

May 15, 2015

Consolidated Financial Report
for the Fiscal Year Ended March 31, 2015
<Under Japanese GAAP>

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Date of Ordinary General Meeting of Shareholders: June 26, 2015
Date of submission of annual security report: June 26, 2015
Date to start dividend payment: June 10, 2015
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, 2015
(From April 1, 2014 to March 31, 2015)

(1) Results in consolidated operations

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY2014	65,043	–	11,809	–	57,290	–
FY2013	–	–	–	–	–	–

(Note) Comprehensive income: FY2014: ¥70,500 million (– %) FY2013: ¥– million (– %)

	Net income per share (¥)	Diluted net income per share (¥)	Net income to net assets (%)	Ordinary profit to total assets (%)	Ordinary profit to ordinary income (%)
FY2014	2,638.39	2,561.38	28.3	0.2	18.1
FY2013	–	–	–	–	–

(Reference) Gain on equity-method investments: FY2014: ¥202 million FY2013: ¥– million

(Note) As the Company was established on October 1, 2014, figures for the fiscal year ended March 31, 2014 and percentage changes from the previous year are not provided.

(2) Consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)	Net assets per share (¥)
FY2014	4,943,828	202,580	4.0	6,959.92
FY2013	–	–	–	–

(Reference) Equity: FY2014: ¥202,334 million FY2013: ¥– million
(Notes)

- “Equity” consists of minority interests at the end of the period subtracted from total assets and “Net assets to total assets ratio” is calculated by dividing equity by total assets at the end of the period.
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.
- As the Company was established on October 1, 2014, figures for the fiscal year ended March 31, 2014 are not provided.

(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)
FY2014	156,827	(93,299)	(11,992)	286,385
FY2013	–	–	–	–

(Note) As the Company was established on October 1, 2014, figures for the fiscal year ended March 31, 2014 are not provided.

2. Dividends

(Record date)	Annual dividend per share (¥)					Total dividends (full-year) (¥ million)	Payout ratio (%)	Dividends ratio to shareholders' equity (%)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
FY2013	–	–	–	–	–	–	–	–
FY2014	–	–	–	30.00	30.00	872	1.1	0.4
FY2015 (Forecast)	–	30.00	–	30.00	60.00		20.5	

(Note) As the Company was established on October 1, 2014, the year-end dividend for the fiscal year ended March 31, 2015 was the first dividend paid by the Company.

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2016 (From April 1, 2015 to March 31, 2016)

(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 (loss) attributable to owners of parent		Net income per share
	(¥ million)	(%)	(¥ million)	(%)	(¥)
Second-quarter period (cumulative)	5,400	–	3,500	–	120.39
Full-year	12,900	–	8,500	–	292.38

(Note) As the Company was established on October 1, 2014, percentage changes from the same cumulative period and full-year period of the previous year are not provided.

* 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: Yes
- b. Changes in accounting policies due to other reasons: Yes
- c. Changes in accounting estimates: None
- d. Restatement of prior period financial statements after error corrections: None

(Note) Details are stated under “(6) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements of Prior Period Financial Statements After Error Corrections in 5. Consolidated Financial Statements” on page 14 of the Attached Materials.

(3) Number of shares issued (common stock)

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

FY2014	29,227,826 shares
FY2013	– shares
- b. Number of treasury stock at the end of the period

FY2014	156,450 shares
FY2013	– shares
- c. Average number of shares during the period

FY2014	21,714,303 shares
FY2013	– shares

(Notes)

- 1. As the Company was established on October 1, 2014, figures for the fiscal year ended March 31, 2014 are not provided.
- 2. 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, 2015
(From October 1, 2014 to March 31, 2015)**

(1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Operating income		Operating profit		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY2014	2,383	–	2,034	–	2,024	–	1,957	–
FY2013	–	–	–	–	–	–	–	–

	Net Income per share	Diluted net income per share
	(¥)	(¥)
FY2014	66.99	65.19
FY2013	–	–

(Note) As the Company was established on October 1, 2014, figures for the fiscal year ended March 31, 2014 and percentage changes from the previous year 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 (¥)
FY2014	141,793	136,689	96.4	4,701.85
FY2013	–	–	–	–

(Reference) Equity: FY2014: ¥136,689 million FY2013: ¥ – million

(Notes)

1. “Net assets to total assets ratio” is calculated by dividing total net assets at the end of the period by total assets at the end of the period.
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.
2. As the Company was established on October 1, 2014, figures for the fiscal year ended March 31, 2014 are not provided.

* 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. Actual results may differ significantly from the forecasts due to a variety of factors.

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1. Business Results

(1) Analysis of Operating Results and Financial Position

(Operating results)

The Company was established on October 1, 2014 through a joint share transfer by The Tokyo Tomin Bank, Limited and The Yachiyo Bank, Limited. Through this business integration, the Group aims to share advanced consulting capabilities, develop products and services that support the needs of customers, further strengthen partnerships with local governments, and promote unification of redundant operations in order 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 and become the urban regional bank group most loved by customers in the Tokyo metropolitan area.

Looking back at the Japanese economy during the consolidated fiscal year ended March 31, 2015, the pace of economic recovery continued to be lacking as positive factors causing a boost in the economy such as economic policy and financial policy aimed at an escape from deflation and economic revitalization were intermixed with the downward pressure caused on the economy by the increase in consumption tax rate. However, overall the economy was firm due to factors including a gradual lessening of the effect of the rebound from the last-minute rise in demand before the increase in the consumption tax rate that had become prolonged, improvements in corporate earnings with a focus on major companies, and the asset effects from increases in stock prices as the fiscal year progressed, despite some restraint towards capital investment and personal consumption.

In the Tokyo metropolitan area where the Group has its principal operational base, while there was a standstill in the improvement in SME (small and medium-sized enterprises) business confidence due to rising supply prices caused by the increase in consumption tax coupled with yen depreciation, a gentle recovery is expected going forward as a result of factors including the effect of the drop in crude oil prices and the decision made to host the 2020 Tokyo Olympics and Paralympics.

With the above as a backdrop, for the consolidated operating results for the fiscal year ended March 31, 2015, ordinary income was ¥65 billion as a result of efforts to increase interest income including interest on loans and discounts and fees and commissions. On the other hand, ordinary expenses were ¥53.2 billion as a result of low credit-related costs and efforts to reduce expenses with a focus on property expenses. As a result of these factors, ordinary profits were ¥11.8 billion. Furthermore, net income was ¥5.72 billion as a result of extraordinary income recorded from a gain on bargain purchase of ¥5.04 billion from business integration.

As the Company was established on October 1, 2014, a breakdown of income for the current consolidated fiscal year is as follows.

