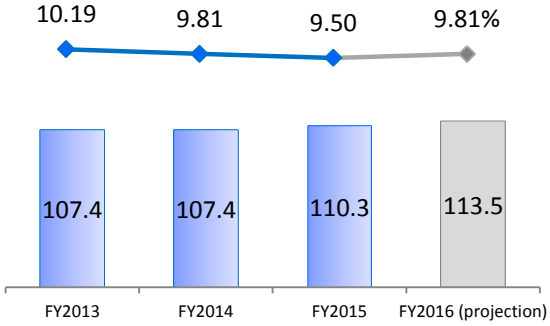
Tokyo TYFG's consolidated capital ratio

- Signed business and capital alliance contract with Sumitomo Mitsui Trust Bank, Limited on June 3, 2016.
- 15 billion yen of Type 1 preferred stock issued through a third-party allotment to Sumitomo Mitsui Trust Bank, Limited on June 24, 2016. The financing was appropriated through an investment in the subsidiary Tokyo Tomin Bank.
- In the first half of FY2016, the consolidated capital ratio is projected to increase to 10.38% with the addition of ShinGinko Tokyo to the scope of consolidation and the issuance of preferred stock.
- Tokyo TYFG's consolidated capital ratio for FY2016 is projected to be 9.66% due in part to redemption of subordinated loans and subordinated bonds at Tokyo Tomin Bank.

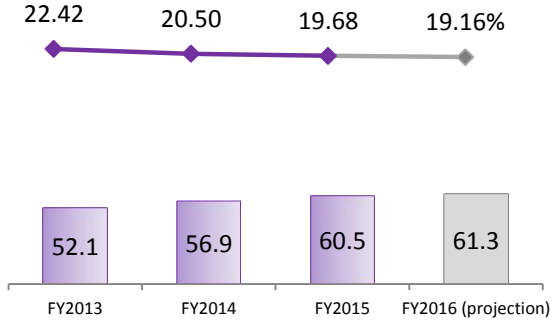
Consolidated capital ratio (Tokyo Tomin)



Consolidated capital ratio (Yachiyo)



Capital ratio (ShinGinko Tokyo non-consolidate)



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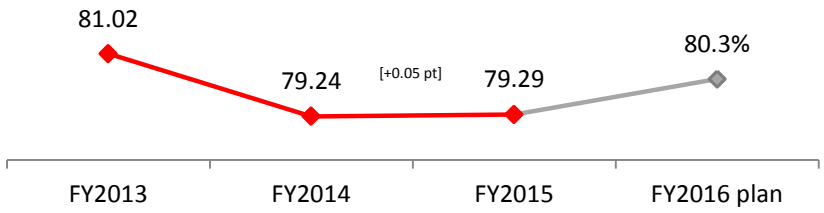
Core OHR/ROE

■ Core OHR (three-bank total)



Core OHR

- ○ Core OHR increased by 0.05 points compared to end of the previous fiscal year for the three-bank total to 79.29% due to a decrease in gross core business profit as a result of factors including a decline in yields on interest-earning assets, despite decreases in expenses.
- ○ 80.3% is projected for FY2016, as a decrease in core business gross profit is expected.

ROE (consolidated)

- ○ Three-bank total ROE (consolidated) improved to 5.24% thanks to an increase in net income on a three-bank basis.

<Core OHR for each bank>

	FY2013	FY2014	FY2015	FY2016 plan
Tokyo Tomin Bank	79.50%	77.45%	80.58%	77.4%
Yachiyo Bank	83.58%	82.33%	81.04%	83.3%
ShinGinko Tokyo	76.04%	73.59%	63.07%	82.2%
Three-bank total	81.02%	79.24%	79.29%	80.3%

$$\text{*Core OHR} = \frac{\text{Expenses}}{\text{Gross core business profit}} \times 100$$

■ ROE (consolidated)

	FY2013	FY2014	FY2015
Tokyo Tomin Bank	6.14%	4.89%	5.08%
Yachiyo Bank	5.96%	6.12%	4.53%
ShinGinko Tokyo	1.69%	2.79%	6.82%
Three-bank total	5.08%	4.95%	5.24%

$$\text{*ROE (consolidated)} = \frac{\text{Profit attributable to owners of parent}}{\text{(Net assets at the beginning of the period + net assets at the end of the period)} \div 2} \times 100$$

*The consolidated figures are calculated as the total for Tokyo Tomin Bank and Yachiyo Bank on a consolidated basis, and ShinGinko Tokyo on a non-consolidated basis.

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Overview of management strategy

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Direction of Tokyo TYFG's management strategy

Direction of the management strategy of the Tokyo TY Financial Group

○ Evolution from a banking business into a comprehensive financial services business

- In addition to traditional banking services such as deposits and loans, offer comprehensive proposals of all types of financial and related services including core business support (consulting), trusts, financial products, and leases.

○ Advisor with the spirit of closely listening to customers

- Being a partner with the spirit of always closely listening to SME and individual customers in the Tokyo area, and that customers consult with from the beginning
- Aim to be an "all-around supporter" for SMEs and a "day-to-day financial advisor" for individuals

○ Open group management

- As a regional financial institution group in the Tokyo area, work together with a large number of external partners (local government organizations, related organizations, economic organizations, financial institutions, various funds, specialists including lawyers and tax accountants, etc.) in an effort to maximize know-how and strength.

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Tokyo TYFG's business environment

○ Market potential of the Tokyo area is high, and there are myriad business opportunities considering the environmental changes assumed in the future.
○ SMEs are not satisfied with current banking services, so there is room for differentiation from other banks.

■ Market characteristics of the Tokyo area

Individuals

- Population of over 14 million
- Presence of many senior citizens due to the advance of population aging
- Large numbers of investors and wealthy people due to being the political and economic center

Corporate

- Over 260,000 SMEs
- Robust needs for overseas expansion
- Multitude of M&As, business startups, and closing businesses
- Abundance of specialized knowledge including lawyers, tax accountants, and accountants

