

May 13, 2016

Consolidated Financial Report
for the Fiscal Year Ended March 31, 2016
<Under Japanese GAAP>

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Date of Ordinary General Meeting of Shareholders: June 29, 2016

Date of submission of annual security report: June 29, 2016

Date to start dividend payment: June 13, 2016

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation meeting: Yes

(for institutional investors and securities analysts)

Note: Figures have been rounded down to the nearest million yen.

1. Consolidated Operating Performance for the Fiscal Year Ended March 31, 2016
(From April 1, 2015 to March 31, 2016)

(1) Results in consolidated operations

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Fiscal year ended March 31, 2016	79,583	22.3	14,453	22.3	9,412	(83.5)
Fiscal year ended March 31, 2015	65,043	–	11,809	–	57,290	–

(Note) Comprehensive income:

Fiscal year ended March 31, 2016: ¥2,390 million (96.6 %) Fiscal year ended March 31, 2015: ¥70,500 million – %

	Profit attributable to owners of parent per share (¥)	Profit attributable to owners of parent per share (Diluted) (¥)	Net income to net assets (%)	Ordinary profit to total assets (%)	Ordinary profit to ordinary income (%)
Fiscal year ended March 31, 2016	323.84	311.89	4.6	0.2	18.1
Fiscal year ended March 31, 2015	2,638.39	2,561.38	28.3	0.2	18.1

(Reference) Gain on equity-method investments:

Fiscal year ended March 31, 2016: ¥189 million Fiscal year ended March 31, 2015: ¥202 million

(Note)

1: “Profit attributable to owners of parent” and “Comprehensive income” include gain on bargain purchase of ¥50,476 million.

2: As the Company was established on October 1, 2014, percentage changes from the fiscal year ended March 31, 2015 are not provided.

(2) Consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)	Net assets per share (¥)
As of March 31, 2016	5,112,540	203,216	3.9	6,982.00
As of March 31, 2015	4,943,828	202,580	4.0	6,959.92

(Reference) Equity: As of March 31, 2016: ¥202,882 million As of March 31, 2015: ¥ 202,334 million
(Note)

“Equity” consists of subscription rights to shares at the end of the fiscal year and non-controlling interests at the end of the period subtracted from net assets, and the “Net assets to total assets ratio” is calculated by dividing equity by total assets at the end of the fiscal year. Note that this “Net assets to total assets ratio” is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification.

(3) Consolidated cash flows

	Cash flow from operating activities (¥ million)	Cash flow from investing activities (¥ million)	Cash flow from financing activities (¥ million)	Cash and cash equivalents at year-end (¥ million)
Fiscal year ended March 31, 2016	105,708	12,757	(11,794)	393,056
Fiscal year ended March 31, 2015	156,901	(93,299)	(12,066)	286,385

2. Dividends

	Annual dividend per share (¥)					Total dividends (full year) (¥ million)	Payout ratio (consolidated) (%)	Dividends ratio to shareholders' equity (consolidated) (%)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
Fiscal year ended March 31, 2015	–	–	–	30.00	30.00	872	1.1	0.4
ended March 31, 2016	–	30.00	–	30.00	60.00	1,743	18.5	0.8
ending March 31, 2017 (Forecast)	–	30.00	–	30.00	60.00		7.2	

(Note)

As the Company was established on October 1, 2014, the interim dividend for the fiscal year ended March 31, 2015 was not paid by the Company.

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2017 (From April 1, 2016 to March 31, 2017)

(Percentages represent increases or decreases from the previous year for the full-year results and from the same quarter in the previous year for quarterly results.)

	Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)
Second-quarter period (cumulative)	3,900	(41.7)	21,700	353.0	711.93
Full year	8,900	(38.4)	25,100	166.6	823.48

(Note)

“Profit attributable to owners of parent” for the second-quarter period (cumulative) and full year include gain on bargain purchase of ¥19,443 million.

* Notes

(1) Changes in significant subsidiaries during the current period (Changes in specified subsidiaries resulting in change in scope of consolidation): None

New subsidiaries: ____ (name of company(ies))

Excluded subsidiaries: ____ (name of company(ies))

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement of prior period financial statements after error corrections: None

(3) Number of shares issued (common stock)

a. Total number of shares issued at the end of the period (including treasury stock)

March 31, 2016 29,227,826 shares

March 31, 2015 29,227,826 shares

b. Number of treasury stock at the end of the period

March 31, 2016 169,852 shares

March 31, 2015 156,450 shares

c. Average number of shares during the period

Fiscal year ended March 31, 2016 29,064,426 shares

Fiscal year ended March 31, 2015 21,714,303 shares

(Note)

As the Company was established on October 1, 2014 through a joint share transfer, the average number of common shares during the fiscal year ended March 31, 2015 was calculated based on the average number of shares of the Tokyo Tomin Bank, Limited multiplied by its share transfer ratio for the period from April 1, 2014 to September 30, 2014 prior to the establishment of the Company and the average number of common shares of the Company for the period from October 1, 2014 to March 31, 2015.

(Reference) Non-consolidated Financial Statements

**1. Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2016
(From April 1, 2015 to March 31, 2016)**

(1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Operating income		Operating profit		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Fiscal year ended March 31, 2016	2,927	22.8	2,196	7.9	2,034	0.4	1,961	0.2
Fiscal year ended March 31, 2015	2,383	–	2,034	–	2,024	–	1,957	–

	Net income per share	Diluted net income per share
	(¥)	(¥)
Fiscal year ended March 31, 2016	67.47	66.85
Fiscal year ended March 31, 2015	66.99	65.19

(Note)

As the Company was established on October 1, 2014, percentage changes from the fiscal year ended March 31, 2015 are not provided.

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)	Net assets per share (¥)
As of March 31, 2016	141,996	136,903	96.3	4,709.77
As of March 31, 2015	141,793	136,689	96.4	4,701.85

(Reference) Equity: As of March 31, 2016: ¥136,856 million As of March 31, 2015: ¥ 136,689 million

(Note)

“Equity” consists of subscription rights to shares at the end of the fiscal year subtracted from net assets, and the “Net assets to total assets ratio” is calculated by dividing equity by total assets at the end of the fiscal year. Note that this “Net assets to total assets ratio” is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification.

* Indication regarding execution of audit procedures

This financial report is exempt from the audit procedures pursuant to the Financial Instruments and Exchange Law. At the time of disclosure of this financial report, the audit procedures to the Consolidated Interim Financial Statements and Non-consolidated Interim Financial Statements pursuant to the Financial Instruments and Exchange Law are incomplete.

* Disclaimer and special note for referring to the forecast of operating performance

Forward-looking statements concerning financial forecasts contained in these materials are based on information available when the forecasts were made and certain assumptions judged to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved, and actual results may differ significantly from the forecasts due to a variety of factors.

*** Dividend situation for class shares**

The breakdown of dividend per share for class shares with different rights to those of common stock is as follows.

(Class II preferred shares)

	Dividend per share (¥)				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
Fiscal year ended March 31, 2015	–	–	–	–	–
Fiscal year ended March 31, 2016	–	–	–	–	–
Fiscal year ending March 31, 2017 (Forecast)	–	18.364	–	18.364	36.728

(Notes)

1. Because Class II preferred shares were issued on April 1, 2016, no information is provided for the fiscal year ended March 31, 2015 and the fiscal year ended March 31, 2016.

