



June 12, 2015

To whom it may concern:

Company: Tokyo TY Financial Group, Inc.
Representative: Akihiro Kakizaki, President
Code Number: 7173, First Section, Tokyo Stock Exchange

Company: ShinGinko Tokyo, Limited
Representative: Hidenori Tsunehisa, President and CEO

**Basic Agreement Regarding Consideration of the Business Integration between
Tokyo TY Financial Group, Inc. and ShinGinko Tokyo, Limited**

Notice is hereby given that the boards of directors of Tokyo TY Financial Group, Inc. (President: Akihiro Kakizaki; hereafter, “Tokyo TYFG”) and ShinGinko Tokyo, Limited (President: Hidenori Tsunehisa; hereafter, “ShinGinko Tokyo”) today approved the execution of a basic agreement for the purpose of proceeding with discussion and consideration of a business integration (hereafter, “Business Integration”) as set forth below.

1. Background of Business Integration

Tokyo TYFG is a regional bank group established in October 2014 by The Tokyo Tomin Bank, Limited, and The Yachiyo Bank, Limited, regional banks with head offices in Tokyo, the capital city of Japan. Since its establishment, Tokyo TYFG has aimed to become the urban regional bank group most favored by customers in the Tokyo metropolitan area. To achieve this goal, Tokyo TYFG has formed a solid management foundation that gives the bank a presence in the Tokyo metropolitan area, centered on the city of Tokyo and the northeast area of Kanagawa Prefecture, and also endeavors to provide genuine value as a financial institution serving the local community. Specifically, we are engaged in a wide range of measures to quickly realize the effects of our integration, such as providing one-stop financial services utilizing such consulting functions as business matching, focused on the financial platform service “Club TY,” and business success consultations. At the same time, we believe that expanding our network and augmenting our sales base to reinforce ties with local governments and others is an important measure in our management plan.

ShinGinko Tokyo is a regional financial institution established in April 2004 to support the financing needs of small- and medium-sized enterprises in the city of Tokyo with impressive technical skills and future potential. While forming ties with the Tokyo metropolitan government, the bank created and provided financial services that meet the needs of diverse customers, particularly small- and medium-sized enterprises in the Tokyo metropolitan

area, and endeavored to make sustainable contributions to small- and medium-sized regional companies and the revitalization of regional economies.

Tokyo TYFG and ShinGinko Tokyo 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 banks share the same management goal of supporting small- and medium-sized enterprises, and business integration can be expected to generate synergistic effects. Accordingly, we have decided to discuss and consider Business Integration.

2. Basic Strategy of Business Integration

Both companies aspire to become the urban regional bank group most favored by customers in the Tokyo metropolitan area by exercising their synergistic effects based on the following basic strategies.

- (1) As one of the largest regional financial institutions headquartered in Tokyo, we will establish a sustainable business model focused on the future of regional financial institutions and increase our competitiveness in the Tokyo metropolitan market as an urban-style regional bank by working with the Tokyo metropolitan government to foster and support small- and medium-sized enterprises in Tokyo and contributing to regional development.
- (2) We will augment financial services functions that meet the needs of our diversifying and increasingly sophisticated customers by consolidating Tokyo TYFG's network of branches in the Tokyo metropolitan area and wide-range network of mid-sized and small- and medium-sized enterprise clients with ShinGinko Tokyo's expertise in the support of small- and medium-sized enterprises in affiliation with the Tokyo metropolitan government.
- (3) The companies will aim to improve employee morale by operating a highly profitable and sound business and will approach their growth strategy with a sense of unity based on a spirit of mutual trust.

In addition, in order to pursue initiatives to foster and support small- and medium-sized enterprises in Tokyo, we will consider a wide range of approaches to cooperate with the Tokyo metropolitan government on support measures for small- and medium-sized enterprises, such as financing for such enterprises, support for start-ups, support for business rehabilitation and support for overseas expansion, in addition to concluding an agreement.

3. Form of the Business Integration

The companies will discuss and consider carrying out a share exchange (hereafter, "Share Exchange") in which Tokyo TYFG would be the wholly owning parent company and ShinGinko Tokyo the wholly owned subsidiary, assuming that approval by the general meeting of shareholders and the relevant authorities necessary for the Business Integration is obtained by April 1, 2016.

Moreover, we will consider a reorganization within the Group following the business integration, including mergers between Tokyo TYFG's affiliated banks and ShinGinko Tokyo, in order to benefit from the synergistic effects of the integration.

4. Allotment of Shares in the Share Exchange

The allotment of shares in this Share Exchange shall be determined in discussions between the two companies, based on the results of due diligence to be performed and the results of calculations by third-party valuation institutions.

