

Financial Data (Non-Consolidated)

Year Ended March 31, 2016

Balance Sheets	45	Capital Account Details	57
Statements of Operations	47	Profit and Loss Details	58
Statements of Changes in Net Assets	49	Details of Operations	59
Notes to Financial Statements	53		

Trends in Principal Financial Indicators (Non-Consolidated)

Fiscal period ended	Billions of yen				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Total Operating Income	170.2	180.7	189.1	199.0	205.4
Income (Loss) before Income Taxes and Other	33.5	36.0	26.7	26.6	25.6
Net Income (Loss)	11.5	15.6	12.5	13.8	9.5
Capital	218.6	218.6	218.6	218.6	218.6
[Total Number of Shares Issued in Thousands of Units]	[2,186,531]	[2,186,531]	[2,186,531]	[2,186,531]	[2,186,531]
Total Capital Funds	909.1	898.2	882.7	876.4	862.5
Total Assets	12,507.4	12,565.5	12,459.6	12,358.0	12,272.8
Outstanding Deposits	5,164.8	5,019.1	4,857.4	4,314.7	3,830.7
Outstanding Debentures	4,816.8	4,833.5	4,825.2	5,019.1	5,344.2
Outstanding Loans	9,539.5	9,503.1	9,488.4	9,549.0	9,626.9
Balance of Investment Securities	1,703.5	1,931.4	1,971.1	2,159.7	2,303.5
Net Assets per Share (Yen)	164.61	159.63	152.51	149.61	143.19
Dividends per Share (Yen)	Common stock (non-government portion) 3.00 (government portion) 1.00	Common stock (non-government portion) 3.00 (government portion) 1.00	Common stock (non-government portion) 3.00 (government portion) 1.00	Common stock (non-government portion) 3.00 (government portion) 1.00	Common stock (non-government portion) 3.00 (government portion) 1.00
Net Income per Share (Yen)	5.31	7.16	5.75	6.35	4.39
Net Income per Share (Diluted) (Yen)	—	—	—	—	—
Capital Ratio (%)	7.26	7.14	7.08	7.09	7.02
Non-consolidated Tier 1 (Common Stock etc.) Ratio (Basel III) (%)	12.07	12.25	12.25	12.05	—
Non-consolidated Tier 1 Ratio (Basel III) (%)	12.07	12.25	12.25	12.05	—
Non-consolidated Total Capital Ratio (Basel III) (%)	13.41	13.59	13.73	13.51	—
Non-consolidated Capital Ratio (Basel II) (%)	—	—	—	—	13.09
Return on Equity (%)	1.28	1.75	1.42	1.59	1.11
Price Earnings Ratio	—	—	—	—	—
Dividend Payment Ratio (%)	38.88	28.83	35.92	32.51	46.98
Number of Employees (Persons)	3,773	3,816	3,815	3,838	3,902
[Average Number of Temporary Employees excluded from Above]	[884]	[853]	[814]	[769]	[730]

Notes: 1. National and local consumption taxes are accounted for with the tax exclusion method.

2. "Net Assets per Share," "Net Income per Share" and "Net Income per Share (Diluted)" are calculated based on the "Accounting Standard for Earnings Per Share" (Accounting Standards Board of Japan Statement No. 2, September 13, 2013) and the "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4, September 13, 2013).

3. The figure for Net Income per Share (Diluted) is not disclosed because there were no shares with a dilutive effect.

4. Dividends per Share are classified and presented in two separate categories, namely, Cash Dividend per Common Stock (government portion) and Cash Dividend per Common Stock (non-government portion). This separate classification is pursuant to Article 50 of the Shoko Chukin Bank Limited Act, which stipulates that the dividend per share applicable to Common Stock held by the government shall not exceed the dividend per share applicable to Common Stock held by parties other than the government. Furthermore, pursuant to Article 15 of the Regulation Enforcing the Shoko Chukin Bank Limited Act, the dividend per share applicable to Common Stock held by the government is set at a ratio of one-third in relation to the dividend per share applicable to Common Stock held by parties other than the government.

5. The Capital Ratio is calculated as follows:

(Total Net Assets as of the fiscal period-end - Stock acquisition rights as of the fiscal period-end) / Total Assets as of the fiscal period-end × 100.

6. Figures for Price Earnings Ratio are not disclosed because the Shoko Chukin Bank is not publicly listed or registered.

7. The Non-consolidated Capital Ratio is calculated in accordance with Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Limited Act (Calculated based on the Basel III standard starting from the end of March, 2013). The Shoko Chukin Bank has adopted the BIS international capital adequacy guidelines.

8. Dividend Payment Ratio is calculated by dividing average dividends per share (as calculated by dividing dividends by the number of shares outstanding at the end of the period) by net income per share.

9. Number of employees refers to the number of persons employed (excluding seconded workers).

Non-Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. As of March 31, 2016 and 2015

	Millions of yen		Millions of U.S. dollars	
	2016	2015	2016	2015
ASSETS				
Cash and Due from Banks	¥ 1,178,446	¥ 1,045,239	\$ 10,458	\$ 8,698
Cash	24,847	26,375	220	219
Due from Banks	1,153,598	1,018,864	10,237	8,478
Call Loans	21,294	11,353	188	94
Monetary Claims Purchased	26,267	23,334	233	194
Trading Assets	26,576	23,406	235	194
Trading Securities	3,369	3,250	29	27
Trading-related Financial Derivatives	23,206	20,156	205	167
Investment Securities	1,703,504	1,931,430	15,118	16,072
Government Bonds	1,248,051	1,552,592	11,076	12,919
Local Government Bonds	50,058	43,698	444	363
Corporate Bonds	330,324	270,050	2,931	2,247
Stocks	34,279	34,926	304	290
Other Securities	40,789	30,161	361	250
Loans	9,539,544	9,503,180	84,660	79,081
Bills Discounted	206,260	227,295	1,830	1,891
Loans on Notes	331,520	371,653	2,942	3,092
Loans on Deeds	8,011,820	7,957,055	71,102	66,214
Overdrafts	989,942	947,175	8,785	7,881
Foreign Exchange	16,877	17,770	149	147
Due from Foreign Banks	8,060	7,620	71	63
Foreign Exchange Bills Purchased	1,245	634	11	5
Foreign Exchange Bills Receivable	7,571	9,516	67	79
Other Assets	32,593	28,007	289	233
Settlements Receivable	—	2	—	0
Prepaid Expenses	5,529	6,091	49	50
Accrued Income	6,739	7,777	59	64
Financial Derivatives	1,875	2,454	16	20
Cash Collateral Received for Financial Instruments	12,063	4,670	107	38
Other Assets	6,384	7,009	56	58
Tangible Fixed Assets	41,970	42,436	372	353
Buildings	15,665	15,348	139	127
Land	23,309	23,310	206	193
Leased Assets	4	7	0	0
Construction in Progress	607	766	5	6
Other Tangible Fixed Assets	2,383	3,003	21	24
Intangible Fixed Assets	12,772	14,208	113	118
Software	11,675	11,617	103	96
Other Intangible Fixed Assets	1,097	2,591	9	21
Prepaid Pension Cost	20,917	18,598	185	154
Deferred Income Taxes	44,393	52,970	393	440
Customers' Liabilities for Acceptances and Guarantees	102,574	98,619	910	820
Customers' Liabilities for Acceptances and Guarantees	100,965	96,868	896	806
Customers' Liabilities for Guaranteeing Agency Loans	1,609	1,750	14	14
Reserve for Possible Loan Losses	(260,244)	(245,043)	(2,309)	(2,039)
Total Assets	¥ 12,507,488	¥ 12,565,513	\$ 111,000	\$ 104,564