2. Amount paid per share: ¥20,000

3. Computation used to calculate dividend per share

(1) Fiscal year ending March 31, 2017 (forecast)

a. Computation

Dividend = amount paid per share x (Japanese yen TIBOR)

b. Japanese yen TIBOR

On April 1, 2016 Japanese yen TIBOR (12-month maturity) = 0.18364%

c. Shares issued

2,000,000

Attached Materials

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* Financial Results for the fiscal year ended March 31, 2016 Supplementary Information

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

(Operating results of the Tokyo TY Financial Group)

Looking back at the Japanese economy during the consolidated fiscal year ended March 31, 2016, there was a continuation of the trend towards a gentle recovery, helped by improvements in corporate profitability driving moderate increases in capital investment, and by personal consumption, which remained firm against a backdrop of an improved environment for employment and income. On the other hand, from the beginning of the year there has been a rise in factors exerting pressure on the economy, including the slowing of overseas economies in emerging countries such as China as well as commodity-exporting countries, falling stock prices, and the strengthening of the yen, all of which show localized weakness in the move towards economic recovery.

In the Tokyo metropolitan area where the Group has its principal operational base, business for small and medium-sized enterprises (SME) is expected to improve as a result of support from personal consumption, driven by increases in foreign visitors to Japan and a better employment situation, as well as by the prospect of the uplift from investment related to the hosting of the 2020 Tokyo Olympics and Paralympics. However, there are concerns about the effect on consumer confidence and corporate profitability of such factors as the decline in stock prices and the strengthening of the yen since the beginning of the year. Moreover, the adoption of negative interest rates by the Bank of Japan has led to a sense of worsening visibility with regard to the financial and economic environment going forward.

In this environment, consolidated ordinary income for the fiscal year ended March 31, 2016 came to ¥79.5 billion, rising ¥14.5 billion year on year. Ordinary expenses rose by ¥11.8 billion over the previous year to ¥65.1 billion, resulting in ordinary profit of ¥14.4 billion, up ¥2.6 billion year on year. Profit attributable to the owners of parent declined by ¥47.8 billion compared to the previous consolidated fiscal year, to ¥9.4 billion, but this was due to the inclusion of ¥50.4 billion in gains on bargain purchase in the figure for the previous fiscal year.

Moreover, the Company was established on October 1, 2014, at which time, for the purposes of accounting for business combinations, The Tokyo Tomin Bank, Limited was deemed to be the acquiring company. Accordingly the Group's operating results for the previous consolidated fiscal year consisted of the acquiring company of The Tokyo Tomin Bank, Limited's operating results for the period April 1, 2014 to March 31, 2015, the operating results of The Yachiyo Bank, Limited for the period October 1, 2014 to March 31, 2015 and the operating results of the Company for the period October 1, 2014 to March 31, 2015, in addition to other corrections (such as gains on bargain purchase) required for the consolidated settlement of accounts.

(Outlook for the next fiscal year)

The forecast of the consolidated operating performance for the fiscal year ending March 31, 2017 is as follows.

Ordinary income of ¥8.9 billion

Profit attributable to owners of parent of ¥25.1 billion

In addition, profit attributable to owners of parent includes ¥19.4 billion of gains on bargain purchase arising from the business integration with ShinGinko Tokyo, Limited.

The forecast described above represents the judgment of management based on information currently available, and may include uncertainties. Actual results may differ from the above due to changes in circumstances.

(2) Analysis of Financial Position

(Status of assets, liabilities, and net assets)

Total assets at the end of the current consolidated fiscal year rose ¥168.7 billion year on year to ¥5,112.5 billion, while net assets increased by ¥600 million over the previous consolidated fiscal year to reach ¥203.2 billion.

With regard to major account balances, deposits were ¥4,502.1 billion, up ¥10.8 billion year on year, while loans and bills discounted rose by ¥65.1 billion over the previous year to ¥3,359.9 billion and securities amounted to ¥1,210.0 billion, falling by ¥26.7 billion year on year.

(Status of cash flows)

During the current consolidated fiscal year, cash flows from operating activities came to ¥105.7 billion, the main constituents of which were a net increase in outgoings from loans and bills discounted, while on the other hand there was an increase in proceeds from a net increase in deposits and from cash received as payables under securities lending transactions. Cash flows from investing activities were ¥12.7 billion due to increased outgoings from purchases of securities, while proceeds from the sales of securities also rose. Cash flows from financing activities were negative ¥11.7 billion due to redemptions of subordinated bonds and the like. As a result, cash and cash equivalents rose ¥106.6 billion from the end of the previous consolidated fiscal year to ¥393.0 billion.

(3) Basic Policy for Profit Distribution and Dividends for This Term and the Next Term

The Company's basic policy is to work to maintain a sound financial position through sufficient and relevant internal reserves in consideration of its public nature as a bank holding company while prioritizing returns to shareholders as an important management issue as it provides ongoing and stable dividends.

In consideration of this policy, the Company will pay out dividends of ¥60 per share (an interim dividend of ¥30 and a year-end dividend of ¥30) for the fiscal year ended March 31, 2016.

Note that an annual dividend of ¥60 per share (an interim dividend of ¥30 and a year-end dividend of ¥30) is scheduled for the dividend for the fiscal year ending March 31, 2017 based on this policy. For Class II preferred shares, in accordance with the provisions of the Articles of Incorporation, the scheduled annual dividend is ¥36.728 per share (an interim dividend of ¥18.364 and a year-end dividend of ¥18.364).

2. Overview of the Tokyo TY Financial Group

The Group (the Company and the Company's affiliates) is composed of the Company, 11 consolidated subsidiaries, and one affiliate (equity-method affiliate), and is engaged in business related to financial services with a focus on banking services.

The Group's only reporting segment is banking services, and the roles related to the Group's businesses are as follows.

[Banking services]

The Tokyo Tomin Bank, Limited and The Yachiyo Bank, Limited provide services that include deposit services, loan services, domestic exchange services, foreign exchange services, trading account securities services, and securities investment services, which are positioned as the core businesses of the Group through head offices, branches, etc. located in a business area centered around the Tokyo Metropolis and the northeast of Kanagawa Prefecture.