5. Schedule

June 12, 2015 (today)	Execution of basic agreement regarding the Business Integration
September 2015 (planned)	Execution of definitive agreement regarding the Business Integration (including share exchange contract)
November 2015 (planned)	Both companies' extraordinary shareholders' meetings and class shareholders' meetings (decision on approval of share exchange contract)
April 1, 2016 (planned)	Effective date of Share Exchange

6. Outlines of the Companies

(1) Company overview (as of end of March, 2015; representative, however, is as of this report's submission)

Trade name	Tokyo TY Financial Group, Inc.	ShinGinko Tokyo, Limited ^{*1}
Establishment date	October 1, 2014	April 1, 2004 ^{*2}
Location of head office	5-9-2, Shinjuku, Shinjuku-ku, Tokyo	1-21-1 Meiho Bld., Nishishinjuku, Shinjuku-ku, Tokyo
Representative	Akihiro Kakizaki, President	Hidenori Tsunehisa, President and CEO
Business	Bank holding company	Banking operations and trust operations
Capital	20,000 million yen	20,000 million yen
Issued and Outstanding Shares	29,227,826 shares	5,926,207 shares (common shares) 2,000,000 shares (A-type preferred shares)
Total assets (consolidated)	4,943,828 million yen	431,456 million yen
Net Assets (consolidated)	202,580 million yen	55,057 million yen
Account balance (non-consolidated)	4,491,306 million yen	261,534 million yen
Loan balance (non-consolidated)	3,294,802 million yen	200,706 million yen
Fiscal year end	March 31	March 31

Employees (consolidated)	3,294	163
Number of branches (including sub-branches)	161	1
Major shareholders and their respective shareholding ratios	<p>[Common shares]</p> <p>Sumitomo Mitsui Trust Bank, Limited 7.87%</p> <p>Japan Trustee Services Bank, Ltd. (Trust Account) 6.38%</p> <p>Mizuho Bank, Ltd. 2.46%</p> <p>The Master Trust Bank of Japan, Ltd. (Trust Account) 2.42%</p> <p>Mitsui Sumitomo Insurance Company, Limited 2.14%</p> <p>Yachiyo Bank Employee Stock Ownership Plan 1.64%</p> <p>CBNY DFA INTL SMALL CAP VALUE PORTFOLIO 1.47%</p> <p>Tokyo Tomin Bank Employee Stock Ownership Plan 1.37%</p> <p>Fukuda Denshi Co., Ltd. 1.21%</p> <p>CBNY-GOVERNMENT OF NORWAY 1.17%</p>	<p>[Common shares]</p> <p>Tokyo Metropolitan Government 84.22%</p> <p>NTT Communications Corporation 2.11%</p> <p>Hitachi, Ltd. 2.11%</p> <p>Aioi Nissay Dowa Insurance Co., Ltd. 1.69%</p> <p>Shinkin Central Bank (SCB) 0.97%</p> <p>SMBC Nikko Securities Inc. 0.84%</p> <p>ORIX Corporation 0.84%</p> <p>Kajima Corporation 0.84%</p> <p>Taisei Corporation 0.84%</p> <p>Mitsui Sumitomo Insurance Company, Limited 0.84%</p> <p>[A-type preferred shares]</p> <p>Tokyo Metropolitan Government 100.00%</p>

Note 1. Total assets, net assets, account balance, loan balance and number of employees for ShinGinko Tokyo, Limited are provided on a non-consolidated basis.

Note 2. The date that the Tokyo metropolitan government acquired all of the shares in BNP Paribas Private Bank Ltd. to establish ShinGinko Tokyo is given as the date on which ShinGinko Tokyo was established. The date on which it was established as a corporation was April 5, 1999.

(2) Financial summary for the last three years

(Unit: million yen)

Fiscal year	Tokyo TY Financial Group, Inc.* ¹			ShinGinko Tokyo, Limited* ²		
	FY ended March 31, 2013	FY ended March 31, 2014	FY ended March 31, 2015	FY ended March 31, 2013	FY ended March 31, 2014	FY ended March 31, 2015
Ordinary revenue (consolidated)	-	-	65,043	7,537	6,704	7,211
Ordinary income (consolidated)	-	-	11,809	1,023	890	1,514
Net profit (consolidated)	-	-	57,290	1,019	885	1,510

Note 1. Since Tokyo TYFG was established on October 1, 2014, earnings for the fiscal years ended March 2013 and March 2014 are not provided. The breakdown of profits/loss for the fiscal year ended March 2015 is as follows.

- Consolidated income/loss for Tokyo Tomin Bank, Limited from April 2014 through March 2015
- Consolidated income/loss for Yachiyo Bank, Limited from October 2014 through March 2015
- Non-consolidated profit/loss for Tokyo TYFG, Inc. from October 2014 through March 2015
- Other adjustments from consolidated closing (gain on bargain purchase, etc.)

Note 2. Ordinary revenue, ordinary income and net income for ShinGinko Tokyo are non-consolidated earnings figures.

[Inquiries]	
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