

ANNUAL FINANCIAL DATA  
FOR THE FISCAL YEAR ENDED  
MARCH 31, 2012

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, 2012 (A)		FY ended March 31, 2011(B)
		Inc/Dec (A-B)	
Gross business profit	96,966	(669)	97,635
Profit on interest	81,507	(348)	81,856
Profit on fees and commissions	9,950	(541)	10,492
Trading profit	465	115	349
Profit from other business transactions	5,042	105	4,937
Gains (losses) related to bonds	4,275	(676)	4,952
General & administrative expenses	60,064	(503)	60,568
Personnel expenses	30,377	(116)	30,494
Non personnel expenses	27,104	(388)	27,493
Core net business profit (Note)	32,625	510	32,114
Actual net business profit (Note)	36,901	(166)	37,067
Transfer to general reserve for possible loan losses (Note)	(3,226)	(3,226)	—
Net business profit (Note)	40,127	3,060	37,067

Note: 1. Each item was expressed by the following calculation formula;

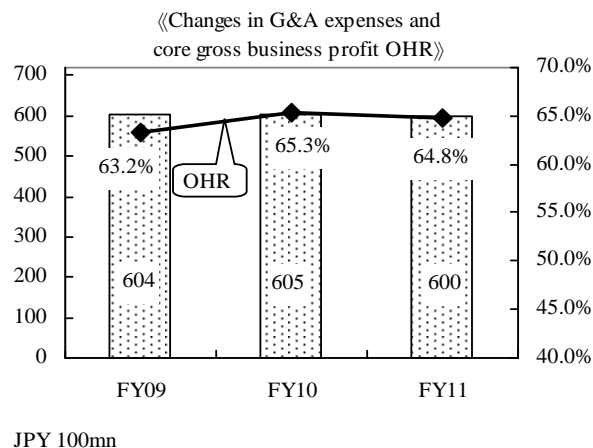
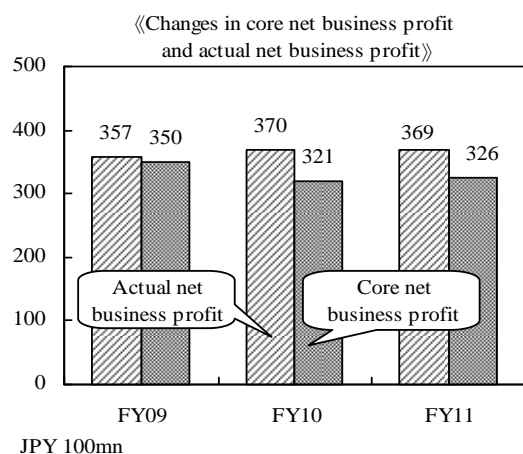
Core net business profit = gross business profit - G&A expenses - gains (losses) related to bonds

Actual net business profit = gross business profit - G&A expenses

Net business profit = gross business profit - G&A expenses - transfer to general reserve for possible loan losses

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 classified in extraordinary gains according to the accounting standards.

- (a) Gross business profit decreased by ¥0.6 billion from the previous fiscal year to ¥96.9 billion.
- Profit on interest decreased by ¥0.3 billion to ¥81.5 billion mainly due to a decline in interest margin, reflecting the decline in interest rates.
  - Profit on fees and commissions decreased by ¥0.5 billion to ¥9.9 billion because of an increase in fees and commissions payments.
  - Gains (losses) related to bonds decreased by ¥0.6 billion to ¥4.2 billion due to an increase in losses on sales of bonds.
- (b) General and administrative expenses decreased by ¥0.5 billion from the previous fiscal year to ¥60.0 billion due to decreases in both personnel expenses and non personnel expenses.
- (c) Core net business profit increased by ¥0.5 billion from the previous fiscal year to ¥32.6 billion.  
Actual net business profit decreased by ¥0.1 billion from the previous fiscal year to ¥36.9 billion, owing to the decrease in gains (losses) related to bonds.  
Net business profit increased by ¥3.0 billion from the previous fiscal year to ¥40.1 billion according to the change in accounting classification of general reserve for possible loan losses.
- (d) General reserve for possible loan losses resulted in a ¥3.2 billion reversal mainly by a decline of the probability of default.



