

Annual Report 2015

Year Ended March 31, 2015



Profile

The Tama Shinkin Bank was first established in 1933 as the Tachikawa Credit Cooperative (a limited liability entity). With the Shinkin Bank Law coming into effect in 1951, the Tachikawa Credit Cooperative became the Tama Chuo Shinkin Bank, a local financial institution. Through supporting business development and creating assets that form the economic foundation of society for people who reside and run businesses in the Tama region, the Bank has contributed to the region's development and has grown into its leading bank.

On January 10, 2006, in an era of great change, the Tama Chuo Shinkin Bank, the Taihei Shinkin Bank, and the Hachioji Shinkin Bank merged. These three regional financial institutions had served the same region, and it was determined that the region would be better served, and its growth better supported, by a single, more capable financial institution.

The Tama Shinkin Bank, popularly known as "Tamashin" by the region in which it has established its roots, is one of Japan's highest ranking shinkin banks. As of March 31, 2015, the Bank had total assets of ¥2,810.3 billion, net assets of ¥114.4 billion, and 1,988 employees. The Bank also had a service network of 76 branches, 4 branch offices, and 60 automatic teller facilities.



Non-Consolidated Financial Highlights

Non-Consolidated Financial Highlights

The Tama Shinkin Bank
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
For the Fiscal Year:			
Total Income	¥ 39,698	¥ 40,897	\$ 330,353
Total Expenses	34,792	35,335	289,530
Income Before Income Taxes	4,905	5,562	40,823
Net Income	3,743	3,879	31,151
Business Profit	6,252	6,389	52,033
At Year-End:			
Deposits	¥ 2,514,941	¥ 2,441,232	\$ 20,928,195
Loans and Bills Discounted	1,014,363	1,005,420	8,441,074
Securities	1,104,955	995,369	9,194,936
Total Assets	2,810,317	2,665,366	23,386,182
Total Net Assets	114,400	105,143	951,991

Notes: 1. Yen figures are rounded down to the nearest one million yen in this annual report.

2. Figures stated in U.S. dollars are translated solely for convenience at ¥120.17 to U.S.\$1, the rate prevailing on March 31, 2015.

3. "Business Profit" is obtained by adding the interest income, fees and commissions (income) and other operating income, subtracting interest expenses (excluding expenses on money held in trust), fees and commissions (expenses), other operating expenses, transfers to general reserves for bad debts and general and administrative expenses. Business profit is one of the indicators used by shinkin and other banks.

Management Philosophy

Tamashin is a business dedicated to the happiness of our customers

Tamashin's mission is to contribute to the happiness and well-being of our customers

Basic Policies

Tamashin, as a public entity in society, and motivated by the spirit of cooperation among regional financial institutions:

1. Is based on a system of cooperation among officers and employees.
2. Builds workplaces characterized by good faith, trust, enthusiasm, and reliability.
3. Expands operations and improves quality in the course of financial activities.
Through these efforts, Tamashin seeks to contribute to the prosperity of its home regions and the vitality of the Japanese economy.

Corporate Ethics at Tama Shinkin Bank

1. Developing self-awareness and confidence as a socially responsible entity
Tamashin is building trust with its members, customers, and local communities through its basic policies, self-awareness of its public role, and sound management based on the self responsibility of management.
2. Putting customers first and contributing to local communities
Adhering to its management philosophy, Tamashin strives through its business activities to offer high-quality, premium services to its customers, and to contribute to the growth of local communities.
3. Adhering strictly to laws and regulations
Tamashin complies with both laws and regulations, does not violate social norms, and remains conscientious and fair in its corporate operations.
4. Eliminating anti-social forces
Tamashin takes a resolute stance against anti-social forces that put the order and safety of society at risk.
5. Disclosure of management information and cordial relations with local communities
Tamashin works for cordial relations with local communities through the vigorous and fair disclosure of management information, and the deepening of communication on a broad scale.

We Will Contribute to Solving More Regional Problems for the Attractive and Vigorous “Co-Creation of the Future for the Region and Tamashin.”



The Economic Environment in the Fiscal Year Ended March 2015

In the fiscal year ended March 2015, despite a decline in demand early in the year in reaction to the surge in demand seen ahead of the hike in the consumption tax rate, the Japanese economy followed a moderate recovery path over the second half of the year. My sense is that the current economic climate is reaching a historic turning point for pulling out of the protracted deflationary economy.

Though business confidence has been improving slowly in the Tama region as well, movements toward economic recovery still seem to be slow to emerge due to sharp rises in material costs stemming from the rapidly weakening yen and manpower shortages.

Looking Back on the Fiscal Year Ended March 2015

Under these circumstances, Tamashin has been undertaking broad-ranging activities to solve problems for corporate clients, retail customers and the entire Tama region.

For our corporate clients, we have been providing wider support than ever by leveraging the network of various support organizations in different phases of business, including the establishment and succession of businesses. Going forward, we will continue to proactively implement problem-solving initiatives in a speedy manner.

For retail customers, we have been redoubling efforts to improve our consulting function, such as the “Smile Plaza” and “Smile Counter” consulting spaces, which customers can visit for detailed consultations over monetary and financial life planning matters. However, we feel that we are not doing enough to support families with small children in a society where the population is aging and the birthrate is declining. We would like to help customers with a variety of issues and create an environment where people in the Tama region can lead more fulfilling lives with greater peace of mind.

For the local community, we have steadily expanded cooperation and partnerships with people living in the region and administrative agencies, including newly concluded partnership agreements with Nishitokyo City and Musashino City. We will further contribute to people in the community and continue to make efforts for the sustainable prosperity of the local community.

Toward the Realization of the “Co-Creation of the Future for the Region and Tamashin”

While the outstanding balance of both deposits and loans increased in the fiscal year ended March 2015, we do not think that we have done enough to contribute to people in the region. Bearing in mind our management philosophy of “contributing to the happiness and well-being of our customers,” we will continue to make thorough efforts to solve the problems our customers face.

To that end, we recognize that it is necessary to strengthen our “Capacity to solve customers’ problems,” the core of Tamashin’s business model, both qualitatively and quantitatively, and further expand our problem-solving network in the region in order to contribute to solving a greater number of regional problems.

Looking to the future image of the Tama region, We launched the “Medium-term Management Plan 2015” starting in the fiscal year ending March 2016 for realizing the sustainable prosperity of the regional community and stable livelihoods. The new Management Plan is the basic policy that guides our operations in the coming three years. It also demonstrates Tamashin’s determination to contribute to the realization of the attractive and vigorous “Co-Creation of the Future for the Region and Tamashin,,” which will help people in the Tama region continue to achieve economic development over the next 20 and 30 years. All Tamashin officers and employees will work together to realize this goal.

We would like to extend our appreciation for your continued patronage.



Toshiro Yagi, President

Fundamental Goals of the Medium-term Management Plan 2015

Tamashin launched its Medium-term Management Plan 2015 beginning fiscal year 2015.

Under our management philosophy, this plan was prepared in order to realize a Tama region that can flourish continuously and provide a stable living environment, and to make greater efforts toward solving the many issues customers face in their lives while responding to a constantly changing social environment.

The Medium-term Management Plan 2015 sets forth the direction and initiatives that must be taken over the next three years to ensure Tamashin can fulfill its management philosophy and long-term vision.

Management Philosophy

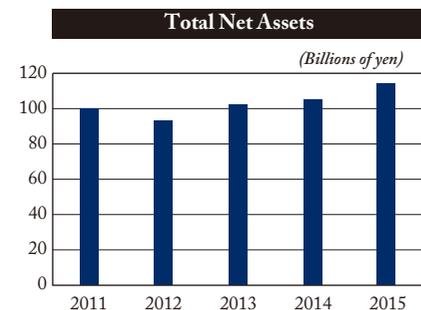
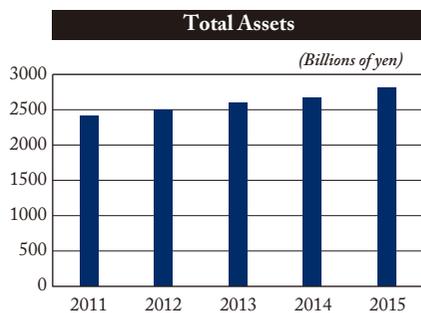
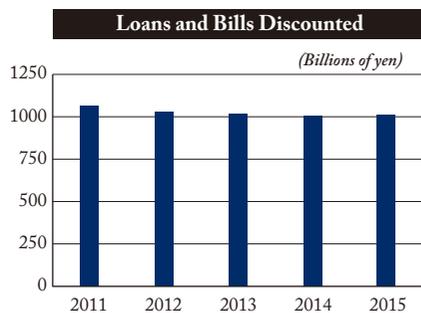
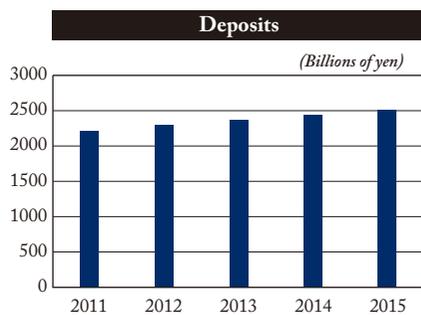
Tamashin is a business dedicated to the happiness of our customers. Tamashin’s mission is to contribute to the happiness and well-being of our customers.