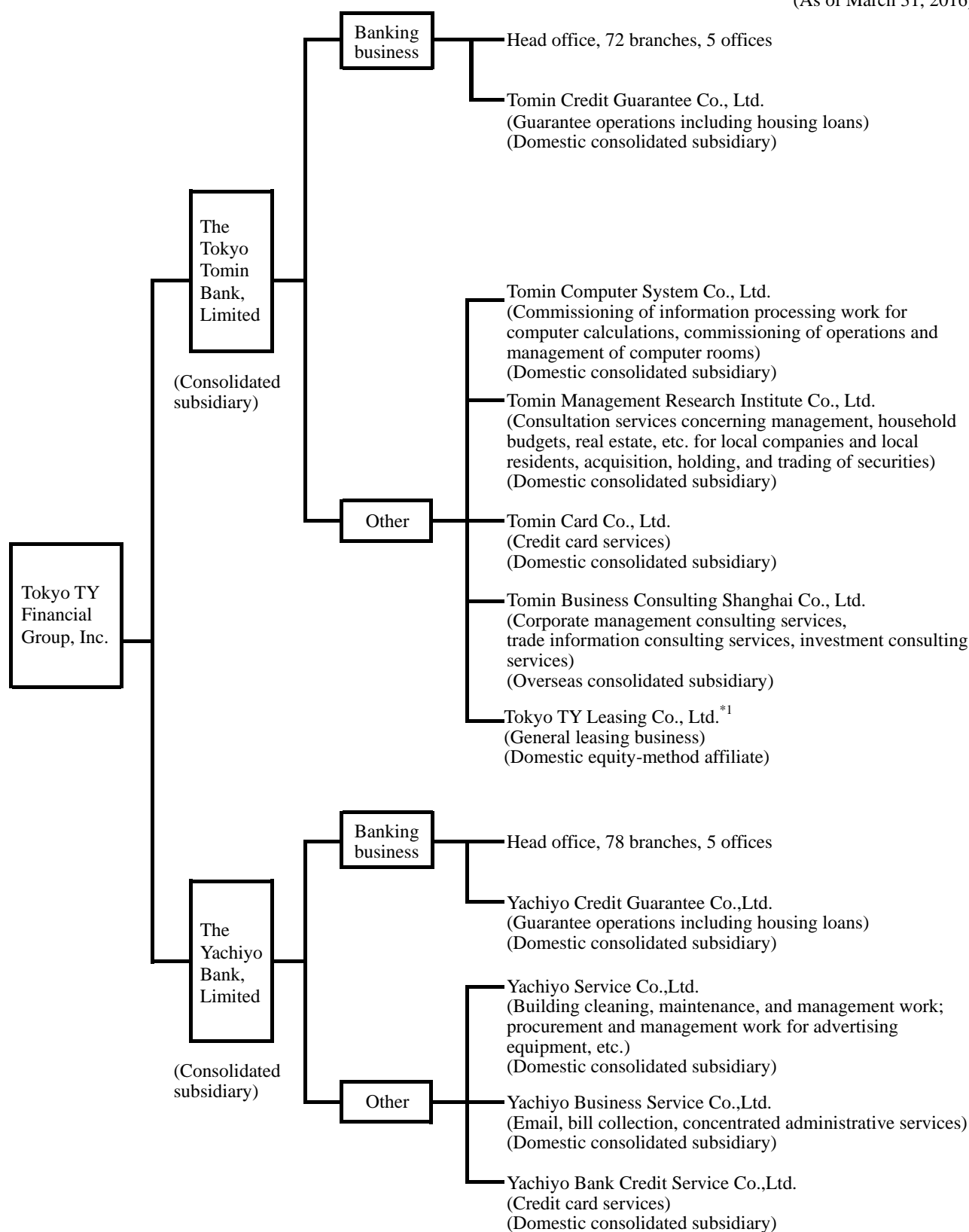
In addition, both consolidated subsidiaries operate credit guarantee businesses.

[Others]

The other seven consolidated subsidiaries and one affiliate (equity-method affiliate) are engaged in services ancillary to banking services such as computer-related services, information provision services, and credit card services, and work together with the Company to support the financial needs of customers.

The diagram on the following page illustrates the business portfolio, as described above.

(As of March 31, 2016)



Notes:

1. The name of Tomin Lease Co., Ltd. was changed to Tokyo TY Lease Co., Ltd. on April 1, 2015.
2. The liquidation of Tomin-gin Office Support Center Co., Ltd. was completed on September 28, 2015 and so was omitted from the scope of consolidation from the consolidated interim settlement onward.
3. Due to a business integration through an exchange of common stock, ShinGinko Tokyo, Limited became a consolidated subsidiary of the Company on April 1, 2016.

3. Management Policies

(1) Fundamental Management Policy

The Group is a financial group whose business philosophy is 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. As a regional financial institution with its head office in Tokyo, in addition to aiming to secure a sustainable business model for the future, we will leverage the largest network of financial outlets in the region to offer small and medium-sized enterprises and individual customers sophisticated financial services such as consulting and stable provision of funding, aiming to become the urban regional banking group most favored by customers in the Tokyo metropolitan area.

(2) Medium- and Long-term Business Strategies and Management Indicators to be Targeted

In the first stage of the “Tokyo TY Plan 2020” 2.5-year medium-term business plan running from October 2014 to March 2017, the Group will work to strengthen services as a financial partner, expand its sales base and regional finance function, promote improved management efficiency, and strengthen profitability. The Group will work as one on initiatives including providing advanced consulting capabilities through the promotion of the Club TY financial platform service, expanding the network of local governments and related agencies, and consolidating headquarters functions and streamlining the number of employees in the head office.

Moreover, seeking to further boost the effects of the integration, the Group is considering and making preparations to build a “one bank” structure as the outcome of the merger between the three banks of The Tokyo Tomin Bank, Limited, The Yachiyo Bank, Limited, and ShinGinko Tokyo, Limited at some point in the fiscal year ending March 2018.

With regard to the indicators targeted for the fiscal year ending March 2017 as announced on October 29, 2015 in “Tokyo TY Financial Group Business Plan,” we have revised the plan as follows to take into account the impact of negative interest rates and of changes in the internal and external environment surrounding the business integration between the Group and ShinGinko Tokyo, Limited.

In addition, we will consider the management indicators for the fiscal year ending March 2021 going forward, after we have made a closer evaluation of the “one bank” structure for the three banks.

[Management Indicators to be Targeted]

	Fiscal year ending March 2017 (Revised target/Three banks combined, non-consolidated)	<Reference> Target prior to revision
Deposit balance (outstanding)	¥4,870 billion	¥4,550 billion
Loan balance (outstanding)	¥3,620 billion	¥3,350 billion
Core business income	¥14.1 billion	¥16.5 billion
Net income	¥7.9 billion	¥10.0 billion

Note: In the above Management Indicators to be Targeted, the forecast of consolidated operating performance for the fiscal year ending March 31, 2017 for the Company does not include ¥19.4 billion in gains on bargain purchase.

(3) Outstanding Issues

Looking forward, in the Tokyo metropolitan area where the Group has its principal operational base, as the aging of society progresses, we forecast that demand for services related to inheritance and to successor planning at small and medium-sized enterprises will grow, and that against a backdrop of the falling and aging populations in the regions, there will be a continuation of the move into the Tokyo region by companies and people. Also, looking ahead to the hosting of the 2020 Tokyo Olympics and Paralympics, in addition to expectations of large-scale redevelopment of transport infrastructure such as roads, railways, and accommodation facilities, we believe that the increase in foreign visitors to Japan and the accompanying increase in consumption and so on will provide a favorable following wind for a wide range of industries.

In the Tokyo region, while there will be an expansion in such business opportunities, other financial institutions will aggressively expand their operations in the Tokyo metropolitan area and competition in the Group's sales area is likely to intensify going forward. Moreover, the negative interest rate policy adopted by the Bank of Japan will depress the earnings of financial institutions for the time being and the need to reinforce earnings power is becoming more urgent.

In this difficult external environment, in order for the Group to link business opportunities to concrete results and to achieve sustainable growth and development, one pressing issue is differentiating itself from other financial institutions by working to share the know-how and strengths of the banks within the Group to maximize synergies and further enhance integration effects.

With this in mind, on April 1 we welcomed ShinGinko Tokyo, Limited to the Group and took our business integration a step closer to its final form, aiming to build a "one bank" structure for the three-bank merger in the fiscal year ending March 2018. Going forward, the Group will further strengthen its cooperation with local governments such as the Tokyo Metropolitan Government as well as with related institutions while making full use of its customer base and its network of more than 160 financial outlets to contribute to the growth of the local economy of the Tokyo region.

Also, we consider corporate governance to be one of the highest priority issues for management and work to respect the views of stakeholders and will enhance the corporate governance function to facilitate transparent, fair, and prompt decision-making during the course of business operations. With regard to compliance, as well as building a corporate ethics structure that has as its core our social mission as a regional bank group, we will strive to be worthy of shareholders' confidence, to be trusted by customers and society, to make the nurturing of a corporate culture that respects compliance a basic policy, and to ensure that our business is conducted fairly and appropriately.

4. Basic Views on Selection of Accounting Standards

Over the near term, the Group will prepare its consolidated financial statements based on J-GAAP because the Group's business activities are focused on Japan and to ensure that consolidated financial statements can be compared across time.

