

**Interim Financial Information
for Fiscal Year 2016**

(Ended September 30, 2016)

(Summary)

THE 77 BANK, LTD.

INTERIM FINANCIAL INFORMATION
FOR FISCAL YEAR 2016
(ENDED SEPTEMBER 30, 2016)
(Summary)

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I . Interim Consolidated Information
 1. Interim Consolidated Balance Sheets

(Millions of Yen)

Item	科目 (Japanese)	As of MAR.31, 2016	As of SEP.30, 2016
Assets:	(資産の部)		
Cash and due from banks	現金預け金	485,921	453,994
Call loans and bills bought	コールローン及び買入手形	115,560	45,500
Debt purchased	買入金銭債権	4,740	4,921
Trading account securities	商品有価証券	28,056	24,961
Money held in trust	金銭の信託	76,278	175,892
Investment securities	有価証券	3,491,511	3,280,661
Loans and bills discounted	貸出金	4,350,795	4,373,687
Foreign exchange assets	外国為替	4,313	6,036
Lease receivables and investment assets	リース債権及びリース 投資資産	15,556	15,485
Other assets	その他資産	27,532	26,106
Tangible fixed assets	有形固定資産	35,969	35,697
Intangible fixed assets	無形固定資産	308	305
Deferred tax assets	繰延税金資産	1,687	1,649
Customers' liabilities for acceptances and guarantees	支払承諾見返	35,302	33,281
Reserve for possible loan losses	貸倒引当金	(74,950)	(69,525)
Total assets	資産の部合計	8,598,583	8,408,656

Note: The amounts are rounded down to the nearest million.

Item	科目 (Japanese)	As of MAR.31, 2016	As of SEP.30, 2016
Liabilities:	(負債の部)		
Deposits	預金	7,320,108	7,074,490
Negotiable certificates of deposit	譲渡性預金	643,630	580,370
Call money and bills sold	コールマネー及び売渡手形	-	13,651
Payables under securities lending transactions	債券貸借取引受入担保金	20,908	20,214
Borrowed money	借入金	4,466	111,602
Foreign exchange liabilities	外国為替	82	143
Other liabilities	その他負債	66,825	70,540
Liability for bonus for directors and corporate auditors	役員賞与引当金	41	-
Net defined benefit liability	退職給付に係る負債	36,278	35,536
Liability for directors' and corporate auditors' retirement benefits	役員退職慰労引当金	47	54
Reserve for reimbursement of deposits	睡眠預金払戻損失引当金	403	450
Reserve for contingent losses	偶発損失引当金	799	771
Reserve for disaster losses	災害損失引当金	7	-
Deferred tax liabilities	繰延税金負債	17,371	14,744
Acceptances and guarantees	支払承諾	35,302	33,281
Total liabilities	負債の部合計	8,146,272	7,955,851
Net assets:	(純資産の部)		
Common stock	資本金	24,658	24,658
Capital surplus	資本剰余金	7,835	7,835
Retained earnings	利益剰余金	304,910	314,406
Treasury stock	自己株式	(4,396)	(4,251)
Total stockholders' equity	株主資本合計	333,007	342,648
Unrealized gains on available-for-sale securities	その他有価証券 評価差額金	115,223	104,798
Deferred gain (loss) on derivatives under hedge accounting	繰延ヘッジ損益	(3,446)	(3,474)
Remeasurements of defined benefit plans	退職給付に係る調整累 計額	(8,495)	(7,870)
Total accumulated other comprehensive income	その他の包括利益累計 額合計	103,281	93,453
Subscription rights to shares	新株予約権	721	659
Non-controlling interests	非支配株主持分	15,301	16,043
Total net assets	純資産の部合計	452,310	452,804
Total liabilities and net assets	負債及び純資産の部合計	8,598,583	8,408,656

Note: The amounts are rounded down to the nearest million.

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

Interim Consolidated Statements of Income

(Millions of Yen)

Item	科目 (Japanese)	For the six months ended SEP.30, 2015	For the six months ended SEP.30, 2016
Ordinary income	経常収益	58,905	58,628
Interest income	資金運用収益	38,017	37,302
[Interest on loans and discounts]	[うち貸出金利息]	[22,199]	[20,677]
[Interest and dividends on trading account and investment securities]	[うち有価証券利息配当金]	[15,672]	[16,550]
Fees and commissions	役務取引等収益	8,565	8,523
Other operating income	その他業務収益	5,458	5,447
Other income	その他経常収益	6,864	7,354
Ordinary expenses	経常費用	40,250	43,589
Interest expenses	資金調達費用	2,147	1,280
[Interest on deposits]	[うち預金利息]	[1,254]	[663]
Fees and commissions	役務取引等費用	2,829	3,059
Other operating expenses	その他業務費用	5,357	9,744
General and administrative expenses	営業経費	28,549	28,581
Other expenses	その他経常費用	1,367	922
Ordinary profits	経常利益	18,655	15,039
Extraordinary income	特別利益	-	-
Extraordinary loss	特別損失	378	158
Impairment loss	減損損失	378	158
Income before income taxes and minority interests	税金等調整前中間純利益	18,276	14,880
Income taxes - current	法人税、住民税及び事業税	4,779	1,213
Income taxes - deferred	法人税等調整額	2,015	1,709
Total Income taxes	法人税等合計	6,794	2,923
Net income	中間純利益	11,481	11,957
Net income attributable to non-controlling interests	非支配株主に帰属する 中間純利益	646	763
Net income attributable to owners of the parent	親会社株主に帰属する 中間純利益	10,834	11,194

Note: The amounts are rounded down to the nearest million.

