

Financial Statements

For the Six Months Ended Sep. 30, 2015

THE JOYO BANK, LTD.

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(Note)

Information presented herein has been extracted from the original material, solely for the convenience of the readers outside Japan.

The amounts presented herein have not been audited.

A. CONSOLIDATED FINANCIAL INFORMATION

1. Consolidated Balance Sheets

	(Millions of yen)	
	As of Mar.31,2015	As of Sep.30,2015
Assets		
Cash and due from banks	496,348	321,426
Call loans and bills bought	14,356	2,168
Monetary claims bought	12,509	10,837
Trading assets	4,999	5,534
Securities	2,742,510	2,736,399
Loans and bills discounted	5,618,019	5,735,667
Foreign exchanges	3,296	4,499
Lease receivables and investment assets	38,571	40,134
Other assets	52,719	54,586
Tangible fixed assets	94,961	94,585
Intangible fixed assets	10,570	10,079
Net defined benefit asset	1,438	2275
Deferred tax assets	1,966	2,061
Customers' liabilities for acceptances and guarantees	14,961	15,551
Allowance for loan losses	△41,765	△41,808
Allowance for investment loss	△9	△9
Total assets	9,065,458	8,993,991
Liabilities		
Deposits	7,715,598	7,770,501
Negotiable certificates of deposit	10,045	82,366
Call money and bills sold	44,324	33,410
Payables under securities lending transactions	143,395	135,358
Trading liabilities	160	242
Borrowed money	345,388	192,568
Foreign exchanges	551	580
Bonds payable	15,000	15,000
Bonds with subscription rights to shares	36,051	35,988
Borrowed money from trust account	13	13
Other liabilities	66,084	63,929
Provision for directors' bonuses	62	—
Net defined benefit liability	7,997	7,811
Provision for directors' retirement benefits	39	30
Provision for reimbursement of deposits	2,164	2,099
Provision for point card certificates	138	154
Provision for loss on interest repayment	7	7
Provision for contingent loss	1,169	1,151
Reserves under special laws	2	2
Deferred tax liabilities	48,507	36,281
Deferred tax liabilities for land revaluation	10,136	10,070
Negative goodwill	1,817	1,738
Acceptances and guarantees	14,961	15,551
Total liabilities	8,463,618	8,404,859

	(Millions of yen)	
	As of Mar.31,2015	As of Sep.30,2015
Net assets		
Capital stock	85,113	85,113
Capital surplus	58,574	58,574
Retained earnings	311,093	323,787
Treasury shares	<u>△21,619</u>	<u>△21,565</u>
Total shareholders' equity	<u>433,160</u>	<u>445,908</u>
Valuation difference on available-for-sale securities	159,909	134,463
Deferred gains or losses on hedges	△1,725	△1,932
Revaluation reserve for land	12,666	12,528
Remeasurements of defined benefit plans	<u>△3,756</u>	<u>△3,438</u>
Total accumulated other comprehensive income	<u>167,094</u>	<u>141,621</u>
Subscription rights to shares	147	110
Non-controlling interests	<u>1,437</u>	<u>1,491</u>
Total net assets	<u>601,840</u>	<u>589,131</u>
Total liabilities and net assets	<u>9,065,458</u>	<u>8,993,991</u>

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

(Consolidated Statements of Income)

(Millions of yen)

	For the six months ended Sep.30,2014	For the six months ended Sep.30,2015
Ordinary income	78,207	81,977
Interest income	48,656	48,744
Interest on loans and discounts	33,922	33,087
Interest and dividends on securities	14,387	15,263
Trust fees	13	13
Fees and commissions	12,686	13,546
Trading income	735	1,133
Other ordinary income	2,126	3,061
Other income	13,990	15,477
Ordinary expenses	54,799	57,831
Interest expenses	2,504	3,207
Interest on deposits	1,290	1,407
Fees and commissions payments	3,755	3,841
Other ordinary expenses	184	755
General and administrative expenses	37,171	36,177
Other expenses	11,182	13,848
Ordinary profit	23,407	24,146
Extraordinary income	107	82
Gain on disposal of non-current assets	107	82
Extraordinary losses	668	325
Loss on disposal of non-current assets	288	188
Impairment loss	379	137
Transfer to reserve for financial products transaction liabilities	0	—
Income before income taxes	22,847	23,903
Income taxes – current	7,684	7,980
Income taxes – deferred	△126	△678
Total income taxes	7,557	7,302
Profit	15,289	16,600
Profit attributable to non-controlling interests	132	57
Profit attributable to owners of parent	15,157	16,543

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the six months ended Sep.30,2014	For the six months ended Sep.30,2015
Profit	15,289	16,600
Other comprehensive income	22,854	△25,338
Valuation difference on available-for-sale securities	22,135	△25,448
Deferred gains or losses on hedges	234	△207
Remeasurements of defined benefit plans, net of tax	483	317
Comprehensive income	38,143	△8,737
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	37,999	△8,792
Comprehensive income attributable to non-controlling interests	144	54