In terms of the application of International Financial Reporting Standards (IFRS), an appropriate response will be made in consideration of circumstances in Japan and overseas.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(¥ million)

	As of March 31, 2015	As of March 31, 2016
Assets		
Cash and due from banks	298,834	405,539
Call loans and bills bought	28,938	43,600
Monetary claims bought	3,012	4,202
Trading account securities	607	658
Securities	1,236,834	1,210,097
Loans and bills discounted	3,294,802	3,359,919
Foreign exchanges	7,731	6,531
Other assets	21,018	29,258
Tangible fixed assets	53,613	53,217
Buildings	13,478	13,074
Land	34,625	34,547
Leased assets	973	1,101
Construction in progress	2,223	2,226
Other tangible fixed assets	2,313	2,266
Intangible fixed assets	3,295	2,039
Software	2,604	1,441
Leased assets	183	198
Other intangible fixed assets	507	399
Deferred assets	74	56
Net defined benefit assets	10,777	8,647
Deferred tax assets	6,570	7,035
Customers' liabilities for acceptances and guarantees	6,630	5,860
Reserve for possible loan losses	(28,913)	(24,122)
Total assets	4,943,828	5,112,540
Liabilities		
Deposits	4,491,306	4,502,192
Negotiable certificates of deposit	27,038	34,206
Payables under securities lending transactions	140,876	293,327
Borrowed money	7,409	7,425
Foreign exchange	139	68
Bonds payable	25,600	16,000
Bonds with subscription rights to shares	5,000	5,000
Other liabilities	30,012	35,803
Reserve for employee bonuses	2,074	2,038
Net defined benefit liabilities	3,326	5,530
Reserve for directors' retirement benefits	137	85
Reserve for point card certificates	51	53
Reserve for loss on interest repayments	14	14
Reserve for loss on dormant deposit repayments	844	988
Provision for contingent loss	740	659
Deferred tax liabilities	30	55
Deferred tax liabilities for land revaluation	15	14
Acceptances and guarantees	6,630	5,860
Total liabilities	4,741,248	4,909,324

(¥ million)

	As of March 31, 2015	As of March 31, 2016
Net Assets		
Common stock	20,000	20,000
Capital surplus	99,607	99,585
Retained earnings	73,245	80,913
Treasury stock	(544)	(594)
Total shareholders' equity	192,308	199,905
Net unrealized gain on available-for-sale securities	9,784	8,390
Deferred gains or losses on hedges	2	6
Revaluation reserve for land	(210)	(209)
Foreign currency translation adjustment	17	11
Remeasurements of defined benefit plans	432	(5,221)
Total accumulated other comprehensive income	10,026	2,977
Subscription rights to shares	—	46
Non-controlling interests	245	286
Total net assets	202,580	203,216
Total liabilities and net assets	4,943,828	5,112,540

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(¥ million)

	Year ended March 31, 2015	Year ended March 31, 2016
Ordinary income	65,043	79,583
Interest income	45,003	55,840
Interest on loans and discounts	37,879	45,740
Interest and dividends on securities	6,409	9,060
Interest on call loans and bills bought	145	204
Interest on receivables under securities borrowing transactions	9	—
Interest on deposits with banks	163	311
Other interest income	395	523
Fees and commissions	13,410	15,832
Other operating income	3,946	4,899
Other ordinary income	2,682	3,011
Gain on recovery of write-off claims	210	528
Others	2,472	2,482
Ordinary expenses	53,234	65,129
Interest expenses	2,975	3,623
Interest on deposits	1,812	2,147
Interest on negotiable certificates of deposit	38	27
Interest on call money and bills sold	0	0
Interest on payables under securities lending transactions	117	664
Interest on borrowed money	212	131
Interest on corporate bonds	698	488
Interest on bonds with subscription rights to shares	53	107
Other interest expenses	42	56
Fees and commissions payments	2,895	3,424
Other operating expenses	209	363
General and administrative expenses	43,749	54,269
Other ordinary expenses	3,403	3,448
Provision of allowance for loan losses	721	1,103
Other ordinary expenses	2,681	2,345
Ordinary profit	11,809	14,453
Extraordinary income	50,476	391
Gain on disposal of non-current assets	0	258
Gain on state subsidies, etc. received	—	132
Gain on bargain purchase	50,476	—
Extraordinary losses	80	293
Loss on disposal of fixed assets	76	171
Provision for special account for advanced depreciation of fixed assets	—	122
Loss on step acquisitions	3	—
Profit before income taxes	62,205	14,551
Income tax – current	2,054	2,475
Income tax – deferred	2,815	2,638
Total income taxes	4,870	5,113
Profit	57,335	9,437
Profit attributable to non-controlling interests	44	24
Profit attributable to owners of parent	57,290	9,412

Consolidated Statements of Comprehensive Income

	(¥ million)	
	Year ended March 31, 2015	Year ended March 31, 2016
Profit	57,335	9,437
Other comprehensive income	13,164	(7,046)
Net unrealized gain on available-for-sale securities	7,966	(1,284)
Deferred gains or losses on hedges	2	4
Revaluation reserve for land	1	0
Foreign currency translation adjustments	6	(5)
Remeasurements of defined benefit plans	5,087	(5,654)
Share of other comprehensive income of entities accounted for using equity method	100	(108)
Comprehensive income	70,500	2,390
(Breakdown)		
Comprehensive income attributable to owners of parent	70,465	2,363
Comprehensive income attributable to non-controlling interests	34	26

(3) Consolidated Statements of Changes in Net Assets

(Year ended March 31, 2015)

(¥ million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	48,120	18,379	19,031	(1,636)	83,894
Cumulative effects of changes in accounting policies			260		260
Restated balance	48,120	18,379	19,291	(1,636)	84,155
Changes of items during the reporting period					
Share transfer	(28,120)	81,089			52,969
Acquisition of additional shares of subsidiaries upon share transfer		153			153
Dividends of surplus			(1,758)		(1,758)
Profit attributable to owners of parent			57,290		57,290
Acquisition of treasury stock				(548)	(548)
Disposition of treasury stock		0	(6)	68	62
Retirement of treasury shares		(1,571)		1,571	-
Transfer to capital surplus from retained earnings		1,571	(1,571)		-
Change in interest in subsidiaries		(15)			(15)
Net changes of items other than shareholders' equity during the reporting period					
Total changes of items during the reporting period	(28,120)	81,227	53,953	1,092	108,152
Balance at end of period	20,000	99,607	73,245	(544)	192,308

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the year	1,707	-	(211)	10	(4,655)	(3,148)	79	248	81,073
Cumulative effects of changes in accounting policies									260
Restated balance	1,707	-	(211)	10	(4,655)	(3,148)	79	248	81,334
Changes of items during the reporting period									
Share transfer									52,969
Acquisition of additional shares of subsidiaries upon share transfer									153
Dividends of surplus									(1,758)
Profit attributable to owners of parent									57,290
Acquisition of treasury stock									(548)
Disposition of treasury stock									62
Retirement of treasury shares									-
Transfer to capital surplus from retained earnings									-
Change in interest in subsidiaries									(15)
Net changes of items other than shareholders' equity during the reporting period	8,076	2	1	6	5,087	13,174	(79)	(2)	13,092
Total changes of items during the reporting period	8,076	2	1	6	5,087	13,174	(79)	(2)	121,245
Balance at end of period	9,784	2	(210)	17	432	10,026	-	245	202,580

(Year ended March 31, 2016)

(¥ million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	20,000	99,607	73,245	(544)	192,308
Changes of items during the reporting period					
Dividends of surplus			(1,744)		(1,744)
Profit attributable to owners of parent			9,412		9,412
Acquisition of treasury stock				(52)	(52)
Disposition of treasury stock		0		2	2
Change in interest in subsidiaries		(21)			(21)
Net changes of items other than shareholders' equity during the reporting period					
Total of changes during the reporting period	-	(21)	7,668	(50)	7,596
Balance at end of period	20,000	99,585	80,913	(594)	199,905