Consolidated Interim Statements of Comprehensive Income

(Millions of Yen)

Item	科目 (Japanese)	For the six months ended SEP.30, 2015	For the six months ended SEP.30, 2016
Net income	中間純利益	11,481	11,957
Other comprehensive income	その他の包括利益	(23,407)	(9,839)
Unrealized gain on available-for-sale securities	その他有価証券評価差額金	(22,904)	(10,437)
Deferred gains or losses on hedges	繰延ヘッジ損益	(782)	(27)
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	280	625
Comprehensive income	中間包括利益	(11,925)	2,118
Comprehensive income attributable to owners of the parent	親会社株主に係る中間包括利益	(12,572)	1,367
Comprehensive income attributable to non-controlling interests	非支配株主に係る中間包括利益	646	750

Note: The amounts are rounded down to the nearest million.

3. Interim Consolidated Statements of Changes in Net Assets

For the six months ended Sep.30,2015 (from April 1, 2015 to September 30, 2015)

(Millions of Yen)

Item	(Japanese)	Stockholders' equity				
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
		株主資本				
		資本金	資本剰余金	利益剰余金	自己株式	株主資本合計
Balance at the start of current period	当期首残高	24,658	7,835	292,420	(4,393)	320,520
Changes of items during the period	当中間期変動額					
Dividends from surplus	剰余金の配当			(1,684)		(1,684)
Net income attributable to owners	親会社株主に帰属する中間純利益			10,834		10,834
Purchase of treasury stock	自己株式の取得				(8)	(8)
Disposal of treasury stock	自己株式の処分			(0)	11	11
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)					
Total changes of items during the period	当中間期変動額合計	-	-	9,150	2	9,153
Balance at the end of current period	当中間期末残高	24,658	7,835	301,571	(4,390)	329,674

Note: The amounts are rounded down to the nearest million.

(Millions of Yen)

Item	(Japanese)	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
		Unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
		その他の包括利益累計額						
		その他有価証券評価差額金	繰延ヘッジ損益	退職給付に係る調整累計額	その他の包括利益累計額合計			
Balance at the start of current period	当期首残高	139,396	(415)	(1,637)	137,343	593	13,571	472,029
Changes of items during the period	当中間期変動額							
Dividends from surplus	剰余金の配当							(1,684)
Net income attributable to owners	親会社株主に帰属する中間純利益							10,834
Purchase of treasury stock	自己株式の取得							(8)
Disposal of treasury stock	自己株式の処分							11
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)	(22,905)	(782)	280	(23,407)	56	638	(22,712)
Total changes of items during the period	当中間期変動額合計	(22,905)	(782)	280	(23,407)	56	638	(13,559)
Balance at the end of current period	当中間期末残高	116,491	(1,198)	(1,356)	113,936	650	14,209	458,470

Note: The amounts are rounded down to the nearest million.

For the six months ended Sep.30,2016 (from April 1, 2016 to September 30, 2016)

(Millions of Yen)

Item	(Japanese)	Stockholders' equity					Total stockholders' equity
		Common stock	Capital surplus	Retained earnings	Treasury stock		
		株主資本					
		資本金	資本剰余金	利益剰余金	自己株式	株主資本合計	
Balance at the start of current period	当期首残高	24,658	7,835	304,910	(4,396)	333,007	
Changes of items during the period	当中間期変動額						
Dividends from surplus	剰余金の配当			(1,684)		(1,684)	
Net income attributable to owners	親会社株主に帰属する中間純利益			11,194		11,194	
Purchase of treasury stock	自己株式の取得				(2)	(2)	
Disposal of treasury stock	自己株式の処分			(14)	147	133	
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)						
Total changes of items during the period	当中間期変動額合計	-	-	9,495	145	9,640	
Balance at the end of current period	当中間期末残高	24,658	7,835	314,406	(4,251)	342,648	

Note: The amounts are rounded down to the nearest million.

(Millions of Yen)

Item	(Japanese)	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
		Unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
		その他の包括利益累計額						
		その他有価証券評価差額金	繰延ヘッジ損益	退職給付に係る調整累計額	その他の包括利益累計額合計	新株予約権	非支配株主持分	純資産合計
Balance at the start of current period	当期首残高	115,223	(3,446)	(8,495)	103,281	721	15,301	452,310
Changes of items during the period	当中間期変動額							
Dividends from surplus	剰余金の配当							(1,684)
Net income attributable to owners	親会社株主に帰属する中間純利益							11,194
Purchase of treasury stock	自己株式の取得							(2)
Disposal of treasury stock	自己株式の処分							133
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)	(10,425)	(27)	625	(9,827)	(62)	742	(9,147)
Total changes of items during the period	当中間期変動額合計	(10,425)	(27)	625	(9,827)	(62)	742	493
Balance at the end of current period	当中間期末残高	104,798	(3,474)	(7,870)	93,453	659	16,043	452,804

Note: The amounts are rounded down to the nearest million.