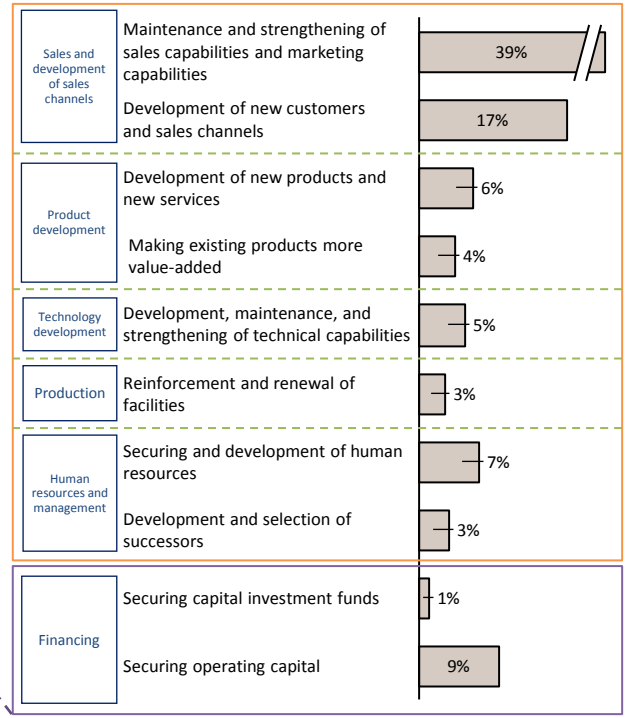
Environmental changes assumed in the future

- Expansion of peripheral funding demand through further urban and infrastructure development (example: holding of Olympics, linear motor trains)
- Increase in number of inbound customers through the promotion of tourism

■ Needs of customers (medium-sized companies and SMEs)

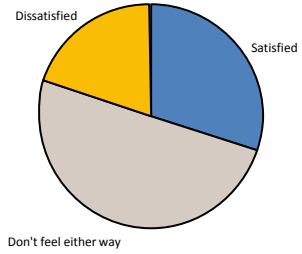
While medium-sized companies and SMEs have various management issues that go beyond financing, the level of attractiveness of services provided by banks is limited

[Management issues recognized by SME managers]

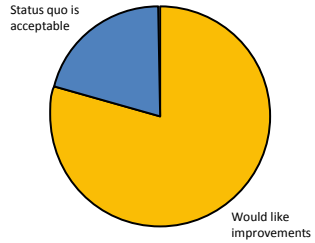


[Satisfaction towards support of financial institutions]

> Non-financial services



> Financial services



Source: Small and Medium Enterprise Agency

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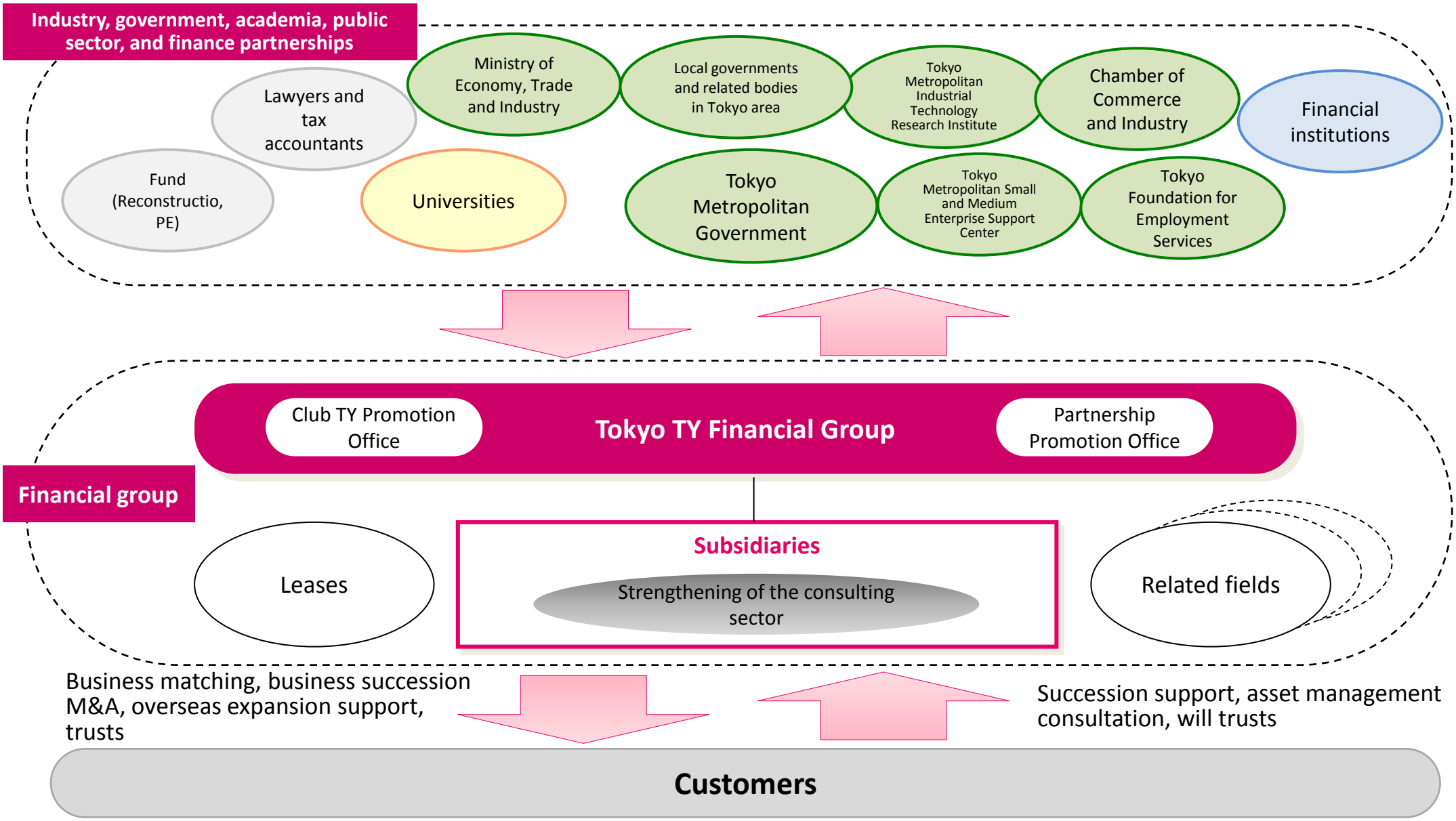
(Reference) “Open group management” to respond to increasingly advanced and diversifying management needs



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Overview of business plan and synergistic effects

■ Overview of business plan

Value returned to stakeholders

Strengthening of service as a financial partner

- ◆ Provide wide range of financial services not limited to finance when there are major changes in customers' life stages and life cycles, based on the business environment in the Tokyo area and the Group's characteristics
  - ➢ For SMEs : Support in devising business plans, business matching, consultation on business succession and M&As, etc.
  - ➢ For individuals : Consultation on asset investment, will trusts, reverse mortgages, etc.
- ◆ Offer the above services to customers with one-stop financial services (develop Club TY)
- ◆ Promote measures in affiliation with the Tokyo metropolitan government (Contrust, financing system, support for overseas expansion, referrals to city measures [guidance])

Strengthening profitability over the near term

- ◆ Thoroughly strengthen revenue capacity to become a financial group that has balanced appropriate risk management and stable revenue generation in this harsh economic environment
  - ➢ Strengthen existing services and expand revenue by augmenting sales structure and regional financial functions
  - ➢ Strengthen the business foundation and minimize costs by enhancing management efficiency
- ◆ Make further improvements in management efficiency in anticipation of merger
- ◆ Return revenue to stakeholders such as customers, shareholders, directors and employees, business partners and local community

Overview of business plan

○ Pursue Club TY, the one-stop service for SMEs and individuals to strengthen services as a financial partner and expand affiliated measures with the Tokyo metropolitan government (investment trust "Contrust," Tokyo metropolitan government financing system, etc.).