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

## B. Operating profit

(Units: 1million yen)

	FY ended March 31, 2012 (A)		FY ended March 31, 2011 (B)
		Inc/Dec (A-B)	
Temporary profit (loss)	(11,676)	(6,836)	(4,839)
Net gains (losses) related to equity securities	(944)	3,477	(4,422)
Disposal of nonperforming loans	11,187	10,718	468
Operating profit	28,424	(3,791)	32,216

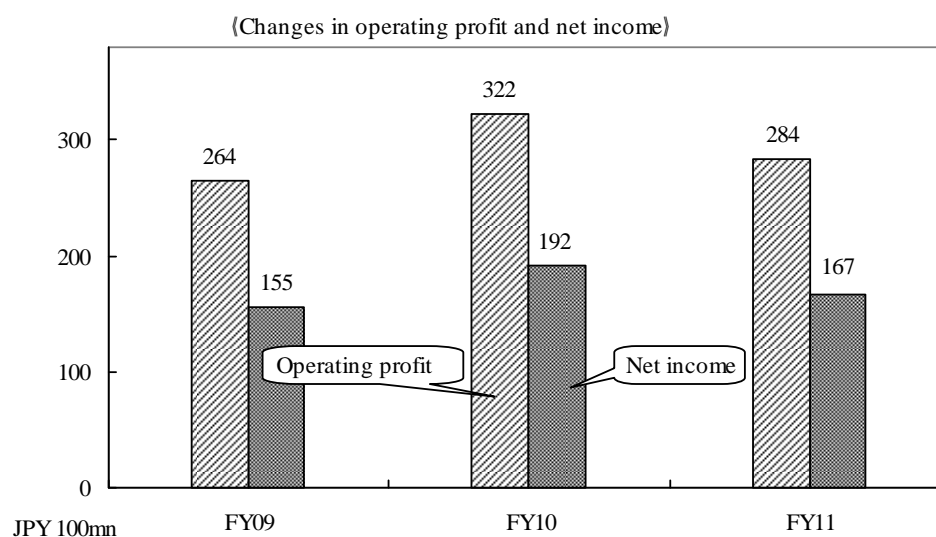
- (a) Despite the improvement in net gains (losses) related to equity securities, temporary profit (loss) deteriorated by ¥6.8 billion from the previous fiscal year to a negative ¥11.6 billion because of the increase in disposal of nonperforming loans.
- (b) Disposal of nonperforming loans increased by ¥10.7 billion from the previous fiscal year to ¥11.1 billion due to the increase in debtors to be covered by specific reserve.
- (c) Operating profit decreased by ¥3.7 billion from the previous fiscal year to ¥28.4 billion as temporary profit (loss) deteriorated though net business profit increased.

## C. Current net income

(Units: 1million yen)

	FY ended March 31, 2012 (A)		FY ended March 31, 2011 (B)
		Inc/Dec (A-B)	
Extraordinary gains (losses)	(310)	(1,101)	790
Reversal of allowance for loan losses	—	(1,018)	1,018
Income before income taxes	28,113	(4,892)	33,006
Income taxes—current	8,583	3,061	5,522
Income taxes—deferred	2,785	(5,444)	8,230
Net income (loss)	16,744	(2,509)	19,253

Extraordinary gains (losses) deteriorated by ¥1.1 billion from the previous fiscal year to a negative ¥0.3 billion. As a result, net income for the current fiscal year was ¥16.7 billion, down ¥2.5 billion from the previous fiscal year.



