

ANNUAL FINANCIAL DATA
FOR THE FISCAL YEAR ENDED
MARCH 31, 2011

The Hachijuni Bank, Ltd.

FINANCIAL REVIEW

1. Summary (Non-consolidated)

(1) Breakdown of income

A. Net business profit

(Units: 1million yen)

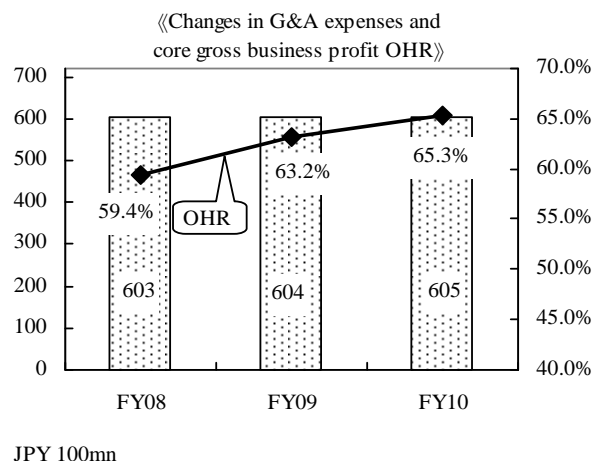
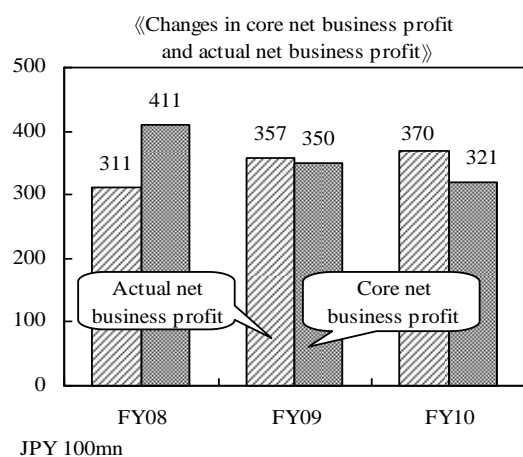
	FY ended March 31, 2011 (A)		FY ended March 31, 2010 (B)
		Inc/Dec (A-B)	
Gross business profit	97,635	1,461	96,174
Profit on interest	81,856	(1,745)	83,601
Profit on fees and commissions	10,492	263	10,229
Trading profit	349	(275)	625
Profit from other business transactions	4,937	3,219	1,718
Gains (losses) related to bonds	4,952	4,318	633
General & administrative expenses	60,568	117	60,450
Personnel expenses	30,494	85	30,408
Non personnel expenses	27,493	168	27,325
Core net business profit (Note)	32,114	(2,975)	35,089
Actual net business profit (Note)	37,067	1,343	35,723
Transfer to general reserve for possible loan losses (Note)	—	(5,789)	5,789
Net business profit	37,067	7,133	29,933

Note: 1. Core net business profit means an actual net business profit minus gains (losses) related to bonds.

2. Actual net business profit means a net business profit before transfer to general reserve for possible loan losses.

3. In FY2010, reversal of transfer to general reserve for possible loan losses (¥5.1 billion) exceeded transfer to specific reserve (¥4.1 billion) so the difference of ¥1.0 billion was included in reversal of allowance for loan losses classified in extraordinary gains according to the accounting standards.

- (a) Core net business profit decreased by ¥2.9 billion from the previous fiscal year to ¥32.1 billion, owing to decreases in profit on interest and in profit from other business transactions (excluding gains (losses) related to bonds).
- (b) Actual net business profit increased by ¥1.3 billion from the previous fiscal year to ¥37.0 billion because gains (losses) related to bonds improved by ¥4.3 billion though core net business profit decreased.
- (c) Net business profit amounted to ¥37.0 billion, up by ¥7.1 billion from the previous fiscal year due to reversal of transfer to general reserve for possible loan losses.
- (d) Profit on interest decreased by ¥1.7 billion from the previous fiscal year to ¥81.8 billion due to a decline in interest margins, reflecting the decline in interest rates.
- (e) Profit on fees and commissions increased by ¥0.2 billion from the previous fiscal year to ¥10.4 billion owing to an increase in handling commissions of insurance products for individual customers.
- (f) General and administrative expenses increased by ¥0.1 billion from the previous fiscal year to ¥60.5 billion as non personnel expenses increased owing to an increase of depreciation.
- (g) Transfer to general reserve for possible loan losses resulted in a reversal mainly due to the decline in the outstanding balances of loans to be covered by the reserve (please refer to the above mentioned note 3).