○ To strengthen revenue capacity in the near term, reduce the impact of negative interest rates by taking more risk in financing than previously and move ahead with measures to improve management efficiency in anticipation of merger.

Synergistic effects through business integration

○ About 0.42 billion yen in synergistic effects was posted in FY2015 as a result of collaborative financing and sharing expertise in financing in the real estate industry, as well as handling investment trusts exclusive to Tokyo TYFG.

○ We forecast 0.7 billion yen in FY2016 due to an increase in handling of Contrust investment trusts and financial systems in affiliation with the Tokyo metropolitan government, in addition to previous synergy measures. (Planned to be increased from the initial 0.5 billion yen.)

■ Progress with synergies achieved through business integration

			FY2015 results (year ended March 31, 2016)	FY2016 plan (year ending March 31, 2017)
Strengthening of service as a financial partner		Net interest income	**0.06** billion yen	**0.25** billion yen
		Net fees and commissions	**0.0** billion yen	-
Strengthening profitability over the near term	Enhancing the operational base	Net interest income	**0.07** billion yen	**0.1** billion yen
		Net fees and commissions	-	-
	Enhancing the regional finance function	Net interest income	**0.01** billion yen	-
		Net fees and commissions	**0.15** billion yen	**0.15** billion yen
	Improving management efficiency		**0.13** billion yen	**0.2** billion yen

Synergy **0.42** billion yen

Synergy plan **0.7** billion yen

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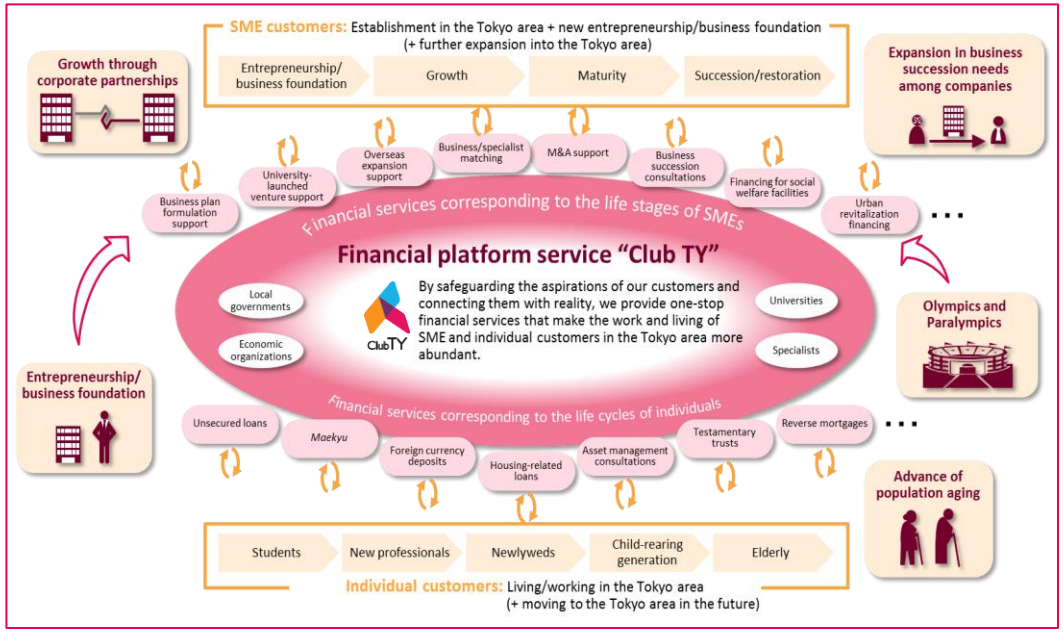
Strengthening of service as a financial partner

Provision of the financial platform service “Club TY”

■ What is “Club TY”?

Club TY is a financial service platform providing a wide range of one-stop financial services that corporate customers and individuals can use when needed through an affiliation between Tokyo Tomin Bank, Yachiyo Bank, and ShinGinko Tokyo.



Holding of TOKYO TY Business Interchange 2016 (May 27, 2016)

- Number of exhibiting companies: Booth exhibitors: 127 companies/groups
  Catalog exhibitors: 28 companies/groups
- Number of visitors: approximately 7,100

At the Tokyo International Forum

■ Results of Club TY operation for FY2015

Item		Reports	Contracts closed
Finance support		401	171
	Collaborative financing and financing referrals	14	12
	Foundation support	378	156
	Syndicated loans	9	3
Mainstay operations and consulting support		5,746	1,227
	Business matching	2,606	616
	Business succession and M&A	1,110	85
	Overseas, foreign exchange	405	116
	Inheritance-related	1,625	410
Support related to function utilization		2,832	1,152
	Real estate (referrals, efficient use)	1,205	267
	Maekyu	140	52
	Tokyo TY Lease	1,371	772
	Tomin Business Consulting Shanghai Co., Ltd.	16	1
	Tomin Computer System	100	60
Other		93	77
Total Results for April 2015 to March 2016		9,072	2,627
(Reference) Results for October 2014 (founding) to March 2015		3,923	962

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Strengthening of service as a financial partner

Provision of the financial platform service “Club TY”

■ Initiatives related to finance support

■ Initiatives that are difficult for individual banks to carry out on their own due to credit lines and regional constraints

- Utilize mutual customer referral framework and respond with collaborative financing and referrals
  (12 contracts closed, 5.7 billion yen in financing)

■ Foundation financing through the foundation support function the Shibuya Start-up Support Office

- Club TY coordinators in charge of offices respond with interviews and advice

■ Initiatives related to support for function utilization

■ Use of Tokyo Tomin Bank’s Maekyu

- Refer Yachiyo Bank customers to Tokyo Tomin Bank’s Maekyu service

■ Use of Tokyo TY Lease Co., Ltd., Tokyo Tomin Bank’s affiliate

- Yachiyo Bank previously referred lease issues to the former Tomin Lease Co., Ltd., but has strengthened its use as a result of the consolidation
  (101 contracts).