(Reference)

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

	FY ended March 31, 2012 (A)		FY ended March 31, 2011 (B)
		Inc/Dec (A-B)	
Transfer to general reserve (a)	(3,226)	(3,226)	—
Disposal of nonperforming loans (b)	11,187	10,718	468
Reversal of allowance for loan losses (c)	—	(1,018)	1,018
Recoveries of written-off claims (d)	424	424	—
Credit related expenses (a)+(b)-(c)-(d)	7,535	8,086	(550)

Credit related expenses increased by ¥8.0 billion from the previous fiscal year to ¥7.5 billion due to the increase in disposal of nonperforming loans.

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, 2012 (A)		FY ended March 31, 2011 (B)
		Inc/Dec (A-B)	
Transfer to general reserve (a)	(3,226)	1,948	(5,175)
Disposal of nonperforming loans (b)	11,187	6,562	4,625
Transfer to specific reserve	10,677	6,520	4,156
Recoveries of written-off claims (d)	424	424	—
Total (a)+(b)-(d)	7,535	8,086	(550)

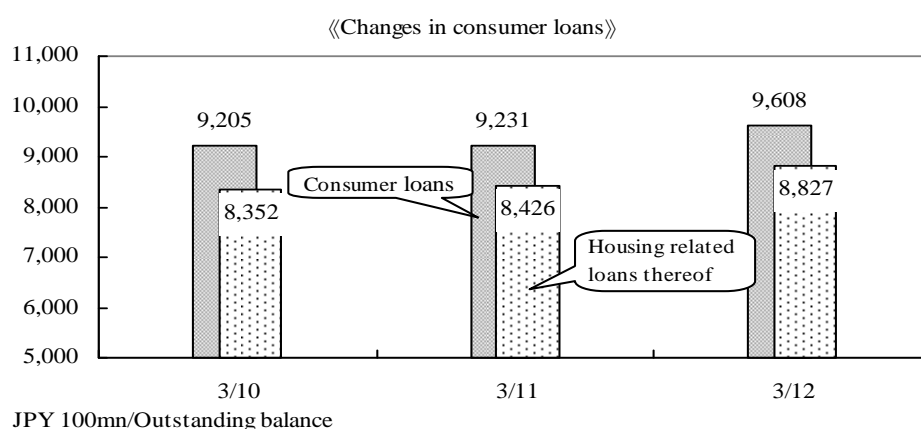
## (2) Major accounts (Non-consolidated)

## A. Loans

(Units: 100 million yen)

	FY ended March 31, 2012 (A)		First half year ended Sept. 30, 2011 (B)	FY ended March 31, 2011 (C)
		Inc/Dec (A-B)		
For all offices (outstanding balance as of the end of the period)	42,341	858	683	41,483
Loans to general corporations	28,043	187	(49)	27,855
Loans to consumers	9,608	236	376	9,371
For all offices (average balance of the period)	41,954	213	721	41,740
Loans to general corporations	28,309	105	(193)	28,204
Loans to consumers	9,357	113	209	9,148

- (a) The outstanding balance increased by ¥68.3 billion, or 1.6% from the previous fiscal year to ¥4,234.1 billion due to increases in loans to consumers and to local public bodies.
- (b) Average balance was ¥4,195.4 billion, up ¥72.1 billion, or 1.7% from the previous fiscal year.



## B. Securities

(Units: 100 million yen)

	FY ended March 31, 2012 (A)		First half year ended Sept. 30, 2011 (B)	FY ended March 31, 2011 (C)
		Inc/Dec (A-B)		
For all offices (outstanding balance as of the end of the period)	19,901	1,290	3,209	18,611
Bonds thereof	14,601	672	2,456	13,928
JGB thereof	11,066	326	2,277	10,740
Stocks thereof	1,974	201	38	1,773
For all offices (average balance of the period)	17,466	618	2,163	16,847
Bonds thereof	13,370	471	1,773	12,899
JGB thereof	10,143	556	1,747	9,586
Stocks thereof	1,169	13	(40)	1,210

- (a) The outstanding balance increased by ¥320.9 billion, or 19.2% from the previous fiscal year to ¥1,990.1 billion due mainly to an increase in bonds such as government bonds.
- (b) Average balance increased by ¥216.3 billion, or 14.1% from the previous fiscal year to ¥1,746.6 billion.