Note: Core gross business profit OHR=G&A expense/core gross business profit

B. Operating profit

(Units: 1million yen)

	FY ended March 31, 2011 (A)		FY ended March 31, 2010 (B)
		Inc/Dec (A-B)	
Temporary profit (loss)	(4,839)	(1,363)	(3,476)
Net gains (losses) related to equity securities	(4,422)	(4,948)	525
Disposal of nonperforming loans	468	(3,445)	3,913
Operating profit	32,216	5,765	26,450

- (a) Despite the decrease in disposal of nonperforming loans, temporary loss increased by ¥1.3 billion from the previous fiscal year to a negative ¥4.8 billion because net gains (losses) related to equity securities decreased.
- (b) Operating profit increased by ¥5.7 billion from the previous fiscal year to ¥32.2 billion as net business profit increased though temporary loss increased.
- (c) Disposal of nonperforming loans decreased by ¥3.4 billion from the previous fiscal year to ¥0.4 billion (as for transfer to specific reserve, please refer to the above mentioned note 3).

C. Current net income

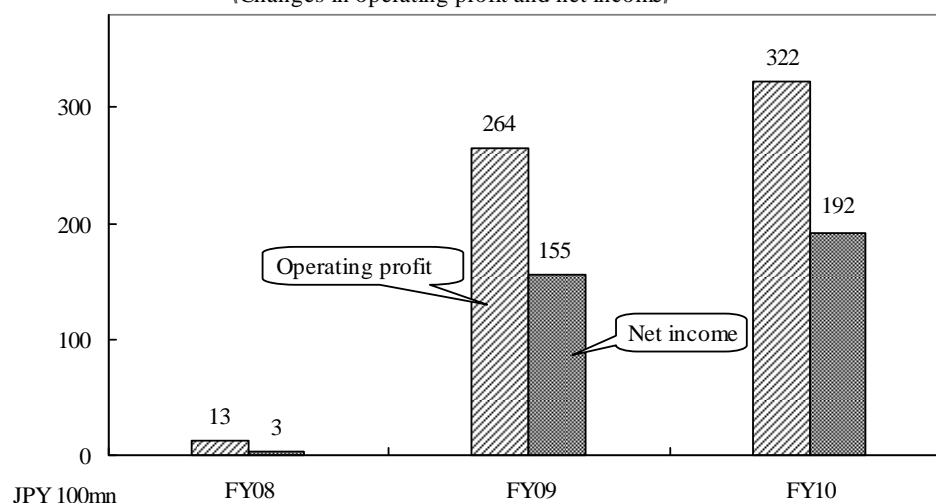
(Units: 1million yen)

	FY ended March 31, 2011 (A)		FY ended March 31, 2010 (B)
		Inc/Dec (A-B)	
Extraordinary gains (losses)	790	1,236	(445)
Impairment losses	71	(267)	339
Reversal of allowance for loan losses	1,018	1,018	—
Income before income taxes	33,006	7,001	26,004
Income taxes—current	5,522	(1,118)	6,640
Income taxes—deferred	8,230	4,437	3,792
Net income (loss)	19,253	3,682	15,571

Extraordinary gains improved by ¥1.2 billion from the previous fiscal year to ¥0.7 billion.

As a result, net income for the current fiscal year was ¥19.2 billion, up ¥3.6 billion from the previous fiscal year.

(Changes in operating profit and net income)



(Reference)

1. Credit related expenses (Units: 1million yen)

	FY ended March 31, 2011 (A)		FY ended March 31, 2010 (B)
		Inc/Dec (A-B)	
Transfer to general reserve (a)	—	(5,789)	5,789
Disposal of nonperforming loans (b)	468	(3,445)	3,913
Reversal of allowance for loan losses (c)	1,018	1,018	—
Credit related expenses (a)+(b)-(c)	(550)	(10,254)	9,703

Credit related expenses decreased by ¥10.2 billion from the previous fiscal year to a negative ¥0.5 billion reflecting reversal of transfer to general reserve.