■ Use of Yachiyo Entrepreneur Support Program

- Tokyo Tomin Bank’s customers use the Yachiyo Entrepeneur Support Program at the Sagamihara Incubation Center, an incubation facility in Sagamihara

■ Initiatives related to support for mainstay operations and consulting

■ Strengthening business matching functions

- Club TY coordinators select promising information from the matching information from bank customers, and choose candidate companies.
- Beginning in January 2016, two business matching managers were assigned to the Club TY Promotion Office.
  (Number of contracts closed: 231 marketing mediation contracts and 385 business referral contracts)

■ Business matching projects

- Provide a forum for direct business negotiations with bank customers
  (Talks on business opportunities in the food sector and a practical lecture were held with 18 participating companies on August 26, 2015.)
  (Business talks were held with catalog gift companies on February 25 and March 2, 2016, with 54 companies participating.)
  (Business talks were held with retailers and importers/exporters of home appliances on March 15, 2016, with 14 companies participating.)
- Talks between companies in different industries
  (Cross-industry business talks held with customers at nine branches in Itabashi-ku, Kita-ku and Toshima-ku on March 8, 2016.)
- Club TY Booth at Tokyo International Industry Exhibition 2015 (November 18-20, 2015)
- Matching activities at Yachiyo Business Club gathering
  (Proposals made to 19 companies on February 29, 2016)

■ Business succession measures and M&As

- Over 1,100 projects handled at each bank based on branch requests and customer needs.
  (77 business continuity contracts closed, 8 M&A contracts closed)

■ Inheritance-related operations

- Over 1,600 projects handled at each bank for wealthy individuals, landowners and corporate managers, among others.
- Seminars on inheritance and individual consultations held
- Promote insurance sales through cross-selling and contracts for will trusts and inheritance arrangements, etc.

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Strengthen service as a financial partner

Expand scope of business by setting up offices specializing in corporate finance

- Establish 5 to 10 offices specializing in corporate finance by consolidation in important and/or open areas

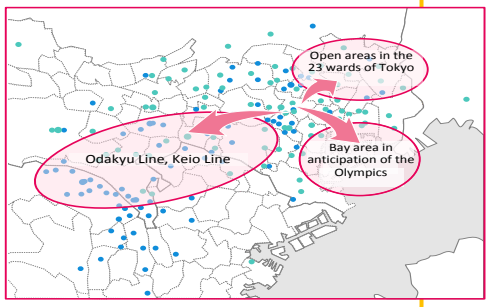
Formation and expansion of task force team

- Promote partnerships with external partners and the deployment of know-how and sales tools related to new initiatives to each branch
- Promote the effective use of customer needs
- Expand cooperative relationships with local governments, economic organizations, etc.

● Established offices specializing in corporate finance in open areas of the 23 wards of Tokyo, the bay area, and along the Odakyu Line and Keio Line

- Yachiyo Bank's Meguro Branch was moved to Shirokanedai, Minato-ku to increase sales strength in the Shinagawa and Tamachi area (September 2015)
- Tokyo Tomin Bank's Shinbashi Corporate Sales Division was opened to expand share of lending in the Shinbashi and Toranomon area (November 2015)
- Yachiyo Bank's Yokohama-Nishiguchi Branch was opened to expand the share of lending in the Yokohama area (April 2016)
- Yachiyo Bank's Hatchobori Branch was moved to establish a network of Group branches in Nihonbashi and Ginza (June 2016)

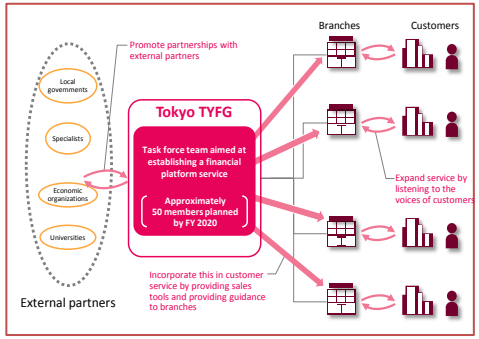
■ Important areas and open areas



● Establishment of the Club TY Support Team

- Launched in February 2015 with a 30-person system
- Club TY Promotion Office formed with a staff of four (January 2016)
- Shift to a 37-person system including the Promotion Office and coordinators (April 2016)
- Partnership Promotion Office established to promote affiliations with local governments (January 2016)
  Shift to 10-person system in April 2016

■ Relationship diagram of the Club TY Support Team



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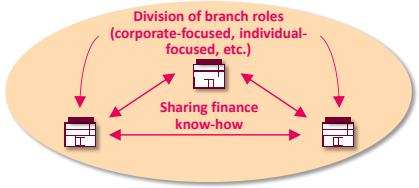
Strengthening profitability in the near term

Enhancing the operational base

◆ Maximize productivity by sharing sales know-how and optimizing the sales structure in each area



- Commence studies aimed at optimization of the sales structure by clarifying the division of branch roles (corporate-focused, individual-focused, etc.)
  - Start of trial run for model area holding collaborative gatherings, reciprocal visits, and seminars for customers in regions in which several Tokyo Tomin Bank and Yachiyo Bank branches are relatively close to each other
- The two banks jointly adopt investment trusts and life insurance products and share sales expertise in joint training and campaigns
- Use Yachiyo Bank's initiatives as a reference when Tokyo Tomin Bank introduces loan products to strengthen lending programs that involve risk-taking

Enhancing the regional finance function

◆ Enhance customer service by sharing the strengths of both banks

■ **Sharing the strengths of both banks**
Healthcare and social welfare, real estate-related finance, overseas expansion support, sales of financial products, etc.

- Appoint staff for short-term and medium- and long-term assignments between two banks
- Share strengths of both banks through joint training at each level
- Begin reciprocal dispatch of officers in sales division and credit division (from December 2015)
- Begin reciprocal assignments of branch managers to share initiatives at branches (from February 2016)
- Implementation of joint training, etc.
  - Implementation of joint training involving observation of local companies, etc. in Shanghai
  - Joint holding of seminars for business partners related to foreign exchange trends and conditions in Asia
- Begin handling new loan products utilizing the two banks' know-how, such as "Fudosan no Chikara (Strength of Real Estate) "and "Apartment Loans" (from June 2015)

Improving management efficiency

◆ Minimize costs by improving management efficiency

■ **Streamlining and consolidation of shared operations, etc.**
Improvements in the efficiency of headquarters, efficient stationing of branches, and the streamlining and integration of administrative expenses, etc.