- Consolidated income for The Tokyo Tomin Bank, Limited from April 2014 to March 2015
- Consolidated income for The Yachiyo Bank, Limited from October 2014 to March 2015 (the income for April to September, 2014 contained in retained earnings)
- The Company's Non-consolidated income from October 2014 to March 2015
- Other adjustments from consolidated closing (gain on bargain purchase, etc.)

(Outlook for next fiscal year)

The forecast of the consolidated operating performance for the fiscal year ending March 31, 2016 is as follows.

Ordinary income of ¥12.9 billion

Profit attributable to owners of parent of ¥8.5 billion

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)

With respect to the consolidated financial position for the fiscal year ended March 31, 2015, total assets amounted to ¥4,943.8 billion, total liabilities amounted to ¥4,741.2 billion, and net assets amounted to ¥202.5 billion. With respect to major account balances, deposits amounted to ¥4,491.3 billion, loans and bills discounted amounted to ¥3,294.8 billion, and securities amounted to ¥1,236.8 billion.

(Status of cash flows)

During the current consolidated fiscal year, cash flows from operating activities increased by ¥156.8 billion mainly as a result of proceeds from a net increase in deposits and an increase in payables under securities lending transactions, and despite an increase in expenditures from a net increase in loans and bills discounted. Meanwhile, cash flows from investing activities decreased by ¥93.2 billion mainly as a result of an increase in expenditures for purchases of securities. Cash flows from financing activities decreased by ¥11.9 billion mainly as a result of expenditures for the decrease in subordinated borrowings and the redemption of subordinated bonds. As a result of the above and an increase of ¥111.8 billion in cash and cash equivalents due to a share transfer, the balance of cash and cash equivalents at the end of the current consolidated fiscal year was ¥286.3 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 ¥30 per share for the fiscal year ended March 31, 2015.

Note that an annual dividend of ¥60 per share (¥30 interim dividend, ¥30 year-end dividend) is scheduled for the dividend for the fiscal year ending March 31, 2016 based on this policy.

2. Overview of the Tokyo TY Financial Group

The Group (the Company and the Company's affiliates) is composed of the Company, 12 consolidated subsidiaries, and 1 affiliate (equity-method affiliate), and is engaged in business related to financial services with a focus on the 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.

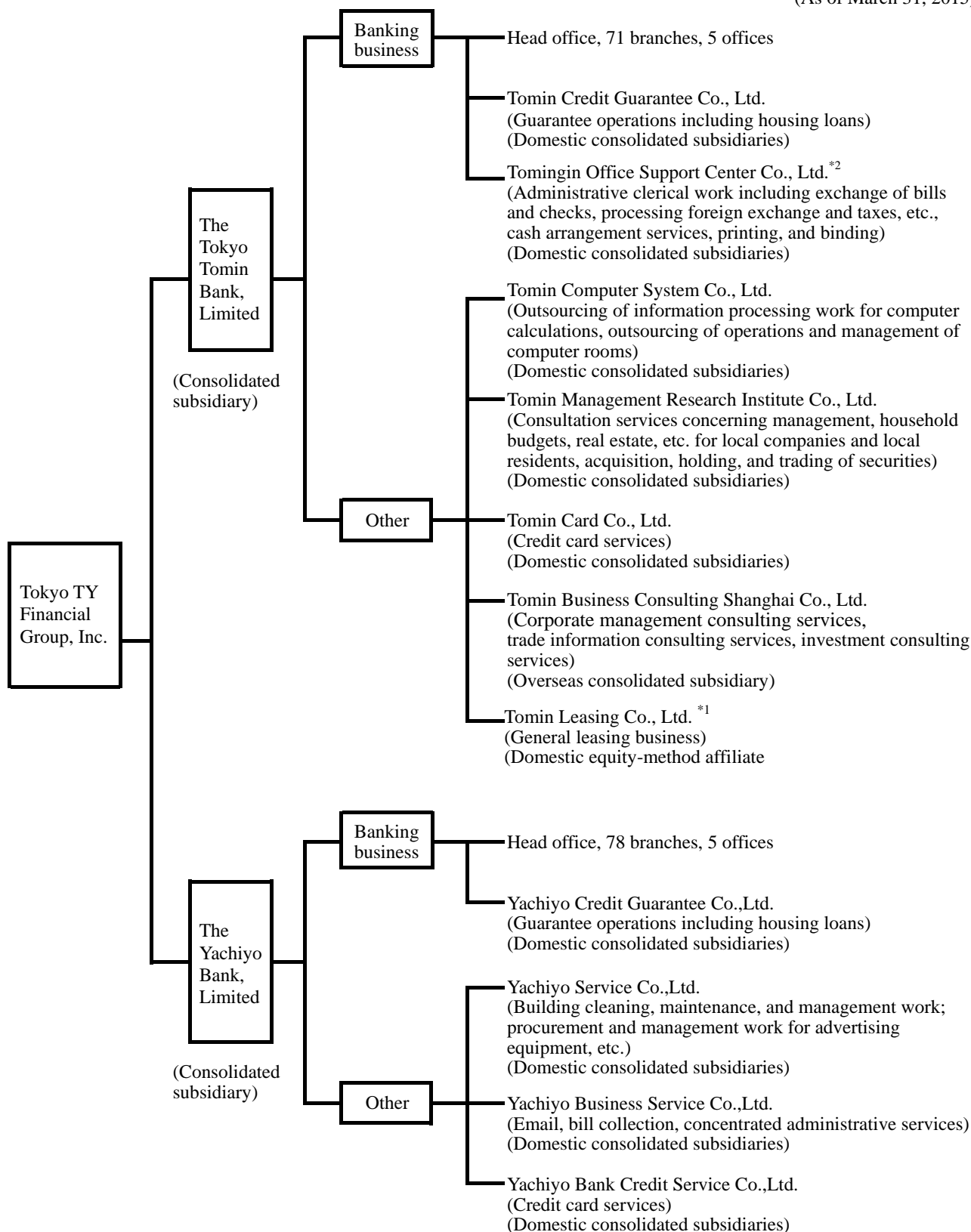
Furthermore, 3 consolidated subsidiaries are engaged in work including banking clerical work.

[Others]

The other 7 consolidated subsidiaries and 1 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 Bank to support the financial needs of customers.

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

(As of March 31, 2015)



Notes:

1. The name of Tomin Lease Co., Ltd. was changed to Tokyo TY Lease Co., Ltd. on April 1, 2015.
2. The Company resolved to dissolve Tomingin Office Support Center Co., Ltd. at the Board of Directors meeting held on April 30, 2015.

3. Management Policies

(1) Fundamental Management Policy

The Group was formed with the establishment of the Company as a joint holding company of The Tokyo Tomin Bank, Limited and The Yachiyo Bank, Limited on October 1, 2014. Based on the management policy “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” and in accordance with the following basic policies, we aim to become the urban regional bank group most loved by customers in the Tokyo metropolitan area.