2. In FY2010, reversal of transfer to general reserve for possible loan losses (¥5.1 billion) exceeded transfer to specific reserve (¥4.1 billion) so the difference of ¥1.0 billion was included in reversal of allowance for loan losses. If this item was not used, the above table would have been shown as follows;

(Units: 1million yen)

	FY ended March 31, 2011 (A)		FY ended March 31, 2010 (B)
		Inc/Dec (A-B)	
Transfer to general reserve (a)	(5,175)	(10,965)	5,789
Disposal of nonperforming loans (b)	4,625	711	3,913
Transfer to specific reserve	4,156	660	3,496
Total (a)+(b)	(550)	(10,254)	9,703

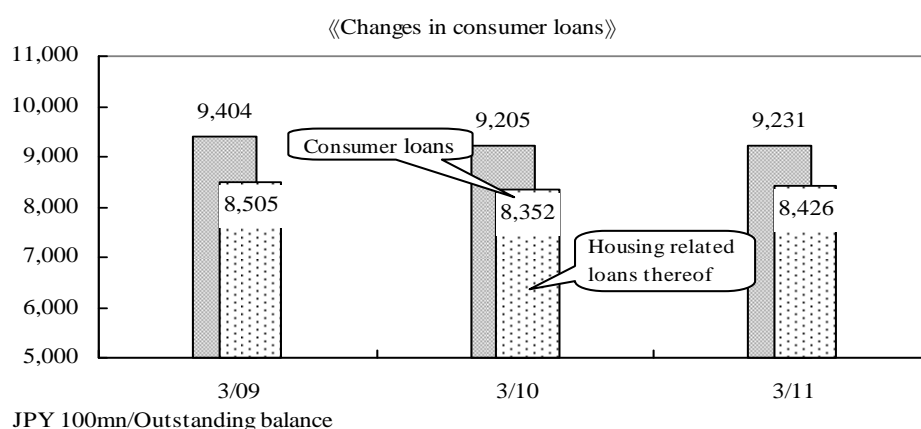
(2) Major accounts (Non-consolidated)

A. Loans

(Units: 100 million yen)

	FY ended March 31, 2011 (A)		First half year ended Sept. 30, 2010 (B)	FY ended March 31, 2010 (C)
		Inc/Dec (A-B)		
For all offices (outstanding balance as of the end of the period)	41,658	688	40,969	41,041
Loans to general corporations	28,092	(232)	28,324	28,097
Loans to consumers	9,231	88	9,143	9,205
For all offices (average balance of the period)	41,232	141	41,091	40,671
Loans to general corporations	28,503	80	28,422	28,761
Loans to consumers	9,148	18	9,129	9,278

- (a) The outstanding balance increased by ¥61.6 billion, or 1.5% from the previous fiscal year to ¥4,165.8 billion due mainly to an increase in loans to local public bodies.
- (b) Average balance was ¥4,123.2 billion, up ¥56.1 billion, or 1.3% from the previous fiscal year.



B. Securities

(Units: 100 million yen)

	FY ended March 31, 2011 (A)		First half year ended Sept. 30, 2010 (B)	FY ended March 31, 2010 (C)
		Inc/Dec (A-B)		
For all offices (outstanding balance as of the end of the period)	16,692	732	15,959	15,497
Bonds thereof	12,144	494	11,650	10,833
JGB thereof	8,789	332	8,456	7,476
Stocks thereof	1,936	62	1,873	2,261
For all offices (average balance of the period)	15,303	531	14,771	13,497
Bonds thereof	11,597	439	11,157	9,815
JGB thereof	8,396	467	7,928	6,490
Stocks thereof	1,210	15	1,194	1,221

- (a) The outstanding balance increased by ¥119.4 billion, or 7.7% from the previous fiscal year to ¥1,669.2 billion due to an increase in bonds such as government bonds.
- (b) Average balance increased by ¥180.5 billion, or 13.3% from the previous fiscal year to ¥1,530.3 billion.

C. Deposits

(Units: 100 million yen)

	FY ended March 31, 2011 (A)		First half year ended Sept. 30, 2010 (B)	FY ended March 31, 2010 (C)
		Inc/Dec (A-B)		
For all offices (outstanding balance as of the end of the period)	55,764	1,175	1,306	54,589
Individuals thereof	38,714	524	859	38,189
Corporations thereof	12,142	(79)	363	12,221
For all offices (average balance of the period)	54,735	180	1,375	54,555
Individuals thereof	38,309	194	620	38,115
Corporations thereof	12,327	49	449	12,278

(a) The outstanding balance increased by ¥130.6 billion, or 2.3% from the previous fiscal year to ¥5,576.4 billion due to increases in deposits both from individual customers and corporate customers.