4. Interim Consolidated Statements of Cash Flows

(Millions of Yen)

		For the six months ended Sep.30,2015	For the six months ended Sep.30,2016
I. Operating activities:	営業活動によるキャッシュ・フロー		
Income before income taxes and minority interests	税金等調整前中間純利益	18,276	14,880
Depreciation and amortization	減価償却費	2,096	1,881
Impairment loss	減損損失	378	158
Change in reserve for possible loan losses	貸倒引当金の増減	(5,543)	(5,425)
Change in reserve for contingent losses	偶発損失引当金の増減	(96)	(28)
Change in liability for bonus for directors and corporate auditors	役員賞与引当金の増減額	(41)	(41)
Change in net defined benefit liability	退職給付に係る負債の増減額	(771)	158
Change in liability for directors' and corporate auditors' retirement benefits	役員退職慰労引当金の増減額	(5)	7
Change in reserve for reimbursement of deposits	睡眠預金払戻損失引当金の増減	32	47
Change in reserve for disaster losses	災害損失引当金の増減額	-	(7)
Interest income	資金運用収益	(38,017)	(37,302)
Interest expense	資金調達費用	2,147	1,280
Investment securities losses (gains) - net	有価証券関係損益	791	3,568
Gains on money held in trust - net	金銭の信託の運用損益	(351)	(202)
Foreign exchange gains (losses) - net	為替差損益	881	24,073
Gains on disposals of fixed assets	固定資産処分損益	18	80
Net change in loans and bills discounted	貸出金の純増減	(88,351)	(22,892)
Net change in deposits	預金の純増減	(107,395)	(245,618)
Net change in negotiable certificates of deposit	譲渡性預金の純増減	(107,250)	(63,260)
Net change in borrowed money	借入金（劣後特約付借入金を除く）の純増減	265	107,136
Net change in due from banks	預け金（日銀預け金を除く）の純増減	74	(4,385)
Net change in call loans and others	コールローン等の純増減	9,904	69,878
Net change in call money and others	コールマネー等の純増減	38,989	13,651
Net change in payable under securities lending transactions	債券貸借取引受入担保金の純増減	6,574	(693)
Net change in trading account securities	商品有価証券の純増減	(1,574)	3,094
Net change in foreign exchange assets	外国為替（資産）の純増減	112	(1,722)
Net change in foreign exchange liabilities	外国為替（負債）の純増減	(238)	61
Net change in lease receivables and investment assets	リース債権及びリース投資資産の純増減	(140)	70
Interest received	資金運用による収入	41,805	40,771
Interest paid	資金調達による支出	(2,116)	(1,302)
Other - net	その他	(3,156)	7,403
Sub total	小計	(232,702)	(94,676)
Income taxes paid	法人税等の支払額	(1,731)	(6,493)
Net cash provided by (used in) operating activities	営業活動によるキャッシュ・フロー	(234,433)	(101,170)

Note: The amounts are rounded down to the nearest million.

(Millions of Yen)

		For the six months ended Sep.30,2015	For the six months ended Sep.30,2016
II. Investing activities:	投資活動によるキャッシュ・フロー		
Purchases of investment securities	有価証券の取得による支出	(378,472)	(147,216)
Proceeds from sales of investment securities	有価証券の売却による収入	66,140	9,241
Proceeds from maturity of investment securities	有価証券の償還による収入	422,052	306,350
Increase in money held in trust	金銭の信託の増加による支出	-	(100,000)
Purchases of tangible fixed assets	有形固定資産の取得による支出	(1,294)	(1,783)
Proceeds from sales of tangible fixed assets	有形固定資産の売却による収入	15	23
Purchases of intangible fixed assets	無形固定資産の取得による支出	-	(4)
Payments for asset retirement obligations	資産除去債務の履行による支出	(11)	(14)
Net cash (used in) provided by investing activities	投資活動によるキャッシュ・フロー	108,428	66,597
III. Financing activities:	財務活動によるキャッシュ・フロー		
Repayment of subordinated loans	劣後特約付借入金の返済による支出	(20,000)	-
Purchases of treasury stock	自己株式の取得による支出	(8)	(2)
Proceeds from sales of treasury stock	自己株式の売却による収入	0	0
Dividends paid	配当金の支払額	(1,682)	(1,689)
Dividends paid for non-controlling interests	非支配株主への配当金の支払額	(8)	(8)
Net cash used in financing activities	財務活動によるキャッシュ・フロー	(21,699)	(1,699)
IV. Foreign currency translation adjustments on cash and cash equivalents	現金及び現金同等物に係る換算差額	(0)	(40)
V. Net increase(decrease)in cash and cash equivalents	現金及び現金同等物の増減額	(147,704)	(36,312)
VI. Cash and cash equivalents, beginning of term	現金及び現金同等物の期首残高	512,082	482,733
VII. Cash and cash equivalents, end of term	現金及び現金同等物の中間期末残高	<u>364,377</u>	<u>446,420</u>

Note: The amounts are rounded down to the nearest million.

5. Segment Information

The 77 Bank Group is mainly focused on banking operations and is also engaged in the leasing business and the provision of other financial services. The reportable segments of the Group are subject to periodical review by the Bank's management team to assess performance and allocate management resources based on available financial information related to each segment. The Group's only reportable segment is Banking Operations. The Other Operations segment is immaterial and has been omitted. Starting from the current interim consolidated financial period, the transactions of financial instruments for the newly established Preparing to Establish the 77 Securities Co., Ltd. are included in "Other."

II .Interim Non-consolidated Information
1.Interim Non-consolidated Balance Sheets (Parent Company)

(Millions of Yen)

Item	科目 (Japanese)	As of MAR.31, 2016	As of SEP.30, 2016
Assets:	(資産の部)		
Cash and due from banks	現金預け金	485,911	453,979
Call loans	コールローン	115,560	45,500
Debt purchased	買入金銭債権	4,740	4,921
Trading account securities	商品有価証券	28,056	24,961
Money held in trust	金銭の信託	76,278	175,892
Investment securities	有価証券	3,478,904	3,271,775
Loans and bills discounted	貸出金	4,357,890	4,380,118
Foreign exchange assets	外国為替	4,313	6,036
Other assets	その他資産	15,348	14,065
Tangible fixed assets	有形固定資産	35,571	35,297
Intangible fixed assets	無形固定資産	290	287
Customers' liabilities for acceptances and guarantees	支払承諾見返	35,302	33,281
Reserve for possible loan losses	貸倒引当金	(68,116)	(62,977)
Total assets	資産の部合計	8,570,052	8,383,141

Note: The amounts are rounded down to the nearest million.