C. Deposits

(Units: 100 million yen)

	FY ended March 31, 2012 (A)		First half year ended Sept. 30, 2011 (B)	FY ended March 31, 2011 (C)
		Inc/Dec (A-B)		
For all offices (outstanding balance as of the end of the period)	56,700	860	935	55,839
Individuals thereof	39,651	572	937	39,079
Corporations thereof	12,508	350	366	12,157
For all offices (average balance of the period)	56,355	(20)	1,620	56,376
Individuals thereof	39,274	246	965	39,028
Corporations thereof	12,564	(32)	236	12,597

- (a) The outstanding balance increased by ¥93.5 billion, or 1.6% from the previous fiscal year to ¥56,700 billion due to increases in deposits from individual customers and from corporate customers.
- (b) The average balance increased by ¥162.0 billion, or 2.9% from the previous fiscal year to ¥56,355 billion.

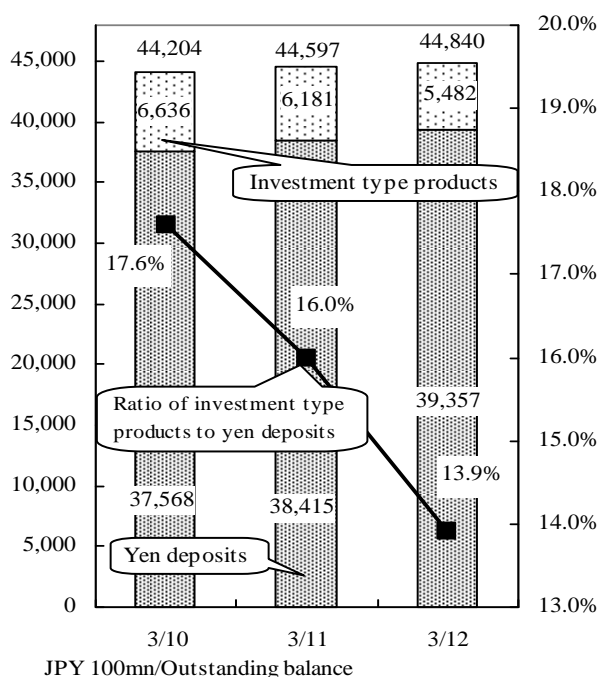
D. Personal financial assets deposited (outstanding balance)

(Units: 100 million yen)

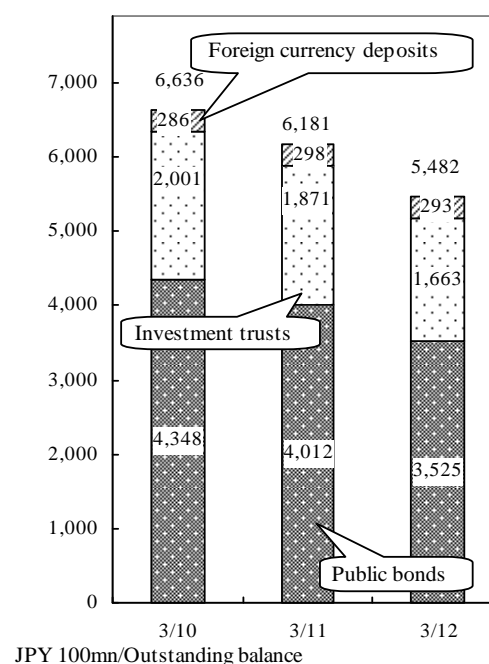
	As of March 31, 2012 (A)		As of Sept. 30, 2011 (B)	As of March 31, 2011 (C)
		Inc/Dec (A-B)		
Yen deposits	39,357	563	941	38,793
Foreign currency deposits	293	8	(4)	285
Investment trusts	1,663	15	(208)	1,648
Public bonds (Government bonds, and other bonds)	3,525	(305)	(486)	3,831
Total	44,840	281	242	44,558

The outstanding balance increased ¥24.2 billion, or 0.5% from the previous fiscal year to ¥44,840 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)