- 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.
- 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 lift the motivation of our bank employees, and take up the challenge of our growth strategies with a sense of unified purpose.

(2) Management Indicators to be Targeted

	FY2016	FY2020
Deposit balance (outstanding)	¥4,550 billion	¥4,700 billion
Loan balance (outstanding)	¥3,350 billion	¥3,500 billion
Core business income	¥16.5 billion	¥20.0 billion
Net income	¥10.0 billion	¥12.5 billion

(3) Medium- and Long-term Business Strategies

With the Group’s inauguration, in October 2014 we started a 2.5-year medium-term business plan lasting until FY2016 as the first stage of the Tokyo TY Plan 2020 business plan for FY 2020. The initiatives of this medium-term business plan will include providing advanced consulting capabilities through the promotion of the Club TY financial platform service, sharing the strengths and sales know-how of both banks, and improving the efficiency of the headquarters function. Furthermore, over the medium to long term the Group will do its utmost to work together to exploit synergies in order to strengthen services as a financial partner, expand its sales base and regional finance function, promote improved management efficiency, and strengthen profitability.

(4) Outstanding Issues

Looking towards the future, we believe that the further advance of population aging will be accompanied by an increase in needs for inheritance services and business succession services for SMEs in the Tokyo metropolitan area, and that population aging and population decreases in regional areas will further trigger the movement of companies and people from regional areas to the Tokyo metropolitan area. Furthermore, the convening of the 2020 Tokyo Olympics and Paralympics is expected to create tailwinds for a wide range of industries, as large-scale re-development can be expected for accommodation facilities and transportation infrastructure including roads and railways, which will be coupled with an increase in foreign visitors to Japan and enlivened consumption activities.

While there will be an increase in business opportunities such as these, competition can be expected to intensify in the Tokyo metropolitan area including among existing financial institution as the movement across boundaries by regional banks into the Tokyo metropolitan area becomes more common.

In order to overcome this competition and to ensure that these business opportunities can be translated into solid results, the Group recognizes the prompt sharing of the mutual strengths and know-how of both banks in order to maximize synergies as a pressing issue. Currently, various measures are being studied and implemented in a variety of fields in order to maximize the synergies between both banks. In order to also leverage the advantages gained through implementing business integration in the Tokyo metropolitan area in advance of other banking groups, the Group aims to promptly address various issues and achieve results through the various measures being implemented in order to maximize corporate value.

Furthermore, in order to actualize the management policy, the Group will work towards sustainable growth and medium-to-long-term development through means such as implementing the newly developed Corporate Governance Code.

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

Assets	
Cash and due from banks	298,834
Call loans and bills purchased	28,938
Other debt purchased	3,012
Trading account securities	607
Securities	1,236,834
Loans and bills discounted	3,294,802
Foreign exchange	7,731
Other assets	21,018
Tangible fixed assets	53,613
Buildings	13,478
Land	34,625
Lease assets	973
Construction in progress	2,223
Other tangible fixed assets	2,313
Intangible fixed assets	3,295
Software	2,604
Lease assets	183
Other intangible fixed assets	507
Deferred assets	74
Net defined benefit assets	10,777
Deferred tax assets	6,570
Customers' liabilities for acceptances and guarantees	6,630
Reserve for possible loan losses	(28,913)
Total assets	<u>4,943,828</u>
Liabilities	
Deposits	4,491,306
Negotiable certificates of deposit	27,038
Payables under securities lending transactions	140,876
Borrowed money	7,409
Foreign exchange	139
Bonds	25,600
Bonds with subscription rights to shares	5,000
Other liabilities	30,012
Reserve for employee bonuses	2,074
Net defined benefit liabilities	3,326
Reserve for directors' retirement benefits	137
Reserve for point card certificates	51
Reserve for loss on interest repayments	14
Reserve for loss on dormant deposit repayments	844
Reserve for contingent loss	740
Deferred tax liabilities	30
Deferred tax liabilities for land revaluation	15
Acceptances and guarantees	6,630
Total liabilities	<u>4,741,248</u>

(¥ million)

As of March 31, 2015

Net Assets

Common stock	20,000
Capital surplus	99,607
Retained earnings	73,245
Treasury stock	(544)
Total shareholders' equity	192,308
Net unrealized gain on available-for-sale securities	9,784
Deferred gains or losses on hedges	2
Revaluation reserve for land	(210)
Foreign currency translation adjustment	17
Remeasurements of defined benefit plans	432
Total of other accumulated comprehensive income	10,026
Minority interests	245
Total net assets	202,580
Total liabilities and net assets	4,943,828

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

(¥ million)

	Year ended March 31, 2015
Ordinary income	65,043
Interest income	45,003
Interest on loans and bills discounted	37,879
Interest and dividends on securities	6,409
Interest on call loans and bills purchased	145
Interest on receivables under securities borrowing transactions	9
Interest on deposits with banks	163
Other interest income	395
Fees and commissions	13,410
Other operating income	3,946
Other ordinary income	2,682
Gain on recovery of write-off claims	210
Others	2,472
Ordinary expenses	53,234
Interest expenses	2,975
Interest on deposits	1,812
Interest on negotiable certificates of deposit	38
Interest on call money and bills sold	0
Interest on payables under securities lending transactions	117
Interest on borrowed money	212
Interest on corporate bonds	698
Interest on bonds with subscription rights to shares	53
Other interest expenses	42
Fees and commissions	2,895
Other operating expenses	209
General and administrative expenses	43,749
Other ordinary expenses	3,403
Written-off of loans	774
Provision of allowance for doubtful accounts	721
Other ordinary expenses	1,907
Ordinary profit	<u>11,809</u>
Extraordinary income	50,476
Gain on disposal of non-current assets	0
Gain on bargain purchase	50,476
Extraordinary losses	80
Loss on disposal of fixed assets	76
Loss on step acquisitions	3
Income before income taxes and minority interests	<u>62,205</u>
Income tax – current	2,054
Income tax – deferred	2,815
Total income taxes	<u>4,870</u>
Income before minority interests	<u>57,335</u>
Minority interests in net income	44
Net income	<u>57,290</u>

Consolidated Statements of Comprehensive Income

(¥ million)

	Year ended March 31, 2015
Income before minority interests	57,335
Other comprehensive income	13,164
Net unrealized gain on available-for-sale securities	7,966
Deferred gains or losses on hedges	2
Excess of land revaluation	1
Foreign currency translation adjustments	6
Remeasurements of defined benefit plans	5,087
Share of other comprehensive income of associates accounted for using equity method	100
Total comprehensive income	70,500
Comprehensive income attributable to owners of parent	70,465
Comprehensive income attributable to minority interests	34

