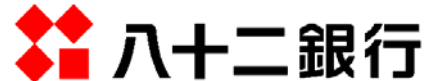

The 23rd Information Meeting



June 10, 2009

The Hachijuni Bank, Ltd.

<http://www.82bank.co.jp/>



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Financial Results for FY2008

(non-consolidated)

(Amount and ratios presented are rounded down to the nearest unit)

Highlights of Financial Results of FY08

Core net business profit: ¥41.1bn (▲¥6.9bn from FY07)

~Though core net business profit was less than FY07's figure owing to the decrease in profit on interests and fees & commissions, the Hachijuni Bank maintained ¥40bn level~

Profit/losses on securities: ▲¥15.7bn (▲¥21.4bn from FY07)

~Losses related to bonds: ¥10.0bn, losses related to stocks: ¥5.6bn~

Credit costs: ¥22.4bn (▲¥0.7bn from FY07)

Nonperforming loans ratio: 4.70% (▲0.86 point from the end of FY07)

~Substandard assets decreased by ¥41.9bn owing to the revision of FSA's Inspection Manual~

**Risk adjusted capital ratio (non-consolidated)(preliminary basis) stood at 12.43%
(Tier 1 ratio: 11.85%)**

~Core tier 1 ratio was 10.48% (our estimation)~

Valuation gains on securities: ¥43.8bn (Nikkei 225: ¥8,109 as of Mar 31, 09)

~The valuation of JGB floating rate notes were based on the market price of fiscal year end~

Average balance of deposits: ¥5,261.8bn (+¥14.1bn or +0.2% from FY07)

~¥4,791.8bn in Nagano Prefecture (+¥55.5bn or +1.1% from FY07)~

~The Hachijuni Bank secured stable fund-raising in main area~

Statement of Income

(¥100mn)

	FY07	Projection at the end of 1H08	FY08 result	From FY07	From projection
Operating income	1,601	1,395	1,386	▲214	▲9
Gross business profit	1,061	948	914	▲146	▲34
Profit on interest	910	861	876	▲33	15
Profit on fees and commissions	141	127	116	▲25	▲11
Other business profit	3	▲46	▲85	▲88	▲39
P/L related to bonds	▲10	▲62	▲100	▲90	▲38
General and administrative expenses	589	614	603	13	▲11
Personnel expenses	297	306	302	4	▲4
Non-personnel expenses	265	280	273	8	▲7
Cone net business profit	481	395	411	▲69	16
Actual net business profit	471	333	311	▲159	▲22
Transfer to general reserve for loan losses	▲25	19	▲17	7	▲36
Net business profit	496	314	328	▲167	14
Temporary profit(losses)	▲173		▲314	▲141	
P/L related to stocks	67	▲33	▲56	▲124	▲23
Disposal of nonperforming loans	256	217	241	▲14	24
Operating profit	322	55	13	▲308	▲42
Extraordinary losses	▲6	▲1	▲1	5	0
Net income	190	33	3	▲186	▲30
Credit related expenses	231	236	224	▲7	▲12
P/L on securities	57	▲95	▲157	▲214	▲62

◆ Profit on interest

➤ Domestic branches

- Interest on loans ▲¥206mn
(average balance factor +¥358mn, yield factor ▲¥564mn)
- Interest and dividends on securities ▲¥1,070mn
(average balance factor ▲¥43mn, yield factor ▲¥1,027mn)
- Interest on deposits +¥505mn
(average balance factor +¥85mn, yield factor +¥420mn)

◆ Losses related to bonds

Write-down on hedge fund, FTD securities: ¥7.9bn

◆ Non-personnel expenses

- System investments for non face-to-face channel (e.g. internet banking) +¥200mn
- Costs for issue of credit card +¥50mn