Long-term Vision

Becoming a lasting problem-solving infrastructure in the region.

The Medium-term Management Plan contains three clear and basic goals for Tamashin to fulfill our management philosophy and long-term vision, based on a detailed understanding of the Tama region’s future. By tackling the following goals, Tamashin will seek to realize the attractive and vigorous “Co-Creation of the Future for the Region and Tamashin.”

1. Further demonstrate our “Problem-Solving Capacity” toward community development and revitalization
2. Maintain and reinforce our “Business Infrastructure” to continuously provide solutions to community issues
3. Build a “Highly Motivating Workplace Environment” and cultivate “Human Resources Responsible for the Future of the Community”



The Financial and Economic Environment

The Japanese economy in the fiscal year ended March 2015 showed some weakness in the first half arising from a decline in demand in reaction to the surge in demand seen ahead of the hike in the consumption tax rate, the impact of unseasonable weather during summer, and the rise in import prices due to the weakening yen. Over the second half of the year, however, the economy continued along a moderate recovery path, with capital spending remaining robust and the employment situation showing some improvement.

In the stock market, the Nikkei Average started the year in the ¥14,000 range, and remained stable throughout the first half despite uncertain domestic as well as global economic trends. In the second half, the Nikkei Average followed an uptrend following upward revisions in corporate earnings forecasts released upon the announcement of first-half results and the Bank of Japan's additional monetary easing, moving into the ¥19,000 range at the year's end.

By sector, the corporate sector experienced a temporary slowdown in the first half, reflecting a production cutback by manufacturers in response to a drop in demand in reaction to rush demand ahead of the hike in the consumption tax rate. However, corporate earnings improved in the second half on the back of the weakening yen and lower crude oil prices, and the corporate sector as a whole recovered, with the business conditions DI improving in retail and other consumption-related areas.

In the consumer sector, personal consumption showed some signs of wavering against the backdrop of decreasing real income associated with higher prices. After the impact of the hike in the consumption tax rate ran its course in the second half, consumer sentiment picked up, with new car sales and retail sales recovering to the levels prior to the tax hike.

Operating Results

In the fiscal year ended March 2015, which was the final year of the implementation of our “Medium-Term Management Plan 2012,” we set the main theme of the management plan as “Contribute to the Creation of a Sustainable Local Community with Our Capacity as a Regional Financial Institution’ – Now Is the Time to Establish Our Role as the Problem-Solving Infrastructure in the Tama Region by Fully Leveraging Our Capacity to Solve Customers’ Problems –.”

At a time when the Japanese economy stands at a major turning point, in order to further contribute to the creation of a sustainable and bright local community, as our priority action plans, we aimed to “thoroughly implement quality problem-solving activities by quickly capturing changes in the environment and in customers” and “further enhance our own capacity to more swiftly implement more activities.” Furthermore, we set the following courses of action as we carry out our business operations:

1. Thoroughly implement problem-solving activities by fully leveraging our “Capacity to Solve Customers’ Problems”
2. Rebuild the sustainable revenue base and organizational structure
3. Foster a work environment where people can do their jobs with confidence, pride, and worry-free.

Balance of Deposits and Lones

As of March 31, 2015, the balance of deposits increased by ¥73.7 billion from the previous year to ¥2,514.9 billion, thanks to the support of customers in the region. The balance of loans and bills discounted also rose by ¥8.9 billion to ¥1,014.3 billion.

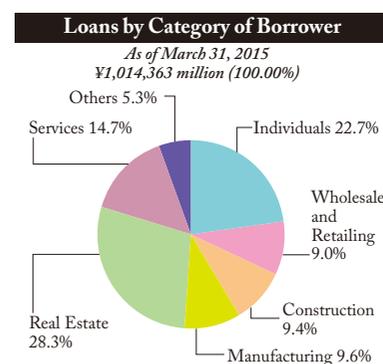
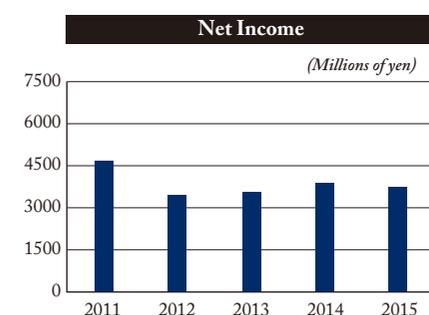
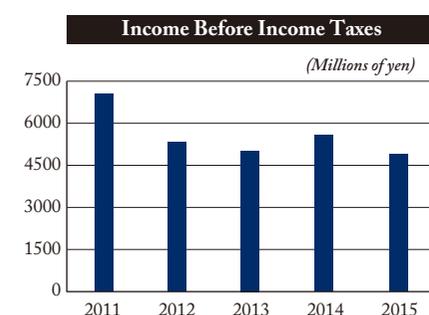
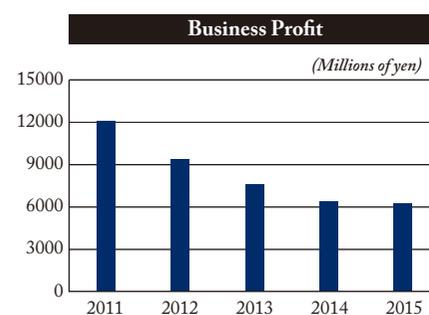
Balance of Securities

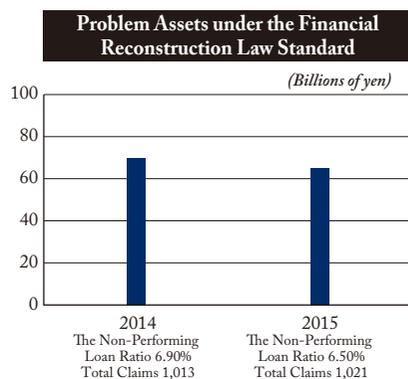
The fiscal year-end balance of securities grew ¥109.5 billion over the previous fiscal year to ¥1,104.9 billion. The fiscal year-end balance of total assets amounted to ¥2,810.3 billion, up ¥144.9 billion, while the fiscal yearend balance of net assets was up ¥92.5 billion to ¥114.4 billion.

Earnings

Total income before extraordinary income declined by ¥1.0 billion, or 2.5%, from the previous fiscal year to ¥39.6 billion, due mainly to drops in interest on loans and bills discounted and interest on deposits as well as a decrease in extraordinary income. Ordinary expenses fell by ¥800 million, or 2.3%, from the previous fiscal year to ¥34.1 billion, primarily because of reductions in nonpersonnel expenses.

As a result, ordinary income decreased by ¥200 million, or 3.8%, from the previous fiscal year to ¥5.5 billion; income before income taxes decreased by ¥600 million, or 11.8%, from the previous fiscal year to ¥4.9 billion; and net income decreased by ¥100 million, or 3.5%, from the previous fiscal year to ¥3.7 billion, still allowing the Bank to sustain stable profitability.





Non-Performing Assets

Tamashin is disposing of non-performing loans in a manner to share and help solve difficulties and problems of customers constructively engaged in their business operations.

Thanks to the effects of our efforts and the gradual improvement of customers' business operations, Tamashin's non-performing loans reported in accordance with the Financial Reconstruction Law's disclosure standards, excluding normal claims, declined by ¥3.5 billion from the fiscal year ended March 2014 to ¥66.4 billion, with the non-performing loan ratio falling by 0.4 percentage points to 6.50%. On the other hand, the total balance of claims, including normal claims, increased from ¥1,013.4 billion to ¥1,021.7 billion.

In accordance with the Financial Reconstruction Law, Tamashin is striving to ensure a high level of transparency in disclosing our operations, including the results of self-assessment of our assets. The total balance of non-performing loans by category and the total coverage ratio, etc., computed in accordance with disclosure standards of the Financial Reconstruction Law and the Shinkin Bank Law, are stated below.

Tamashin's non-performing loans disclosed under the Financial Reconstruction Law amounted to ¥64.4 billion, and 78.18% of those are secured by collateral, guarantees and/or loan loss reserves. Tamashin covers the remaining ¥14.4 billion, or approximately 21.81%, with its equity capital (total net assets of ¥114.4 billion).

In addition, loans defined as risk-monitored under the Shinkin Bank Law's disclosure standards declined by ¥3.4 billion from the previous fiscal year to ¥66.2 billion. The total comprises ¥1.0 billion in loans to bankrupt borrowers and ¥65.1 billion in non-accrual delinquent loans. There are no outstanding claims on which loans past due for three months or more, or restructured loans. All loans outstanding to bankrupt borrowers are fully secured by collateral, guarantees and/or loan loss reserves. Of the balance of delinquent loans, 77.78% is secured, while 78.13% of the total risk-monitored loans is secured by collateral, guarantees and/or loan loss reserves.

Going forward, Tamashin will continue to proactively provide financial and non-financial support to customers in order to solve their problems and improve their business operations.

Glossary of Terms

Bankrupt and Quasi-Bankrupt Assets

Loans to bankrupt borrowers, to those whose businesses are idle due to reorganization or negotiations in progress, and to those who are in a position similar to the aforesaid borrowers.