Item	科目 (Japanese)	As of MAR.31, 2016	As of SEP.30, 2016
Liabilities:	(負債の部)		
Deposits	預金	7,325,912	7,082,582
Negotiable certificates of deposit	譲渡性預金	645,330	583,570
Call money	コールマネー	-	13,651
Payables under securities lending transactions	債券貸借取引受入担保金	20,908	20,214
Borrowed money	借入金	500	107,184
Foreign exchange liabilities	外国為替	82	143
Other liabilities	その他負債	52,946	57,126
Income tax payable	未払法人税等	4,609	487
Lease obligations	リース債務	250	166
asset retirement obligations	資産除去債務	641	665
Other	その他の負債	47,445	55,806
Liability for bonus for directors and corporate auditors	役員賞与引当金	25	-
Liability for employees' retirement benefits	退職給付引当金	23,641	23,793
Reserve for reimbursement of deposits	睡眠預金払戻損失引当金	403	450
Reserve for contingent losses	偶発損失引当金	799	771
Reserve for disaster losses	災害損失引当金	7	-
Deferred tax liabilities	繰延税金負債	21,108	18,012
Acceptances and guarantees	支払承諾	35,302	33,281
Total liabilities	負債の部合計	8,126,968	7,940,781
Net assets:	(純資産の部)		
Common stock	資本金	24,658	24,658
Capital surplus	資本剰余金	7,835	7,835
Legal capital surplus	資本準備金	7,835	7,835
Retained earnings	利益剰余金	302,543	312,187
Legal retained earnings	利益準備金	24,658	24,658
Other retained earnings	その他利益剰余金	277,884	287,528
Reserve for advanced depreciation of noncurrent assets	固定資産圧縮積立金	784	772
General reserve	別途積立金	259,805	271,805
Retained earnings brought forward	繰越利益剰余金	17,294	14,951
Treasury stock	自己株式	(4,422)	(4,277)
Total stockholders' equity	株主資本合計	330,614	340,403
Unrealized gains on available-for-sale securities	その他有価証券 評価差額金	115,195	104,771
Deferred gain (loss) on derivatives under hedge accounting	繰延ヘッジ損益	(3,446)	(3,474)
Total valuation and translation adjustments	評価・換算差額等合計	111,748	101,297
Subscription rights to shares	新株予約権	721	659
Total net assets	純資産の部合計	443,084	442,359
Total liabilities, and net assets	負債及び純資産の部合計	8,570,052	8,383,141

Note: The amounts are rounded down to the nearest million.

2. Interim Non-consolidated Statements of Income (Parent Company)

(Millions of Yen)

Item	科目 (Japanese)	For the six months ended SEP.30, 2015	For the six months ended SEP.30, 2016
Ordinary income	経常収益	53,329	53,083
Interest income	資金運用収益	37,946	37,240
[Interest on loans and discounts]	[うち貸出金利息]	[22,146]	[20,629]
[Interest and dividends on trading account and investment securities]	[うち有価証券利息配 当金]	[15,653]	[16,536]
Fees and commissions	役務取引等収益	8,050	8,018
Other operating income	その他業務収益	536	549
Other income	その他経常収益	6,796	7,274
Ordinary expenses	経常費用	36,025	39,292
Interest expenses	資金調達費用	2,136	1,269
[Interest on deposits]	[うち預金利息]	[1,255]	[663]
Fees and commissions	役務取引等費用	3,090	3,336
Other operating expenses	その他業務費用	1,757	6,147
General and administrative expenses	営業経費	27,678	27,648
Other expenses	その他経常費用	1,362	890
Ordinary profits	経常利益	17,304	13,791
Extraordinary income	特別利益	-	-
Extraordinary loss	特別損失	378	158
Income before income taxes	税引前中間純利益	16,925	13,633
Income taxes - current	法人税、住民税 及び事業税	4,356	820
Income taxes - deferred	法人税等調整額	1,808	1,469
Total income taxes	法人税等合計	6,164	2,290
Net income	中間純利益	10,760	11,343

Note: The amounts are rounded down to the nearest million.

3. Interim Non-consolidated Statements of Changes in Net Assets (Parent Company)

For the six months ended Sep.30,2015 (from April 1, 2015 to September 30, 2015)

(Millions of Yen)

Item	(Japanese)	Stockholders' equity							
		Common stock	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
			Legal capital surplus	Total capital surplus		Other retained earnings			
						Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward	
株主資本									
資本金	資本剰余金		利益剰余金					利益剰余金合計	
	資本準備金	資本剰余金合計	利益準備金	その他利益剰余金					
				固定資産圧縮積立金	別途積立金	繰越利益剰余金			
Balance at the start of current period	当期首残高	24,658	7,835	7,835	24,658	727	246,305	18,557	290,249
Changes of items during the period	当中間期変動額								
Dividends from surplus	剰余金の配当							(1,684)	(1,684)
Reversal of reserve for advanced depreciation of	固定資産圧縮積立金の取崩					(11)		11	-
Provision of general reserve	別途積立金の積立						13,500	(13,500)	-
Interim net income	中間純利益							10,760	10,760
Purchase of treasury stock	自己株式の取得								
Disposal of treasury stock	自己株式の処分							(0)	(0)
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)								
Total changes of items during the period	当中間期変動額合計	-	-	-	-	(11)	13,500	(4,412)	9,076
Balance at the end of current period	当中間期末残高	24,658	7,835	7,835	24,658	716	259,805	14,145	299,325

Note: The amounts are rounded down to the nearest million.