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gain on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the year	9,784	2	(210)	17	432	10,026	-	245	202,580
Changes of items during the reporting period									
Dividends of surplus									(1,744)
Profit attributable to owners of parent									9,412
Acquisition of treasury stock									(52)
Disposition of treasury stock									2
Change in interest in subsidiaries									(21)
Net changes of items other than shareholders' equity during the reporting period	(1,393)	4	0	(5)	(5,654)	(7,048)	46	41	(6,960)
Total of changes during the reporting period	(1,393)	4	0	(5)	(5,654)	(7,048)	46	41	636
Balance at end of period	8,390	6	(209)	11	(5,221)	2,977	46	286	203,216

(4) Consolidated Statements of Cash Flows

(¥ million)

	Year ended March 31, 2015	Year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	62,205	14,551
Depreciation	2,508	3,485
Retirement benefit expenses	1,263	(216)
Gain on bargain purchase	(50,476)	—
Loss (gain) on step acquisitions	3	—
Share profit of entities accounted for using equity method	(202)	(189)
Increase (decrease) in reserve for possible loan losses	(4,104)	(4,791)
Increase (decrease) in reserve for employee bonuses	(50)	(36)
Decrease (increase) in net defined benefit assets	(8,207)	2,130
Increase (decrease) in net defined benefit liability	(1,768)	2,204
Increase (decrease) in reserve for directors' retirement benefits	9	(51)
Increase (decrease) in reserve for point card certificates	4	2
Increase (decrease) in reserve for loss on interest repayments	3	(0)
Increase (decrease) in reserve for loss on dormant deposit repayments	113	144
Increase (decrease) in reserve for contingent loss	(68)	(80)
Gain on fund management	(45,003)	(55,840)
Financing expenses	2,975	3,623
Gain (loss) on securities	(2,389)	(2,984)
Foreign exchange losses (gains)	(9,010)	19,144
Net loss (gain) on disposal of fixed assets	76	(87)
Provision for special account for advanced depreciation of fixed assets	—	122
Gain on state subsidies, etc. received	—	(132)
Net increase (decrease) in trading account securities	(213)	(51)
Net (decrease) increase in loans and bills discounted	(18,788)	(65,117)
Net increase (decrease) in deposits	7,587	10,886
Net increase (decrease) in negotiable certificates of deposit	(5,127)	7,168
Net increase (decrease) in borrowed money (excluding subordinated loans)	(119)	15
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	7,878	(33)
Net (decrease) increase in call loans	27,026	(15,852)
Net increase (decrease) in payables under securities lending transactions	140,876	152,450
Increase (decrease) in money held in trust	20	—
Net decrease (increase) in foreign exchange (assets)	496	1,200
Net increase (decrease) in foreign exchange (liabilities)	17	(70)
Proceeds from fund management	45,518	57,631
Payments for finance	(3,130)	(3,845)
Other	8,185	(16,436)
Subtotal	158,109	108,940
Income taxes paid	(1,208)	(3,544)
Income taxes refund	—	312
Net cash provided by (used in) operating activities	156,901	105,708

(¥ million)

	Year ended March 31, 2015	Year ended March 31, 2016
Cash flows from investing activities		
Purchase of securities	(588,928)	(657,580)
Proceeds from sales of securities	500,403	577,214
Proceeds from redemption of securities	13,998	94,063
Purchase of tangible fixed assets	(18,332)	(1,408)
Retirement of tangible fixed assets	(46)	(41)
Proceeds from sales of tangible fixed assets	0	534
Purchase of intangible fixed assets	(393)	(260)
Proceeds from state subsidies, etc.	—	234
Net cash provided by (used in) investing activities	(93,299)	12,757
Cash flows from financing activities		
Decrease in subordinated borrowings	(5,000)	—
Redemption of subordinated bonds	(5,000)	(9,600)
Cash dividends paid	(1,755)	(1,747)
Dividends paid to non-controlling interests	(0)	(6)
Purchase of treasury shares	(55)	(52)
Proceeds from sale of treasury stock	37	2
Repayments of lease obligations	(290)	(390)
Net cash provided by (used in) financing activities	(12,066)	(11,794)
Effect of exchange rate changes on cash and cash equivalents	11	0
Net change in cash and cash equivalents	51,546	106,671
Cash and cash equivalents at beginning of year	122,982	286,385
Increase in cash and cash equivalents due to share transfer	111,855	—
Cash and cash equivalents at end of year	286,385	393,056

(5) Notes on Premise of Going Concern

Not applicable.

(6) Accounting Standards Not Yet Applied

Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26; March 28, 2016)

(1) Summary

In this guidance, the Accounting Standards Board of Japan basically continues the application of accounting treatments for recoverability of deferred tax assets that was prescribed in Auditing Guidance No. 66, “Auditing Treatment for Judgment of Recoverability of Deferred Assets,” issued by the Japanese Institute of Certified Public Accountants (JICPA), however partial changes have been made.

(2) Scheduled date for application

The Company is scheduled to apply this guidance from the beginning of the consolidated fiscal year starting on April 1, 2016.

(3) The impact of applying this guidance

The impact of applying this guidance is still being assessed.

(7) Changes in Presentation

As a result of applying the provisions of Article 39 of “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22; September 13, 2013), etc., the presentation of net income, etc. has been changed and the presentation of “minority interests” has been changed to “non-controlling interests.” Reflecting these changes in presentation, the consolidated financial statements for the previous consolidated fiscal year have been restated.

(8) Notes to Consolidated Financial Statements

(Segment information)

The Group’s only reporting segment is the banking business. Note that while the Group conducts businesses other than the banking business including a computer-related service business, an information provision service business, and credit card services, this information has been omitted because the ratio of these businesses to all segments is not material.

(Per Share Information)

		Reporting period (Year ended March 31, 2016)
Net assets per share	¥	6,982.00
Profit attributable to owners of parent per share	¥	323.84
Profit attributable to owners of parent per share (Diluted)	¥	311.89

Notes:

1. The calculation basis for net asset amount per share is as follows.

		Reporting period (Year ended March 31, 2016)
Total net assets	(¥ million)	203,216
Amount deducted from total net assets	(¥ million)	333
(of which subscription rights to shares)	(¥ million)	46
(of which non-controlling interests)	(¥ million)	286
Net asset amount for common stock at the year-end	(¥ million)	202,882
Number of shares of common stock at the year-end used for calculating net asset amount per share	Thousand shares	29,057

2. The following is the basis for calculating the amount of net income per share and the amount of diluted net income per share for the reporting period.

		Reporting period (Year ended March 31, 2016)
Profit attributable to owners of parent per share		
Profit attributable to owners of parent	(¥ million)	9,412
Amount not belonging to common stock	(¥ million)	—
Profit in relation to common stock	(¥ million)	9,412
Weighted-average shares of ordinary stock during the period	Thousand shares	29,064
Profit attributable to owners of parent per share (Diluted)		
Profit attributable to owners of parent adjustment amount	(¥ million)	71
Interest on bonds with subscription rights to shares (net of applicable taxes)	(¥ million)	71
Effect of dilutive securities	Thousand shares	1,344
(Bonds with subscription rights to shares)	Thousand shares	1,336
(Subscription rights to shares)	Thousand shares	7
Summary of residual securities not included in calculation of net profit per share after adjustment of residual securities because they have no dilutive effects		—

(Significant Subsequent Events)

At meetings of their respective Boards of Directors held on September 25, 2015, the Tokyo TY Financial Group (hereafter, “the Company”) and ShinGinko Tokyo, Limited (hereafter, “ShinGinko Tokyo”) resolved to carry out a business integration through a share exchange with an effective date of April 1, 2016 in which the Company would become the wholly owning parent company and ShinGinko Tokyo the wholly owned subsidiary, assuming that approval by the general meeting of shareholders and a class shareholders meeting by ordinary shareholders and the relevant authorities necessary for the Business Integration would be obtained. The two companies signed a Share Exchange Agreement and Business Integration Agreement, and on April 1, 2016, the share exchange was implemented and ShinGinko Tokyo became a wholly owned subsidiary of the Company.