Doubtful Assets

Loans to borrowers whose businesses are still operating, but whose financial position or business performance are deteriorating, and who are for that reason highly likely to find themselves unable to make required payments on principal and interest.

Substandard Loans

Loans to customers identified as requiring caution under our self-assessment system. This figure represents those loans past due for three months or more, or restructured loans.

Normal Assets

Loans to borrowers who display no particular problems with their financial position or performance, and who fall into none of the three categories above.

Non-Performing Assets under the Financial Reconstruction Law

Years ended March 31, 2015 and 2014

	Millions of yen	
	2015	2014
Bankrupt and Quasi-Bankrupt Assets	¥ 7,590	¥ 8,761
Doubtful Assets	58,839	61,212
Substandard Loans	-	-
Normal Assets	955,277	943,482
Total	¥ 1,021,707	¥ 1,013,457

Note: Under the Shinkin Bank Law, claims subject to reporting are limited to loans and bills discounted. Under the Financial Reconstruction Law, in addition to loans and bills discounted, Banks must also report a wide range of claims, including securities lending, foreign exchange, accrued income and advance payments on other assets, and customers' liabilities for acceptances and guarantees. In addition, the bank must analyze the status of the claim in light of the borrower's financial condition.

Risk-Monitored Loans under the Shinkin Bank Law

Years ended March 31, 2015 and 2014

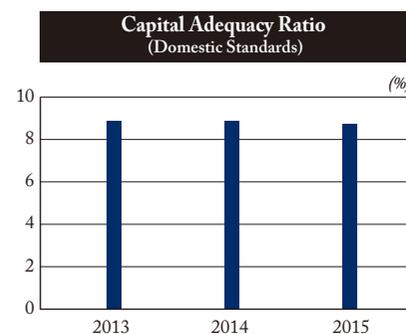
	Millions of yen	
	2015	2014
Total loans to bankrupt borrowers	¥ 1,040	¥ 1,560
Total non-accrual delinquent loans	65,199	68,161
Total loans past due for three months or more	-	-
Total Restructured loans	-	-
Total	¥ 66,240	¥ 69,722

Capital Adequacy Ratio

Tamashin's stance regarding the capital adequacy ratio is not simply to increase this ratio. Our policy is to place foremost priority on our role within the region, and to steadily retain the appropriate level of earnings obtained from serving customers in our home region, which may contribute to the soundness of our operations.

As for the capital adequacy ratio in the fiscal year ended March 2015, the "amount of total capital" (the numerator) increased by ¥2.3 billion over the previous fiscal year to ¥97.4 billion due in part to an increase in retained earnings, while the "amount of credit risk assets, etc." (the denominator) increased by ¥47.2 billion to ¥1,117.5 billion compared to the previous fiscal year, due to increases in business loans as well as corporate bonds and other securities. As a result, Tamashin's capital adequacy ratio dipped by 0.17 percentage points compared to the prior year to 8.72%, which is far larger than the 4% standard for domestic banks. It ensured the soundness and stability of its operations.

As a regional financial institution, Tamashin will continue to place its contribution to regional customers above all else, while striving to further enhance the soundness of our operations.



Capital Adequacy Ratio (Calculated under Basel III)

Year ended March 31, 2015 and 2014

	Millions of yen	
	2015	2014
Core capital basic items	¥ 97,822	¥ 95,180
Core capital adjustment items	(328)	-
Total Capital	¥ 97,493	¥ 95,180
Risk Assets		
Total amount of credit risk assets	¥ 1,051,201	¥ 1,001,839
Amount Obtained by Dividing Operational Risk Equivalent by 8%	66,333	68,414
Capital Adequacy Ratio	8.72%	8.89%

Note: The "standards for determining the adequacy of capital of shinkin banks and the Federation of Shinkin Banks in light of their holdings of assets, etc. under the provisions of Article 14-2 of the Banking Act applied mutatis mutandis in Article 89, paragraph 1 of the Shinkin Bank Law (Financial Services Agency Notification No. 21 of 2006)," which provide for the method to calculate capital adequacy ratio, was revised on March 8, 2013.

The revised notification became applicable on and after March 31, 2014, disclosures after the fiscal years ended March 2013 was made based on the old notification, while disclosure after the fiscal year ended March 2014 and 2015 were made based on the notification applicable at the time of the filing of financial statements.

The Bank adopts the domestic standards for calculating its capital adequacy ratio.

Tamashin's capital mainly consists of "equity capital" provided by shareholders and "retained earnings" retained internally from past profits, and is computed by deducting an amount of adjustment items related to core capital from an amount of basic items related to core capital. Of Tamashin's capital, the balance of basic items related to core capital stood at ¥97,822 million and the balance of adjustment items related to core capital stood at ¥328 million at the end of the fiscal year ended March 2015.

Method to calculate the capital adequacy ratio under Basel III

$$\frac{\text{Amount of basic items of core capital} - \text{Amount of adjustment items of core capital}}{\text{Amount of credit risk assets} + \text{Operational risk equivalent amount} \div 8\%} \geq 4\%$$

Compliance-Related Efforts

Tamashin is striving to strengthen our compliance (observance of laws and regulations, etc.) structure with the belief that it is our primary responsibility to observe laws and regulations, as well as the various rules and norms accepted by society that are based on such laws and regulations, in order to become truly trusted by customers in the region as a financial institution that advances with the region.

1. Compliance Manual

Tamashin has established a code of corporate ethics and a code of conduct, and distributed the Compliance Manual, which incorporates comments and explanations about these codes as well as laws, regulations and other rules, to all employees, and is making continuous efforts to ensure that employees thoroughly understand the content of the Compliance Manual.

2. Compliance Management Structure

In our compliance management structure, Tamashin positions the Office of Legal Consultation as the office responsible for oversight of compliance, providing it with the authority necessary to ensure the observance of laws and regulations, etc. and ensuring its independence from sales divisions, etc. to supervise other divisions, thereby strengthening the compliance structure for the entire Bank. Tamashin also assigns officials to be in charge of compliance at all departments of our headquarters and all branches to ensure thorough adherence to compliance.

3. Compliance Program

Tamashin formulates the “Compliance Program” each fiscal year, and provides a variety of training courses so that all the members of the bank fully understand compliance and implement a variety of measures for developing an environment fit for compliance in accordance with the Compliance Program.

Compliance Declaration

The Tama Shinkin Bank, in order to respond to the trust placed in the Bank by customers and society, shall execute business activities by constantly reminding ourselves of the social responsibility and public mission of a shinkin bank, maintaining deep insight and a strong sense of ethics, and placing compliance as one of the most important management priorities. In order to establish a corporate culture based on compliance, we hereby declare that the Tama Shinkin Bank shall formulate and abide by the “Compliance Declaration.”

1. Establishment of Trust

The Tama Shinkin Bank, fully conscious of its public mission and social responsibility, shall earn the trust of the local community and customers through sound management.

2. Sincere and Fair Business Activities

The Tama Shinkin Bank shall strictly abide by laws, regulations and rules, and execute sincere and fair business activities in accordance with the norms accepted by society.

3. Contributions to the Local Community

The Tama Shinkin Bank shall contribute to the local community by sharing and solving the problems of customers and the region.

4. Fair and Appropriate Disclosure of Information

The Tama Shinkin Bank shall realize transparent management by disclosing financial and other information in a fair and appropriate manner.

5. Exclusion of Antisocial Forces

The Tama Shinkin Bank shall resolutely exclude antisocial forces that pose a threat to social order and security.

Financial Statements

Year Ended March 31, 2015

Non-Consolidated Balance Sheets

Non-Consolidated Balance Sheets

The Tama Shinkin Bank
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
ASSETS			
Cash and Due from Banks (Notes 10 and 14)	¥ 633,624	¥ 602,462	\$ 5,272,733
Call Loans	-	5,000	-
Monetary Claims Purchased	37	49	309
Money Held in Trust (Note 15)	8,484	7,500	70,600
Trading Account Securities (Notes 14 and 15)	54	87	453
Securities (Notes 2, 10, 14 and 15)	1,104,955	995,369	9,194,936
Loans and Bills Discounted (Notes 3, 13 and 14)	1,014,363	1,005,420	8,441,074
Foreign Exchange (Note 4)	1,056	664	8,787
Other Assets (Notes 5 and 10)	14,067	14,621	117,062
Tangible Fixed Assets (Notes 6, 16 and 17)	32,337	32,987	269,096
Intangible Fixed Assets (Note 6)	1,709	1,986	14,227
Prepaid Pension Expense	568	29	4,733
Customers' Liabilities for Acceptances and Guarantees (Note 9)	6,564	7,073	54,626
Reserve for Possible Loan Losses (Note 14)	(7,505)	(7,884)	(62,459)
Total Assets	¥ 2,810,317	¥ 2,665,366	\$ 23,386,182
LIABILITIES AND NET ASSETS			
Liabilities:			
Deposits (Notes 7, 10 and 14)	¥ 2,514,941	¥ 2,441,232	\$ 20,928,195
Borrowed Money	36,051	-	300,000
Call Money (Note 14)	105,749	98,804	880,000
Payables under Securities Lending Transactions	16,278	-	135,465
Foreign Exchange (Note 4)	13	18	112
Other Liabilities (Note 8)	7,108	6,705	59,151
Reserve for Employee Bonuses	1,101	1,099	9,164
Reserve for Employee Retirement Benefits	28	-	237
Reserve for Director's Retirement Benefits	464	406	3,863
Reserve for Reimbursement of Deposits	270	307	2,252
Reserve for Contingencies	221	227	1,839
Deferred Tax Liabilities	4,031	1,049	33,551
Deferred Tax Liabilities for Land Revaluation (Note 16)	3,091	3,298	25,730
Acceptances and Guarantees (Note 9)	6,564	7,073	54,626
Total Liabilities	¥ 2,695,916	¥ 2,560,222	\$ 22,434,191
NET ASSETS:			
Members' Equity:			
Share Capital (Note 11)	23,349	23,445	194,306
Capital Surplus (Note 11)	766	766	6,377
Retained Earnings (Note 12)	70,782	67,564	589,021
Disposal of Outstanding Equities	(1)	(1)	(13)
Total Members' Equity	94,897	91,774	789,691
Valuation, Translation Adjustments and Others:			
Unrealized Gains (Losses) on Other Securities (Notes 14 and 15)	18,060	11,445	150,287
Land Revaluation Excess (Note 16)	1,443	1,923	12,012
Total Valuation, Translation Adjustments and Others	19,503	13,368	162,300
Total Net Assets (Note 18)	114,400	105,143	951,991
Total Liabilities and Net Assets	¥ 2,810,317	¥ 2,665,366	\$ 23,386,182