(Millions of Yen)

Item	(Japanese)	Stockholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
		Treasury stock	Total stockholders' equity	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Total valuation and translation adjustments		
		株主資本		評価・換算差額等				
		自己株式	株主資本合計	その他有価証券評価差額金	繰延ヘッジ損益	評価・換算差額等合計		
Balance at the start of current period	当期首残高	(4,419)	318,323	139,368	(415)	138,953	593	457,870
Changes of items during the period	当中間期変動額							
Dividends from surplus	剰余金の配当		(1,684)					(1,684)
Reversal of reserve for advanced depreciation of noncurrent assets	固定資産圧縮積立金の取崩		-					-
Provision of general reserve	別途積立金の積立		-					-
Interim net income	中間純利益		10,760					10,760
Purchase of treasury stock	自己株式の取得	(8)	(8)					(8)
Disposal of treasury stock	自己株式の処分	11	11					11
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)			(22,904)	(782)	(23,687)	56	(23,631)
Total changes of items during the period	当中間期変動額合計	2	9,079	(22,904)	(782)	(23,687)	56	(14,551)
Balance at the end of current period	当中間期末残高	(4,416)	327,402	116,463	(1,198)	115,265	650	443,318

Note: The amounts are rounded down to the nearest million.

For the six months ended Sep.30,2016 (from April 1, 2016 to September 30, 2016)

(Millions of Yen)

Item	(Japanese)	Stockholders' equity							
		Common stock	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
			Legal capital surplus	Total capital surplus		Other retained earnings			
						Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward	
資本金	資本剰余金		利益準備金	利益剰余金			利益剰余金合計		
		資本準備金	資本剰余金合計		その他利益剰余金				
					固定資産圧縮積立金	別途積立金	繰越利益剰余金		
Balance at the start of current period	当期首残高	24,658	7,835	7,835	24,658	784	259,805	17,294	302,543
Changes of items during the period	当中間期変動額								
Dividends from surplus	剰余金の配当							(1,684)	(1,684)
Reversal of reserve for advanced depreciation of	固定資産圧縮積立金の取崩					(12)		12	-
Provision of general reserve	別途積立金の積立						12,000	(12,000)	-
Interim net income	中間純利益							11,343	11,343
Purchase of treasury stock	自己株式の取得								
Disposal of treasury stock	自己株式の処分							(14)	(14)
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)								
Total changes of items during the period	当中間期変動額合計	-	-	-	-	(12)	12,000	(2,343)	9,644
Balance at the end of current period	当中間期末残高	24,658	7,835	7,835	24,658	772	271,805	14,951	312,187

Note: The amounts are rounded down to the nearest million.

(Millions of Yen)

Item	(Japanese)	Stockholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
		Treasury stock	Total stockholders' equity	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Total valuation and translation adjustments		
		株主資本		評価・換算差額等			新株予約権	純資産合計
		自己株式	株主資本合計	その他有価証券評価差額金	繰延ヘッジ損益	評価・換算差額等合計		
Balance at the start of current period	当期首残高	(4,422)	330,614	115,195	(3,446)	111,748	721	443,084
Changes of items during the period	当中間期変動額							
Dividends from surplus	剰余金の配当		(1,684)					(1,684)
Reversal of reserve for advanced depreciation of noncurrent assets	固定資産圧縮積立金の取崩		-					-
Provision of general reserve	別途積立金の積立		-					-
Interim net income	中間純利益		11,343					11,343
Purchase of treasury stock	自己株式の取得	(2)	(2)					(2)
Disposal of treasury stock	自己株式の処分	147	133					133
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)			(10,423)	(27)	(10,451)	(62)	(10,513)
Total changes of items during the period	当中間期変動額合計	145	9,789	(10,423)	(27)	(10,451)	(62)	(724)
Balance at the end of current period	当中間期末残高	(4,277)	340,403	104,771	(3,474)	101,297	659	442,359

Note: The amounts are rounded down to the nearest million.

III. Explanatory Materials to Interim Financial Report

1. Interim Financial Data

A. Interest Margin

【Non-consolidated】

(%)

	(Japanese)	For the six months ended Sep.30,2016		For the six months ended Sep.30,2015 (B)	For FY 2015 ended Mar.31,2016
		(A)	(A)-(B)		
(1) Fund management yield (A)	資金運用利回	0.92	(0.02)	0.94	0.94
Loans and bills discounted interest rate	貸出金利回	0.95	(0.09)	1.04	1.02
Securities interest rate	有価証券利回	1.00	0.12	0.88	0.88
(2) Funding cost (B)	資金調達原価	0.71	(0.04)	0.75	0.84
Deposits and certificates of deposit interest rate	預金等利回	0.01	(0.02)	0.03	0.03
(3) Net interest margin (A)-(B)	総資金利鞘	0.21	0.02	0.19	0.10

(Ref.) Interest margin (Domestic operations) 【Non-consolidated】

(%)

	(Japanese)	For the six months ended Sep.30,2016		For the six months ended Sep.30,2015 (B)	For FY 2015 ended Mar.31,2016
		(A)	(A)-(B)		
(1) Fund management yield (A)	資金運用利回	0.88	(0.04)	0.92	0.91
Loans and bills discounted interest rate	貸出金利回	0.95	(0.09)	1.04	1.03
Securities interest rate	有価証券利回	0.98	0.11	0.87	0.86
(2) Funding cost (B)	資金調達原価	0.70	(0.04)	0.74	0.83
Deposits and certificates of deposit interest rate	預金等利回	0.01	(0.02)	0.03	0.03
(3) Net interest margin (A)-(B)	総資金利鞘	0.18	0.00	0.18	0.08

