(1) Major Financial Data (5 Fiscal Years)

(Billions of yen)

	FY2012	FY2013	FY2014	FY2015		FY2016
Summary of Consolidated Statements of Income						
Gross operating profit	637.1	608.5	632.4	619.5	(A)	**563.1**
(1) Net interest income	443.0	430.0	425.9	401.3	(B)	**377.9**
(2) Trust fees	21.6	23.7	22.7	21.2		**17.9**
(3) Fees and commission income	128.9	135.0	146.4	147.4	(C)	**142.7**
Fee income ratio ((2)+(3)) / Gross operating profit)	23.64%	26.09%	26.75%	27.23%		**28.52%**
(4) Other operating income	43.4	19.7	37.2	49.5	(D)	**24.5**
Net gains on bonds (including futures)	25.5	7.1	19.5	30.6		**5.5**
Operating expenses (excluding Group banks' non-recurring items)	(353.5)	(350.3)	(354.2)	(344.5)	(E)	**(344.9)**
Cost-to-income ratio (OHR)	55.49%	57.56%	56.00%	55.61%		**61.25%**
Actual net operating profit	283.7	258.3	278.3	275.1		**218.2**
Net gains (losses) on stocks (including equity derivatives)	(9.2)	21.3	20.0	(1.6)		**3.2**
Credit expenses	13.0	26.4	22.3	(25.8)	(F)	**17.4**
Other gains (losses), net	5.0	4.2	9.1	5.9		**(10.8)**
Income before income taxes	284.3	312.0	326.2	250.5		**228.2**
Income taxes and other	(9.2)	(91.4)	(114.7)	(66.6)		**(66.7)**
Net income attributable to owners of the parent	275.1	220.6	211.4	183.8	(G)	**161.4**

Note: Negative figures represent items that would reduce net income

	FY2012	FY2013	FY2014	FY2015		FY2016
Summary of Consolidated Balance Sheets						
Total assets	43,110.6	44,719.4	46,586.5	49,126.4		**48,456.1**
Cash and due from banks	3,386.1	6,471.8	9,672.9	13,514.5		**12,641.9**
Loans and bills discounted	26,490.1	26,701.6	27,487.2	27,664.9	(H)	**28,186.7**
Securities	10,181.5	8,698.4	6,864.2	5,346.7	(I)	**5,295.7**
Total liabilities	40,921.3	42,763.0	44,443.1	47,292.9		**46,509.3**
Deposits and NCDs	36,686.2	37,695.7	38,843.4	39,573.3	(J)	**41,640.9**
Total net assets	2,189.3	1,956.4	2,143.3	1,833.4		**1,946.7**
Shareholders' equity	1,803.4	1,543.6	1,529.7	1,448.1	(K)	**1,485.4**
Total accumulated other comprehensive income	259.8	273.4	449.0	367.8		**443.4**
Trust assets under management and custody	23,377.3	23,915.8	24,526.6	29,768.8		**26,608.9**
Major Financial Indicators						
Capital adequacy ratio (Japanese domestic standard)	14.67%	14.33%	13.46%	13.53%	(L)	**11.69%**
(Reference) Common equity Tier 1 (CET1) ratio (International standard) (excluding net unrealized gains on available-for-sale securities)	—	7.73% (7.43%)	8.16% (7.07%)	9.52% (8.13%)		**10.74% (8.59%)**
Annual cash dividends per share (DPS) (yen)	12	15	17	17		**19**
Net assets per share (BPS) (yen)	490.48	552.89	690.66	705.81		**786.94**
Net income per share (EPS) (yen)	105.71	89.71	91.07	75.73		**66.89**
Return on equity (ROE)[1]	30.65%	21.68%	18.89%	14.41%		**11.67%**
Return on assets (ROA)[2]	0.63%	0.50%	0.46%	0.38%		**0.33%**
NPL ratio (Total of Group Banks, Financial Reconstruction Act basis)	2.06%	1.74%	1.51%	1.51%		**1.35%**
Number of shares of common stock excluding treasury shares (shares in billions)	2.443	2.186	2.318	2.319		**2.321**
Share price at fiscal year-end (yen)	488	499	596.6	401.6		**597.9**
Market capitalization (billions of yen)	1,192.2	1,091.2	1,382.9	931.6		**1,388.1**