Non-Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. As of March 31, 2016 and 2015

Pursuant to Article 396-1 of the Companies Act, the material that the Shoko Chukin Bank makes public in accordance with Article 52-1 of the Shoko Chukin Bank Law has been audited by an audit and supervisory board member.

In addition, the Bank's financial statements — the balance sheets, statements of operations, and statements of changes in net assets — have been certified by an audit and supervisory board member pursuant to Article 193-2-1 of the Financial Instruments and Exchange Act.

	Millions of yen		Millions of U.S. dollars	
	2016	2015	2016	2015
LIABILITIES				
Deposits	¥ 5,164,801	¥ 5,019,157	\$ 45,836	\$ 41,767
Current Deposits	507,010	486,018	4,499	4,044
Ordinary Deposits	1,218,751	1,252,033	10,816	10,418
Deposits at Notice	41,311	40,877	366	340
Time Deposits	3,278,280	3,140,578	29,093	26,134
Other Deposits	119,447	99,649	1,060	829
Negotiable Certificates of Deposit	126,924	111,689	1,126	929
Shoko Chukin Bank Debentures	4,816,868	4,833,580	42,748	40,222
Shoko Chukin Bank Debentures Issued	4,816,868	4,833,580	42,748	40,222
Call Money	383	7,210	3	59
Payables under Repurchase Agreements	13,525	6,000	120	49
Payables under Securities Lending Transactions	105,546	—	936	—
Trading Liabilities	17,834	14,235	158	118
Trading-related Financial Derivatives	17,834	14,235	158	118
Borrowed Money	1,059,189	1,374,640	9,399	11,439
Borrowings	1,059,189	1,374,640	9,399	11,439
Foreign Exchange	85	166	0	1
Due to Foreign Banks	2	164	0	1
Borrowings from Foreign Banks	58	—	0	—
Foreign Exchange Bills Sold	16	1	0	0
Foreign Exchange Bills Payable	8	1	0	0
Other Liabilities	160,833	172,455	1,427	1,435
Corporate Taxes Payable	7,063	9,789	62	81
Accrued Expenses	8,114	8,760	72	72
Unearned Income	10,362	11,407	91	94
Deposits by Employees	3,842	3,823	34	31
Financial Derivatives	432	3,085	3	25
Cash Collateral Received for Financial Instruments	15,307	1,424	135	11
Lease Obligations	4	5	0	0
Asset Retirement Obligations	121	73	1	0
Debenture Principal Payable	80,208	99,501	711	828
Other Liabilities	35,375	34,583	313	287
Reserve for Bonuses	4,400	4,310	39	35
Reserve for Retirement Benefits	19,897	19,885	176	165
Reserve for Retirement Benefits for Directors	99	88	0	0
Reserve for Losses on Refund for Dormant Bonds	5,257	5,010	46	41
Reserve for Environmental Measures	158	185	1	1
Acceptances and Guarantees	102,574	98,619	910	820
Acceptances and Guarantees	100,965	96,868	896	806
Guarantees for Agency Loans	1,609	1,750	14	14
Total Liabilities	11,598,380	11,667,235	102,932	97,089
NET ASSETS				
Capital	218,653	218,653	1,940	1,819
Crisis Response Reserve	150,000	150,000	1,331	1,248
Special Reserve under the Shoko Chukin Bank Law	400,811	400,811	3,557	3,335
Capital Surplus	0	0	0	0
Other Capital Surplus	0	0	0	0
Retained Earnings	118,975	111,905	1,055	931
Earnings Reserve	19,712	18,813	174	156
Other Retained Earnings	99,262	93,092	880	774
Reserve for Advanced Depreciation of Noncurrent Assets	541	571	4	4
Reserve for Particular Purposes	49,570	49,570	439	412
Retained Earnings Brought Forward	49,150	42,949	436	357
Treasury Stock	(1,026)	(1,015)	(9)	(8)
Total Shareholders' Equity	887,413	880,354	7,875	7,325
Unrealized Gains on Other Securities	21,695	17,923	192	149
Total Valuation and Translation Adjustments	21,695	17,923	192	149
Total Net Assets	909,108	898,277	8,068	7,475
Total Liabilities and Net Assets	¥ 12,507,488	¥ 12,565,513	\$ 111,000	\$ 104,564