3. Consolidated Statements of Changes in Net Assets

For the six months ended Sep.30,2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,113	58,574	300,506	△21,079	423,113
Cumulative effects of changes in accounting policies			△748		△748
Restated balance	85,113	58,574	299,757	△21,079	422,364
Changes of items during period					
Dividends of surplus			△3,356		△3,356
Profit attributable to owners of parent			15,157		15,157
Purchase of treasury shares				△10,044	△10,044
Disposal of treasury shares			△3	17	14
Retirement of treasury shares			△9,798	9,798	—
Reversal of revaluation reserve for land			640		640
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	2,639	△227	2,411
Balance at end of current period	85,113	58,574	302,396	△21,307	424,776

(Millions of yen)

Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
86,445	△2,072	12,184	△5,656	90,900	113	2,843	516,971
							△748
86,445	△2,072	12,184	△5,656	90,900	113	2,843	516,222
							△3,356
							15,157
							△10,044
							14
							640
22,123	234	△640	483	22,202	10	141	22,354
22,123	234	△640	483	22,202	10	141	24,765
108,569	△1,837	11,544	△5,172	113,102	124	2,985	540,988

For the six months ended Sep.30,2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,113	58,574	311,093	△21,619	433,160
Changes of items during period					
Dividends of surplus			△3,975		△3,975
Profit attributable to owners of parent			16,543		16,543
Purchase of treasury shares				△19	△19
Disposal of treasury shares			△12	73	61
Reversal of revaluation reserve for land			137		137
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	12,693	54	12,747
Balance at end of current period	85,113	58,574	323,787	△21,565	445,908

(Millions of yen)

Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
159,909	△1,725	12,666	△3,756	167,094	147	1,437	601,840
							△3,975
							16,543
							△19
							61
							137
△25,446	△207	△137	317	△25,473	△36	53	△25,456
△25,446	△207	△137	317	△25,473	△36	53	△12,708
134,463	△1,932	12,528	△3,438	141,621	110	1,491	589,131

B. NON-CONSOLIDATED FINANCIAL INFORMATION

1. Non-Consolidated Balance Sheets

	(Millions of yen)	
	As of Mar.31,2015	As of Sep.30,2015
Assets		
Cash and due from banks	496,325	321,411
Call loans	14,356	2,168
Monetary claims bought	12,509	10,837
Trading assets	4,492	5,534
Securities	2,735,418	2,738,803
Loans and bills discounted	5,656,407	5,776,226
Foreign exchanges	3,296	4,499
Other assets	30,378	30,017
Other	30,378	30,017
Tangible fixed assets	87,397	86,905
Intangible fixed assets	10,058	9,580
Prepaid pension cost	7,083	7,448
Customers' liabilities for acceptances and guarantees	14,961	15,552
Allowance for loan losses	△36,690	△36,759
Allowance for investment loss	△9	△9
Total assets	9,035,987	8,972,216
Liabilities		
Deposits	7,728,736	7,783,637
Negotiable certificates of deposit	15,945	99,266
Call money	44,324	33,410
Payables under securities lending transactions	143,395	135,358
Trading liabilities	160	242
Borrowed money	336,922	182,585
Foreign exchanges	551	580
Bonds payable	15,000	15,000
Bonds with subscription rights to shares	36,051	35,988
Borrowed money from trust account	13	13
Other liabilities	41,220	39,447
Income taxes payable	5,097	6,536
Lease obligations	3,139	3,066
Other	32,983	29,843
Provision for directors' bonuses	59	—
Provision for retirement benefits	7,543	7,324
Provision for reimbursement of deposits	2,164	2,099
Provision for point card certificates	104	117
Provision for contingent loss	1,169	1,151
Deferred tax liabilities	51,169	38,716
Deferred tax liabilities for land revaluation	9,420	9,354
Acceptances and guarantees	14,961	15,552
Total liabilities	8,448,913	8,399,847

	(Millions of yen)	
	As of Mar.31,2015	As of Sep.30,2015
Net assets		
Capital stock	85,113	85,113
Capital surplus	58,574	58,574
Legal capital surplus	58,574	58,574
Retained earnings	296,107	307,142
Legal retained earnings	55,317	55,317
Other retained earnings	240,790	251,825
Reserve for advanced depreciation of non-current assets	810	803
General reserve	212,432	217,432
Retained earnings brought forward	27,547	33,589
Treasury shares	<u>△22,014</u>	<u>△21,958</u>
Total shareholders' equity	<u>417,780</u>	<u>428,870</u>
Valuation difference on available-for-sale securities	159,727	134,314
Deferred gains or losses on hedges	△1,725	△1,932
Revaluation reserve for land	<u>11,144</u>	<u>11,006</u>
Total valuation and translation adjustments	<u>169,146</u>	<u>143,388</u>
Subscription rights to shares	<u>147</u>	<u>110</u>
Total net assets	<u>587,074</u>	<u>572,369</u>
Total liabilities and net assets	<u>9,035,987</u>	<u>8,972,216</u>