	As of March 31, 2012 (A)			As of Sept. 30, 2011 (B)	As of March 31, 2011 (C)
		Inc/Dec (A-B)	Inc/Dec (A-C)		
Risk adjusted capital ratio (BIS standards)	16.84%	△ 0.48%	0.97%	17.32%	15.87%
Tier I risk adjusted ratio	15.12%	△ 0.66%	0.98%	15.78%	14.14%

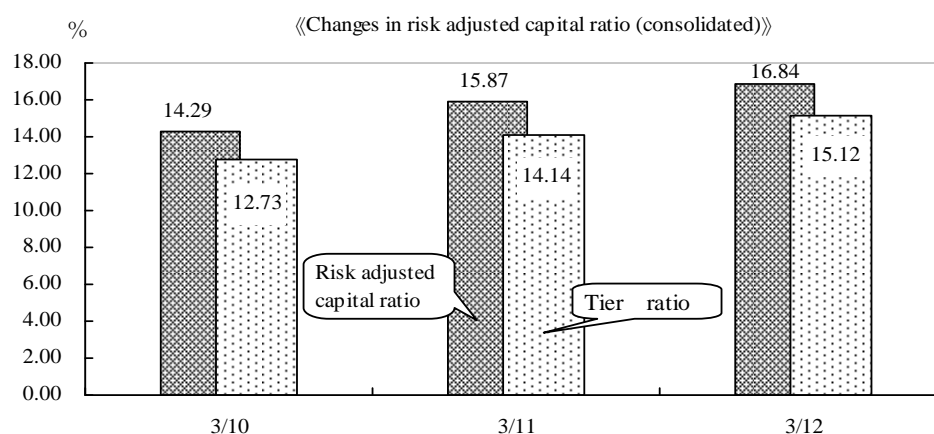
(Units: 100 million yen)

Tier I (1)	4,228	30	168	4,198	4,060
Tax effect equivalent	296	(35)	(41)	331	338
Tier II (2)	539	76	(18)	462	557
Deduction (3)	58	4	(1)	54	60
Risk adjusted capital (1)+(2)-(3)	4,709	102	151	4,606	4,557
Risk assets	27,958	1,366	(754)	26,591	28,713
Total required capital	2,236	109	(60)	2,127	2,297

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 0.97% from the end of FY2010 (March 31, 2011) to 16.84%. It exceeds 8% required by the BIS standards.



## (4) Booking of valuation gains (losses) (Non-consolidated)

(Units: 100 million yen)

	As of March 31, 2012 (A)			
	Valuation gains (losses)		Valuation gains	Valuation losses
		Change from March 31, 2011		
Securities held to maturity	—	—	—	—
Other securities	1,125	233	1,196	70
Equity securities	797	5	815	17
Bonds	325	214	327	2
Others	2	13	53	50

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 increased by ¥23.3 billion from the end of FY2010 (March 31, 2011) to ¥112.5 billion.

(Reference) Nikkei stock average

Mar. 30, 2012: ¥10,083

Mar. 31, 2011: ¥9,755

## (5) Status of Assets (Non-consolidated)

Disclosure of loans based on the Financial Revitalization Law

(Units: 100 million yen, %)

	As of March 31, 2012 (A)		As of Sept. 30, 2011 (B)	As of March 31, 2011 (C)
		Inc/Dec (A-B)		
Bankrupt and quasi-bankrupt assets	292	(76)	368	341
Doubtful assets	1,013	136	876	904
Substandard assets	344	39	305	253
<b>Total</b>	<b>1,649</b>	<b>99</b>	<b>1,550</b>	<b>1,499</b>
As a percentage of total credits	3.82	0.16	3.66	3.52

Coverage ratio	75.4	0.4	△ 0.9	75.0	76.3
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(a) Disclosed loans based on the Financial Revitalization Law increased by ¥15.0 billion from the end of FY2010 (March 31, 2011) to ¥164.9 billion.

(b) Ratio to total credits rose by 0.30% to 3.82%.