Moreover, this Share Exchange Agreement was approved at extraordinary meetings of shareholders and class shareholders meetings by ordinary shareholders held by both companies on November 27, 2015.

1. Summary of business combination through acquisition

- (1) Name, nature, and scale of business of acquired company

Name of acquired company	ShinGinko Tokyo, Limited
Nature of business	Banking
Capital	¥20 billion

- (2) Reason for conducting business combination

The Company and ShinGinko Tokyo have both utilized their respective strengths as regional financial institutions in the Tokyo metropolitan area to facilitate local financing and contribute to the development of regional economies. However, both companies share the same management goal of supporting small and medium-sized enterprises, and business integration will enable the two companies to truly perform their role as regional financial institutions in the Tokyo metropolitan area, and can also be expected to generate synergistic effects, for which reasons we implemented the business integration.

- (3) Date of business combination

April 1, 2016

- (4) Legal form of the business combination

Share exchange

- (5) Name of company after combination

No change in name of the company after combination

(6) Ratio of voting rights acquired

100%

(7) Grounds for determining acquiring company

As a result of a comprehensive assessment of the determining factors laid out in the Accounting Standard for Business Combinations and other factors, it was determined that the Company was the acquiring company.

2. Acquired company acquisition cost and breakdown of same

Consideration for acquisition: Common stock of the Company allotted on date of business combination	¥3.719 billion
<u>Preferred stock of the Company allotted on date of business combination</u>	<u>¥40.0 billion</u>
Acquisition cost	¥43.719 billion

3. Share exchange ratio by class of shares, method of calculation, and number of shares allotted

(1) Share exchange ratio by class of shares

1. 0.24 shares of the Company's common stock for every 1 share of ShinGinko Tokyo's common stock
2. 1 share of ShinGinko Tokyo's preferred stock for every 1 share of the Company's preferred stock

(2) Share exchange ratio calculation

Multiple financial advisors were requested to calculate the share exchange ratio as third-party appraisers, and the calculation was decided by discussion among the involved parties with reference to these reports.

(3) Number of shares allotted

Common stock 1,422,289 shares
Preferred stock 2,000,000 shares

4. Impact of acquisition on consolidated statements of income

Gains on bargain purchase arising from this share exchange are estimated at ¥19.443 billion (provisional figure).

6. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(¥ million)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and due from banks	1,544	1,702
Accounts receivable - other	—	25
Prepaid expenses	1	1
Income taxes receivable	312	355
Deferred tax assets	14	10
Total current assets	1,873	2,095
Non-current assets		
Investments and other assets		
Shares of subsidiaries and associates	134,845	134,845
Loans receivable from subsidiaries and associates	5,000	5,000
Total investments and other assets	139,845	139,845
Total non-current assets	139,845	139,845
Deferred assets		
Organization expenses	64	50
Share issuance cost	9	5
Total deferred assets	74	56
Total assets	141,793	141,996
Liabilities		
Current liabilities		
Accounts payable - other	34	7
Accrued expenses	—	0
Dividends payable	—	13
Income taxes	34	29
Deposits received	10	11
Suspense receipt	—	0
Reserve for employee bonuses	24	31
Total current liabilities	103	93
Non-current liabilities		
Bonds with subscription rights to shares	5,000	5,000
Total non-current liabilities	5,000	5,000
Total liabilities	5,103	5,093
Net assets		
Shareholders' equity		
Common stock	20,000	20,000
Capital surplus		
Capital reserve	5,000	5,000
Other capital surplus	110,276	110,277
Total capital surplus	115,276	115,277
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,957	2,174
Total retained earnings	1,957	2,174
Treasury stock	(544)	(594)
Total shareholders' equity	136,689	136,856
Subscription rights to shares	—	46
Total net assets	136,689	136,903
Total liabilities and net assets	141,793	141,996

(2) Non-consolidated Statements of Income

(¥ million)

	Year ended March 31, 2015	Year ended March 31, 2016
Operating income		
Dividends from subsidiaries and associates	1,849	1,888
Commissions from subsidiaries and associates	534	1,039
Total operating income	2,383	2,927
Operating expenses		
Selling, general and administrative expenses	349	731
Total operating expenses	349	731
Operating profit	2,034	2,196
Non-operating income		
Interest income	53	107
Miscellaneous income	0	0
Total non-operating income	53	108
Non-operating expenses		
Interest expenses	53	107
Commission fee	—	144
Amortization of deferred organization expenses	7	14
Amortization of share issuance cost	1	3
Total non-operating expenses	62	270
Ordinary profit	2,024	2,034
Income before income taxes	2,024	2,034
Income taxes - current	82	68
Income taxes - deferred	(14)	4
Total income taxes	67	72
Net income	1,957	1,961

(3) Non-consolidated Statements of Changes in Net Assets

Year ended March 31, 2015 (October 1, 2014 to March 31, 2015)

(¥ million)

	Shareholders' equity								Subscription rights to shares	Total net assets
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total Shareholders' equity		
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings				
Balance at beginning of the year	-	-	-	-	-	-	-	-	-	-
Changes of items during the reporting period										
Share transfer	20,000	5,000	110,276	115,276				135,276		135,276
Net income					1,957	1,957		1,957		1,957
Acquisition of treasury stock							(546)	(546)		(546)
Disposition of treasury stock			0	0			1	1		1
Net changes of items other than shareholders' equity									-	-
Total of changes of items during the reporting period	20,000	5,000	110,276	115,276	1,957	1,957	(544)	136,689	-	136,689
Balance at end of period	20,000	5,000	110,276	115,276	1,957	1,957	(544)	136,689	-	136,689

Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(¥ million)

	Shareholders' equity								Subscription rights to shares	Total net assets
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total Shareholders' equity		
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings				
Balance at beginning of the year	20,000	5,000	110,276	115,276	1,957	1,957	(544)	136,689	-	136,689
Changes of items during the reporting period										
Dividends of surplus					(1,744)	(1,744)		(1,744)		(1,744)
Net income					1,961	1,961		1,961		1,961
Acquisition of treasury stock							(52)	(52)		(52)
Disposition of treasury stock			0	0			2	2		2
Net changes of items other than shareholders' equity									46	46
Total of changes of items during the reporting period	-	-	0	0	217	217	(50)	167	46	213
Balance at end of period	20,000	5,000	110,277	115,277	2,174	2,174	(594)	136,856	46	136,903

(4) Notes on Premise of Going Concern

Not applicable.

7. (Reference) Overview of Major Consolidated Subsidiary Operating Performance
(1) Non-consolidated Financial Statements (The Tokyo Tomin Bank, Limited)

May 13, 2016

Company name: The Tokyo Tomin Bank, Limited

Representative: Takashi Sakamoto, President

Responsible person for inquiries: Masahiro Ogura, General Manager of Corporate Planning Division and
 Joint General Manager of Financial Office

URL: <http://www.tominbank.co.jp>

Telephone: +81-3-3582-8251

Note: Figures have been rounded down to the nearest million yen.

1. Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2016
(From April 1, 2015 to March 31, 2016)

(1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Fiscal Year ended March 31, 2016	42,465	(4.5)	6,718	(1.5)	4,231	21.5
Fiscal Year ended March 31, 2015	44,477	(0.0)	6,826	43.6	3,482	(17.5)

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
As of March 31, 2016	2,791,960	90,491	3.2
As of March 31, 2015	2,687,314	89,225	3.3

(Reference) Equity: As of March 31, 2016: ¥90,491 million As of March 31, 2015: ¥89,225 million

(Note) “Equity” is the value of total net assets at the end of the fiscal year, and “Net assets to total assets ratio” is calculated by dividing equity by total assets at the end of the fiscal year. Note that this “Net assets to total assets ratio” is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification.

○ Non-consolidated Financial Statements
 (1) Non-consolidated Balance Sheets

The Tokyo Tomin Bank, Limited
 (¥ million)

	As of March 31, 2015	As of March 31, 2016
Assets		
Cash and due from banks	213,293	295,235
Cash on hand	22,727	18,862
Due from banks	190,565	276,373
Call loans	3,442	4,497
Monetary claims bought	65	0
Trading account securities	177	31
Trading account Japanese government bonds	161	12
Trading account Municipal government bonds	16	18
Securities	586,219	586,946
Japanese government bonds	315,341	307,137
Municipal government bonds	49,488	43,544
Corporate bonds	102,908	110,377
Corporate stocks	32,842	26,809
Other securities	85,639	99,077
Loans and bills discounted	1,828,147	1,842,130
Bills discounted	29,838	26,110
Loans on bills	75,072	79,403
Loans on deeds	1,580,034	1,596,182
Overdrafts	143,201	140,433
Foreign exchange	5,544	3,406
Due from foreign banks	2,739	2,111
Foreign bills of exchange bought	604	149
Foreign bills of exchange receivable	2,200	1,145
Other assets	12,483	17,051
Prepaid expenses	369	361
Accrued income	2,461	2,393
Initial margins of futures markets	—	73
Variation margins of futures markets	—	131
Financial derivatives	2,600	2,938
Other assets	7,051	11,153
Tangible fixed assets	32,259	32,574
Buildings	5,709	5,535
Land	22,843	22,979
Leased assets	451	650
Construction in progress	2,160	2,160
Other tangible fixed assets	1,095	1,249
Intangible fixed assets	1,850	1,116
Software	1,459	801
Leased assets	120	164
Other intangible fixed assets	271	150
Prepaid pension cost	11,607	14,316
Deferred tax assets	5,597	4,194
Customers' liabilities for acceptances and guarantees	3,133	2,926
Reserve for possible loan losses	(16,508)	(12,466)
Total assets	2,687,314	2,791,960

The Tokyo Tomin Bank, Limited

(¥ million)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Deposits	2,379,799	2,390,437
Current deposits	169,843	160,482
Ordinary deposits	949,587	987,007
Savings deposits	17,792	17,201
Deposits at notice	20,714	14,683
Time deposits	1,117,374	1,094,880
Installment savings	58,156	58,081
Other deposits	46,330	58,101
Negotiable certificates of deposit	25,838	32,706
Call money	—	474
Payables under securities lending transactions	140,876	236,597
Borrowed money	7,209	7,225
Borrowings from other banks	7,209	7,225
Foreign exchange	138	65
Due to foreign banks	1	1
Foreign bills of exchange sold	51	2
Foreign bills of exchange payable	85	61
Bonds	25,600	16,000
Other liabilities	13,757	13,212
Income taxes	256	252
Accrued expenses	1,989	1,834
Unearned income	1,195	1,191
Reserve for interest on installment savings	29	23
Financial derivatives	1,702	1,524
Cash collateral received for financial instruments	127	—
Lease obligations	598	833
Asset retirement obligations	203	212
Other liabilities	7,653	7,339
Reserve for employee bonuses	1,076	1,079
Reserve for directors' retirement benefits	101	60
Reserve for point card certificates	2	2
Reserve for loss on dormant deposit repayments	236	374
Provision for contingent loss	302	291
Deferred tax liabilities for land revaluation	15	14
Acceptances and guarantees	3,133	2,926
Total liabilities	2,598,089	2,701,469

The Tokyo Tomin Bank, Limited

(¥ million)

	As of March 31, 2015	As of March 31, 2016
Net Assets		
Common stock	48,120	48,120
Capital surplus	18,083	18,083
Capital reserve	18,083	18,083
Other capital surplus	—	—
Retained earnings	15,369	18,655
Earned reserve	3,408	3,597
Other retained earnings	11,960	15,058
General reserve	6,400	6,400
Retained earnings brought forward	5,560	8,658
Total shareholders' equity	81,573	84,859
Net unrealized gain on available-for-sale securities	7,862	5,840
Revaluation reserve for land	(210)	(209)
Total valuation and translation adjustments	7,651	5,631
Total net assets	89,225	90,491
Total liabilities and net assets	2,687,314	2,791,960

(2) Non-consolidated Statements of Income

The Tokyo Tomin Bank, Limited

(¥ million)

	Year ended March 31, 2015	Year ended March 31, 2016
Ordinary income	44,477	42,465
Interest income	31,526	30,619
Interest on loans and discounts	26,720	24,503
Interest and dividends on securities	4,398	5,677
Interest on call loans	86	54
Interest on receivables under securities borrowing transactions	9	—
Interest on deposits with banks	121	233
Other interest income	190	149
Fees and commissions	9,221	8,204
Fees and commissions on domestic and foreign exchange	2,003	2,009
Other fees and commissions	7,218	6,194
Other operating income	2,177	2,209
Gain on foreign exchange transactions	1,035	911
Gain on trading account securities transactions	—	0
Gain on sale of bonds	618	718
Income from derivatives other than for trading or hedging	522	579
Other	0	0
Other ordinary income	1,552	1,432
Gain on recovery of write-off claims	0	0
Gain on sale of stocks and other securities	252	800
Gain on equity derivatives	7	—
Other	1,292	631
Ordinary expenses	37,651	35,746
Interest expenses	2,245	2,376
Interest on deposits	1,163	1,047
Interest on negotiable certificates of deposit	38	26
Interest on call money	0	7
Interest on payables under securities lending transactions	109	649
Interest on borrowed money	207	126
Interest on corporate bonds	698	488
Other interest expenses	27	31
Fees and commissions	2,834	2,689
Fees and commissions on domestic and foreign exchange	429	454
Other fees and commissions	2,405	2,235
Other operating expenses	16	142
Loss on trading account securities transactions	0	—
Loss on sale of bonds	16	142
General and administrative expenses	30,016	28,317
Other ordinary expenses	2,539	2,220
Transfer to reserve for possible loan losses	1,279	1,447
Write-off of loans	8	—
Loss on sale of stocks and other securities	25	148
Loss on devaluation of stocks and other securities	39	—
Costs related to financial derivatives	—	19
Other	1,185	604
Ordinary profit	6,826	6,718

The Tokyo Tomin Bank, Limited

(¥ million)

	Year ended March 31, 2015	Year ended March 31, 2016
Extraordinary income	—	252
Gain on liquidation of subsidiaries	—	252
Extraordinary losses	66	90
Loss on deposition of fixed assets	66	90
Income before income taxes	6,759	6,880
Income taxes – current	255	84
Income taxes – deferred	3,021	2,564
Total income taxes	3,277	2,649
Net income	3,482	4,231

(2) Non-consolidated Financial Statements (The Yachiyo Bank, Limited)

May 13, 2016

Company name: The Yachiyo Bank, Limited

Representative: Hirokazu Tahara, President

Responsible person for inquiries: Hiroshi Shibuya, Executive Officer, General Manager of Corporate Planning Division

URL: <http://www.yachiyobank.co.jp>

Telephone: +81-3-3352-2295

Note: Figures have been rounded down to the nearest million yen.