Non-Consolidated Statement of Operations

The Shoko Chukin Bank, Ltd. For the years ended March 31, 2016 and 2015

	Millions of yen		Millions of U.S. dollars	
	2016	2015	2016	2015
Operating Income	¥ 170,250	¥ 180,718	\$ 1,510	\$ 1,503
Interest Income	143,702	153,060	1,275	1,273
Interest on Loans	132,291	140,317	1,174	1,167
Interest and Dividends on Securities	7,807	9,239	69	76
Interest on Call Loans	51	61	0	0
Interest on Repurchase Agreement	6	16	0	0
Interest on Deposits	1,397	1,164	12	9
Other Interest Income	2,147	2,261	19	18
Fees and Commissions	11,110	12,086	98	100
Domestic and Foreign Exchange Commissions	1,568	1,589	13	13
Other Fees and Commissions	9,541	10,496	84	87
Trading Revenue	5,191	6,470	46	53
Trading Securities Revenue	160	111	1	0
Revenue from Trading-related Financial Derivatives	5,031	6,358	44	52
Other Operating Income	3,641	3,992	32	33
Revenue from Foreign Exchange Trading	1,674	2,025	14	16
Revenue from Sales of Government and Other Bonds	1,966	1,967	17	16
Other Income	6,605	5,107	58	42
Collection of Written-off Claims	52	122	0	1
Revenue from Sales of Stocks and Other Securities	856	174	7	1
Other Income	5,696	4,811	50	40
Operating Expenses	136,724	144,681	1,213	1,203
Interest Expenses	17,655	21,344	156	177
Interest on Deposits	4,339	4,341	38	36
Interest on Negotiable Certificates of Deposit	257	185	2	1
Interest on Debentures	8,606	10,510	76	87
Interest on Call Money	9	24	0	0
Interest on Payables under Repurchase Agreements	30	3	0	0
Interest on Debenture Rental Transactions	20	4	0	0
Interest on Borrowed Money	4,319	6,216	38	51
Other Interest Expenses	72	57	0	0
Fees and Commissions	3,835	4,018	34	33
Domestic and Foreign Exchange Commissions	392	386	3	3
Other Fees and Commissions	3,442	3,632	30	30
Trading Expenses	17	202	0	1
Expenses on Securities and Derivatives Related to Trading Transactions	17	202	0	1
Other Operating Expenses	743	361	6	3
Losses on Sales of Government and Other Bonds	130	129	1	1
Amortization of Government and Other Bonds	544	200	4	1
Amortization of Debenture Issue Expenses	16	23	0	0
Expenses on Financial Derivatives	51	8	0	0
General and Administrative Expenses	78,618	78,227	697	650
Other Expenses	35,853	40,526	318	337
Provision for Possible Loan Losses	32,677	36,946	289	307
Write-off of Loans	346	288	3	2
Loss on Sales of Stocks and Other Securities	113	60	1	0
Write-off of Stocks	30	44	0	0
Other Expenses	2,687	3,186	23	26
Profit before Income Taxes and Other	33,525	36,037	297	299

Non-Consolidated Statement of Operations

The Shoko Chukin Bank, Ltd. For the years ended March 31, 2016 and 2015

	Millions of yen		Millions of U.S. dollars	
	2016	2015	2016	2015
Other Gains	22	281	0	2
Gains on Disposal of Fixed Assets	22	281	0	2
Other Losses	302	329	2	2
Losses on Disposal of Fixed Assets	196	72	1	0
Impairment Loss	106	256	0	2
Profit before Income Taxes	33,246	35,989	295	299
Provision for Income Taxes	14,128	17,238	125	143
Adjustment for Income Taxes	7,549	3,150	66	26
Total Income Taxes	21,678	20,388	192	169
Profit	¥ 11,567	¥ 15,600	\$ 102	\$ 129

Non-Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. For the years ended March 31, 2016 and 2015

Millions of yen

	Shareholders' Equity				
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	
				Other Capital Surplus	Total Capital Surplus
Balance, April 1, 2015	¥ 218,653	¥ 150,000	¥ 400,811	¥ 0	¥ 0
Changes during the Period					
Dividends from Surplus Profit					
Acquisition of Treasury Stock					
Disposition of Treasury Stock				0	0
Provision of Reserve for Advanced Depreciation of Noncurrent Assets					
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets					
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	—	—	0	0
Balance, March 31, 2016	¥ 218,653	¥ 150,000	¥ 400,811	¥ 0	¥ 0

	Shareholders' Equity				
	Retained Earnings				
	Other Retained Earnings				
	Earnings Reserve	Reserve for Advanced Depreciation of Noncurrent Assets	Reserve for Particular Purposes	Retained Earnings Brought Forward	Total Retained Earnings
Balance, April 1, 2015	¥ 18,813	¥ 571	¥ 49,570	¥ 42,949	¥ 111,905
Changes during the Period					
Dividends from Surplus Profit	899			(5,397)	(4,497)
Acquisition of Treasury Stock					
Disposition of Treasury Stock					
Provision of Reserve for Advanced Depreciation of Noncurrent Assets		12		(12)	—
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets		(43)		43	—
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	899	(30)	—	6,200	7,069
Balance, March 31, 2016	¥ 19,712	¥ 541	¥ 49,570	¥ 49,150	¥ 118,975

	Shareholders' Equity		Valuation and Translation Adjustments		Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Unrealized Gains on Other Securities	Total Valuation and Translation Adjustments	
Balance, April 1, 2015	¥(1,015)	¥ 880,354	¥ 17,923	¥ 17,923	¥ 898,277
Changes during the Period					
Dividends from Surplus Profit		(4,497)			(4,497)
Acquisition of Treasury Stock	(10)	(10)			(10)
Disposition of Treasury Stock	0	0			0
Provision of Reserve for Advanced Depreciation of Noncurrent Assets		—			—
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets		—			—
Net Changes of Items Other Than Shareholders' Equity			3,771	3,771	3,771
Total Changes during the Period	(10)	7,058	3,771	3,771	10,830
Balance, March 31, 2016	¥(1,026)	¥ 887,413	¥ 21,695	¥ 21,695	¥ 909,108

Non-Consolidated Statements of Changes in Net Assets

Non-Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. For the years ended March 31, 2016 and 2015

Millions of yen

	Shareholders' Equity				
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	
				Other Capital Surplus	Total Capital Surplus
Balance, April 1, 2014	¥ 218,653	¥ 150,000	¥ 400,811	¥ 0	¥ 0
Cumulative Effects of Changes in Accounting Policies					
Restated Balance	218,653	150,000	400,811	0	0
Changes during the Period					
Dividends from Surplus					
Profit					
Acquisition of Treasury Stock					
Disposition of Treasury Stock					
Provision of Reserve for Advanced Depreciation of Noncurrent Assets					
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets					
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	—	—	—	—
Balance, March 31, 2015	¥ 218,653	¥ 150,000	¥ 400,811	¥ 0	¥ 0

	Shareholders' Equity				
	Earnings Reserve	Reserve for Advanced Depreciation of Noncurrent Assets	Reserve for Particular Purposes	Retained Earnings	
				Retained Earnings Brought Forward	Total Retained Earnings
Balance, April 1, 2014	¥ 17,913	¥ 590	¥ 49,570	¥ 34,074	¥ 102,149
Cumulative Effects of Changes in Accounting Policies				(1,347)	(1,347)
Restated Balance	17,913	590	49,570	32,727	100,802
Changes during the Period					
Dividends from Surplus	899			(5,397)	(4,497)
Profit				15,600	15,600
Acquisition of Treasury Stock					
Disposition of Treasury Stock					
Provision of Reserve for Advanced Depreciation of Noncurrent Assets		27		(27)	—
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets		(46)		46	—
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	899	(18)	—	10,222	11,102
Balance, March 31, 2015	¥ 18,813	¥ 571	¥ 49,570	¥ 42,949	¥ 111,905