(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 during the reporting period					
Share transfer	(28,120)	81,089			52,969
Acquisition of additional shares of subsidiaries upon share transfer		153			153
Surplus dividend			(1,758)		(1,758)
Net income			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)
Changes of items other than those in equity capital during the reporting period (net amount)					
Total of changes 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						Stock purchase warrants	Minority 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 other accumulated 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 during the reporting period									
Share transfer									52,969
Acquisition of additional shares of subsidiaries upon share transfer									153
Surplus dividend									(1,758)
Net income									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)
Changes of items other than those in equity capital during the reporting period (net amount)	8,076	2	1	6	5,087	13,174	(79)	(2)	13,092
Total of changes 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

(4) Consolidated Statements of Cash Flows

(¥ million)

	Year ended March 31, 2015
Cash flows from operating activities	
Income before income taxes and minority interests	62,205
Depreciation	2,508
Retirement benefit expenses	1,263
Gain on bargain purchase	(50,476)
Loss (gain) on step acquisitions	3
Equity in (earnings) losses of affiliates	(202)
Increase (decrease) in reserve for possible loan losses	(4,104)
Increase (decrease) in reserve for employee bonuses	(50)
Decrease (increase) in net defined benefit assets	(8,207)
Increase (decrease) in net defined benefit liability	(1,768)
Increase (decrease) in reserve for directors' retirement benefits	9
Increase (decrease) in reserve for point card certificates	4
Increase (decrease) in reserve for loss on interest repayments	3
Increase (decrease) in reserve for loss on dormant deposit repayments	113
Increase (decrease) in reserve for contingent loss	(68)
Interest income	(45,003)
Interest expenses	2,975
Net gain (loss) on securities	(2,389)
Foreign exchange losses (gains)	(9,010)
Net loss (gain) on sales of fixed assets	76
Net increase (decrease) in trading securities	(213)
Net (decrease) increase in loans and bills discounted	(18,788)
Net increase (decrease) in deposits	7,587
Net increase (decrease) in negotiable certificates of deposit	(5,127)
Net increase (decrease) in borrowed money (excluding subordinated loans)	(119)
Net decrease (increase) in due from banks (excluding due from the Bank of Japan)	7,878
Net (decrease) increase in call loans and bills purchased and others	27,026
Net increase (decrease) in payables under securities lending transactions	140,876
Increase (decrease) in money held in trust	20
Net increase (decrease) in foreign exchange (assets)	496
Net increase (decrease) in foreign exchange (liabilities)	17
Interest received	45,518
Interest paid	(3,130)
Other	8,112
Subtotal	158,035
Income taxes paid	(1,208)
Net cash provided by (used in) operating activities	156,827

	(¥ million)
	Year ended March 31, 2015
Cash flows from investing activities	
Purchases of securities	(588,928)
Proceeds from sale of securities	500,403
Proceeds from maturities of securities	13,998
Purchase of tangible fixed assets	(18,332)
Retirement of tangible fixed assets	(46)
Proceeds from sales of property, plant and equipment	0
Purchase of intangible fixed assets	(393)
Net cash provided by (used in) investing activities	(93,299)
Cash flows from financing activities	
Decrease in subordinated borrowings	(5,000)
Redemption of subordinated bonds	(5,000)
Cash dividends paid	(1,755)
Cash dividends paid to minority shareholders	(0)
Purchase of treasury stock	(55)
Proceeds from sale of treasury stock	37
Repayments of lease obligations	(216)
Net cash provided by (used in) financing activities	(11,992)
Effect of exchange rate changes on cash and cash equivalents	11
Net change in cash and cash equivalents (used in)	51,546
Cash and cash equivalents at beginning of year	122,982
Increase in cash and cash equivalents due to share transfer	111,855
Cash and cash equivalents at end of year	286,385

(5) Notes on Premise of Going Concern

Not applicable.

(6) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements of Prior Period Financial Statements After Error Corrections

The Company is the sole parent company established through the business integration and joint stock transfer of The Tokyo Tomin Bank, Limited and The Yachiyo Bank, Limited on October 1, 2014, and the accounting policies, accounting estimates, etc. applied are those that were applied in the past by both The Tokyo Tomin Bank, Limited and The Yachiyo Bank, Limited in the preparation of the consolidated financial statements.

(Application of the Accounting Standard for Retirement Benefits)

Concerning the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012; hereafter, “the Accounting Standard for Retirement Benefits”) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015; hereafter, “the Guidance on Accounting Standard for Retirement Benefits”), the stipulations of Article 35 of the Accounting Standard for Retirement Benefits and Article 67 of the Guidance on Accounting Standard for Retirement Benefits have been adopted from the current consolidated fiscal year, and accordingly the method for calculating retirement benefit obligations and service costs will be revised and the period allocation methodology for the estimated retirement benefit amount will be changed from a straight-line basis to a benefit calculation basis. In addition, the discount rate determination method will be revised from a method in which it is determined based on a single-year bond yield corresponding to the average remaining years of service of employees to a method in which it is determined based on multiple bond yields set for each expected payment period for retirement benefits.

In accordance with transitional treatment as stipulated in Article 37 of the Accounting Standard for Retirement Benefits for the application of accounting standards for retirement benefits, the impact resulting from the change in the method for calculating retirement benefit obligations and service costs has been recorded under retained earnings at the beginning of the current consolidated fiscal year.

As a result, net defined benefit assets have increased by ¥405 million and retained earnings have increased by ¥260 million at the beginning of the current consolidated fiscal year. Note that ordinary profit and income before income taxes and minority interests for the current consolidated fiscal year increased by ¥374 million, respectively.

Note that the effects on per share information are described in the per share information section.

(Application of the Accounting Standard for Business Combinations, etc.)

With the application of the Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013; hereafter, the “Accounting Standard for Business Combinations”), the Accounting Standards for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013; hereafter, the “Accounting Standards for Consolidated Financial Statements”), the Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013; hereafter, the “Accounting Standard for Business Divestitures”), etc. from the beginning of the consolidated fiscal year starting on April 1, 2014, these accounting standard, etc. (excluding the stipulations of Article 39 of the Accounting Standards for Consolidated Financial Statements) shall be applied from the current consolidated fiscal year, and accordingly the balance of the Company’s ownership of a subsidiary if control is maintained shall be recorded as a capital surplus and the treatment of acquisition-related costs shall be changed to recording as costs during the consolidated fiscal year incurred.

In addition, for business combinations implemented from the beginning of the current consolidated fiscal year, the allocation of expenditures to acquisition cost will be revised through the confirmation of a provisional accounting treatment to be reflected in the consolidated financial statements for the consolidated fiscal year the business consolidation date falls in.