(b) The average balance increased by ¥137.5 billion, or 2.5% from the previous fiscal year to ¥5,473.5 billion.

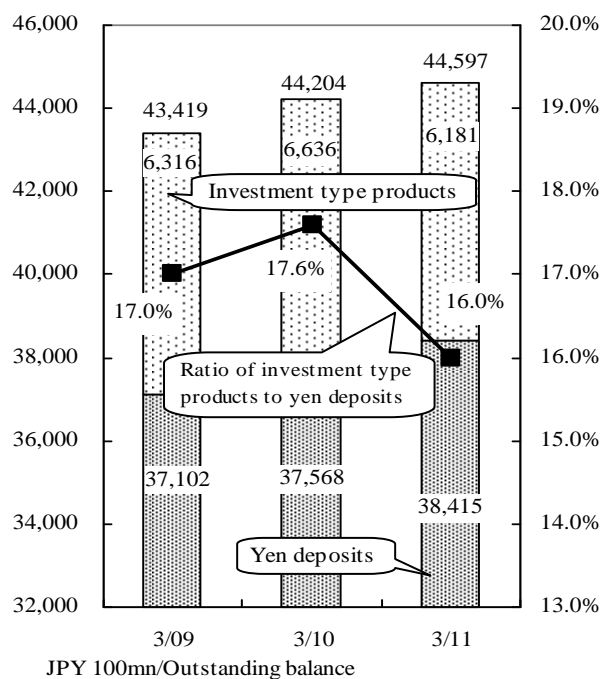
D. Personal financial assets deposited (outstanding balance)

(Units: 100 million yen)

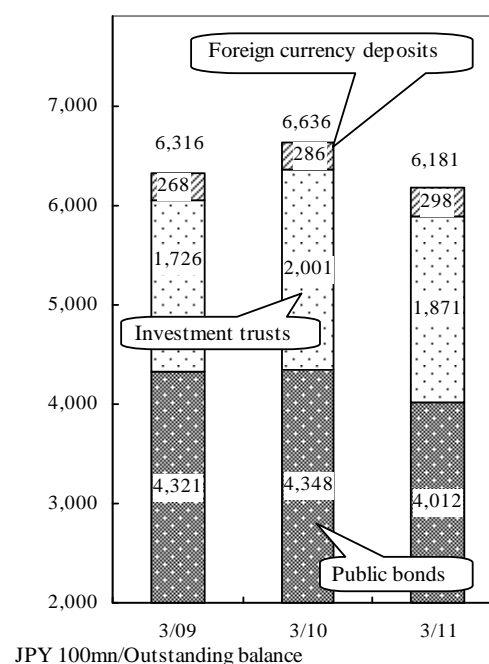
	FY ended March 31, 2011 (A)		First half year ended Sept. 30, 2010 (B)	FY ended March 31, 2010 (C)
		Inc/Dec (A-B)		
Yen deposits	38,415	512	847	37,568
Foreign currency deposits	298	11	11	286
Investment trusts	1,871	11	(130)	2,001
Public bonds (Government bonds, and other bonds)	4,012	(201)	(336)	4,348
Total	44,597	334	393	44,204

The outstanding balance increased ¥39.3 billion, or 0.8% from the previous fiscal year to ¥4,459.7 billion due to an increase in yen deposits despite decreases in investment trusts and in public bonds.