B. Gains or Losses of Securities

【Non-consolidated】

(Millions of Yen)

	(Japanese)	For the six months ended Sep.30,2016		For the six months ended Sep.30,2015 (B)	For FY 2015 ended Mar.31,2016
		(A)	(A)-(B)		
Gains (losses) on bonds	国債等債券損益	(4,217)	(3,291)	(926)	(4,480)
Gains on sales	売却益	17	(435)	452	471
Gains on maturity	償還益	-	-	-	31
Losses on sales	売却損	2	(179)	181	280
Losses on maturity	償還損	4,232	4,094	138	710
Write-off	償却	-	(1,059)	1,059	3,991
Gains (losses) on stocks	株式等関係損益	649	514	135	1,544
Gains on sales	売却益	654	48	606	2,309
Losses on sales	売却損	0	0	0	0
Write-off	償却	5	(465)	470	764

C. Capital Adequacy Ratio

【Consolidated】 (Domestic Standard)

(Millions of Yen)

	(Japanese)	As of SEP.30, 2016		MAR.31, 2016
		(A)	(A)-(B)	(B)
(1) Capital adequacy ratio	自己資本比率	10.99%	(0.22%)	11.21%
(2) Basic items related to core capital	コア資本に係る基礎項目	385,924	6,584	379,340
(3) Adjustments related to core capital	コア資本に係る調整項目	89	2	87
(4) Total capital (2)-(3)	自己資本	385,834	6,581	379,253
(5) Risk-adjusted assets	リスクアセット	3,509,370	128,638	3,380,732

【Non-consolidated】 (Domestic Standard)

(Millions of Yen)

	(Japanese)	As of SEP.30, 2016		MAR.31, 2016
		(A)	(A)-(B)	(B)
(1) Capital adequacy ratio	自己資本比率	10.66%	(0.24%)	10.90%
(2) Basic items related to core capital	コア資本に係る基礎項目	370,424	6,108	364,316
(3) Adjustments related to core capital	コア資本に係る調整項目	82	0	82
(4) Total capital (2)-(3)	自己資本	370,342	6,109	364,233
(5) Risk-adjusted assets	リスクアセット	3,472,903	132,468	3,340,435

2. Condition of Loans Portfolio

A. Risk-monitored Loans

Partly direct write-off : Not applicable

Standard for not appropriating accrued interest : All the accrued interest to borrowers in "Legal bankruptcy", "Virtual bankruptcy" and "Possible bankruptcy" based on self credit assessments is not appropriated.

Loans to borrowers belonging to the above classifications, regardless of the accrued interest, are classified as "Loans to borrowers under bankruptcy" or "Past due loans".

【Non-consolidated】

(Millions of Yen)

	(Japanese)	As of SEP.30, 2016			MAR.31, 2016 (B)	SEP.30, 2015 (C)
		(A)	(A)-(B)	(A)-(C)		
Loans to borrowers under bankruptcy	破綻先債権額	957	(338)	(461)	1,295	1,418
Past due loans	延滞債権額	76,850	(3,075)	(11,083)	79,925	87,933
Accruing loans contractually past due three months or more	3カ月以上延滞債権額	877	265	513	612	364
Restructured loans	貸出条件緩和債権額	27,725	(4,967)	(5,067)	32,692	32,792
Total	合計	106,409	(8,117)	(16,100)	114,526	122,509
Loans and bills discounted	貸出金残高(未残)	4,380,118	22,228	65,077	4,357,890	4,315,041

= Percentage of total loans and bills discounted =

(%)

Loans to borrowers under bankruptcy	破綻先債権額	0.02	0.00	(0.01)	0.02	0.03
Past due loans	延滞債権額	1.75	(0.08)	(0.28)	1.83	2.03
Accruing loans contractually past due three months or more	3カ月以上延滞債権額	0.02	0.01	0.02	0.01	0.00
Restructured loans	貸出条件緩和債権額	0.63	(0.12)	(0.12)	0.75	0.75
Total	合計	2.42	(0.20)	(0.41)	2.62	2.83

(Ref.) In case of applying partly direct write-off

(Million of Yen, %)

	(Japanese)	As of SEP.30, 2016			MAR.31, 2016 (B)	SEP.30, 2015 (C)
		(A)	(A)-(B)	(A)-(C)		
Amount of partly direct write-off	部分直接償却額	8,690	259	1,429	8,431	7,261
Total of risk-monitored loans	リスク管理債権額合計	97,719	(8,375)	(17,529)	106,094	115,248
Loans and bills discounted	貸出金残高(未残)	4,371,428	21,969	63,648	4,349,459	4,307,780
Percentage of total loans	貸出金残高比	2.23	(0.20)	(0.44)	2.43	2.67

【Consolidated】

(Millions of Yen)

	(Japanese)	As of SEP.30, 2016			MAR.31, 2016 (B)	SEP.30, 2015 (C)
		(A)	(A)-(B)	(A)-(C)		
Loans to borrowers under bankruptcy	破綻先債権額	1,081	(395)	(461)	1,476	1,542
Past due loans	延滞債権額	77,947	(3,018)	(11,151)	80,965	89,098
Accruing loans contractually past due three months or more	3カ月以上延滞債権額	877	265	513	612	364
Restructured loans	貸出条件緩和債権額	27,742	(4,967)	(5,070)	32,709	32,812
Total	合計	107,648	(8,116)	(16,170)	115,764	123,818
Loans and bills discounted	貸出金残高(未残)	4,373,687	22,892	65,714	4,350,795	4,307,973