	Shareholders' Equity		Valuation and Translation Adjustments		Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Unrealized Gains on Other Securities	Total Valuation and Translation Adjustments	
Balance, April 1, 2014	¥(1,005)	¥ 870,608	¥ 12,174	¥ 12,174	¥ 882,783
Cumulative Effects of Changes in Accounting Policies		(1,347)			(1,347)
Restated Balance	(1,005)	869,261	12,174	12,174	881,436
Changes during the Period					
Dividends from Surplus		(4,497)			(4,497)
Profit		15,600			15,600
Acquisition of Treasury Stock	(10)	(10)			(10)
Disposition of Treasury Stock					
Provision of Reserve for Advanced Depreciation of Noncurrent Assets		—			—
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets		—			—
Net Changes of Items Other Than Shareholders' Equity			5,748	5,748	5,748
Total Changes during the Period	(10)	11,092	5,748	5,748	16,841
Balance, March 31, 2015	¥(1,015)	¥ 880,354	¥ 17,923	¥ 17,923	¥ 898,277

Non-Consolidated Statements of Changes in Net Assets

Millions of U.S. dollars

	Shareholders' Equity				
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	
				Other Capital Surplus	Total Capital Surplus
Balance, April 1, 2015	\$ 1,940	\$ 1,331	\$ 3,557	\$ 0	\$ 0
Changes during the Period					
Dividends from Surplus Profit					
Acquisition of Treasury Stock					
Disposition of Treasury Stock				0	0
Provision of Reserve for Advanced Depreciation of Noncurrent Assets					
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets					
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	—	—	0	0
Balance, March 31, 2016	\$ 1,940	\$ 1,331	\$ 3,557	\$ 0	\$ 0

	Shareholders' Equity				
	Retained Earnings				
	Other Retained Earnings				
	Earnings Reserve	Reserve for Advanced Depreciation of Noncurrent Assets	Reserve for Particular Purposes	Retained Earnings Brought Forward	Total Retained Earnings
Balance, April 1, 2015	\$ 166	\$ 5	\$ 439	\$ 381	\$ 993
Changes during the Period					
Dividends from Surplus	7			(47)	(39)
Profit				102	102
Acquisition of Treasury Stock					
Disposition of Treasury Stock					
Provision of Reserve for Advanced Depreciation of Noncurrent Assets		0		(0)	—
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets		(0)		0	—
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	7	(0)	—	55	62
Balance, March 31, 2016	\$ 174	\$ 4	\$ 439	\$ 436	\$ 1,055

	Shareholders' Equity		Valuation and Translation Adjustments		Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Unrealized Gains on Other Securities	Total Valuation and Translation Adjustments	
Balance, April 1, 2015	\$(9)	\$ 7,812	\$ 159	\$ 159	\$ 7,971
Changes during the Period					
Dividends from Surplus		(39)			(39)
Profit		102			102
Acquisition of Treasury Stock	(0)	(0)			(0)
Disposition of Treasury Stock	0	0			0
Provision of Reserve for Advanced Depreciation of Noncurrent Assets		—			—
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets		—			—
Net Changes of Items Other Than Shareholders' Equity			33	33	33
Total Changes during the Period	(0)	62	33	33	96
Balance, March 31, 2016	\$(9)	\$ 7,875	\$ 192	\$ 192	\$ 8,068

Non-Consolidated Statements of Changes in Net Assets

Non-Consolidated Statements of Changes in Net Assets

The Shoko Chukin Bank, Ltd. For the years ended March 31, 2016 and 2015

Millions of U.S. dollars

	Shareholders' Equity				
	Capital	Crisis Response Reserve	Special Reserve	Capital Surplus	
				Other Capital Surplus	Total Capital Surplus
Balance, April 1, 2014	\$ 1,819	\$ 1,248	\$ 3,335	\$ 0	\$ 0
Cumulative Effects of Changes in Accounting Policies					
Restated Balance	1,819	1,248	3,335	0	0
Changes during the Period					
Dividends from Surplus					
Profit					
Acquisition of Treasury Stock					
Disposition of Treasury Stock					
Provision of Reserve for Advanced Depreciation of Noncurrent Assets					
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets					
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	—	—	—	—	—
Balance, March 31, 2015	\$ 1,819	\$ 1,248	\$ 3,335	\$ 0	\$ 0

	Shareholders' Equity				
	Earnings Reserve	Retained Earnings			Total Retained Earnings
		Reserve for Advanced Depreciation of Noncurrent Assets	Reserve for Particular Purposes	Retained Earnings Brought Forward	
Balance, April 1, 2014	\$ 149	\$ 4	\$ 412	\$ 283	\$ 850
Cumulative Effects of Changes in Accounting Policies				(11)	(11)
Restated Balance	149	4	412	272	838
Changes during the Period					
Dividends from Surplus	7			(44)	(37)
Profit				129	129
Acquisition of Treasury Stock					
Disposition of Treasury Stock					
Provision of Reserve for Advanced Depreciation of Noncurrent Assets		0		(0)	—
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets		(0)		0	—
Net Changes of Items Other Than Shareholders' Equity					
Total Changes during the Period	7	(0)	—	85	92
Balance, March 31, 2015	\$ 156	\$ 4	\$ 412	\$ 357	\$ 931

	Shareholders' Equity		Valuation and Translation Adjustments		Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Unrealized Gains on Other Securities	Total Valuation and Translation Adjustments	
Balance, April 1, 2014	\$ (8)	\$ 7,244	\$ 101	\$ 101	\$ 7,346
Cumulative Effects of Changes in Accounting Policies		(11)			(11)
Restated Balance	(8)	7,233	101	101	7,334
Changes during the Period					
Dividends from Surplus		(37)			(37)
Profit		129			129
Acquisition of Treasury Stock	(0)	(0)			(0)
Disposition of Treasury Stock					
Provision of Reserve for Advanced Depreciation of Noncurrent Assets		—			—
Reversal of Reserve for Advanced Depreciation of Noncurrent Assets		—			—
Net Changes of Items Other Than Shareholders' Equity			47	47	47
Total Changes during the Period	(0)	92	47	47	140
Balance, March 31, 2015	\$ (8)	\$ 7,325	\$ 149	\$ 149	\$ 7,475

Non-Consolidated Statements of Changes in Net Assets

BASIS OF PRESENTATION

The accompanying financial statements of the Shoko Chukin Bank, Ltd. (the "Bank") have been prepared in accordance with the provisions set forth in the Shoko Chukin Bank Law and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The financial statements are not intended to present the financial position and the result of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Amounts in U.S. dollars are presented solely for the convenience of readers. The exchange rate of ¥112.68=U.S.\$1.00, the approximate rate of exchange prevailing as of March 31, 2016, has been used for translation purposes for the year ended March 31, 2016, and ¥120.17=U.S.\$1.00, the approximate rate of exchange prevailing as of March 31, 2015, has been used for translation purposes for the year ended March 31, 2015. The presentation of such amounts is not intended to imply that Japanese yen amounts have been or could have been readily translated, realized or settled in U.S. dollars at that rate or any other rate.