The accompanying notes are an integral part of these financial statements.

Non-Consolidated Statements of Income and Retained Earnings

The Tama Shinkin Bank
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Income:			
Interest on:			
Loans and Bills Discounted	¥ 23,898	¥ 24,673	\$ 198,871
Securities	9,345	9,043	77,771
Others	443	469	3,688
Fees and Commissions	3,685	3,694	30,665
Other Operating Income	606	877	5,047
Other Income	1,719	2,140	14,309
Total Income	39,698	40,897	330,353
Expenses:			
Interest on:			
Deposits	1,045	1,105	8,703
Borrowings and Rediscounts	99	83	828
Others	7	11	61
Fees and Commissions	1,519	1,506	12,642
Other Operating Expenses	411	658	3,424
General and Administrative Expenses	28,871	29,387	240,255
Other Expenses (Note 17)	2,837	2,581	23,613
Total Expenses	34,792	35,335	289,530
Income Before Income Taxes	4,905	5,562	40,823
Income Taxes:			
Current	915	1,047	7,621
Deferred	246	635	2,050
Net Income (Note 18)	3,743	3,879	31,151
Unappropriated Earnings in Retained Earnings:			
Balance at Beginning of the Year	5,154	5,668	42,891
Cumulative Effects of Changes in Accounting Policies	(94)	-	(784)
Reversal of Revaluation Reserve for Land	473	(304)	3,942
	9,277	9,243	77,200
Appropriations:			
Transfer to Legal Reserve (Note 12)	390	360	3,245
Dividends			
Common Shares (4.0% per year [※])	904	729	7,529
Transfer to Voluntary Reserves	2,000	3,000	16,643
Total Appropriations	3,294	4,089	27,417
Unappropriated Profits at End of the Year (Note 20)	¥ 5,982	¥ 5,154	\$ 49,782

The accompanying notes are an integral part of these financial statements.

※ 5.0% dividend in fiscal 2015.

Notes to Non-Consolidated Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation

The accompanying financial statements of The Tama Shinkin Bank (the Bank) are prepared in accordance with accounting principles and practices generally accepted in Japan under the requirements of the Japanese Commercial Code, the Shinkin Bank Law of 1951, and other applicable regulations.

In preparing these financial statements, certain reclassifications and rearrangements have been made to the financial statements issued in Japan. In addition, the accompanying notes include information that is not required under generally accepted accounting principles and practices in Japan but is presented herein as additional information. All yen figures have been rounded down to millions of yen by dropping the final six digits. For convenience only, U.S. dollar amounts presented in the accompanying financial statements have been translated from yen at the rate of ¥120.17 to US\$1, the exchange rate prevailing in Tokyo on March 31, 2015.

b. Trading account securities

Trading account securities which are held for the short term in anticipation of market gains are recorded at fair value. The cost of such securities sold are computed using the moving-average method. Changes in the fair value of trading account securities are recorded in other operating income (expenses).

c. Securities

As for securities other than those in trading portfolio, debt securities that the Bank has the intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost using the moving-average method.

Investments in subsidiaries are carried at cost using the moving-average method.

Securities excluding those classified as trading securities, held-to-maturity or investments in subsidiaries are defined as other securities. Other securities that are valued at fair market value are valued at market value as at the last day of the fiscal year. The cost of such securities sold are computed using the moving-average method. Other securities, whose market values are extremely difficult to determine, are carried at cost using the moving-average method. Unrealized gains and losses on other securities are reported, net of applicable income taxes as a component of net assets.

Securities that are held as trust assets in individually managed money trusts with the principal objective of securities portfolio management are stated at fair value.

d. Derivatives

Derivative transactions, excluding those classified as trading derivatives, are carried at fair value.

e. Depreciation and amortization method

Tangible fixed assets except for leased assets are stated at cost less accumulated depreciation. The depreciation of the Bank's tangible fixed assets is computed by the declining balance method.

The estimated useful lives of major items are as follows:

Buildings	15 to 50 years
Others	3 to 20 years

The amortization of the Bank's intangible fixed assets except for leased assets is computed by the straight-line method. Capitalized software for internal use is amortized by the straight-line method based on the Bank's estimate of useful life (mostly five years).

The depreciation and amortization of leased assets of "tangible fixed assets" and "intangible fixed assets" related to non-ownership-transfer finance lease transactions are computed by the straight-line method, using the lease periods as the useful lives. Residual value is stated as the amount of residual value guarantee of lease contracts which include guaranteed residual value and at zero for all other lease contracts.

f. Foreign currency transactions

The financial statements of the Bank are maintained in or translated into Japanese yen. Foreign currency assets and liabilities held domestically are translated into yen at the prevailing rates on the Tokyo Foreign Exchange Market on the last business day of each fiscal year, and incorporated into the Bank's financial statements.

g. Reserves

1) Reserve for possible loan losses

The reserve for possible loan losses of the Bank has been established based on the Bank's internal rules for establishing a reserve for possible loan losses.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("Bankrupt Borrowers"), or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("Effectively Bankrupt Borrowers"), an allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt, but likely to become bankrupt in the future ("Potentially Bankrupt Borrowers"), an allowance is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

For other claims, an allowance is provided based on the historical loan-loss ratio.

The operating divisions assess all claims in accordance with the guidelines for the self-assessment of asset quality, and the internal audit and inspection division, which is independent from the operating divisions, audits these assessments. The allowance for loan losses is provided based on the results of these assessments.

For collateralized or guaranteed claims on Bankrupt Borrowers and Effectively Bankrupt Borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The cumulative write-off amounts were ¥9,061 million (US\$75,405 thousand) and ¥11,123 million, respectively, in the fiscal years ended March 2015 and March 2014.

2) Reserve for employee bonuses

Reserve for employee bonuses is provided for the payments of bonuses to employees, by the amount of estimated bonuses, which are attributable to this fiscal year.

3) Reserve for employee retirement benefits

The reserve for employee retirement benefits is provided for the payments of employee retirement benefits based on estimated amounts of the actuarial retirement benefit obligation and the pension assets as of the fiscal year end. In the calculation of retirement benefit obligations, we use a benefit formula for the period attribution method for estimated amounts of retirement benefit obligations. For the fiscal year, ¥568 million (US\$4,733 thousand) has been recorded as a prepaid pension expense in the balance sheet.

Unrecognized net actuarial differences are amortized from the next fiscal year by the straight-line basis over the prescribed years within the average remaining service period (10 years) of active employees. In order to prepare for the payment of retirement benefits to participants in the lump-sum retirement benefit plan, we recorded an amount necessary at the fiscal year end under a compendium method set forth in Implementation Guidance No.25 on Accounting Standard for Retirement Benefits.

The Tama Shinkin Bank participates in the corporate pension plan (an integrated corporate-type employees' pension scheme) set up by multiple other businesses, such as shinkin banks, and as it is not possible to reasonably compute an amount of pension assets corresponding to our contributions, we treat our contributions to the pension scheme as retirement benefit expenses.

The most recent data on the reserves of the corporate pension plan, the Tama Shinkin Bank's share in total contributions to the plan and supplementary explanations about them are as follows:

a) Matters concerning the corporate pension plan's reserves

	Millions of yen	Thousands of U.S. dollars
	2015	2015
Amount of pension assets	¥ 1,549,255	\$ 12,892,199
Sum of an amount of actuarial pension obligations and amount of the minimum actuarial liability	1,738,229	14,464,755
Balance	¥ (188,974)	\$ (1,572,556)

b) Share of the Bank's premium contributions to the plan
2.3190%

c) Supplementary explanations

The main factor for the balance in 1) above is the balance of ¥210,459 million (US\$1,751,348 thousand) in past service liabilities. As the pension plan uses the equal payment fixed-rate method for amortizing past service costs over a period of 16 years and 10 months, the Tama Shinkin Bank charged ¥423 million (US\$3,525 thousand) in special premiums in the financial statements for the fiscal year ended March 2015.