《Changes in personal financial assets deposited》



《Changes in investment type products》



(3) Risk adjusted capital ratio
(Consolidated)

	FY ended March 31, 2011 (A)			First half year ended Sept. 30, 2010 (B)	FY ended March 31, 2010 (C)
	(Preliminary)	Inc/Dec (A-B)	Inc/Dec (A-C)		
Risk adjusted capital ratio (BIS standards)	15.87%	0.05%	1.58%	15.82%	14.29%
Tier I risk adjusted ratio	14.14%	0.16%	1.41%	13.98%	12.73%

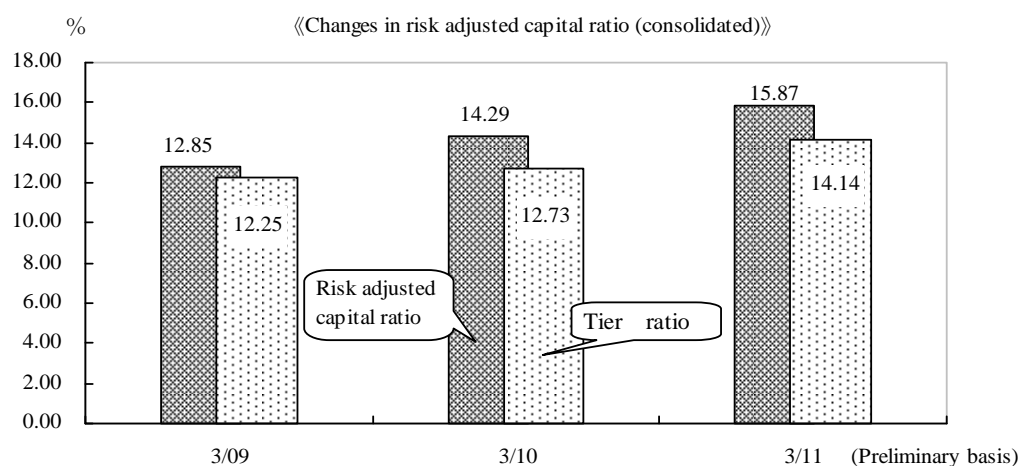
(Units: 100 million yen)

Tier I (1)	4,060	62	121	3,997	3,938
Tax effect equivalent	338	(61)	(92)	399	431
Tier II (2)	557	(50)	(62)	607	619
Deduction (3)	60	(22)	(79)	82	139
Risk adjusted capital (1)+(2)-(3)	4,557	34	138	4,523	4,418
Risk assets	28,713	120	(2,200)	28,592	30,913
Total required capital	2,297	9	(176)	2,287	2,473

Note: 1. Risk assets calculation was based on the Foundation Internal Ratings-Based Approach.

2. The above figures were not reflected by "Special measures for partial relaxation of the capital adequacy requirements".

The risk adjusted capital ratio rose by 1.58% from the end of FY2009 (March 31, 2010) to 15.87%. It exceeds 8% required by the BIS standards.



(4) Booking of valuation gains (losses) (Non-consolidated) (Units: 100 million yen)

	FY ended March 31, 2011			
	Valuation gains (losses)		Valuation gains	Valuation losses
		Change from March 31, 2010		
Securities held to maturity	—	—	—	—
Other securities	892	(263)	1,006	113
Equity securities	792	(290)	814	22
Bonds	110	25	149	39
Others	(10)	1	41	52

Note: As for floating rate notes of government bonds, the valuation were based on the market price at the end of the period.

Valuation gains on other securities decreased by ¥26.3 billion from the end of FY2009 (March 31, 2010) to ¥89.2 billion.

(5) Status of Assets (Non-consolidated)

Disclosure of loans based on the Financial Revitalization Law

(Units: 100 million yen, %)

	FY ended March 31, 2011 (A)		First half year ended Sept. 30, 2010 (B)	FY ended March 31, 2010 (C)
		Inc/Dec (A-B)		
Bankrupt and quasi-bankrupt assets	341	(155)	(141)	496
Doubtful assets	904	(3)	(55)	907
Substandard assets	253	22	(166)	230
Total	1,499	(135)	(363)	1,863
As a percentage of total credits	3.52	△ 0.39	△ 0.92	3.91

Coverage ratio	76.3	△ 2.4	0.5	78.7	75.8
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(a) Disclosed loans based on the Financial Revitalization Law decreased by ¥36.3 billion from the end of FY2009 (March 31, 2010) to ¥149.9 billion.

(b) Ratio to total credits declined by 0.92% to 3.52%.