- Improve the efficiency of the headquarters function
  - Staff at headquarters management division (two banks) March 2014 (592 staff) → March 2016 (489) down by 103 staff
- Efficient stationing of branches
  - Consolidate three Yachiyo Bank branches by using branch-within-branch approach
  - Overhaul Tokyo Tomin Bank's branch system (Shift two branches to individual retail branches) ("Hello Access" branches become Internet branches)
- Integration of the administrative centers
  - Aim for integration in FY2017
- Integration of subsystems

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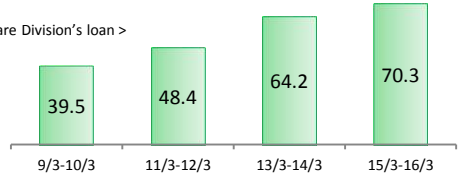
Strengthen profitability through efforts at three banks

Tokyo Tomin Bank

- Develop new business partners centered around the team dedicated to developing new corporate customers
  (Teams established at the Shinbashi Corporate Sales Division, Yokohama, Ikebukuro, Higashi Shinjuku, Shibuya, and Kinshicho branches)
  - Establish Shinbashi Corporate Sales Division in November 2015
  - FY2015 results for new corporate customers
    (1,132 customers; execution amount of 89.5 billion yen)
- Strengthen sales based on proposals meeting growing needs for business succession, M&A, and inheritance utilizing the Business Development Division
- Strengthen support for customers including medical corporations and social welfare service providers centered around the Medical and Welfare Division
  Affiliations with Tokyo metropolitan government has led to increase in information, while business integration has brought in more real estate information; capitalize on this information and maximize use of the know-how, brand name recognition and networks built up thus far to become a bank that attracts facility projects in the medical sector in the Tokyo metropolitan area

<Medical and Welfare Division's loan >
(¥ billions)



- Overseas business support for customers, primarily in Asia
  - Utilize Tomin Business Consulting Shanghai Co., Ltd., the only consulting affiliate of a regional bank
  - Form business affiliations with local banks in Asia, such as China, Thailand, India, and Vietnam
  - Dispatch human resources to local branches of Kasikorn Bank in Thailand

Yachiyo Bank

- Strengthen reclamation of offices by moving the Meguro Branch and opening the Yokohama-Nishiguchi Branch, as well as opening Corporate Business Offices
  (Sites for Corporate Business Offices: Head Office Business Division, Yoyogi, Ikebukuro, Shakujii, Fuchu, Kanda, Kawasaki, Sagamihara)
  - Target companies with over 300-500 million yen in annual turnover
  - Number of new corporate clients acquired in FY2015
    (2,398 companies, of which 481 at the Corporate Business Office)
- Foundation support
  - Support through the Shibuya Start-up Support Office
  - Partnerships with incubation facilities

Number of foundation support projects (FY2015)	
Foundation finance	116
Foundation subsidy application support	12
Support through the Shibuya Start-up Support Office	86
Incubation facilities partnerships	61
Information provision (seminars, etc.)	63
Total	338

- Partnerships with local governments, etc.
  - Entered "Memorandum Concerning Business Partnership and Cooperation"
    (May 2012 Toshima-ku, June 2012 Machida-shi, March 2014 Atsugi Chamber of Commerce and Industry)
  - Partnership with the Institute of Industrial Promotion-Kawasaki and the Sagamihara Industrial Promotion Foundation.
- Promotion of real estate-related finance
  - Actively support local customers that can be supported as the main bank or as a secondary bank
  - Strengthening consulting by taking maximum advantage of high levels of know-how related to real estate

ShinGinko Tokyo

- Corporate Consultation Headquarters
  - Consultations on management overall, not just financing, with advance appointments
    (Over 100 a month)

  <Examples of topics of consultations on management overall>
  - Revitalization, M&A
  - Business matching
  - Entry to overseas markets
  - Measures supporting SMEs by the Tokyo metropolitan government (information on subsidies, etc.)

Collaborate with SME groups, Tokyo metropolitan government-related groups and organizations supporting management innovation, among others, to provide optimal solutions

- "Contrust," a public construction cost credit trust
  - Using the trust license held by ShinGinko Tokyo, this product enables contractors taking on public works projects to raise money at low cost
  - This trust product is backed by the credit strength of the entity ordering the public works project, and thus response can be rapid.

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Affiliations with Tokyo metropolitan government and related organizations

■ Affiliations with Tokyo metropolitan government and related organizations

TOKYO METROPOLITAN GOVERNMENT 東京都

"Agreement on a Comprehensive Affiliation for Industrial Development in Tokyo " signed on September 25, 2015

- ○ Three banks began handling Tokyo metropolitan government's New Guaranteed Loan Program (with ORIX Corporation guarantee)
- ○ Three banks began handling Tokyo metropolitan government's Asset-based Lending (ABL) Program
- ○ Tokyo Tomin Bank and Yachiyo Bank began offering ShinGinko Tokyo's "Contrust," a public construction cost credit trust, as a customer referral operation
- ○ Three banks introduce initiative introducing measures of Tokyo metropolitan government and related organizations to customers

公益財団法人 東京都中小企業振興公社 Tokyo Metropolitan Small and Medium Enterprise Support Center

Management support overall

Memorandum on Business Affiliation and Collaboration signed on March 23, 2016

- ○ Three banks begin handling the Tokyo Metropolitan Small and Medium Enterprise Support Center's "Jigyou no Chikara (Strength of Business)"product for companies eligible for support through the Project Feasibility Evaluation Program and the "Chizai no Chikara (Strength of Intellectual Property)" product for companies eligible for support through the Program Supporting the Introduction of Intellectual Property Strategies
- ○ Work on forming new affiliations and collaborative projects in the fields of business succession, business foundation, and overseas expansion, among others

Affiliations

Affiliations

Views and desires of SMEs

Views and desires of SMEs

TokyoTY Financial Group, Inc.

Tokyo Tomin Bank | Yachiyo Bank | ShinGinko Tokyo

Views and desires of SMEs

Views and desires of SMEs

Affiliations

Affiliations

公益財団法人 東京しごと財団 Tokyo Foundation for Employment Services

Hiring and staffing support

Agreement on Hiring and Employment Support signed on April 18, 2016

- ○ Support with human resource matching for individual companies
  Began to handle Staffing Support Service and Corporate Information Disclosure Service
- ○ Joint holding of staffing seminars for SMEs
- ○ Plans to co-sponsor Tokyo JOB Festival, a joint corporate briefing

Information on support measures offered by Tokyo metropolitan government and other organizations

Views and desires of SMEs

地方独立行政法人 東京都立産業技術研究センター TOKYO METROPOLITAN INDUSTRIAL TECHNOLOGY RESEARCH INSTITUTE

Technical support

Agreement on Business Affiliation signed on May 27, 2016

- ○ Joint holding of seminars for SMEs
- ○ Address technical issues faced by corporate customers by affiliating with Tokyo Metropolitan Industrial Technology Research Institute
- ○ Proactive support for corporate customers' overseas expansion held jointly