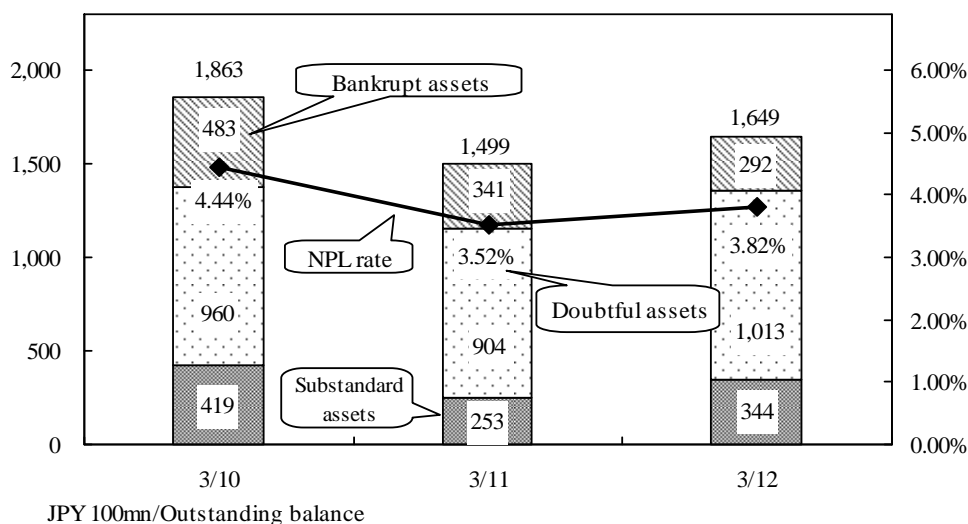
(c) Although a partial direct charge-off was not executed, the above table would have been shown as follows if it had been performed.

(Units: 100 million yen, %)

	As of March 31, 2012 (A)		As of Sept. 30, 2011 (B)	As of March 31, 2011 (C)
		Inc/Dec (A-B)		
Bankrupt and quasi-bankrupt assets	105	(34)	140	147
Doubtful assets	1,013	136	876	904
Substandard assets	344	39	305	253
<b>Total</b>	<b>1,463</b>	<b>141</b>	<b>1,322</b>	<b>1,305</b>
As a percentage of total credits	3.40	0.26	3.14	3.08

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, 2013

(Non-consolidated)

(Units: 100 million yen)

	Projection for half year ending 2012/9/30	Projection for FY ending 2013/3/31(A)	(A-B)	Results for FY ended 2012/3/31 (B)
Gross business profit	467	944	(25)	969
Profit on interest	400	792	(23)	815
Profit on fees and commissions	52	107	8	99
Trading profit	3	8	4	4
Profit from other business transactions	10	36	(14)	50
(Gains (losses) related to bonds (JGB etc.)) (a)	4	20	(22)	42
General and administrative expenses	309	604	4	600
(Personnel expenses)	151	301	(2)	303
(Non-personnel expense)	139	277	6	271
Core net business profit	153	320	(6)	326
Actual net business profit	157	340	(29)	369
Transfer to general reserve for possible loan losses (b)	14	34	66	(32)
Net business profit	143	306	(95)	401
Net gains (losses) related to equity securities (c)	1	3	12	(9)
Disposal of nonperforming loans (d)	25	49	(62)	111
Recoveries of written-off claims (e)	0	0	(4)	4
Operating profit	120	255	(29)	284
Extraordinary gains	—	—	(0)	0
Extraordinary losses	1	2	(1)	3
Net income	77	162	(5)	167

Credit related expenses (b)+(d)-(e)	39	83	8	75
Profit(losses) related to securities (a)+(c)	5	23	(10)	33

(Consolidated)

(Units: 100 million yen)

	Projection for half year ending 2012/9/30	Projection for FY ending 2013/3/31(A)	(A-B)	Results for FY ended 2012/3/31 (B)
Operating profit	135	285	(67)	352
Net income	79	167	(6)	173

\* 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.