As the amount of special premiums is computed by multiplying the amount of standard pay at the time of contributions by the predetermined premium rate, the percentage shown in 2) above does not correspond to the actual ratio of contributions by the Tama Shinkin Bank

Changes in Accounting Policy

(Application of "Accounting Standard for Retirement Benefits," etc.)

The Accounting Standards Board of Japan (ASBJ) Statement No.26 "Accounting Standard for Retirement Benefits" (hereinafter referred to as "Retirement Benefits Accounting Standard" and ASBJ Guidance No.25 "Guidance on Accounting Standard for Retirement Benefits" (hereinafter referred to as "Retirement Benefits Guidance") were adopted from the current fiscal year, in accordance with the provisions in the main clause of Article 35 of the Retirement Benefits Accounting Standard and the main clause of Article 67 of the Retirement Benefits Guidance.

Accordingly, the calculation methods of retirement benefit obligation and service cost were revised and the method of determining the portion of projected benefit obligation attributed to periods was changed from the straight-line method to the benefit formula basis.

In addition, the method of determining the discount rates applied in the calculation of projected benefit obligation was changed to a method using multiple discount rates applied in each retirement benefit payment period (direct yield curve approach).

The Retirement Benefits Accounting Standard, etc. were applied in accordance with the transitional treatment provided for in Article 37 of the Retirement Benefits Accounting Standard. The effects of the change in the calculation methods of retirement benefit obligations and service costs were added to or deducted from retained earnings at the beginning of the current fiscal year. As a result, at the beginning of the current fiscal year, the reserve for employee retirement benefits increased by 130 million yen (US\$1,087 thousand), while retained earnings decreased by 94 million yen (US\$784 thousand). The effect of the change on the ordinary income and net income before tax for the current fiscal year is immaterial.

4) Reserve for director's retirement benefits

Reserve for retirement benefits to directors, which is provided for payment of retirement benefits to directors and auditors, is recorded in the amount deemed accrued at the fiscal year end date based on the estimated amount of benefits.

5) Reserve for reimbursement of deposits

The reserve for reimbursement of deposits, which were derecognized from liabilities, is based on the possible losses on the future claims of withdrawal to prepare for depositor's needs of withdrawal.

6) Reserve for contingencies

The reserve for contingencies is provided for future payments to Credit Guarantee Corporation based on the amount reasonably calculated.

h. Leases

The depreciation and amortization of leased assets of "tangible fixed assets" and "intangible fixed assets" related to non-ownership-transfer finance lease transactions are computed by the straight-line method, using the lease periods as the useful lives. Finance lease transactions without transfer of ownership entered into before April 1, 2008 have been accounted for in accordance with accounting methods used for operating leases. Residual value is stated as the amount of residual value guarantee of lease contracts which include guaranteed residual value and at zero for all other lease contracts.

i. Income taxes

The provision for income taxes is computed based on the pretax income included in the non-consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

j. Consumption tax

National and local consumption taxes are accounted for using the net of tax method.

2. SECURITIES

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
National Government Bonds	¥ 162,034	¥ 141,621	\$ 1,348,377
Local Government Bonds	176,110	166,882	1,465,513
Corporate Bonds	406,089	398,347	3,379,292
Stocks	24,839	19,365	206,705
Other Securities	335,880	269,153	2,795,046
Total	¥ 1,104,955	¥ 995,369	\$ 9,194,936

3. LOANS AND BILLS DISCOUNTED

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Bills Discounted	¥ 13,461	¥ 12,679	\$ 112,016
Loans on Bills	24,575	25,942	204,506
Loans on Deeds	963,455	953,730	8,017,434
Overdrafts	12,872	13,067	107,117
Total	¥ 1,014,363	¥ 1,005,420	\$ 8,441,074

The Bank is required, in accordance with the Ordinance Implementing Shinkin Bank Law, to disclose the following loans.

Of loans outstanding, loans to Bankrupt Borrowers amounted to ¥1,040 million (US\$8,659 thousand), and Non-accrual Delinquent loans amounted to ¥65,199 million (US\$542,563 thousand) as of March 31, 2015. There were no loans past due for 3 months or more. The total amount of loans to Bankrupt Borrowers, non-accrual delinquent loans, loans past due for three months or more, and restructured loans came to ¥66,240 million (US\$551,222 thousand). These amounts are stated before the reduction of reserve for possible loan losses.

For loan participation, the fiscal year-end balance of principal of loans discounted booked as sold to participants in accordance with "Accounting and Representation of Loan Participation (Japanese Institute of Certified Public Accountants Accounting System Committee Report No.3)," came to ¥45 million (US\$378 thousand).

Glossary of Terms

Loans to Bankrupt Borrowers:

Loans, after write offs, to bankrupt borrowers as defined in paragraph 1, item (3) (a) through (e) and paragraph 1, item (4) of Article 96 of Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965) on which accrued interest income is not recognized, as there is substantial doubt as to the collection of principal and/or interest because of delinquencies in payment of principal and/or interest for a significant period of time or for some other reasons.

Non-accrual delinquent loans:

Non-accrual loans other than Loans to Bankrupt Borrowers, and loans renegotiated at concessionary terms, which include reduction or deferral of interest for the purpose of supporting or helping business reconstruction of borrowers.

Loans past due for three months or more:

Loans whose principal and/or interest payments have been past due for three months or more, excluding loans to bankrupt borrowers and non-accrual delinquent loans.

Restructured loans:

loans renegotiated at concessionary terms, including reduction or deferral of interest or principal and waiver of the claims, due to the borrower's weakened financial condition, excluding loans to bankrupt borrowers, non-accrual delinquent loans and loans past due for three months or more.

Notes to Non-Consolidated Financial Statements

4. FOREIGN EXCHANGE

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Assets:			
Foreign Bills of Exchange Bought	¥ 0	¥ 76	\$ 4
Foreign Bills of Exchange Receivable	27	26	225
Due from Foreign Banks	1,028	562	8,557
Total	¥ 1,056	¥ 664	\$ 8,787
Liabilities:			
Foreign Bills of Exchange Sold	¥ 13	¥ 18	\$ 112
Total	¥ 13	¥ 18	\$ 112

5. OTHER ASSETS

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Domestic Exchange Settlement Account, Debit	¥ 356	¥ 423	\$ 2,970
Investment in the Shinkin Central Bank	7,265	7,265	60,462
Prepaid Expenses	19	23	165
Initial Margins of Futures Markets	30	-	252
Accrued Income	4,306	4,380	35,840
Derivative Financial Instruments	163	7	1,358
Others	1,924	2,520	16,012
Total	¥ 14,067	¥ 14,621	\$ 117,062

6. FIXED ASSETS

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Tangible Fixed Assets:			
Building	¥ 6,554	¥ 5,634	\$ 54,546
Land	21,310	22,548	177,338
Leased Assets	84	90	705
Construction in Progress	8	439	74
Other Tangible Fixed Assets	4,377	4,273	36,431
Total	¥ 32,337	¥ 32,987	\$ 269,096
Accumulated Depreciation	¥ 20,876	¥ 20,647	\$ 173,725
Intangible Fixed Assets:			
Software	¥ 1,073	¥ 1,364	\$ 8,934
Leased Assets	22	1	184
Other Intangible Fixed Assets	613	620	5,108
Total	¥ 1,709	¥ 1,986	\$ 14,227

7. DEPOSITS

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Current Deposits	¥ 52,337	¥ 46,249	\$ 435,529
Ordinary Deposits	1,160,643	1,079,707	9,658,350
Savings Deposits	10,052	10,212	83,650
Deposits at Notice	2,011	1,407	16,734
Time Deposits	1,162,065	1,169,415	9,670,182
Installment Savings	103,284	108,491	859,483
Other Deposits	24,546	25,748	204,264
Total	¥ 2,514,941	¥ 2,441,232	\$ 20,928,195

8. OTHER LIABILITIES

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Domestic Exchange Settlement Account, Credit	¥ 567	¥ 623	\$ 4,722
Accrued Expenses	733	824	6,101
Reserve for Replenishing Benefits	149	219	1,247
Income Taxes Payable	790	955	6,578
Unearned Income	162	173	1,351
Unsettled Equity Refunds	52	48	435
Deposits from Employees	730	619	6,075
Derivative Financial Instruments	336	394	2,799
Lease Obligations	110	98	917
Asset Retirement Obligations	347	361	2,888
Others	3,128	2,386	26,033
Total	¥ 7,108	¥ 6,705	\$ 59,151

9. ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and Guarantees." As a contra account, "Customers' Liabilities for Acceptances and Guarantees" is shown under assets, representing the Bank's right of indemnity from the applicants.

10. PLEDGED ASSETS

As of March 31, 2015, securities totaling ¥41,873 million (US\$348,453 thousand) and other assets totaling ¥30 million (US\$251 thousand) were pledged as collateral. Also, borrowings totaling ¥36,051 million (US\$300,000 thousand) correspond to secured liabilities. Secured liabilities are specified deposits received from customers, mainly for payments of taxes and utilities.