SME customers

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Business tie-up with Sumitomo Mitsui Trust Bank

Business tie-up with Sumitomo Mitsui Trust Bank

- ○ Sumitomo Mitsui Trust Bank formed a business affiliation with Yachiyo Bank in March 2006
- ○ Tokyo TYFG and Tokyo Tomin Bank will also form business tie-ups with Sumitomo Mitsui Trust Bank, which has a different customer base and business base than these two banks
- ○ Aim to expand fee business and customer base by offering sophisticated financial services addressing diverse customer needs

Reciprocal cooperation through referrals and sales support

① Products and services for corporate customers

- ∇ Business matching operations
- ∇ Mortgage-backed loan operations
- ∇ Credit securitization operations
- ∇ Finance operations (syndicate loans, real estate non-recourse loans, project finance, PFI, etc.)
- ∇ Corporate revitalization business
- ∇ M&A and business succession consulting
- ∇ Overseas office business
- ∇ Lease operations

② Products and services for individuals

- ∇ Will trusts and inheritance arrangements
- ∇ Inheritance-related business
- ∇ Offering products contributing to asset management (investment trusts, deposits, trust products, etc.)
- ∇ Loan operations such as mortgage-backed loans
- ∇ Reciprocal removal of ATM fees

Maximize each other's strengths and provide sophisticated financial services that meet diverse needs of customers in Tokyo metropolitan area

Strengthening profitability + **Further expansion of business foundation**

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Tokyo TYFG after shifting to one-bank system

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Direction of Tokyo TYFG's growth strategy

○ In addition to the current two banks, ShinGinko Tokyo will also be consolidated. The three banks' management resources (people, physical assets, money, information) will be utilized as much as possible and competitiveness reinforced.
○ In anticipation of consolidation through merger of three banks, the banks will streamline and establish a low-cost, highly efficient system.

Management consolidation of three banks
Agreement on a Comprehensive Affiliation for Industrial Development signed with Tokyo metropolitan government

Management consolidation of two banks

Start of new stage after three-way merger to one bank

	Tokyo Tomin Bank	Yachiyo Bank	ShinGinko Tokyo	TokyoTY Financial Group, Inc.
Strengths	> Knowledge on loans for **medical and welfare sector** > Management support on issues such as **M&A and business revitalization** > Affiliation with Tokyo Chamber of Commerce and Industry	> Loans to **real estate sector** knowledge > **Community-oriented** marketing > Network with local governments such as Sagamihara-shi and Machida -shi	> Strong network with the **Tokyo metropolitan government** > **Trust functions** such as "Contrust " > Diverse staff and proprietary credit screening capacity	Close ties to Tokyo area: > Largest network of branches in Tokyo area, with **164 branches**; > Community-oriented support for customers in Tokyo area Support for medium-sized companies and SMEs: > **Network of** group's **customers**; > Knowledge of loans, particularly business characteristics specific to industry (medical, real estate, etc.); > Thorough business support addressing the concerns of midsize companies and SMEs (Overseas expansion, M&A, etc.)
Issues	> Non-personnel expenses ratio > Broader geographical range of customers	> Low loan-deposit ratio > High personnel expenses ratio	> Financing base (interest rate for financing) > Branch network	Shift to low-cost, highly efficient system: > Room for **drastic streamlining** of personnel and branches; > Room for streamlining under **one-bank system**, such as system consolidation

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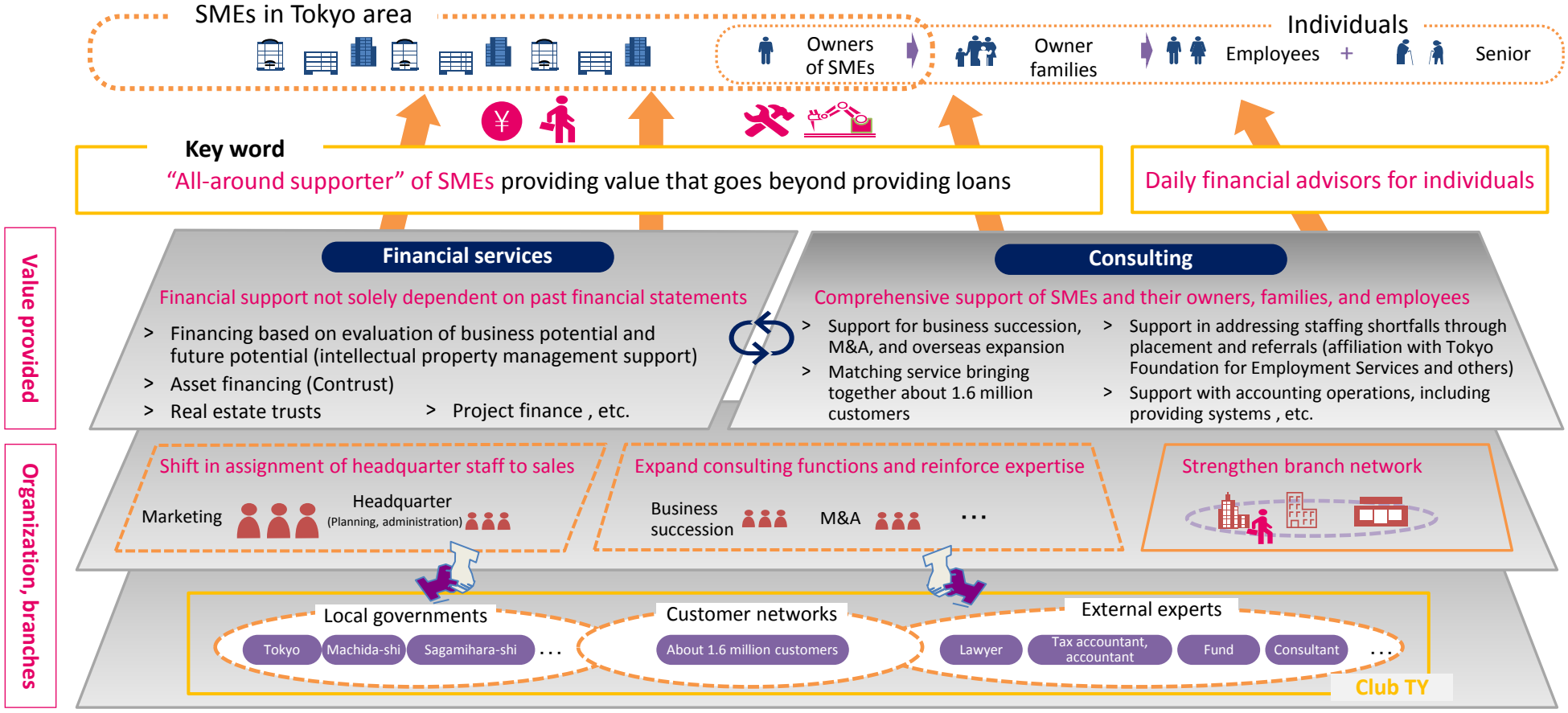
Tokyo TYFG's vision

○ Tokyo TYFG aims to expand a problem-solving business that is not simply based on providing loans and selling financial products to win the support of more customers as their main bank, thus becoming the "all-around supporter" of SMEs and a "daily financial advisor" for individuals.