The yen figures disclosed in the financial statements are expressed in millions of yen and have been rounded down.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis for valuation of Trading Assets/Liabilities and calculation of Revenue/Expenses
Transactions undertaken with a view to gains on short-term fluctuations in interest rates, currency values, market prices of securities and other indicators or differentials, etc., between markets (hereinafter referred to as "Trading Transactions") are shown in the balance sheet as "Trading Assets" or "Trading Liabilities" based on values at the time of contract, while gains and losses from the said transactions are shown in the Statements of Operations as Trading Revenue or Trading Expenses.
Trading Assets and Trading Liabilities are valued at market prices on the balance sheet date for securities and monetary claims, etc., and at deemed settlement prices on the balance sheet date for derivative products such as swaps, futures and options.
In the Statements of Operations, Trading Revenue and Trading Expenses are arrived at by adding to interest received and paid and other items during the fiscal period, amounts equivalent to the changes in valuation between the ends of the previous and current fiscal periods for securities and monetary claims, etc., and amounts equivalent to changes in deemed settlements between the ends of the previous and current fiscal periods for derivatives.
2. Basis and methods for valuation of securities
The following valuation methods are applied, depending on the type of security. Bonds intended to be held until maturity are amortized using the moving average cost method (straight-line method), whereas subsidiaries' stocks and affiliates' stocks are valued using the moving average,

cost method. Stocks for which market values are available are valued at the average market price during one month before this fiscal period end. Marketable securities with market values other than stocks are valued using the mark-to-market method based on market prices at the fiscal period end (cost of sales are primarily calculated with the moving average method). Marketable securities for which market values are extremely difficult to be obtained are valued using the cost method on the basis of a moving average.

Unrealized Gains on Other Securities are all directly incorporated into Net Assets.

3. Basis and methods for valuation of derivative transactions
Derivative transactions other than Trading Transactions are stated using the mark-to-market method.
4. Amortization of fixed assets
 - (1) Tangible Fixed Assets (excluding Leased Assets)
Tangible Fixed Assets are subject to declining balance depreciation.
Expected useful lives for major items are as follows:
Buildings: 2 to 60 years
Other Tangible Fixed Assets: 2 to 20 years
 - (2) Intangible Fixed Assets (excluding Leased Assets)
Intangible Fixed Assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method over its estimated useful life determined by the Bank (principally 5 years).
 - (3) Leased Assets
Leased Assets, presented within Tangible Fixed Assets, relating to finance lease transactions that do not involve transfer of ownership are depreciated under the straight-line method, with zero residual value, over the lease term.
5. Treatment of Deferred Assets
Debenture Issue Expenses are charged to expenses as they are incurred.
6. Currency translation into yen for assets and liabilities denominated in foreign currencies
Assets and liabilities denominated in foreign currencies and the accounts of the Bank's overseas branches are principally translated into yen at the exchange rates prevailing as of the balance sheet date.
7. Accounting standard for reserves
 - (1) Reserve for Possible Loan Losses
The Reserve for Possible Loan Losses is calculated in accordance with the predetermined standards for write-offs and reserve provisions as follows.
Normal loans and the loans that require special attention are defined in "Operational Guidelines for Self-Assessment of Assets and Audits on Write-Offs and Reserves for Possible Loan Losses in Banks and Other Financial Institutions" (JICPA Bank Auditing Special Committee Report No. 4, July 4, 2012). They are classified into certain categories, and reserve provisions are made on the basis of default rates over a specific period for each category. Amounts reserved for loans to debtors at risk of bankruptcy are determined as the amounts deemed necessary on the basis of the balance

remaining after deducting the estimated amounts recoverable from disposal of collateral and execution of guarantees. Amounts reserved for loans to debtors that are legally or virtually bankrupt are determined to be the balance remaining after deducting the estimated amounts to be collected through disposal of collateral and execution of guarantees.

Reserve for Loans to Debtors at Risk of Bankruptcy / with Restructured Loans is provided based on the discounted cash flow (DCF) method if the loan balance exceeds a specific amount and the future cash flows of the principal and interest of the loan can be reasonably estimated. Under the DCF method, the reserve is calculated as the difference between the book value of the loan and the present value of its expected future cash flows, discounted by the contractual interest rate before the terms of the loan were restructured.

All loan assets have been assessed by the business departments and audited by division in charge of asset examination, which is independent from the business departments, to comply with the standard for self-assessment of assets.

(2) Reserve for Bonuses

The Reserve for Bonuses is set up for the payment of employees' bonuses and appropriates an amount for this fiscal period out of the amount of bonuses estimated to be paid to employees.

(3) Reserve for Retirement Benefits

The Reserve for Retirement Benefits is set up for the payment of employees' retirement benefits. It represents the requirement amount calculated from estimated retirement benefit obligations and estimated pension assets at the end of this fiscal period. Upon the calculation of retirement benefit obligations, the estimated retirement benefit obligation attributable up to the end of this fiscal period are accounted for using the benefit formula basis. Unrecognized past service costs and unrecognized actuarial difference are amortized as follows:

Unrecognized past service costs: By the straight-line method over a fixed number of years that does not exceed the remaining service years (14 years) of employees of the fiscal period when the past service costs were incurred.

Unrecognized actuarial difference: By the straight-line method over a fixed number of years that does not exceed the average remaining service years (14 years) of employees at each fiscal period when the actuarial difference was incurred. This amortization starts from the subsequent fiscal period.

(4) Reserve for Retirement Benefits for Directors

The Reserve for Retirement Benefits for Directors is set up for the payment of directors' retirement benefits. It represents amounts that have accrued through the end of this fiscal period out of the retirement benefits amount estimated to be paid to directors.