1. Non-consolidated Operating Performance for the Fiscal Year Ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

(1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Fiscal year ended March 31, 2016	37,304	(9.0)	7,184	(23.3)	4,772	(21.3)
Fiscal year ended March 31, 2015	41,012	1.4	9,368	19.6	6,067	(0.9)

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
As of March 31, 2016	2,324,249	109,626	4.7
As of March 31, 2015	2,254,512	104,726	4.6

(Reference) Equity: As of March 31, 2016: ¥109,626 million As of March 31, 2015: ¥104,726 million

(Note) "Equity" is the value of total net assets at the end of the fiscal year, and "Net assets to total assets ratio" is calculated by dividing equity by total assets at the end of the fiscal year. Note that this "Net assets to total assets ratio" is not the net assets to total assets ratio required for the Capital Adequacy Ratio Notification.

○ Non-consolidated Financial Statements
 (1) Non-consolidated Balance Sheets

The Yachiyo Bank, Limited
 (¥ million)

	As of March 31, 2015	As of March 31, 2016
Assets		
Cash and due from banks	85,467	110,233
Cash on hand	22,547	19,493
Due from banks	62,920	90,740
Call loans	25,495	39,577
Monetary claims bought	2,946	4,202
Trading account securities	429	627
Trading account Japanese government bonds	41	34
Trading account Municipal government bonds	387	593
Securities	637,916	613,955
Japanese government bonds	276,884	203,438
Municipal government bonds	64,782	71,933
Short-term bonds payable	—	9,999
Corporate bonds	244,715	242,557
Corporate stocks	14,824	13,021
Other securities	36,708	73,004
Loans and bills discounted	1,466,028	1,517,513
Bills discounted	16,199	15,806
Loans on bills	20,777	24,873
Loans on deeds	1,376,400	1,417,690
Overdrafts	52,651	59,142
Foreign exchange	2,186	3,124
Due from foreign banks	1,691	2,839
Foreign bills of exchange bought	165	76
Foreign bills of exchange receivable	329	208
Other assets	4,690	8,302
Prepaid expenses	118	106
Accrued income	1,813	1,703
Financial derivatives	132	117
Other assets	2,625	6,374
Tangible fixed assets	30,176	29,368
Buildings	7,767	7,534
Land	20,686	20,356
Leased assets	502	437
Construction in progress	63	66
Other tangible fixed assets	1,156	973
Intangible fixed assets	1,265	786
Software	1,021	538
Leased assets	14	4
Other intangible fixed assets	230	243
Deferred tax assets	4,551	3,359
Customers' liabilities for acceptances and guarantees	3,497	2,934
Reserve for possible loan losses	(10,139)	(9,736)
Total assets	2,254,512	2,324,249

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Deposits	2,122,761	2,124,520
Current deposits	51,141	52,740
Ordinary deposits	1,097,833	1,154,592
Savings deposits	21,948	20,857
Deposits at notice	1,541	2,054
Time deposits	909,534	853,743
Installment savings	22,030	21,814
Other deposits	18,730	18,717
Negotiable certificates of deposit	3,930	5,630
Payables under securities lending transactions	—	56,730
Borrowed money	5,000	5,000
Borrowings from other banks	5,000	5,000
Foreign exchange	0	2
Foreign bills of exchange sold	0	0
Foreign bills of exchange payable	0	2
Other liabilities	6,447	12,687
Income taxes	1,605	988
Accrued expenses	1,293	962
Unearned income	178	184
Deposits received from employees	539	536
Reserve for interest on installment savings	10	9
Financial derivatives	254	34
Lease obligations	547	473
Asset retirement obligations	94	126
Other liabilities	1,922	9,371
Reserve for employee bonuses	869	844
Reserve for retirement benefits	3,546	2,810
Reserve for loss on dormant deposit repayments	608	614
Provision for contingent loss	438	367
Deferred tax liabilities for land revaluation	2,687	2,481
Acceptances and guarantees	3,497	2,934
Total liabilities	2,149,786	2,214,623

The Yachiyo Bank, Limited

(¥ million)

	As of March 31, 2015	As of March 31, 2016
Net Assets		
Common stock	43,734	43,734
Capital surplus	32,922	32,922
Capital reserve	32,922	32,922
Other capital surplus	—	—
Retained earnings	23,574	27,540
Earned reserve	5,836	6,025
Other retained earnings	17,738	21,515
General reserve	11,700	11,700
Retained earnings brought forward	6,038	9,815
Total shareholders' equity	100,232	104,197
Net unrealized gain on available-for-sale securities	3,891	4,819
Deferred gains or losses on hedges	(12)	(7)
Revaluation reserve for land	615	616
Total valuation and translation adjustments	4,494	5,428
Total net assets	104,726	109,626
Total liabilities and net assets	2,254,512	2,324,249

(2) Non-consolidated Statements of Income**The Yachiyo Bank, Limited**

(¥ million)

	Year ended March 31, 2015	Year ended March 31, 2016
Ordinary income	41,012	37,304
Interest income	28,845	27,361
Interest on loans and discounts	22,356	21,195
Interest and dividends on securities	5,861	5,551
Interest on call loans	116	156
Interest on deposits with banks	75	77
Other interest income	435	380
Fees and commissions	5,537	5,986
Fees and commissions on domestic and foreign exchange	1,903	1,928
Other fees and commissions	3,634	4,058
Other operating income	2,980	2,316
Gain on foreign exchange transactions	358	169
Gain on trading account securities transactions	2	3
Gain on sale of bonds	2,488	1,634
Income from derivatives other than for trading or hedging	130	508
Other ordinary income	3,649	1,639
Reversal of allowance for loan losses	1,488	207
Gain on recovery of write-off claims	779	507
Gain on sale of stocks and other securities	241	203
Gain on money held in trust	0	—
Other	1,139	720
Ordinary expenses	31,644	30,120
Interest expenses	1,452	1,252
Interest on deposits	1,304	1,104
Interest on negotiable certificates of deposit	1	1
Interest on call money	0	0
Interest on payables under securities lending transactions	12	15
Interest on borrowed money	55	107
Interest on bonds with subscription rights to shares	53	—
Interest on interest swaps	9	9
Other interest expenses	15	14
Fees and commissions	2,196	1,780
Fees and commissions on domestic and foreign exchange	422	428
Other fees and commissions	1,774	1,351
Other operating expenses	74	25
Loss on sale of bonds	74	25
General and administrative expenses	26,077	25,309
Other ordinary expenses	1,843	1,752
Write-off of loans	945	139
Loss on sale of stocks and other securities	10	149
Loss on devaluation of stocks and other securities	—	533
Other	887	930
Ordinary profit	9,368	7,184

The Yachiyo Bank, Limited

(¥ million)

	Year ended March 31, 2015	Year ended March 31, 2016
Extraordinary income	0	294
Gain on disposal of non-current assets	0	162
Gain on state subsidies, etc. received	—	132
Extraordinary losses	13	228
Loss on disposition of fixed assets	13	105
Provision for special account for advanced depreciation of non-current assets	—	122
Income before income taxes	9,354	7,250
Income taxes – current	2,142	1,817
Income taxes – deferred	1,144	661
Total income taxes	3,286	2,478
Net income	6,067	4,772

8. Changes to Directors

For details on changes to directors, refer to “HR matters concerning the directors and executive directors of the Tokyo TY Financial Group and its subsidiaries” released on May 13, 2016.