Move from banking into comprehensive financial service contributing to development of local society

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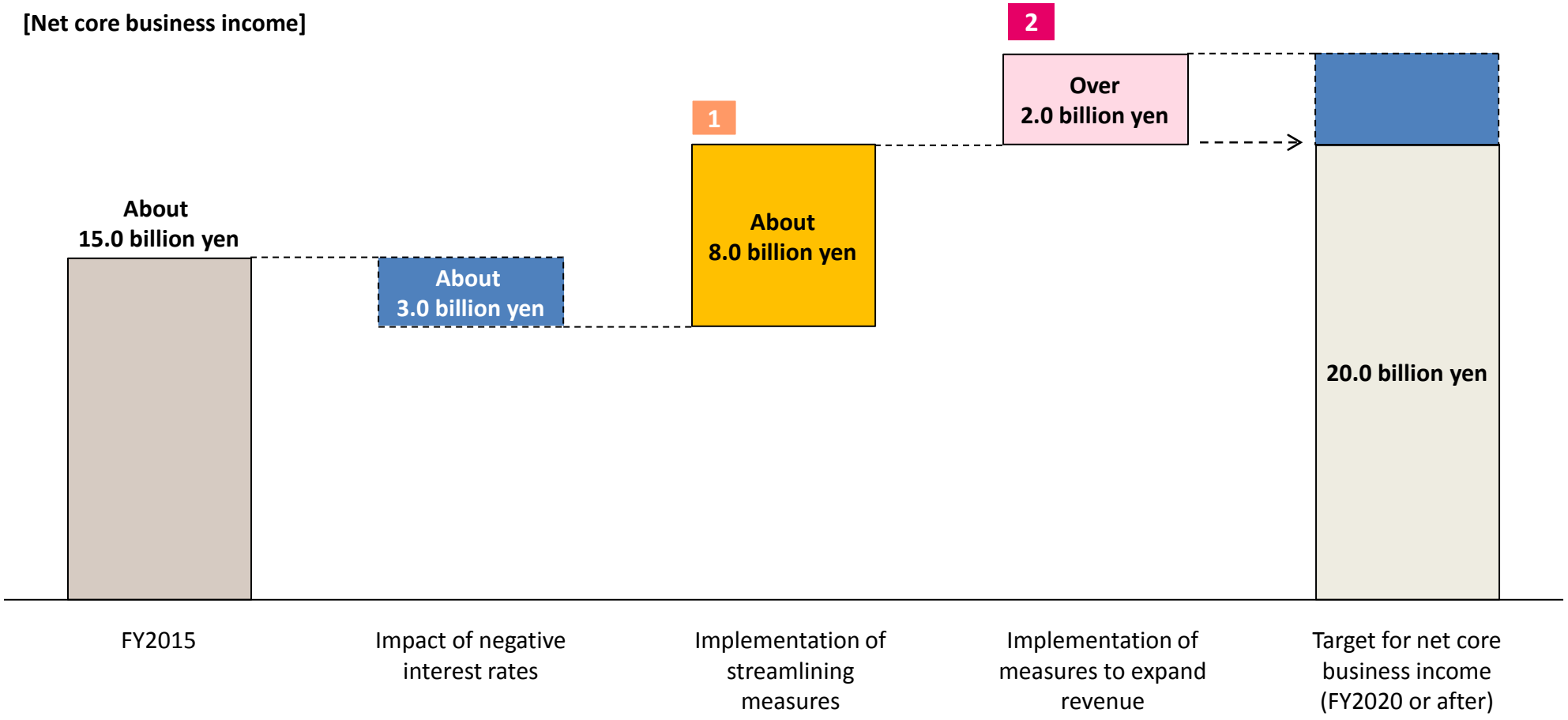
Target for net core business income

○ Although negative interest rates are putting downward pressure on revenue, we aim to achieve 20 billion yen in net core business income in FY2020 or as soon as possible thereafter by streamlining measures through the one-bank approach and measures to expand revenue
○ Aim to expand net core business income further by thoroughly implementing streamlining measures and measures to expand revenue to realize vision

[Net core business income]



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Direction of measures to achieve goal

○ Significantly reduce costs by thoroughly revising organization and operations and boldly moving forward with consolidation and integration
○ Expand revenue by maximizing use of strengths of ShinGinko Tokyo and affiliations with Tokyo metropolitan government and providing value unique to Tokyo area and three banks

1 Streamlining measures

Greater efficiency at headquarters	■ **Streamline headquarter staff** by consolidating headquarter functions at three banks ■ **Streamline number of officers**
Enhance efficiency of existing branches	■ Redevelop lightweight branch format for **30-40 branches**, tailored to conditions in region
System consolidation	■ Consolidate **account systems** and make significant cuts in running costs ■ Consolidate overlapping **sub-systems** according to account systems
Enhance administrative and other efficiencies	■ Consolidate administrative centers in urban area into one office (FY2017) ■ Consolidate administrative sub-contractors such as mailing services

Cut costs by about 8.0 billion yen by exhaustively pursuing rationalization

2 Measures to expand revenue

Cross-sell three banks' strengths	■ **Expand trust function, ShinGinko Tokyo's strength,** to all business regions ■ Utilize Contrust and new guaranteed loan program through **affiliation with Tokyo metropolitan government** ■ Share Tokyo Tomin Bank's loan knowledge in **medical sector** and Yachiyo Bank's loan knowledge in **real estate sector**
Problem-solving support at the customer's individual level (becoming their main bank)	■ **Expand financing opportunities through new credit scheme** (Business potential evaluation financing through intellectual property management support, etc.) ■ **Expand presence** by offering effective solutions to **resolve management issues** (Provide matching services, support staffing shortfalls through placement and referral services, etc.) ■ Increase in **advisory fees** by **strengthening consulting functions** (Business succession, M&A, overseas expansion support, etc.)
Move into new branch networks	■ Provide **new branch networks** based on customers' expectations for banks and changes in lifestyles and the business environment (Establish branches with distinct functions, shift to branch-based management to management by area, etc.) ■ **Shift bank staff to new offices and functions**, including branches with distinct functions

Expand revenue by more than 2.0 billion yen through new measures unique to Tokyo area and the three banks