(5) Reserve for Losses on Refund for Dormant Bonds

Reserves for Losses on Refunds for Dormant Bonds are recorded for bonds that are no longer recognized as liabilities in an amount equivalent to the estimated losses arising from future demands for refunds.

(6) Accounting standard for Reserve for Environmental Measures

The reserve for environmental measures is set up for the estimated payment for disposal of PCB (polychlorinated biphenyl) waste.

8. Hedge accounting

(1) Currency risk hedging

Deferred hedge accounting is adopted for hedges carried out to control the risk of currency fluctuations arising from foreign currency-denominated assets and liabilities, as stipulated in the "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25, July 29, 2002). Currency swap transactions are carried out for the purpose of offsetting the risk of currency fluctuations arising from foreign currency-denominated monetary claims. The effectiveness of the hedge is evaluated by confirming the availability of an amount equivalent to the foreign currency position used to hedge the foreign currency-denominated monetary claims.

(2) Internal transactions

Interest rate swap transactions designated as hedges for those derivatives transactions that are internal transactions between special transaction accounts and other accounts (or between internal departments) were executed in conformity with external cover transaction standards for which strict hedge operations that eliminate arbitrary decision-making were recognized as possible under the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24, February 13, 2002).

For this reason, revenue and expenses arising from said interest rate swap transactions have been recognized as gains/losses without being eliminated.

The special treatment for deferred hedge or interest rate swaps is applied to certain assets and liabilities.

9. Other significant matters in preparing the financial statements

(1) Accounting method for Retirement Benefits

Unrecognized actuarial difference and unrecognized past service costs associated with retirement benefits are accounted for in a different way than those accounted for in the consolidated financial statements.

(2) National and local consumption taxes are accounted for with the tax exclusion method.

CHANGES IN ACCOUNTING POLICIES

The Bank has adopted "Revised Accounting Standard for Business Combinations" (ASBJ Statement No.21, September 13, 2013, hereinafter referred to as "Accounting Standard for Business Combinations") and "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7, September 13, 2013, hereinafter referred to as "Accounting Standard for Business Divestitures") and other related standards from the current fiscal period. Accordingly, acquisition-related costs are recognized as expenses in the fiscal period in which they incur. Regarding business combinations taking place on or after the beginning of the current fiscal period, an adjustment of acquisition cost allocation arising from the finalization of the provisional accounting treatments is retrospectively recognized in the non-consolidated financial statements for the accounting period in which the business combination occurs.

The Bank has adopted Accounting Standard for Business Combinations and other standards above from the beginning of the current fiscal period in accordance with the transitional accounting treatments set forth in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures.

There is no effect on the non-consolidated financial statements for the current fiscal period.

ADDITIONAL INFORMATION

1 Special Reserve

Accompanying privatization on October 1, 2008, a transfer was made from capital and retained earnings to special reserve pursuant to the Article 5 of the Supplementary Provisions of the Shoko Chukin Bank Law (hereinafter referred to as "Supplementary Provisions").

The special reserve has the following characteristics.

- (1) Pursuant to the provisions of Article 43 of the Shoko Chukin Bank Law (hereinafter referred to as "Law"), in the calculation of the amount of surplus, the amount of special reserve shall be included in the total amount of capital and reserves.
- (2) Pursuant to the provisions of Article 44, Paragraph 1 of the Law, the amount of special reserve may be reduced in the event a deficit is compensated, if the total amount of capital reserve and earnings reserve becomes zero. When the amount of the surplus comes to exceed zero following the reduction of the special reserve, the amount of special reserve must be increased pursuant to the provisions of Article 44, Paragraph 3 of the Law.
- (3) Pursuant to the provisions of Article 45 of the Law, when the state of the capital adequacy and the soundness of other finances have improved and when it is deemed that the financial soundness have been secured, all or a portion of the amount of special reserve may, pursuant to a resolution of the general meeting of shareholders, be paid to the national treasury.
- (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of special reserve shall be paid to the national

treasury pursuant to the provisions of Article 46 of the Law.

2 Crisis Response Reserve

Pursuant to the Article 2-6 of the Supplementary Provisions, in order for smooth implementation of crisis response measures, the Bank accounts for capital contributed by the government as crisis response reserve.

The crisis response reserve has the following characteristics.

- (1) Pursuant to the provisions of Article 43 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions, in the calculation of the amount of surplus, the amount of crisis response reserves shall be included in the total amount of capital and reserves.
- (2) Pursuant to the Article 2-7 of the Supplementary Provisions, the amount of crisis response reserves may be reduced in the event a deficit is compensated, if the total amount of special reserve becomes zero. When the amount of the surplus comes to exceed zero following the reduction of the crisis response reserves, the amount of crisis response reserves must be increased pursuant to the provisions of Article 44, Paragraph 3 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions. The increase in the amount of the crisis response reserves shall, pursuant to the Article 2-9, Paragraph 2 of the Supplementary Provisions, be undertaken prior to the increase in the amount of the special reserve.
- (3) Pursuant to the provisions of Article 45 of the Law, which is applied with a replacement of the terms pursuant to the Article 2-8 and 2-9, Paragraph 1 of the Supplementary Provisions when the Shoko Chukin Bank deems it has sufficiently secured the necessary financial foundation for the smooth implementation of crisis response measures, an amount of money equivalent to all or a portion of the amount of crisis response reserves may, pursuant to a resolution of the general meeting of shareholders, be repaid to the national treasury.
- (4) When, supposing the Bank is liquidated, obligations have been repaid and there are residual assets, the amount of crisis response reserves shall be paid to the national treasury pursuant to the provisions of Article 46 of the Law, which are applied with a replacement of the terms pursuant to the Article 2-9, Paragraph 1 of the Supplementary Provisions, and the Article 2-9, Paragraph 3 of the Supplementary Provisions.

BALANCE SHEETS

- Total investment in affiliated companies, including shares of affiliated companies, was ¥3,441 million.
- In Loans, loans to bankrupt companies total ¥68,203 million and overdue loans total ¥381,299 million.

Loans to bankrupt companies are loans for which accrued interest is not shown in the accounts based on the assumption that principal or interest is likely to be unrecoverable because the interest or principal payments have been long overdue or for other reasons (excluding loans that have been written off, and hereinafter referred to as "loans for which accrued interest is not shown in the accounts"), where the loans in question are affected by the circumstances defined in Article 96, Paragraph 1, Numbers 3a-e or Number 4 of the Corporation Tax Law Enforcement Ordinance (Cabinet Ordinance No. 97 of 1965).