The application of the Accounting Standard for Business Combinations, etc. will apply from the beginning of the current consolidated fiscal year into the future in accordance with the transitional treatment stipulated in the Accounting Standard for Business Combinations 58-2 (4), the Accounting Standards for Consolidated Financial Statements 44-5 (4), and the Accounting Standard for Business

Divestitures 57-4 (4).

Note that these changes will not have a material impact on the income or capital surplus of the current consolidated fiscal year.

(7) Accounting Standards Not Yet Applied

Accounting Standard for Business Combinations (September 13, 2013)

(1) Overview

The Accounting Standard for Business Combinations was revised with a focus on (i) the treatment of changes to a parent company's ownership of a subsidiary if control is maintained in the acquisition of additional shares of subsidiaries, (ii) the treatment of acquisition-related costs, (iii) provisional accounting treatment, and (iv) the disclosure of net income and changes from minority interests to non-controlling interests.

(2) Scheduled application date

Among the revised accounting standards, (i) to (iii) have been applied early from the beginning of the consolidated fiscal year starting on April 1, 2014, and (iv) is scheduled to be applied from the beginning of the year starting on April 1, 2015.

(3) The impact of the application of these accounting standards

They constitute changes in account names, so there will be no impact on the consolidated financial statements.

(8) Notes to Consolidated Financial Statements

(Business combinations, etc.)

The Company was established through the joint stock transfer of The Tokyo Tomin Bank, Limited (hereafter, "Tokyo Tomin Bank") and The Yachiyo Bank, Limited (hereafter, "Yachiyo Bank") on October 1, 2014. The joint stock transfer shall be treated as a purchase as stipulated in the Accounting Standard for Business Combinations, with Tokyo Tomin Bank as the acquiring company and Yachiyo Bank as the acquired company.

1. Overview of the business combination

(1) Name and description of business of the acquired company

Yachiyo Bank Banking business

(2) Main reasons for the business combination

In order to utilize the regional brands that both banks have fostered up until now and achieve prompt integration synergies from the perspective of maximizing corporate value, both banks selected the method of establishing a joint holding company through stock transfer. With this new financial group, a business integration has been achieved that will contribute to the local community through the provision of an advanced consulting function, the development of products and services to support the needs of customers, further partnerships with local governments, the promotion of unified operations of redundant operations, and improved corporate value through the improvement of customer satisfaction, competitiveness, and management efficiency.

(3) Date of the business combination

October 1, 2014

(4) Legal form of the business combination

Establishment of a joint holding company through a stock transfer

(5) Name after the business combination

Tokyo TY Financial Group, Inc. ("Tokyo TY Financial Group")

(6) Ratio of voting rights acquired

100%

(7) Main basis for deciding on the acquiring company

Tokyo Tomin Bank was designated as the acquiring company as a result of comprehensive consideration of factors including acquisition-deciding factors in the Accounting Standard for Business Combinations and various other factors.

2. Period of the inclusion of the acquired company's results in the consolidated financial statements

October 1, 2014 to March 31, 2015

3. Acquisition cost of the acquired company and a breakdown of that cost

The market value of common stocks exchanged for the common stocks of Yachiyo Bank held immediately before the stock transfer on the business combination date of the Tokyo TY Financial Group ¥371 million

The market value of common stocks of the Tokyo TY Financial Group exchanged on the business combination date ¥52,594 million

Acquisition cost ¥52,966 million

4. Acquisition cost of the acquired company and difference between the total acquisition cost for each transaction leading to the acquisition

Loss on step acquisition ¥3 million

5. Transfer ratio by class of shares, the calculation method, and number of shares delivered

(1) Transfer ratio by class of shares

(i) 0.37 common stocks of the Tokyo TY Financial Group for every common stock of Tokyo Tomin Bank

(ii) 1 common stock of the Tokyo TY Financial Group for every common stock of Yachiyo Bank

(2) Calculation method

The calculation of the share transfer ratio was commissioned to multiple financial advisors as third-party calculation institutions, and the calculations were conducted based on the report submitted through consultations between the parties involved.

(3) Number of shares delivered

Common stocks 29,227,826 shares

6. Assets received and liabilities assumed on the business combination date and a breakdown of the major items

(1) Assets

Total assets ¥2,260,320 million

Of which, loans ¥1,444,364 million

Of which, securities ¥622,404 million

Of which, reserve for possible loan losses (¥12,460 million)

(2) Liabilities

Total liabilities ¥2,156,770 million

Of which, deposits ¥2,122,129 million

7. The amount of gain on bargain purchase and the reason for recognizing a gain on bargain purchase

(1) The amount of gain on bargain purchase

¥50,476 million

(2) Reason for recognizing a gain on bargain purchase

The net amount allocated to the assets acquired and liabilities assumed exceeded the acquisition cost, and the excess amount is recognized as a gain on bargain purchase.

8. Approximate amount and calculation method of the effect of the business combination on the consolidated statement of income for the current fiscal year if the business combination had been completed at the beginning of the current fiscal year

Ordinary income ¥19,898 million

Operating profit ¥5,163 million

Net income ¥3,604 million

The estimated above impact amount was calculated by making adjustments believed to be necessary for the consolidated statement of income amounts for the acquired company Yachiyo Bank from April 1, 2014 to September 30, 2014.

Note that the estimate above has not been audited by Ernst & Young ShinNihon LLC.

(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, 2015)
Net assets per share	¥	6,959.92
Net income per share	¥	2,638.39
Diluted net income per share	¥	2,561.38

Notes:

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

Item		Reporting period (Year ended March 31, 2015)
Total of net assets	(¥ million)	202,580
Amount deducted from total of net assets	(¥ million)	245
Minority shareholder equity	(¥ million)	245
Net asset amount for common stock at the year-end	(¥ million)	202,334
Number of shares of common stock at the year-end used for calculating net asset amount per share	Thousand shares	29,071

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.

Item		Reporting period (Year ended March 31, 2015)
Net income per share		
Net income	(¥ million)	57,290
Amount not belonging to common stock	(¥ million)	—
Net income in relation to common stock	(¥ million)	57,290
Weighted-average shares of ordinary stock during the period	Thousand shares	21,714
Diluted net income per share		
Net income adjustment amount	(¥ million)	34
Interest on bonds with subscription rights to shares (net of applicable taxes)	(¥ million)	34
Effect of dilutive securities	Thousand shares	666
Summary of residual securities not included in calculation of net profit per share after adjustment of residual securities because they have no dilutive effects		—

3. As stated in "Changes in Accounting Policies," the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012; hereafter, the "Accounting Standard for Retirement Benefits") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015; hereafter, the "Guidance on Accounting Standard for Retirement Benefits") have been adopted from the current consolidated fiscal year, specifically the stipulations of Article 35 of the Accounting Standard for Retirement Benefits and Article 67 of the Guidance on Accounting Standard for Retirement Benefits, and accordingly the transitional treatment as stipulated in Article 37 of the Accounting Standard for Retirement Benefits applies.