= Percentage of total loans and bills discounted =

(%)

Loans to borrowers under bankruptcy	破綻先債権額	0.02	(0.01)	(0.01)	0.03	0.03
Past due loans	延滞債権額	1.78	(0.08)	(0.28)	1.86	2.06
Accruing loans contractually past due three months or more	3カ月以上延滞債権額	0.02	0.01	0.02	0.01	0.00
Restructured loans	貸出条件緩和債権額	0.63	(0.12)	(0.13)	0.75	0.76
Total	合計	2.46	(0.20)	(0.41)	2.66	2.87

B. Reserve for Possible Loan Losses

(1) Write-off and Reserve Standard

a. General Reserve

Classifications		(Japanese)	Reserve Standard
Claims on normal debtors		正常先債権	Amounts are booked in general loan loss reserves based on the actual loan-loss ratio for the last two years
Claims on debtors under caution	Claims on debtors under caution, other than special-mentioned	要管理先以外の要注意先債権	Amounts are booked in general loan loss reserves based on the actual loan-loss ratio for the last two years
	Claims on special-mentioned debtors under caution	要管理先債権	Amounts are booked in general loan loss reserves based on the actual loan-loss ratio for the last three years. In addition, for borrowers that exceed credit limits, amounts are booked in general loan loss reserves based on the discounted cash flow method.

b. Special Reserve

Classifications	(Japanese)	Write-off and Reserve Standard
Claims on debtors under possible bankruptcy	破綻懸念先債権	For loans not secured by collateral or guarantees, amounts are transferred to special loan loss reserves based on the actual loan-loss ratio for the last three years. In addition, for borrowers that exceed credit limits, amounts are transferred to special loan loss reserves based on the discounted cash flow method.
Claims on debtors under virtual bankruptcy	実質破綻先債権	All loans not secured by collateral or guarantees are transferred to the special loan loss reserve or written off.
Claims on debtors under legal bankruptcy	破綻先債権	

(2) Conditions of Reserve for Possible Loan Losses

【Non-consolidated】

(Millions of Yen)

	(Japanese)	As of SEP.30, 2016			MAR.31, 2016	SEP.30, 2015
		(A)	(A)-(B)	(A)-(C)	(B)	(C)
Reserve for possible Loan losses	貸倒引当金	62,977	(5,139)	(7,801)	68,116	70,778
General reserve	一般貸倒引当金	30,276	(3,589)	(2,721)	33,865	32,997
Special reserve	個別貸倒引当金	32,700	(1,550)	(5,080)	34,250	37,780
Special reserve for loans to certain countries	特定海外債権引当勘定	-	-	-	-	-

【Consolidated】

(Millions of Yen)

	(Japanese)	As of SEP.30, 2016			MAR.31, 2016	SEP.30, 2015
		(A)	(A)-(B)	(A)-(C)	(B)	(C)
Reserve for possible Loan losses	貸倒引当金	69,525	(5,425)	(8,886)	74,950	78,411
General reserve	一般貸倒引当金	34,050	(3,828)	(3,493)	37,878	37,543
Special reserve	個別貸倒引当金	35,475	(1,596)	(5,392)	37,071	40,867
Special reserve for loans to certain countries	特定海外債権引当勘定	-	-	-	-	-

C. Loans by Industry

【Non-consolidated】

(Millions of Yen)

	(Japanese)	As of SEP.30, 2016			MAR.31, 2016 (B)	SEP.30, 2015 (C)
		(A)	(A)-(B)	(A)-(C)		
Domestic offices (Excluding Japan offshore banking accounts)	国内店分 (除く特別国際 金融取引勘定分)	4,380,118	22,228	65,077	4,357,890	4,315,041
Manufacturing	製造業	485,584	(14,078)	(27,202)	499,662	512,786
Agriculture and Forestry	農業、林業	6,416	1,027	1,579	5,389	4,837
Fishery	漁業	4,224	(379)	(457)	4,603	4,681
Mining and quarrying of stone and gravel	鉱業、採石業、砂利採取業	3,167	115	1,945	3,052	1,222
Construction companies	建設業	142,409	(5,380)	8,307	147,789	134,102
Utilities	電気・ガス・熱供給・水道業	130,292	10,845	18,407	119,447	111,885
Information and communications	情報通信業	26,436	(3,300)	(3,052)	29,736	29,488
Transport and postal activities	運輸業、郵便業	123,395	6,353	21,323	117,042	102,072
Wholesale and retail	卸売業、小売業	402,556	(7,005)	(12,289)	409,561	414,845
Financial institutions	金融業、保険業	274,693	(14,619)	(69,447)	289,312	344,140
Real estate and goods rental and leasing	不動産業、物品賃貸業	803,596	26,011	92,137	777,585	711,459
Services,N.E.C.	その他サービス業	309,333	16,930	3,883	292,403	305,450
Municipalities	地方公共団体	704,885	(25,759)	(19,800)	730,644	724,685
Other	その他	963,126	31,466	49,745	931,660	913,381

D. Risk-monitored Loans by Industry

【Non-consolidated】

(Millions of Yen)