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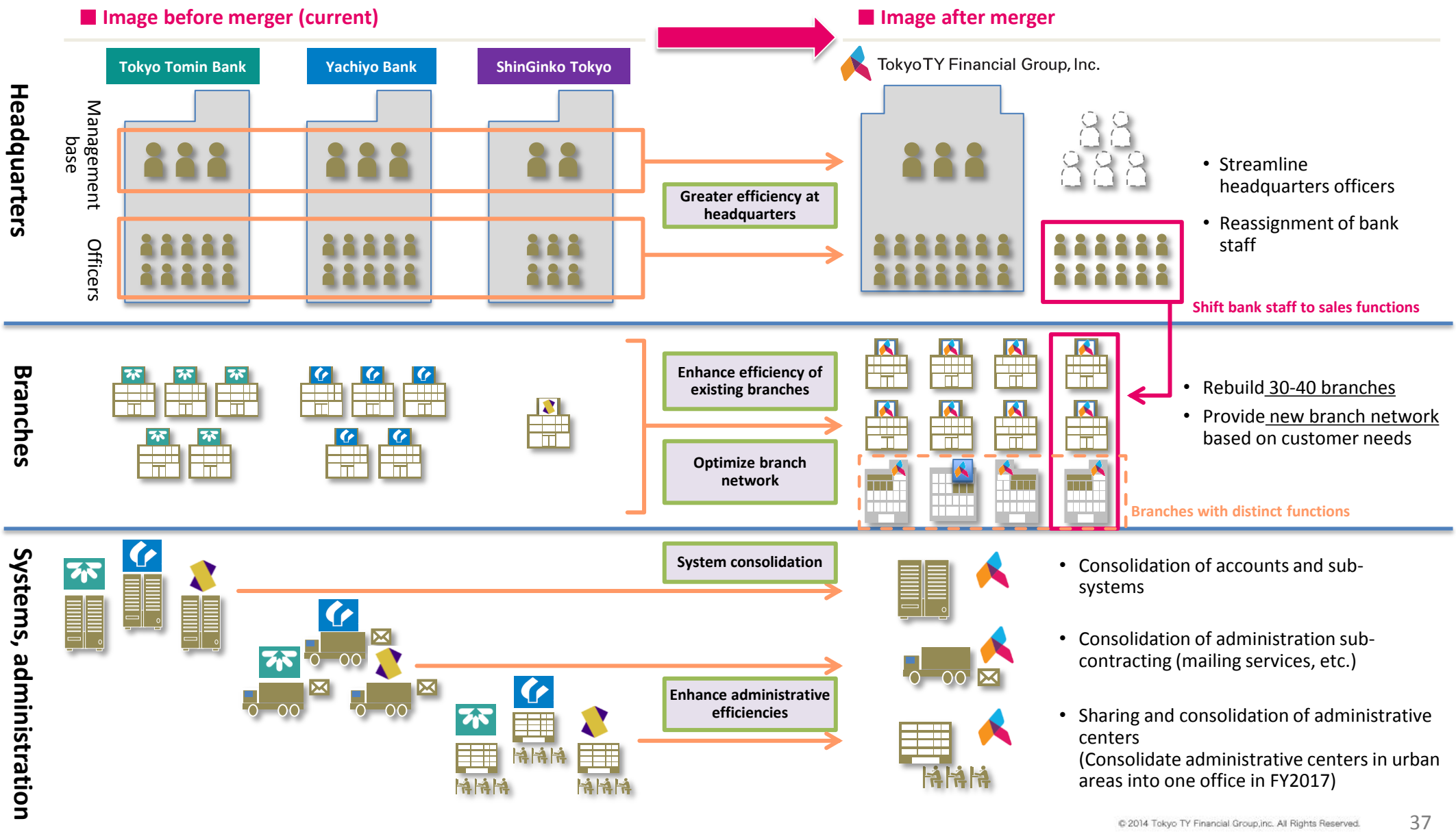
Direction of streamlining



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CSR initiatives

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CSR initiatives

Stance of the Tokyo TY Financial Group towards CSR

The Tokyo TY Financial Group that aims to be the No. 1 urban regional bank views the implementation of CSR management and contributing to the formation of sustainable local communities to be an essential management issue. Based on the management policy of "the development of local communities through the provision of integrated services as a financial group for SMEs and individuals in the Tokyo metropolitan area," we have established the three action guidelines of "contributing to the regional economy," "contributing to local communities," and "initiatives towards environmental issues," and we will actively engage in CSR activities.

■ Contributing to the regional economy

The Tokyo TY Financial Group supports people in the local community through financial services and implements various measures by leveraging its consulting function as it supports the revitalization of the regional economy so that people in local communities can realize their dreams.

◆◆◆ **Holding of TOKYO TY Business Interchange 2016**

The TOKYO TY Business Interchange 2016 was jointly held by the three banks in May 2016. It enabled extensive matching among the 7,100 visitors and 155 participating companies.

◆◆ **Business succession, management consultation, etc.**

◆◆ **Facilitating financing and supporting the revitalization of the local community**

etc.

■ Contributing to local communities

The Tokyo TY Financial Group will work to improve convenience and safety through the provision of high-quality service while contributing to local communities through various community-based initiatives in order to carry the aspirations of people in the community into the next generation and develop together.

◆◆ **Acquisition of certification as supporter of dementia**

In response to the advance of population aging, Tokyo Tomin Bank and Yachiyo Bank have implemented measures for the acquisition of certification as supporter of dementia in order to contribute to the building of local communities.

◆◆ **Cooperation with blood donation activities**

Tokyo Tomin Bank and Yachiyo Bank's main branches cooperated with the Japanese Red Cross's Tokyo Metropolitan Blood Center.

◆ **Initiatives aimed at juvenile and youth development in cooperation with FC Tokyo, a J. League team**

◆ **Support for the Japan Football Association's Dream Class program**

etc.

■ Initiatives towards environmental issues

The Tokyo TY Financial Group will implement various initiatives to protect the environment through local environmental conservation activities and financial services in order to leave behind an environment that allows for the safe and secure living of everyone in the community including the children that will lead the next generation.

◆◆ **Participation in tree-planting event and local clean-up activities**

We participated in environmental conservation through tree-planting activities on the site planned for the Umi-no-Mori (Sea Forest) Park built in October 2015 by the Tokyo metropolitan government and also carried out the Tamagawa clean-up in May 2015.

◆◆ **Cooperation with the "Creation of Low-Pollen Forests Fundraising" program**

etc.

Formation of sustainable local communities

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Thank you for attending this presentation today.

■ Please direct any comments or questions about these briefing materials or other IR topics to the IR officer below.

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