For this reason, net assets per share at the beginning of the current consolidated fiscal year, net income per share, and diluted net income per share increased by ¥18.17, ¥17.26, and ¥16.74, respectively.

(Significant Subsequent Events)

The Company resolved to dissolve Tomingin Office Support Center Co., Ltd. that was a consolidated subsidiary of the Company at the Board of Directors held on April 30, 2015 as follows.

1. Reason for dissolution

While the subsidiary that was dissolved had conducted administrative clerical services for the subsidiary The Tokyo Tomin Bank, Limited, a resolution was made to dissolve Tomingin Office Support Center Co., Ltd. as part of efforts to improve the management efficiency of the Group.

2. Overview of the dissolved subsidiary

1. Trade name	Tomingin Office Support Center Co., Ltd.
2. Business	Outsourcing of concentrated administrative services
3. Establishment date	March 20, 1998
4. Location of the head office	2-4-1 Roppongi, Minato-ku, Tokyo
5. Representative	Ryuichi Tanahashi
6. Capital (Issued and outstanding shares)	¥10 million (200 shares)
7. Ownership	Wholly-owned by The Tokyo Tomin Bank, Limited
8. Number of employees	107 as of April 1, 2015
9. Total net assets	¥259 million
10. Total assets	¥296 million
11. Net sales	¥405 million
12. Net income	¥14 million

3. Timing of dissolution

Scheduled to be dissolved on June 30, 2015 and liquidated around the end of September 2015.

4. The impact of the dissolution on profit or loss

The dissolution will not have a material effect on the Company's consolidated results for the fiscal year ending March 31, 2016.

5. The impact of the dissolution on sales activities

The dissolution will not have a material effect on the Company's sales activities.

6. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(¥ million)

As of March 31, 2015

Assets	
Current assets	
Cash and due from banks	1,544
Prepaid expenses	1
Income taxes receivable	312
Deferred tax assets	14
Total current assets	<u>1,873</u>
Non-current assets	
Investments and other assets	
Shares of subsidiaries and associates	134,845
Loans receivable from subsidiaries and associates	5,000
Total investments and other assets	<u>139,845</u>
Total non-current assets	<u>139,845</u>
Deferred assets	
Organization expenses	64
Share issuance cost	9
Total deferred assets	<u>74</u>
Total assets	<u>141,793</u>
Liabilities	
Current liabilities	
Accounts payable - other	34
Income taxes	34
Deposits received	10
Reserve for employee bonuses	24
Total current liabilities	<u>103</u>
Non-current liabilities	
Bonds with subscription rights to shares	5,000
Total non-current liabilities	<u>5,000</u>
Total liabilities	<u>5,103</u>
Net assets	
Shareholders' equity	
Common stock	20,000
Capital surplus	
Capital reserve	5,000
Other capital surplus	110,276
Total capital surplus	<u>115,276</u>
Retained earnings	
Other retained earnings	
Retained earnings brought forward	1,957
Total retained earnings	<u>1,957</u>
Treasury stock	(544)
Total shareholders' equity	<u>136,689</u>
Total net assets	<u>136,689</u>
Total liabilities and net assets	<u>141,793</u>

(2) Non-consolidated Statements of Income

(¥ million)

	Year ended March 31, 2015
Operating income	
Dividends from subsidiaries and associates	1,849
Commissions from subsidiaries and associates	534
Total operating income	2,383
Operating expenses	
Selling, general and administrative expenses	349
Total operating expenses	349
Operating profit	2,034
Non-operating income	
Interest income	53
Miscellaneous income	0
Total non-operating income	53
Non-operating expenses	
Interest expenses	53
Amortization of deferred organization expenses	7
Amortization of share issuance cost	1
Total non-operating expenses	62
Ordinary profit	2,024
Income before income taxes	2,024
Income taxes - current	82
Income taxes - deferred	(14)
Total income taxes	67
Net income	1,957

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

(Year ended March 31, 2015)

(¥ million)

	Shareholders' equity								Total net assets
	Common stock	Capital surplus			Other retained earnings	Total retained earnings	Treasury stock	Total Shareholders' equity	
		Capital reserve	Other capital surplus	Total capital surplus	Retained earnings brought forward				
Balance at beginning of the year	-	-	-	-	-	-	-	-	-
Changes 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
Total of changes 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

(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 15, 2015

Company name: The Tokyo Tomin Bank, Limited
 Representative: Akihiro Kakizaki, President
 Responsible person for inquiries: Yousuke Kido, General Manager, Corporate Planning Division
 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, 2015
(From April 1, 2014 to March 31, 2015)

(1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY2014	44,477	(0.0)	6,826	43.6	3,482	(17.5)
FY2013	44,479	(3.3)	4,753	94.2	4,222	103.1
(Reference) FY2014: Total number of shares issued at the end of the period			38,835,787 shares			
Average number of shares during the period			38,830,022 shares			

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
FY2014	2,687,314	89,225	3.3
FY2013	2,541,812	81,645	3.2

(Reference) Equity: FY2014: ¥89,225 million FY2013: ¥81,566 million

(Note) "Equity" consists of minority interests at the end of the period subtracted from total assets and "Net assets to total assets ratio" is calculated by dividing equity by total assets at the end of the period.

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, 2014	As of March 31, 2015
Assets		
Cash and due from banks	133,105	213,293
Cash on hand	25,379	22,727
Due from banks	107,726	190,565
Call loans	22,290	3,442
Other debt purchased	192	65
Trading account securities	45	177
Trading account Japanese government bonds	42	161
Trading account Municipal government bonds	3	16
Securities	513,166	586,219
Japanese government bonds	313,004	315,341
Municipal government bonds	49,647	49,488
Corporate bonds	109,106	102,908
Corporate stocks	26,332	32,842
Other securities	15,075	85,639
Loans and bills discounted	1,831,521	1,828,147
Bills discounted	32,174	29,838
Loans on bills	76,172	75,072
Loans on deeds	1,566,090	1,580,034
Overdrafts	157,082	143,201
Foreign exchange	4,750	5,544
Due from foreign banks	2,668	2,739
Foreign bills of exchange bought	49	604
Foreign bills of exchange receivable	2,032	2,200
Other assets	13,781	12,483
Prepaid expenses	395	369
Accrued income	2,484	2,461
Financial derivatives	2,861	2,600
Other assets	8,040	7,051
Tangible fixed assets	14,868	32,259
Buildings	5,829	5,709
Land	7,550	22,843
Leased assets	405	451
Construction in progress	—	2,160
Other tangible fixed assets	1,083	1,095
Intangible fixed assets	2,133	1,850
Software	1,861	1,459
Leased assets	47	120
Other intangible fixed assets	224	271
Prepaid pension cost	9,803	11,607
Deferred tax assets	11,669	5,597
Customers' liabilities for acceptances and guarantees	4,234	3,133
Reserve for possible loan losses	(19,749)	(16,508)
Total assets	2,541,812	2,687,314