Due from banks totaling ¥165,000 million (US\$1,373,054 thousand), securities totaling ¥44,663 million (US\$371,671 thousand), and other assets totaling ¥3 million (US\$24 thousand) were pledged as collateral for exchange settlements, exchange yen settlements, forward exchange contracts, foreign currency yen settlements and call transactions, or in lieu of futures trading margin money.

Securities lent out for cash-secured bond lending transactions amounted to ¥16,257 million (US\$135,286 thousand), while cash collateral accepted for bond lending transactions amounted to ¥16,278 million (US\$135,465 thousand).

11. SHARE CAPITAL AND CAPITAL SURPLUS

The Bank issued ¥50 par value common shares with a minimum investment of ¥10,000 per member. The amount of common shares was ¥17,999 million (US\$149,786 thousand) as of March 31, 2015 and ¥18,095 million as of March 31, 2014.

Preferred shares which the Bank issued (Purchaser: Shinkin Central Bank) are included in share capital, and the value of preferred shares was ¥5,350 million (US\$44,520 thousand) as of March 31, 2015 and ¥5,350 million as of March 31, 2014.

Capital surplus is the portion which was not issued as share capital of the issued value of preferred shares. In December 2011, the Bank repurchased the preferred shares from Shinkin Central Bank and retired the preferred shares against voluntary reserve and the retained earnings. In compliance with the Act on Preferred Equity Investment by Cooperative Structured Financial Institution, the above are included in share capital and capital surplus.

12. RETAINED EARNINGS

The Shinkin Bank Law requires that an amount equal to at least 10 percent of each year's unappropriated profit shall be appropriated as a legal reserve in the retained earnings until such reserve equals 100 percent of the Bank's stated capital.

This reserve is not available for dividends or capitalization. It may be used to only reduce a deficit, by resolution of the members.

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Legal Reserve	¥ 21,300	¥ 20,910	\$ 177,251
Voluntary Reserve	43,500	41,500	361,987
Unappropriated Profits	5,982	5,154	49,782
Total	¥ 70,782	¥ 67,564	\$ 589,021

13. LOAN COMMITMENTS

Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, up to a prescribed amount, as long as there is no violation of any condition prescribed in the contracts. The amount of unused commitments was ¥44,265 million (US\$368,359 thousand), and the amount of unused commitments whose original contract terms are within one year was ¥37,225 million (US\$309,769 thousand) as of March 31, 2015.

Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent an actual future cash flow requirement. Many of these commitments have clauses that the Bank can reject an application from customers or reduce the contract amounts if and when financial conditions change, the Bank needs to secure claims, or other events occur. In addition, the Bank requests the customers to pledge collateral such as premises and securities at the conclusion of the contracts, and takes necessary measures such as verifying customers' financial positions, revising contracts when the need arises, and securing claims after the conclusion of the contracts.

14. MATTERS RELATING TO THE MARKET VALUES OF FINANCIAL INSTRUMENTS**1) Market Value of Financial Instruments**

With respect to amounts recorded on the Bank's non-consolidated balance sheet as of March 31, 2015, the market values and net unrealized gains (losses) of financial instruments are as follows:

The amounts shown in the following table do not include financial instruments (see 2) whose market values are extremely difficult to determine, such as unlisted stocks classified as other securities, and stocks of subsidiaries and affiliates. In addition, immaterial items have been omitted.

	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
March 31, 2015			
Due from Banks	¥ 610,787	¥ 611,442	¥ 655
Securities:			
Securities Classified as Trading	54	54	—
Bonds Classified as Held-to-Maturity	141,923	144,638	2,715
Other Securities	960,851	960,851	—
Loans and Bills Discounted	1,014,363		
Reserve for Possible Loan Losses	(7,416)		
Net Loans and Bills Discounted	1,006,947	1,013,516	6,568
Total Financial Assets	¥ 2,720,564	¥ 2,730,503	¥ 9,939
Deposits	¥ 2,514,941	¥ 2,514,987	¥ (45)
Borrowed Money	36,051	36,051	—
Call Money	105,749	105,749	—
Payables under Securities Lending Transactions	16,278	16,278	—
Total Financial Liabilities	¥ 2,673,020	¥ 2,673,066	¥ (45)
Derivative Transactions			
Derivative Transactions to which hedge accounting is not applied	¥ (173)	¥ (173)	—
Derivative Transactions to which hedge accounting is applied	—	—	—
Total Derivative Transactions	¥ (173)	¥ (173)	—

Note: Derivative transactions stated in other assets and liabilities are collectively stated. Claims and debts arising from derivative transactions are stated on a net basis, and items that come to net debt in total are shown in parentheses.

	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
March 31, 2014			
Due from Banks	¥ 577,574	¥ 578,634	¥ 1,060
Securities:			
Securities Classified as Trading	87	87	—
Bonds Classified as Held-to-Maturity	130,687	133,146	2,458
Other Securities	862,576	862,576	—
Loans and Bills Discounted	1,005,420		
Reserve for Possible Loan Losses	(7,781)		
Net Loans and Bills Discounted	997,639	1,003,415	5,775
Total Financial Assets	¥ 2,568,565	¥ 2,577,859	¥ 9,294
Deposits	¥ 2,441,232	¥ 2,441,313	¥ (80)
Call Money	98,804	98,804	—
Total Financial Liabilities	¥ 2,540,037	¥ 2,540,118	¥ (80)
Derivative Transactions			
Derivative Transactions to which hedge accounting is not applied	¥ (387)	¥ (387)	—
Derivative Transactions to which hedge accounting is applied	—	—	—
Total Derivative Transactions	¥ (387)	¥ (387)	—

	Thousands of U.S. dollars		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
March 31, 2015			
Due from Banks	\$ 5,082,694	\$ 5,088,146	\$ 5,451
Securities:			
Securities Classified as Trading	453	453	—
Bonds Classified as Held-to-Maturity	1,181,024	1,203,618	22,594
Other Securities	7,995,769	7,995,769	—
Loans and Bills Discounted	8,441,074		
Reserve for Possible Loan Losses	(61,716)		
Net Loans and Bills Discounted	8,379,357	8,434,019	54,662
Total Financial Assets	\$ 22,639,299	\$ 22,722,007	\$ 82,708
Deposits	\$ 20,928,195	\$ 20,928,577	\$ (381)
Borrowed Money	300,000	300,000	—
Call Money	880,000	880,000	—
Payables under Securities Lending Transactions	135,465	135,465	—
Total Financial Liabilities	\$ 22,243,661	\$ 22,244,043	\$ (381)
Derivative Transactions			
Derivative Transactions to which hedge accounting is not applied	\$ (1,441)	\$ (1,441)	\$ —
Derivative Transactions to which hedge accounting is applied	—	—	—
Total Derivative Transactions	\$ (1,441)	\$ (1,441)	\$ —

2) Financial instruments whose market values are extremely difficult to determine are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
	Non-consolidated balance sheet amount	Non-consolidated balance sheet amount	
Stocks of Subsidiaries	¥ 1,653	¥ 1,653	\$ 13,755
Stocks of Affiliated Companies	—	—	—
Unlisted Stocks	506	451	4,214
Investments in Partnerships	20	—	172
Total	¥ 2,180	¥ 2,104	\$ 18,142

Notes to Non-Consolidated Financial Statements

3) Redemption schedule on money claims and securities with maturity dates after the non-consolidated balance sheet date

March 31, 2015	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	¥ 277,787	¥ 246,000	¥ 13,000	¥ 74,000
Securities	109,361	285,554	303,732	344,281
Bonds Classified as Held-to-Maturity	1,636	8,719	33,696	97,073
Other Securities with Maturity Dates	107,725	276,835	270,035	247,207
Loans and Bills Discounted	248,025	212,078	150,820	403,438
Total	¥ 635,175	¥ 743,633	¥ 467,553	¥ 821,719

March 31, 2014	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	¥ 218,938	¥ 305,136	¥ 21,500	¥ 32,000
Securities	121,457	240,046	264,814	322,127
Bonds Classified as Held-to-Maturity	500	2,736	26,930	99,575
Other Securities with Maturity Dates	120,957	237,310	237,884	222,552
Loans and Bills Discounted	239,587	209,706	148,854	407,273
Total	¥ 579,983	¥ 754,888	¥ 435,169	¥ 761,401

March 31, 2015	Thousands of U.S. dollars			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	\$ 2,311,619	\$ 2,047,099	\$ 108,180	\$ 615,794
Securities	910,060	2,376,253	2,527,525	2,864,954
Bonds Classified as Held-to-Maturity	13,614	72,556	280,410	807,805
Other Securities with Maturity Dates	896,446	2,303,696	2,247,114	2,057,149
Loans and Bills Discounted	2,063,958	1,764,823	1,255,063	3,357,228
Total	\$ 5,285,639	\$ 6,188,176	\$ 3,890,768	\$ 6,837,977

4) Repayment schedule on borrowed money and other interest-bearing debts after the non-consolidated balance sheet date

March 31, 2015	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits	¥ 2,372,218	¥ 121,146	¥ 21,576	¥ —
Borrowed Money	36,051	—	—	—
Call Money	105,749	—	—	—
Payables under Securities Lending Transactions	16,278	—	—	—
Total	¥ 2,530,298	¥ 121,146	¥ 21,576	¥ —