Notes: 1. (Net income attributable to owners of the parent – Preferred dividends) / (Shareholders' equity – Balance of outstanding preferred shares); simple average of the balances at the beginning and end of the term
2. Net income attributable to owners of the parent / Total assets, simple average of the balances at the beginning and end of the term

(2) Financial Review for FY2016

Income Summary

(A) Consolidated gross operating profit decreased by ¥56.4 billion from the previous fiscal year to ¥563.1 billion. Factors included a decrease in net gains on bonds, although an increase in loans and bills discounted partially offset the decrease in net interest income that was primarily due to contraction of the loan to deposit spread.

(B) Interest income decreased by ¥23.4 billion from the previous fiscal year to ¥377.9 billion. Balance of loans and bills discounted increased, but the impact of negative interest rates was one of the factors that caused the loan to deposit spread to narrow.

(C) Fees and commission income decreased by ¥4.7 billion from the previous fiscal year to ¥142.7 billion. Financial product sales were sluggish in an unstable market environment, although income from corporate solutions and loans increased.

(D) Other operating income decreased by ¥24.9 billion from the previous fiscal year to ¥24.5 billion. Net gains on bonds (including futures) decreased due to changes in the interest rate environment.

(E) Operating expenses were essentially unchanged at ¥344.9 billion. Our continued focus on low-cost operations offset factors including an increase in pro forma standard taxation.

(F) Gain on reversal of credit expenses was ¥17.4 billion, compared with credit expenses of ¥25.8 billion in the previous fiscal year. Credit expenses from new bankruptcy and downward migration were at historically low levels, and improvement by type of borrower was evident.

(G) As a result, net income attributable to owners of the parent decreased by ¥22.3 billion from the previous fiscal year to ¥161.4 billion.

Balance Sheet Summary

(H) Loans and bills discounted increased by ¥521.7 billion from the previous fiscal year-end to ¥28,186.7 billion, led by growth of housing loans and loans to SMEs. The NPL ratio for Group banks in aggregate decreased 0.16 percentage points to 1.35%.

(I) Securities decreased by ¥50.9 billion from the previous fiscal year-end to ¥5,295.7 billion, largely because the Group reduced its Japanese government bond portfolio.

(J) Deposits and NCDs increased by ¥2,067.6 billion from the previous fiscal year-end to ¥41,640.9 billion because of an increase in liquidity deposits from corporate and individual customers.

(K) Shareholders' equity increased by ¥37.2 billion from the previous fiscal year-end to ¥1,485.4 billion because net income more than compensated for the reduction in equity from the acquisition and cancellation of Class 6 preferred stock.

Capital Adequacy (Basel 3, Japanese Domestic Standard)

(L) Despite net income for the year of ¥161.4 billion, total capital decreased by ¥222.4 billion mainly due to the acquisition and cancellation of Class 6 preferred stock in December 2016 and the repayment of subordinated bonds, etc. Risk weighted assets, the denominator in the capital adequacy calculation, increased by ¥378.2 billion due largely to the increase in loans and bills discounted. As a result, the capital adequacy ratio decreased by 1.84 percentage points from a year earlier to 11.69%.

Capital Adequacy Ratio (Japanese Domestic Standard)

	As of March 31, 2017	Change
Capital Adequacy Ratio	**11.69%**	**(1.84%)**
Total capital (Billions of yen)	1,746.8	(222.4)
Core Capital: Instruments and reserves	1,775.9	(221.7)
Stockholders' equity	1,361.5	+111.8
Non-cumulative perpetual preferred stock*	100.0	(75.0)
Subordinated loans and bonds*	281.9	(228.9)
Risk weighted assets (Billions of yen)	14,930.8	+378.2
Credit risk weighted assets	13,342.7	+387.7
Amount equivalent to market risk / 8%	83.1	(72.1)
Amount equivalent to operational risk / 8%	1,049.7	(11.8)
Credit risk weighted assets adjustments	455.1	+74.5

*Application of transitional arrangements