The Tokyo Tomin Bank, Limited

(¥ million)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Deposits	2,368,778	2,379,799
Current deposits	166,102	169,843
Ordinary deposits	909,185	949,587
Savings deposits	18,424	17,792
Deposits at notice	18,984	20,714
Time deposits	1,149,050	1,117,374
Installment savings	61,502	58,156
Other deposits	45,528	46,330
Negotiable certificates of deposit	28,207	25,838
Payables under securities lending transactions	—	140,876
Borrowed money	12,226	7,209
Borrowings from other banks	12,226	7,209
Foreign exchange	118	138
Due to foreign banks	1	1
Foreign bills of exchange sold	63	51
Foreign bills of exchange payable	53	85
Bonds	30,600	25,600
Other liabilities	14,247	13,757
Income taxes	146	256
Accrued expenses	2,240	1,989
Unearned income	1,432	1,195
Reserve for interest on installment savings	64	29
Financial derivatives	1,877	1,702
Cash collateral received for financial instruments	266	127
Lease obligations	488	598
Asset retirement obligations	202	203
Other liabilities	7,528	7,653
Reserve for employee bonuses	1,101	1,076
Reserve for directors' retirement benefits	100	101
Reserve for point card certificates	2	2
Reserve for loss on dormant deposit repayments	164	236
Reserve for contingent loss	369	302
Deferred tax liabilities for land revaluation	16	15
Acceptances and guarantees	4,234	3,133
Total liabilities	2,460,167	2,598,089

The Tokyo Tomin Bank, Limited

(¥ million)

	As of March 31, 2014	As of March 31, 2015
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	15,641	15,369
Earned reserve	2,922	3,408
Other retained earnings	12,719	11,960
General reserve	6,400	6,400
Retained earnings brought forward	6,319	5,560
Treasury stock	(1,602)	—
Total shareholders' equity	80,243	81,573
Net unrealized gain on available-for-sale securities	1,534	7,862
Revaluation reserve for land	(211)	(210)
Total valuation and translation adjustments	1,323	7,651
Stock purchase warrants	79	—
Total net assets	81,645	89,225
Total liabilities and net assets	2,541,812	2,687,314

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

(¥ million)

	Year ended March 31, 2014	Year ended March 31, 2015
Ordinary income	44,479	44,477
Interest income	31,978	31,526
Interest on loans and bills discounted	28,090	26,720
Interest and dividends on securities	3,493	4,398
Interest on call loans	129	86
Interest on receivables under securities borrowing transactions	4	9
Interest on deposits with banks	63	121
Other interest income	196	190
Fees and commissions	8,394	9,221
Fees and commissions on domestic and foreign exchange	2,030	2,003
Other fees and commissions	6,363	7,218
Other operating income	2,636	2,177
Gain on foreign exchange transactions	1,485	1,035
Gain on sale of bonds	757	618
Income from derivatives other than for trading or hedging	325	522
Other	68	0
Other ordinary income	1,469	1,552
Gain on recovery of write-off claims	2	0
Gain on sale of stocks and other securities	1,003	252
Gain on equity derivatives	17	7
Other	445	1,292
Ordinary expenses	39,726	37,651
Interest expenses	2,384	2,245
Interest on deposits	1,359	1,163
Interest on negotiable certificates of deposit	21	38
Interest on call money	—	0
Interest on payables under securities lending transactions	4	109
Interest on borrowed money	264	207
Interest on corporate bonds	704	698
Other interest expenses	29	27
Fees and commissions	2,838	2,834
Fees and commissions on domestic and foreign exchange	419	429
Other fees and commissions	2,418	2,405
Other operating expenses	18	16
Loss on trading account securities transactions	2	0
Loss on sale of bonds	16	16
Gain on sale of bonds	0	—
General and administrative expenses	31,198	30,016
Other ordinary expenses	3,285	2,539
Transfer to reserve for possible loan losses	2,167	1,279
Write-off of loans	177	8
Loss on sale of stocks and other securities	0	25
Loss on devaluation of stocks and other securities	74	39
Other	865	1,185
Ordinary profit	4,753	6,826

The Tokyo Tomin Bank, Limited

(¥ million)

	Year ended March 31, 2013	Year ended March 31, 2014
Extraordinary income	—	—
Extraordinary losses	80	66
Loss on disposition of fixed assets	80	66
Income before income taxes	4,672	6,759
Income taxes – current	20	255
Income taxes – deferred	429	3,021
Total income taxes	450	3,277
Net income	4,222	3,482

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

May 15, 2015

Company name: The Yachiyo Bank, Limited

Representative: Hirokazu Tahara, President

Responsible person for inquiries: Hiroshi Adachi, 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, 2015 (From April 1, 2014 to March 31, 2015)

(1) Results in non-consolidated operations

(Percentages represent year-on-year changes.)

	Ordinary income		Ordinary profit		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY2014	41,012	1.4	9,368	19.6	6,067	(0.9)
FY2013	40,427	(3.5)	7,827	9.7	6,125	17.2

(Reference) FY2014: Total number of shares issued at the end of the period 14,858,585 shares

Average number of shares during the period 14,855,845 shares

(2) Non-consolidated financial position

	Total assets (¥ million)	Total net assets (¥ million)	Net assets to total assets ratio (%)
FY2014	2,254,512	104,726	4.6
FY2013	2,204,692	98,220	4.4

(Reference) Equity: FY2014: ¥104,726 million FY2013: ¥98,220 million

(Notes)

1. "Equity" consists of total net assets at the end of the period, and the "Net assets to total assets ratio" is calculated by dividing equity by total assets at the end of the period. 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.
2. "Provision for contingent loss," which was included in "Allowance for loan losses" in the fiscal year ended March 31, 2014, is presented separately from the fiscal year ended March 31, 2015. Accordingly, total assets as of March 31, 2014 has reflected the change in presentation.