Overdue loans are loans for which accrued interest is not shown in the accounts, excluding loans to bankrupt companies and loans for which the interest payments have been rescheduled to support financial restructuring of the borrowers.

- Loans overdue by three months or longer total ¥571 million.
Loans overdue by three months or longer are defined as loans on which principal or interest payments are overdue by three months or longer reckoning from the payment date stipulated in the contract. Loans that are classified as loans to bankrupt companies or overdue loans are excluded from this category.
- Rescheduled loans total ¥14,370 million.
Rescheduled loans are loans for which the terms have been eased to support financial restructuring of the borrower through measures agreed in favor of the borrower, such as reduction of interest payments, postponement of interest or principal repayments and abandonment of claims, excluding loans to bankrupt companies or overdue loans and loans overdue by three months or longer.
- The total amount of loans to bankrupt companies, overdue loans, loans overdue by three months or longer and rescheduled loans is ¥464,443 million.

The amounts of loans stated in Notes 2 through 5 are the numbers before the deduction of Reserve for Possible Loan Losses.

- Bills discounted are handled as financial transactions in accordance with "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24, February 13, 2002). With regards to bills accepted through the transactions, the Bank has the right to freely sell or use as collateral any bank acceptance bills, trade bills, documentary bills, or foreign bills bought, the aggregate face value of which is ¥207,506 million.
- Assets provided as collateral are as follows.

Assets provided as collateral:

Securities ¥850,352 million

Liabilities corresponding to collateral assets:

Deposits ¥6,343 million

Payables under Repurchase Agreements ¥13,525 million

Payables under Securities Lending Transactions ¥105,546 million

Borrowings ¥540,000 million

In addition to the above amounts, securities worth ¥62,171 million have been provided as collateral for foreign currency settlements or substituted for futures margin money, etc.

Guarantees and deposits account for ¥2,151 million of Other Assets.

- Overdraft contracts and commitment line contracts on loans are the agreements under which the Bank grants a loan up to a designated credit limit when the customer requests, unless there is breach of the conditions stipulated in the contract. The outstanding credit facility ready for claims under such agreements is ¥1,028,534 million. Of these, ¥986,020 million have original contract durations of one year or less or can be dissolved without condition at any point in time.
Most of these contracts are terminated before the amount of the credit facility determined in the agreements is fully utilized, so the outstanding credit facility itself does not always affect the Bank's future cash flows. Most of these agreements have provisions that allow the Bank to cancel the customers' claim and/or to reduce the credit limit for appropriate reasons such as changes in financial situation and protection of credit standing. Moreover, when necessary, the Bank requires customers to provide property or securities as collateral when signing the contract. After the Bank enters into the agreement, it periodically checks customers' business condition in accordance with internally established procedures, reviews the conditions of the agreement if necessary, and takes measures to protect the Bank's interests.
- Advanced depreciation of Tangible Fixed Assets is ¥17,523 million.
(There is no advanced depreciation for this fiscal period)
- Borrowings include loans payable under subordination covenant totaling ¥46,000 million.
- Within Corporate Bonds, presented as a sub-item of Investment Securities, the Bank's guarantee liabilities relating to privately-offered corporate bonds (Financial Instruments and Exchange Act, Article 2, Paragraph 3) amounted to ¥182,989 million.

PRINCIPAL SHAREHOLDERS
Common Stock

Shareholder Name	Number of Stocks Held (Thousand shares)	Percentage of Total Common Stock Issued and Outstanding (%)
The Minister of Finance	1,016,000	46.46
Koeisha Co., Ltd.	6,087	0.27
Kantoh Automobile Insurance Cooperative for Truck Transport Companies	5,980	0.27
BOT LEASE CO., LTD.	5,300	0.24
OSAKA SEMBA FASHION CO-OPERATIVE ASSOCIATION	4,810	0.21
Hokuoh Shinyo Kumiai	4,662	0.21
Tokyo Mokuzai Tonya Kyoudou Kumiai	4,626	0.21
Tokyo Camera Ryutsu Kyodokumiai	3,633	0.16
Fuji-shi Ukishima Kogyo-danchi Kyodokumiai	3,300	0.15
Kyodokumiai Koyama Kyoiku Sangyo Group	3,214	0.14
Total	1,057,613	48.36

Notes: 1. As of March 31, 2016.

2. In addition to the principal shareholder information presented in the preceding chart, the Shoko Chukin Bank holds 10,005 thousand shares of treasury stock, representing 0.45% of total common stock issued and outstanding.

CAPITAL RATIO (Uniform International Standards)

(¥100 million, %)

	(As of March 31, 2016)
1. Total Risk-weighted Capital Ratio (4/7)	13.41
2. Tier 1 Risk-weighted Capital Ratio (5/7)	12.07
3. Common Equity Tier 1 Risk-weighted Capital Ratio (6/7)	12.07
4. Total Capital	9,805
5. Tier 1 Capital	8,820
6. Common Equity Tier 1 Capital	8,820
7. Risk-weighted Assets	73,074
8. Total Required Capital	5,845

The Bank's Capital Ratio:

The Bank's capital ratio is calculated in accordance with the formula stipulated in "Standard for Assessment of Management Soundness under Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Law." In addition to applying the uniform international standard, the Bank adopts the standard method for Credit Risk-weighted Assets calculation and the basic method for Operational Risk calculation. Market Risk is not calculated according to special provision for exclusion.

SUMMARY OF INCOME

(¥100 million)

Fiscal period ended	March 31, 2016	March 31, 2015
Gross Operating Profit	1,413	1,496
General and Administrative Expenses (Excluding Nonrecurring Items)	761	755
Operating Profit (Operating Profit before Deduction of Provision for the General Reserve for Possible Loan Losses)	652	740
Provision for the General Reserve for Possible Loan Losses	88	(47)
Operating Profit	563	788
Nonrecurring Loss (Including Nonrecurring Expenses)	(228)	(427)
Income before Income Taxes and Other	335	360
Other Gains and Losses	(2)	(0)
Provision for Income Taxes — Corporate Tax, Inhabitant Tax and Enterprise Tax	141	172
Adjustment of Income Taxes	75	31
Net Income	115	156

Note: Operating Profit is income generated by the Bank's primary businesses and is calculated using the following formula:

$$\text{Operating Profit} = \text{Gross Operating Profit} - (\text{Provision for the General Reserve for Possible Loan Losses} + \text{General and Administrative Expenses (Excluding Nonrecurring Items)})$$
GROSS OPERATING PROFIT