March 31, 2014	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits	¥ 2,285,889	¥ 132,659	¥ 22,683	¥ —
Call Money	98,804	—	—	—
Total	¥ 2,384,694	¥ 132,659	¥ 22,683	¥ —

March 31, 2015	Thousands of U.S. dollars			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits	\$ 19,740,525	\$ 1,008,122	\$ 179,547	\$ —
Borrowed Money	300,000	—	—	—
Call Money	880,000	—	—	—
Payables under Securities Lending Transactions	135,465	—	—	—
Total	\$ 21,055,991	\$ 1,008,122	\$ 179,547	\$ —

15. MARKET VALUE OF MARKETABLE SECURITIES

For the Fiscal Year Ended March 31, 2015 and 2014

a. Securities

The market values and net unrealized gains (losses) of marketable securities as of March 31, 2015 and 2014 were as follows:

In addition to securities in the non-consolidated balance sheet, trading account securities and loan trust beneficiary rights, etc. of pecuniary claims purchased are included in the following amounts:

1) Securities classified as trading

March 31, 2015	Millions of yen	
	Gains included in profit/loss	
Trading Account Securities	¥ 0	
March 31, 2014	Millions of yen	
	Gains included in profit/loss	
Trading Account Securities	¥ 0	
March 31, 2015	Thousands of U.S. dollars	
	Gains included in profit/loss	
Trading Account Securities	\$ 2	

2) Bonds classified as held-to-maturity

March 31, 2015	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
Bonds with Unrealized Gains:			
National Government Bonds	¥ 9,426	¥ 9,584	¥ 157
Local Government Bonds	59,892	61,331	1,439
Corporate Bonds	28,930	29,878	947
Other	23,800	24,066	266
Subtotal	122,049	124,861	2,811
Bonds with Unrealized Losses:			
Local Government Bonds	7,080	7,034	(46)
Corporate Bonds	1,793	1,777	(15)
Other	11,000	10,964	(35)
Subtotal	19,873	19,777	(96)
Total	¥ 141,923	¥ 144,638	¥ 2,715

Note: Market value is calculated by using market prices at fiscal year-end.

March 31, 2014	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
Bonds with Unrealized Gains:			
National Government Bonds	¥ 9,411	¥ 9,610	¥ 199
Local Government Bonds	56,460	57,954	1,494
Corporate Bonds	21,102	21,783	681
Other	30,899	31,065	165
Subtotal	117,873	120,413	2,540
Bonds with Unrealized Losses:			
Local Government Bonds	5,514	5,491	(22)
Corporate Bonds	300	299	(0)
Other	7,000	6,940	(59)
Subtotal	12,814	12,732	(81)
Total	¥ 130,687	¥ 133,146	¥ 2,458

March 31, 2015	Thousands of U.S. dollars		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
Bonds with Unrealized Gains:			
National Government Bonds	\$ 78,443	\$ 79,755	\$ 1,312
Local Government Bonds	498,397	510,374	11,976
Corporate Bonds	240,750	248,638	7,888
Other	198,052	200,272	2,219
Subtotal	1,015,644	1,039,040	23,396
Bonds with Unrealized Losses:			
Local Government Bonds	58,921	58,538	(383)
Corporate Bonds	14,920	14,795	(125)
Other	91,536	91,243	(293)
Subtotal	165,379	164,577	(801)
Total	\$ 1,181,024	\$ 1,203,618	\$ 22,594

3) Other securities

	Millions of yen		
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
March 31, 2015			
Other Securities with Unrealized Gains:			
Stocks	¥ 22,034	¥ 12,550	¥ 9,483
Bonds	582,955	573,644	9,310
National Government Bonds	138,978	135,729	3,248
Local Government Bonds	105,645	103,706	1,939
Corporate Bonds	338,331	334,208	4,122
Other	262,258	255,671	6,587
Subtotal	867,247	841,866	25,381
Other Securities with Unrealized Losses:			
Stocks	646	707	(61)
Bonds	54,155	54,317	(161)
National Government Bonds	13,629	13,711	(82)
Local Government Bonds	3,492	3,499	(6)
Corporate Bonds	37,034	37,106	(71)
Other	38,801	38,919	(118)
Subtotal	93,603	93,944	(340)
Total	¥ 960,851	¥ 935,810	¥ 25,040

Notes: 1. Non-consolidated balance sheet amount is calculated by using market prices at fiscal year-end.

2. The 18,060 million yen is calculated by deducting the Deferred Tax Liabilities amount of 6,980 million yen from the evaluation excess amount of 25,040 million yen and is included in Unrealized Gains (Losses) on Other Securities.

	Millions of yen		
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
March 31, 2014			
Other Securities with Unrealized Gains:			
Stocks	¥ 15,393	¥ 10,530	¥ 4,862
Bonds	595,674	588,087	7,587
National Government Bonds	131,711	129,233	2,478
Local Government Bonds	103,002	101,628	1,374
Corporate Bonds	360,960	357,225	3,734
Other	187,844	183,748	4,096
Subtotal	798,912	782,366	16,546
Other Securities with Unrealized Losses:			
Stocks	1,867	2,109	(241)
Bonds	18,387	18,441	(54)
National Government Bonds	498	500	(1)
Local Government Bonds	1,904	1,906	(1)
Corporate Bonds	15,985	16,035	(50)
Other	43,408	43,794	(385)
Subtotal	63,664	64,345	(680)
Total	¥ 862,576	¥ 846,711	¥ 15,865

	Thousands of U.S. dollars		
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
March 31, 2015			
Other Securities with Unrealized Gains:			
Stocks	\$ 183,357	\$ 104,438	\$ 78,919
Bonds	4,851,091	4,773,611	77,480
National Government Bonds	1,156,518	1,129,482	27,035
Local Government Bonds	879,132	862,995	16,136
Corporate Bonds	2,815,440	2,781,132	34,307
Other	2,182,393	2,127,578	54,815
Subtotal	7,216,842	7,005,627	211,214
Other Securities with Unrealized Losses:			
Stocks	5,377	5,887	(509)
Bonds	450,657	452,002	(1,344)
National Government Bonds	113,415	114,103	(687)
Local Government Bonds	29,061	29,118	(57)
Corporate Bonds	308,181	308,780	(599)
Other	322,891	323,874	(982)
Subtotal	778,927	781,763	(2,836)
Total	\$ 7,995,769	\$ 7,787,391	\$ 208,378

4) Bonds sold during the fiscal year ended March 31, 2015 and 2014 that are classified as held-to-maturity

There are no corresponding items.

5) Other securities sold during the fiscal year ended March 31, 2015 and 2014

	Millions of yen		
	Sales amount	Gains on sale	Losses on sale
March 31, 2015			
Stocks	¥ 1,890	¥ 461	¥ 42
Bonds	98,279	276	67
National Government Bonds	37,856	103	67
Local Government Bonds	2,958	6	-
Corporate Bonds	57,464	166	-
Other	7,132	103	24
Total	¥ 107,302	¥ 841	¥ 133

	Millions of yen		
	Sales amount	Gains on sale	Losses on sale
March 31, 2014			
Stocks	¥ 1,718	¥ 412	¥ 38
Bonds	120,388	445	156
National Government Bonds	26,144	63	151
Local Government Bonds	11,056	65	0
Corporate Bonds	83,187	316	5
Other	18,884	129	93
Total	¥ 140,990	¥ 987	¥ 288

	Thousands of U.S. dollars		
	Sales amount	Gains on sale	Losses on sale
March 31, 2015			
Stocks	\$ 15,727	\$ 3,837	\$ 353
Bonds	817,838	2,300	557
National Government Bonds	315,025	862	557
Local Government Bonds	24,618	51	-
Corporate Bonds	478,194	1,386	-
Other	59,356	864	203
Total	\$ 892,923	\$ 7,002	\$ 1,114

6) Impairment of Securities

Securities other than trading securities (excluding those securities without readily determinable fair value), whose fair value significantly declined compared with the acquisition cost, and is considered to be other than recoverable decline, were written down to the respective fair value which is recorded as the carrying amount on the balance sheets and in such case, any differences between fair value and acquisition cost are recognized as losses for the period. (Hereinafter referred to as "impairment losses")

No impairment losses were recorded in the fiscal year ended March 2015. Impairment losses amounted to ¥13 million in the fiscal year ended March 2014. For impairment losses on stocks whose market prices declined by 30% to less than 50%, individual stocks are deemed to have declined significantly when they fall under any of the following cases, and those market prices are booked as the value on the balance sheet and the differences in valuation are accounted for as impairment losses in the fiscal year under review:

- When their prices have stayed 30% or more lower over the past two years;
- When issuing companies' liabilities in excess of assets; or
- Companies which issue securities have incurred losses for the two consecutive fiscal years and are also expected to incur losses in the following fiscal year.

b. Money held in trust

1) Money held in trust classified as trading

	Millions of yen	
	Non-consolidated balance sheet amount	Gains included in profit/loss
March 31, 2015		
Money Held in Trust Classified as Trading	¥ 8,484	¥ 250
March 31, 2014		
Money Held in Trust Classified as Trading	¥ 7,500	¥(0)
March 31, 2015		
Money Held in Trust Classified as Trading	\$ 70,600	\$2,086

16. LAND REVALUATION

In accordance with the Act on Revaluation of Land, promulgated on March 31, 1998, the Bank's business use real estate was revalued. The corresponding taxes on land revaluation is reported as "Deferred Tax Liabilities for Land Revaluation" in the liabilities section of the non-consolidated balance sheets. The excess of the revaluation over the related deferred tax liabilities is recorded as "Land Revaluation Excess."