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

The Yachiyo Bank, Limited
 (¥ million)

	As of March 31, 2014	As of March 31, 2015
Assets		
Cash and due from banks	62,140	85,467
Cash on hand	22,878	22,547
Due from banks	39,261	62,920
Call loans	44,661	25,495
Other debt purchased	2,438	2,946
Trading account securities	342	429
Trading account Japanese government bonds	52	41
Trading account Municipal government bonds	290	387
Money held in trust	27	—
Securities	628,693	637,916
Japanese government bonds	305,587	276,884
Municipal government bonds	66,689	64,782
Corporate bonds	219,929	244,715
Corporate stocks	13,255	14,824
Other securities	23,231	36,708
Loans and bills discounted	1,427,267	1,466,028
Bills discounted	17,140	16,199
Loans on bills	21,971	20,777
Loans on deeds	1,333,093	1,376,400
Overdrafts	55,061	52,651
Foreign exchange	3,145	2,186
Due from foreign banks	2,551	1,691
Foreign bills of exchange bought	154	165
Foreign bills of exchange receivable	438	329
Other assets	4,680	4,690
Prepaid expenses	19	118
Accrued income	1,839	1,813
Financial derivatives	233	132
Other assets	2,587	2,625
Tangible fixed assets	30,476	30,176
Buildings	7,864	7,767
Land	20,686	20,686
Leased assets	575	502
Construction in progress	61	63
Other tangible fixed assets	1,288	1,156
Intangible fixed assets	1,860	1,265
Software	1,590	1,021
Software in progress	14	—
Leased assets	24	14
Other intangible fixed assets	230	230
Deferred tax assets	6,615	4,551
Customers' liabilities for acceptances and guarantees	4,215	3,497
Allowance for loan losses	(11,870)	(10,139)
Total assets	2,204,692	2,254,512

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Deposits	2,079,102	2,122,761
Current deposits	48,102	51,141
Ordinary deposits	1,026,683	1,097,833
Savings deposits	22,652	21,948
Deposits at notice	1,862	1,541
Time deposits	935,170	909,534
Installment savings	22,835	22,030
Other deposits	21,795	18,730
Negotiable certificates of deposit	3,050	3,930
Borrowed money	170	5,000
Borrowings from other banks	170	5,000
Foreign exchange	7	0
Foreign bills of exchange sold	0	0
Foreign bills of exchange payable	7	0
Bonds with subscription rights to shares	5,000	—
Other liabilities	5,300	6,447
Income taxes	576	1,605
Accrued expenses	1,297	1,293
Unearned income	187	178
Deposits received from employees	533	539
Reserve for interest on installment savings	13	10
Financial derivatives	279	254
Lease obligations	641	547
Asset retirement obligations	29	94
Other liabilities	1,741	1,922
Reserve for employee bonuses	877	869
Reserve for retirement benefits	4,712	3,546
Reserve for loss on dormant deposit repayments	566	608
Provision for contingent loss	508	438
Deferred tax liabilities for land revaluation	2,961	2,687
Acceptances and guarantees	4,215	3,497
Total liabilities	2,106,472	2,149,786

	As of March 31, 2014	As of March 31, 2015
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	20,899	23,574
Earned reserve	5,425	5,836
Other retained earnings	15,473	17,738
General reserve	8,200	11,700
Retained earnings brought forward	7,273	6,038
Treasury stock	(1,759)	—
Total shareholders' equity	95,797	100,232
Net unrealized gain on available-for-sale securities	2,098	3,891
Deferred gains or losses on hedges	(16)	(12)
Revaluation reserve for land	341	615
Total valuation and translation adjustments	2,422	4,494
Total net assets	98,220	104,726
Total liabilities and net assets	2,204,692	2,254,512

(Note) From the current fiscal year, "Provision for contingent loss," which was included in "Allowance for loan losses" in the previous fiscal year, is presented separately. Reflecting the change in the presentation, the "Allowance for loan losses" of 12,378 million yen reported in the balance sheet of the previous fiscal year was reclassified and presented as "Allowance for loan losses" of 11,870 million yen and "Provision for contingent loss" of 508 million yen.

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

(¥ million)

	Year ended March 31, 2014	Year ended March 31, 2015
Ordinary income	40,427	41,012
Interest income	29,923	28,845
Interest on loans and bills discounted	23,069	22,356
Interest and dividends on securities	6,191	5,861
Interest on call loans	144	116
Interest on deposits with banks	23	75
Other interest income	494	435
Fees and commissions	4,792	5,537
Fees and commissions on domestic and foreign exchange	1,950	1,903
Other fees and commissions	2,841	3,634
Other operating income	3,264	2,980
Gain on foreign exchange transactions	282	358
Gain on trading account securities transactions	—	2
Gain on sale of bonds	2,912	2,488
Income from derivatives other than for trading or hedging	68	130
Other ordinary income	2,448	3,649
Reversal of allowance for loan losses	155	1,488
Gain on recovery of write-off claims	717	779
Gain on sale of stocks and other securities	122	241
Gain on money held in trust	0	0
Other	1,452	1,139
Ordinary expenses	32,600	31,644
Interest expenses	1,472	1,452
Interest on deposits	1,341	1,304
Interest on negotiable certificates of deposit	1	1
Interest on call money	0	0
Interest on payables under securities lending transactions	1	12
Interest on borrowed money	4	55
Interest on bonds with subscription rights to shares	107	53
Interest on interest swaps	8	9
Other interest expenses	6	15
Fees and commissions	2,173	2,196
Fees and commissions on domestic and foreign exchange	424	422
Other fees and commissions	1,749	1,774
Other operating expenses	24	74
Loss on trading account securities transactions	2	—
Loss on sale of bonds	21	74
General and administrative expenses	26,753	26,077
Other ordinary expenses	2,177	1,843
Write-off of loans	1,258	945
Loss on sale of stocks and other securities	71	10
Loss on devaluation of stocks and other securities	46	—
Other	800	887
Ordinary profit	7,827	9,368

The Yachiyo Bank, Limited

(¥ million)

	Year ended March 31, 2014	Year ended March 31, 2015
Extraordinary income	0	0
Gain on disposal of non-current assets	0	0
Extraordinary losses	41	13
Loss on disposition of fixed assets	41	13
Income before income taxes	7,786	9,354
Income taxes – current	1,107	2,142
Income taxes – deferred	553	1,144
Total income taxes	1,660	3,286
Net income	6,125	6,067

(Note) From the current fiscal year, “Reversal of provision for contingent loss,” which was included in “Reversal of allowance for loan losses” within “Other ordinary income” in the previous fiscal year, is reclassified as “Other ordinary income.” Reflecting this reclassification, the “Reversal of allowance for loan losses” of 199 million yen reported under “Other ordinary income” in the statement of income for the previous fiscal year was reclassified as “Reversal of allowance for loan losses” of 155 million yen and “Other” of 44 million yen within “Other ordinary income.”

8. Changes to Directors

For details on changes to directors, refer to “HR matters concerning the directors and executive directors of subsidiaries” released on May 15, 2015.