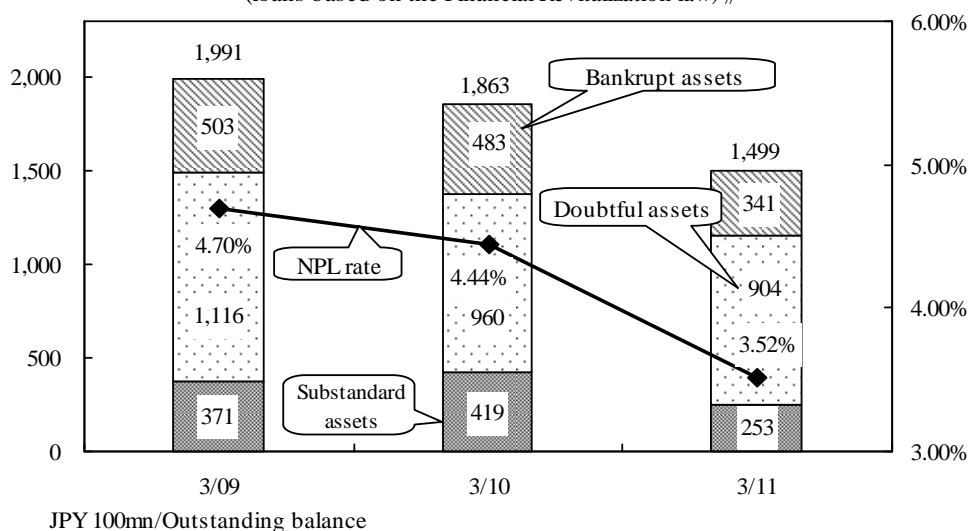
(c) Although a partial direct charge-off was not executed, the above table would have been shown as follows if it were performed.

(Units: 100 million yen, %)

	FY ended March 31, 2011 (A)		First half year ended Sept. 30, 2010 (B)	FY ended March 31, 2010 (C)
		Inc/Dec (A-B)		
Bankrupt and quasi-bankrupt assets	147	(7)	(19)	154
Doubtful assets	904	(3)	(55)	907
Substandard assets	253	22	(166)	230
Total	1,305	12	(241)	1,547
As a percentage of total credits	3.08	△ 0.04	△ 0.64	3.12

Note: Partial direct charge-off means an execution of a direct charge-off of credit claims secured by collateral and guarantees that are determined as ultimately uncollectible or valueless by an internal self-assessment (classified as Category IV), deducted by the amount estimated to be collectible through the disposal of such collateral and the execution of guarantees.

《Changes in nonperforming loans
(loans based on the Financial Revitalization law)》



2. Earning projections for the fiscal year ending March 31, 2012

(Non-consolidated)

(Units: 100 million yen)

	Projection for half year ending 2011/9/30	Projection for FY ending 2012/3/31(A)	(A-B)	Results for FY ended 2011/3/31 (B)
Operating income	556	1,100	(78)	1,178
Gross business profit	472	943	(33)	976
Profit on interest	405	806	(12)	818
Profit on fees and commissions	54	109	5	104
Trading profit	2	5	2	3
Profit from other business transactions	10	21	(28)	49
(Gains (losses) related to bonds (JGB etc.)) (a)	5	10	(39)	49
General and administrative expenses	309	612	7	605
(Personnel expenses)	152	305	1	304
(Non-personnel expense)	139	280	6	274
Core net business profit	158	320	(1)	321
Actual net business profit	163	330	(40)	370
Transfer to general reserve for possible loan losses (b)	(5)	1	1	—
Net business profit	168	329	(41)	370
Gains/losses on sales of equity securities (c)	3	5	14	(9)
Write-down of equity securities etc. (d)	—	—	(34)	34
Disposal of nonperforming loans (e)	49	88	84	4
Operating profit	122	242	(80)	322
Extraordinary gains	—	—	(10)	10
(Reversal of allowance for loan losses) (f)	—	—	(10)	10
Extraordinary losses	3	4	2	2
Net income	75	150	(42)	192
Credit related expenses (b)+(e)-(f)	44	89	94	(5)
Profit(losses) related to securities (a)+(c)-(d)	8	15	10	5

(Consolidated)

(Units: 100 million yen)

	Projection for half year ending 2011/9/30	Projection for FY ending 2012/3/31(A)	(A-B)	Results for FY ended 2011/3/31 (B)
Operating income	776	1,540	(79)	1,619
Operating profit	137	272	(115)	387
Net income	77	155	(47)	202

* These projections are based on certain estimates which the bank believes are reasonable, based on information available as of the date of this filing; there is the possibility that the actual results may vary significantly due to various factors in the future.