(¥100 million, %)

Fiscal period ended	March 31, 2016			March 31, 2015		
	Domestic	International	Total	Domestic	International	Total
Net Interest Income	1,235	24	1,260	1,294	22	1,317
Fees and Commissions	64	7	72	72	8	80
Trading Revenue	25	26	51	28	33	62
Other Operating Income	12	16	28	16	20	36
Gross Operating Profit	1,338	75	1,413	1,411	85	1,496
Gross Operating Profit Ratio (%)	1.09	2.77	1.14	1.15	3.53	1.21

Notes: 1. Domestic departments handle transactions in yen with Japanese residents through the domestic branches. International departments handle transactions with non-residents in Japan, foreign currency transactions and transactions made on special international financial accounts (transactions in the Tokyo Offshore Market) through the domestic branches and those operated through the New York branch.

$$2. \text{Gross Operating Profit Ratio} = \frac{\text{Gross Operating Profit}}{\text{Average Balance of Interest Earning Assets}} \times 100$$

BALANCE OF LOANS		(¥100 million)					
Fiscal period ended		March 31, 2016			March 31, 2015		
		Domestic	International	Total	Domestic	International	Total
Fiscal Period-end Balance	Loans on Deeds	78,569	1,548	80,118	78,065	1,505	79,570
	Loans on Notes	2,950	365	3,315	3,306	409	3,716
	Overdraft	9,899	—	9,899	9,471	—	9,471
	Bills Discounted	2,062	—	2,062	2,272	—	2,272
	Total	93,481	1,913	95,395	93,116	1,914	95,031
Average Balance	Loans on Deeds	77,644	1,555	79,199	76,821	1,417	78,238
	Loans on Notes	2,914	391	3,305	3,272	410	3,683
	Overdraft	8,818	—	8,818	9,024	—	9,024
	Bills Discounted	2,001	—	2,001	2,204	—	2,204
	Total	91,378	1,946	93,324	91,323	1,828	93,151

Note: The average balance of foreign currency loans with domestic branches stated in the International column is calculated by the monthly current method.

BREAKDOWN OF LOAN BALANCE BY INDUSTRY		(¥100 million, %)	
		As of March 31, 2016	As of March 31, 2015
		Manufacturing	31,158 (32.7)
Machinery and Metal Product Manufacturing	16,057 (16.8)	16,036 (16.9)	
Agriculture and Forestry	270 (0.3)	242 (0.3)	
Fisheries	42 (0.1)	38 (0.0)	
Mining and Quarrying of Stone and Gravel	133 (0.1)	133 (0.2)	
Construction	2,884 (3.0)	2,776 (2.9)	
Electricity, Gas, Heat Supply and Water	353 (0.4)	394 (0.4)	
Information and Communications, Transport and Postal Activities	12,489 (13.1)	12,526 (13.2)	
Wholesale and Retail	30,181 (31.6)	30,038 (31.6)	
Finance and Insurance	470 (0.5)	459 (0.5)	
Real Estate and Goods Rental and Leasing	7,084 (7.4)	6,937 (7.3)	
Various Services	9,651 (10.1)	9,592 (10.1)	
Local Governments	4 (0.0)	4 (0.0)	
Others	137 (0.1)	123 (0.1)	
Overseas and Special International Financial Accounts	532 (0.6)	513 (0.5)	
Total	95,395	95,031	

Note: The figures in parentheses represent percentages of the total.

PROBLEM LOANS		(¥100 million, %)	
		As of March 31, 2016	As of March 31, 2015
Loans to Bankrupt Companies	(A)	682	576
(Loans to Bankrupt Companies other than Loss Classification Loans)	(B)	(274)	(274)
Overdue Loans	(C)	3,812	4,024
(Overdue Loans other than Loss Classification Loans)	(D)	(3,134)	(3,445)
Loans Overdue for 3 Months or Longer	(E)	5	8
Rescheduled Loans	(F)	143	90
Total Problem Loans	(G) = (A) + (C) + (E) + (F)	4,644	4,699
Loss Classification Loans in Loans to Bankrupt Companies	(H)	407	301
Loss Classification Loans in Overdue Loans	(I)	678	578
Problem Loans other than Loss Classification Loans	(J) = (B) + (D) + (E) + (F)	3,559	3,818
Loans other than Loss Classification Loans	(K)	94,324	94,170
Percentage of Loans (%)	(J)/(K)	3.8	4.1

- Notes
- Loans to Bankrupt Companies are loans for which accrued interest is not shown in the accounts* based on the assumption that principal or interest is likely to be unrecoverable (because interest or principal payments have been long overdue or for other reasons), where the loans in question are affected by the circumstances defined in Article 96, Clause 1, Numbers 3a-e or Number 4 of the Corporation Tax Law Enforcement Ordinance (Cabinet Ordinance No. 97 of 1965).
 - Overdue Loans are loans of which accrued interest is not shown in the accounts, excluding loans to bankrupt companies and loans of which the rescheduling of interest payments have been granted to support the financial restructuring of the borrowers.
 - Loans Overdue for 3 Months or Longer are defined as loans on which principal or interest payments are overdue by 3 months or longer reckoning from the payment date stipulated in the contract. The loans that are classified as loans to bankrupt companies and overdue loans are excluded.
 - Rescheduled Loans are loans other than in Loans to Bankrupt Companies, Overdue Loans or Loans Overdue for 3 Months or Longer for which the terms have been eased to support the financial restructuring of the borrower through measures agreed in favor of the borrower, such as reduction of interests payments, postponement of interest or principal repayments and abandonment of claims.
 - Loss Classification Loans are those that are classified as unrecoverable based on our self-assessment of assets. The full amount of these loans is included in the Reserve for Possible Loan Losses.
 - Problem Loans other than Loss Classification Loans equal the amount of problem loans minus the amount of the loans defined in Note 5. (The amount of Loss Classification Loans deducted from Problem Loan balances at the end of the fiscal 2014 was ¥88.0 billion out of the Provision for Possible Loan Losses of ¥188.2 billion and at the end of the fiscal 2015 was ¥108.5 billion out of the Provision for Possible Loan Losses of ¥194.6 billion.)
- * Loans for which accrued interest is not shown in the accounts: loans to bankrupt companies for which accrued interest is not shown in the accounts based on the assumption that principal or interest is likely to be unrecoverable because the interest or principal payments have been long overdue or for other reasons (excluding loans that have been written off.)