2. Non-Consolidated Statements of Income

(Millions of yen)

	For the six months ended Sep.30,2014	For the six months ended Sep.30,2015
Ordinary income	67,406	69,881
Interest income	48,731	48,791
Interest on loans and discounts	34,013	33,147
Interest and dividends on securities	14,374	15,253
Trust fees	13	13
Fees and commissions	11,137	11,758
Trading income	264	242
Other ordinary income	2,132	3,060
Other income	5,127	6,014
Ordinary expenses	46,452	48,221
Interest expenses	2,475	3,171
Interest on deposits	1,291	1,408
Fees and commissions payments	4,274	4,356
Other ordinary expenses	184	755
General and administrative expenses	36,838	35,606
Other expenses	2,678	4,330
Ordinary profit	20,954	21,660
Extraordinary income	107	79
Extraordinary losses	661	326
Income before income taxes	20,400	21,413
Income taxes – current	6,949	7,194
Income taxes – deferred	△233	△667
Total income taxes	6,716	6,527
Profit	13,684	14,885

3. Non-Consolidated Statements of Changes in Net Assets

For the six months ended Sep.30,2014

(Millions of yen)

	Shareholders' equity		
	Capital stock	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at beginning of current period	85,113	58,574	58,574
Cumulative effects of changes in accounting policies			
Restated balance	85,113	58,574	58,574
Changes of items during period			
Dividends of surplus			
Net income			
Reversal of reserve for advanced depreciation of non-current assets			
Provision of general reserve			
Purchase of treasury shares			
Disposal of treasury shares			
Retirement of treasury shares			
Reversal of revaluation reserve for land			
Net changes of items other than shareholders' equity			
Total changes of items during period	—	—	—
Balance at end of current period	85,113	58,574	58,574

(Millions of yen)

Shareholders' equity						
Retained earnings					Treasury shares	Total shareholders' equity
Legal retained earnings	Other retained earnings			Total retained earnings		
	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward			
55,317	408	207,432	27,684	290,841	△21,699	412,829
			△748	△748		△748
55,317	408	207,432	26,936	290,093	△21,699	412,080
			△3,356	△3,356		△3,356
			13,684	13,684		13,684
	△1		1	—		
		5,000	△5,000	—		
					△10,044	△10,044
			△4	△4	18	14
			△9,995	△9,995	9,995	—
			640	640		640
—	△1	5,000	△4,028	969	△30	938
55,317	406	212,432	22,907	291,062	△21,730	413,019

(Millions of yen)

Valuation and translation adjustments				Subscription rights to shares	Total net assets
Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
86,365	△2,072	10,404	94,697	113	507,640
					△748
86,365	△2,072	10,404	94,697	113	506,892
					△3,356
					13,684
					△10,044
					14
					640
22,063	234	△640	21,657	10	21,668
22,063	234	△640	21,657	10	22,606
108,428	△1,837	9,764	116,355	124	529,498

For the six months ended Sep.30,2015

(Millions of yen)

	Shareholders' equity		
	Capital stock	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at beginning of current period	85,113	58,574	58,574
Changes of items during period			
Dividends of surplus			
Net income			
Reversal of reserve for advanced depreciation of non-current assets			
Provision of general reserve			
Purchase of treasury shares			
Disposal of treasury shares			
Reversal of revaluation reserve for land			
Net changes of items other than shareholders' equity			
Total changes of items during period	—	—	—
Balance at end of current period	85,113	58,574	58,574

(Millions of yen)

Shareholders' equity						
Retained earnings					Treasury shares	Total shareholders' equity
Legal retained earnings	Other retained earnings			Total retained earnings		
	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward			
55,317	810	212,432	27,547	296,107	△22,014	417,780
			△3,975	△3,975		△3,975
			14,885	14,885		14,885
	△6		6	—		
		5,000	△5,000	—		
					△19	△19
			△13	△13	74	61
			137	137		137
—	△6	5,000	6,041	11,034	55	11,090
55,317	803	217,432	33,589	307,142	△21,958	428,870

(Millions of yen)

Valuation and translation adjustments				Subscription rights to shares	Total net assets
Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
159,727	△1,725	11,144	169,146	147	587,074
					△3,975
					14,885
					△19
					61
					137
△25,413	△207	△137	△25,758	△36	△25,795
△25,413	△207	△137	△25,758	△36	△14,704
134,314	△1,932	11,006	143,388	110	572,369