Date of the revaluation

- The former Tama Chuo Shinkin Bank: March 31, 1999
- The former Taihei Shinkin Bank: March 31, 1998
- The former Hachioji Shinkin Bank: March 31, 1998

The methods of real estate revaluation stipulated in Act on Revaluation of Land, Article 3, Section 3 were reasonably adjusted as follows: Namely, land revaluation was adjusted in accordance with valuation by road rating stipulated in Article 2, Section 4 of the Implementation Ordinance for the Act on Revaluation of Land (Government Ordinance No. 119 March 31, 1998) and for the land of which road rating price is not determined were adjusted based on the appraised value for the property tax stipulated in Article 2, Section 3 of the Act.

Additionally, road rating price in relation to its depth and other factors was adjusted in accordance with the standard determined by the Primary Regulation Notice regarding the Land Price Valuation issued by National Tax Administration Agency, and for appraised value for property tax were adjusted by multiplying multiplier in valuation tables.

The excess of book value over current value was ¥5,523 million (US\$45,966 thousand) as of March 31, 2015 and ¥6,313 million as of March 31, 2014.

17. LOSSES ON IMPAIRMENT OF FIXED ASSETS

The difference between the recoverable amount and the book value of the following assets is recognized as "Losses on impairment of fixed assets" and included in "Other expenses" in this fiscal year.

Losses on impairment of fixed assets at March 31, 2015, consisted of the following:

Area	Purpose of use	Type	Millions of yen	Thousands of U.S. dollars
Within Tokyo	Branch, etc. (1 item)	Building, etc.	1	8
Within Tokyo	Branch, etc. (1 item)	Building, etc.	1	8
Within Tokyo	Branch, etc. (1 item)	Land, building, etc.	223	1,862
Within Tokyo	Warehouse (1 item)	Land	0	0
Total			¥ 226	\$ 1,880

A recoverable amount is net realized value or use value. The net realized value is based on real estate appraisal value less the expected sales cost, while the use value is computed based on the present value of future cash flows.

18. DEFERRED TAX ASSETS

The breakdown of deferred tax assets and deferred tax liabilities in the fiscal year ended March 2014 and March 2015 by cause of occurrence is as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Deferred Tax Assets			
Reserve for Possible Loan Losses	¥ 2,654	¥ 2,955	\$ 22,089
Reserve for Employee Bonuses	307	306	2,557
Reserve for Executive Retirement Allowances	129	113	1,078
Depreciation	230	248	1,917
Other	1,232	1,469	10,253
Sub Total	4,554	5,092	37,896
Valuation Reserve	(1,446)	(1,714)	(12,036)
Total	3,107	3,378	25,860
Deferred Tax Liabilities			
Unrealized Valuation Gains on Other Securities	6,980	4,420	58,090
Prepaid Pension Expense	158	8	1,320
Total	7,139	4,428	59,411
Net Deferred Tax Assets	¥ 4,031	¥ 1,049	\$ 33,551

The Act for Partial Amendment to the Local Corporate Tax Act (Act No. 11 of 2014) was promulgated on March 31, 2014, to be applicable beginning with the business year starting on October 1, 2014. Consequently, the effective statutory corporate tax rate used for the calculation of deferred tax liabilities has been revised from the previous rate of 27.86%. The rate of 27.91% has been applied to the temporary differences expected to be expired in the fiscal year beginning on April 1, 2015. The effect of this tax rate change is minimal.

19. PER SHARE DATA

	Yen		U.S. dollars
	2015	2014	2015
Net Assets per Share	¥ 317.81	¥ 290.55	\$ 2.644
Net Income per Share	10.37	10.69	0.086

20. SUBSEQUENT EVENT

The following appropriation of retained earnings applicable to the year ended March 31, 2015, was approved at the members' meeting held on June 22, 2015.

	Millions of yen	Thousands of U.S. dollars
Unappropriated Profit	¥ 5,982	\$ 49,782
Appropriations:		
Legal Reserve	380	3,162
Dividends		
Special Reserve	3,000	24,964
Common Shares (4.0% per year)	719	5,991
Retained Earnings Carried Forward	¥ 1,882	\$ 15,664

Five-Year Summary

Five-Year Summary (Non-Consolidated Basis)

The Tama Shinkin Bank
Years ended March 31, 2015, 2014, 2013, 2012 and 2011

	Millions of yen					Thousands of U.S. dollars
	2015	2014	2013	2012	2011	2015
For the Years Ended March 31						
Total Income	¥ 39,698	¥ 40,897	¥ 41,618	¥ 43,624	¥ 46,354	\$ 330,353
Interest on Loans and Bills Discounted	23,898	24,673	24,051	25,609	27,402	198,871
Interest and Dividends on Securities	9,345	9,043	8,883	8,874	8,619	77,771
Total Expenses	34,792	35,335	36,597	38,292	39,305	289,530
Business Profit	6,252	6,389	7,574	9,349	12,072	52,033
Income Before Income Taxes	4,905	5,562	5,020	5,332	7,048	40,823
Net Income	3,743	3,879	3,575	3,466	4,691	31,151
As of March 31						
Total Assets	¥ 2,810,317	¥ 2,665,366	¥ 2,603,369	¥ 2,495,805	¥ 2,415,077	\$ 23,386,182
Securities	1,104,955	995,369	940,038	811,126	698,585	9,194,936
Loans and Bills Discounted	1,014,363	1,005,420	1,015,745	1,030,950	1,062,312	8,441,074
Total Liabilities	2,695,916	2,560,222	2,500,926	2,402,537	2,314,494	22,434,191
Deposits	2,514,941	2,441,232	2,375,672	2,296,493	2,214,627	20,928,195
Total Net Assets	114,400	105,143	102,442	93,268	100,582	951,991
Number of Branches	80	80	80	80	79	
Number of Employees and Officers	2,001	1,981	1,977	1,952	1,930	
Deposits						
Per Branch	¥ 31,436	¥ 30,515	¥ 29,695	¥ 28,706	¥ 28,033	\$ 261,602
Per Employee and Officer	1,256	1,232	1,201	1,176	1,147	10,458
Loans and Bills Discounted						
Per Branch	12,679	12,567	12,696	12,886	13,447	105,513
Per Employee and Officer	506	507	513	528	550	4,218

Notes: U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2015 of ¥120.17=US\$1.

Supplemental Consolidated Financial Information (Unaudited)

The Tama Shinkin Bank and Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
For the Fiscal Year:			
Total Income	¥ 45,418	¥ 46,844	\$ 377,952
Total Expenses	39,883	40,978	331,891
Income Before Income Taxes and Others	5,535	5,865	46,061
Net Income	4,081	3,903	33,964
At Year-End:			
Deposits	¥ 2,512,003	¥ 2,438,588	\$ 20,903,744
Loans and Bills Discounted	1,014,320	1,005,434	8,440,708
Securities	1,103,749	994,061	9,184,896
Total Assets	2,821,823	2,676,697	23,481,925
Total Net Assets	119,117	109,382	991,237
Per Share Data (par value ¥50):			
	Yen		U.S. dollars
Net Assets	331.92	303.17	2.762
Net Income	¥ 11.34	¥ 10.78	\$ 0.094

Notes: 1. The Bank consolidated three subsidiaries for the years ended March 31, 2015 and 2014.

2. U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2015 of ¥120.17=US\$1.



Grant Thornton Taiyo LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Tama Shinkin Bank

We have audited the accompanying non-consolidated financial statements of The Tama Shinkin Bank, which comprise the balance sheets as at March 31, 2015 and 2014, and the non-consolidated statements of income and retained earnings for the years then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with the requirements of Shinkin Bank Law, Ordinance for Enforcement of Shinkin Law and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Tama Shinkin Bank and the results of its operations for the year then ended in accordance with the requirements of Shinkin Bank Law, Ordinance for Enforcement of Shinkin Law and accounting principles generally accepted in Japan.

Convenience Translation

The United States dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2015 are presented solely for the convenience. Our audit also included the translation of Japanese yen amounts into United States dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the non-consolidated financial statements.

Grant Thornton Taiyo LLC

May 21, 2015, except for Note 20, as to which the date is June 23, 2015.
Tokyo, Japan

Member of Grant Thornton International Ltd.

Board of Directors and Auditors

As of June 30, 2015

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Koji Sato

President

Toshiro Yagi

Senior Managing Director

Keiichi Ishigaki

Managing Directors

Hideo Kaba

Katsutoshi Omata

Hiroyuki Fukuda

Directors

Kuniyoshi Tani

Hiroshi Hashimoto

Satoshi Sorimachi

Hiroyuki Saito

Tetsuo Fusa

Hideyuki Maekawa

Masahiko Kanai

Standing Auditor

Setsuji Sugimoto

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