	(Japanese)	As of SEP.30, 2016			MAR.31, 2016 (B)	SEP.30, 2015 (C)
		(A)	(A)-(B)	(A)-(C)		
Domestic offices (Excluding Japan offshore banking accounts)	国内店分 (除く特別国際 金融取引勘定分)	106,409	(8,117)	(16,100)	114,526	122,509
Manufacturing	製造業	29,970	(591)	(860)	30,561	30,830
Agriculture and Forestry	農業、林業	349	(3)	(1)	352	350
Fishery	漁業	1,070	(139)	(297)	1,209	1,367
Mining and quarrying of stone and gravel	鉱業、採石業、砂利採取業	-	-	-	-	-
Construction companies	建設業	5,972	(714)	(1,905)	6,686	7,877
Utilities	電気・ガス・熱供給・水道業	351	(14)	(205)	365	556
Information and communications	情報通信業	774	472	476	302	298
Transport and postal activities	運輸業、郵便業	2,227	22	171	2,205	2,056
Wholesale and retail	卸売業、小売業	19,228	(3,971)	(7,898)	23,199	27,126
Financial institutions	金融業、保険業	0	0	0	0	0
Real estate and goods rental and leasing	不動産業、物品賃貸業	13,382	(3,450)	(4,478)	16,832	17,860
Services,N.E.C.	その他サービス業	22,824	322	(361)	22,502	23,185
Municipalities	地方公共団体	-	-	-	-	-
Other	その他	10,257	(52)	(743)	10,309	11,000

E. Loans to Consumers

【Non-consolidated】

(Millions of Yen)

	(Japanese)	As of SEP. 30, 2016			MAR. 31, 2016 (B)	SEP. 30, 2015 (C)
		(A)	(A)-(B)	(A)-(C)		
Consumer loans	消費者ローン残高	963,251	33,825	69,828	929,426	893,423
Housing loans	うち住宅ローン残高	923,184	31,890	67,583	891,294	855,601
Other consumer loans	うちその他ローン残高	40,067	1,935	2,245	38,132	37,822

F. Loans to Small & Medium-sized Companies and to Consumers

【Non-consolidated】

(%)

	(Japanese)	As of SEP. 30, 2016			MAR. 31, 2016 (B)	SEP. 30, 2015 (C)
		(A)	(A)-(B)	(A)-(C)		
Percentage of total loans	中小企業等貸出比率	57.60	1.36	2.60	56.24	55.00

3. Condition of Securities Portfolio

A. Appraisal Standard for Investment Securities

Available-for-sale securities	売買目的 有価証券	Market value method (unrealized gains/losses are recorded in profit and loss)	時価法(評価差額を 損益処理)
Held-to-maturity securities	満期保有目的 有価証券	Depreciation cost method	償却原価法
Other investment securities	その他有価証券	Market value method (unrealized gains/losses are included in stockholders' equity)	時価法(評価差額を 全部純資産直入)
Subsidiary and affiliate stocks	子会社株式及び 関連会社株式	Cost method	原価法

(Ref.) Securities in money held in trust

Money held in trust for investing	運用目的の 金銭の信託	Market value method (unrealized gains/losses are recorded in profit and loss)	時価法(評価差額を 損益処理)
Other money held in trust	その他の 金銭の信託	Market value method (unrealized gains/losses are included in stockholders' equity)	時価法(評価差額を 全部純資産直入)

B. Unrealized Gains or Losses of Investment Securities

【Consolidated】

(Millions of Yen)

	(Japanese)	As of SEP.30, 2016				As of MAR.31, 2016		
		Unrealized gains (losses)				Unrealized gains (losses)		
		(A)	(A)-(B)	Gains	Losses	(B)	Gains	Losses
		評価損益				評価損益		
		対比	評価益	評価損		評価益	評価損	
Held-to-maturity	満期保有目的	81	0	81	-	81	81	-
Other investment	その他有価証券	138,171	(14,410)	146,124	7,952	152,581	160,993	8,411
Stocks	株式	59,338	(4,929)	60,566	1,228	64,267	65,160	893
Bonds	債券	48,324	(1,131)	48,474	150	49,455	49,477	22
Other	その他	30,509	(8,350)	37,083	6,573	38,859	46,355	7,495
Total	合計	138,253	(14,409)	146,206	7,952	152,662	161,074	8,411
Stocks	株式	59,338	(4,929)	60,566	1,228	64,267	65,160	893
Bonds	債券	48,405	(1,131)	48,556	150	49,536	49,558	22
Other	その他	30,509	(8,350)	37,083	6,573	38,859	46,355	7,495

Note: 1. Since "Other investment" is valued using the market value method, the difference between the carrying amount in the Interim Consolidated Balance Sheets and the acquisition cost is recorded in the above table.

2. Valuation of "Other investment" is based on the market value at the end of the interim period.

【Non-consolidated】

(Millions of Yen)

	(Japanese)	As of SEP.30, 2016				As of MAR.31, 2016		
		Unrealized gains (losses)				Unrealized gains (losses)		
		(A)	(A)-(B)	Gains	Losses	(B)	Gains	Losses
		評価損益				評価損益		
		対比	評価益	評価損		評価益	評価損	
Held-to-maturity	満期保有目的	-	-	-	-	-	-	-
Other investment	その他有価証券	137,740	(14,389)	145,692	7,952	152,129	160,541	8,411
Stocks	株式	58,906	(4,908)	60,135	1,228	63,814	64,708	893
Bonds	債券	48,324	(1,131)	48,474	150	49,455	49,477	22
Other	その他	30,509	(8,350)	37,083	6,573	38,859	46,355	7,495
Total	合計	137,740	(14,389)	145,692	7,952	152,129	160,541	8,411
Stocks	株式	58,906	(4,908)	60,135	1,228	63,814	64,708	893
Bonds	債券	48,324	(1,131)	48,474	150	49,455	49,477	22
Other	その他	30,509	(8,350)	37,083	6,573	38,859	46,355	7,495

Note: 1. Since "Other investment" is valued using the market value method, the difference between the carrying amount in the Interim Non-consolidated Balance Sheets and the acquisition cost is recorded in the above table.

2. Valuation of "Other investment" is based on the market value at the end of the interim period.