◆ Losses related to stocks

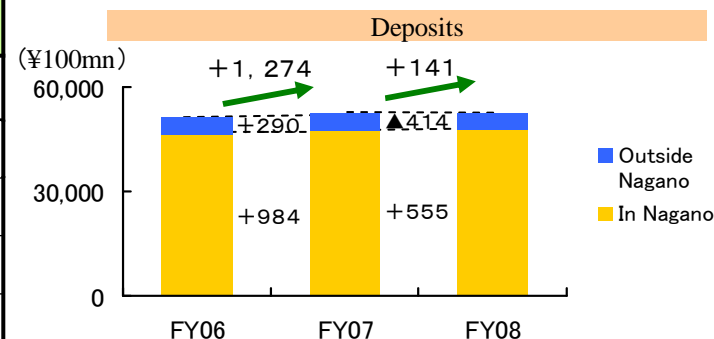
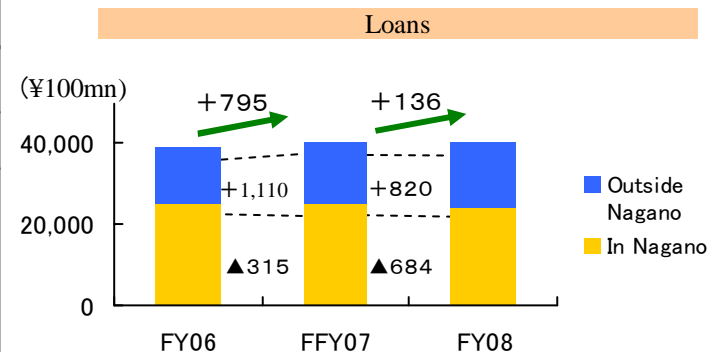
Write-down on stocks: ¥3.4bn
Gain on sale of stocks decreased.

Comparison with projection

- ◆ Profit on interest +¥1.5bn
 - Domestic +¥1.2bn, Overseas +¥0.3bn
 - As for domestic, interest expense on deposits decreased by interest rate decline.
- ◆ Profit on fees and commissions ▲¥1.1bn
The sale of investment trusts decreased owing to unexpected deterioration of market conditions.
- ◆ P/L related to securities ▲¥6.2bn
Write-down on foreign bonds and stocks increased.

Major Accounts (Loans/Deposits/Securities)

Loans (¥100mn·%)			
	FY06	FY07	FY08
Average balance	39,166	39,961	40,097
In Nagano	25,128	24,813	24,129
Yield on loans (entire offices)	1.89	2.06	2.02
<ul style="list-style-type: none"> ◆ +¥13.6bn from FY07 (+0.3%) ◆ Loan to consumers was ¥943.4bn, up ¥7.9bn from FY07 (+0.8%). 			
Deposits (¥100mn·%)			
	FY06	FY07	FY08
Average balance	51,203	52,477	52,618
In Nagano	46,379	47,363	47,918
Yield on deposits (entire offices)	0.21	0.37	0.29
<ul style="list-style-type: none"> ◆ +¥14.1bn from FY07 (+0.2%) ◆ Deposit from individual customers was ¥3,714.4bn, up ¥88.7bn from FY07 (+2.4%). 			
Securities (¥100mn·%)			
	FY06	FY07	FY08
Average balance	14,063	13,568	13,475
Valuation gains at the end of FY	2,508	1,290	438
Yield on securities (entire offices)	1.85	1.86	1.43
<ul style="list-style-type: none"> ◆ ▲¥9.2bn from FY07 (▲0.6%) ◆ Valuation gains were ¥43.8bn (Stocks: ¥66.6bn, Bonds: ▲¥2.5bn, Others: ▲¥20.2bn). 			



Breakdown of valuation gains on securities (¥100mn)				
	Valuation gains	From FY07	Gains	Losses
Stocks	666	▲672	734	68
Bonds	▲25	▲64	71	96
Others	▲202	▲115	8	211
Total	438	▲852	814	376

Breakdown of Write-down on Securities

(¥1 mn)

(¥100mn)

Write-down on securities as of Mar 31, 09

Bonds	79
Foreign companies bonds	17
"Lehman Brothers" related bonds	9
Fund, structured securities etc.	51
Stocks	34
Total	113

	Holding	Book value before write-down (excl. valuation gains/losses)	Write-down	Book value after write-down (excl. valuation gains/losses)	Valuation gains/losses after write-down	Realized P/L on sales during period	Dividends	Total realized P/L
	Backed assets, reference assets							
Holding of fund/structured securities and valuation gains(losses), realized profit(losses)								
FTD securities	6	10,000	1,477	8,523	▲1,141	0	—	▲1,477
Securities guaranteed by Monolines	1	491	245	246	0	0	—	▲245
J-REIT investment accounts	11	14,133	604	13,529	▲3,120	▲918	609	▲913
J-REIT securities	1	1,000	600	400	0	0	—	▲600
Hedge fund	18	54,672	2,271	52,401	▲8,439	▲2,445	204	▲4,512
Structured securities of interest rate	1	3,000	0	3,000	▲6	0	—	0
Private placement fund (real estate)	3	729	0	729	0	0	▲291	▲291
PE etc.	5	3,534	0	3,534	0	0	▲51	▲51
Relationship banking PE etc.	11	2,756	0	2,755	0	0	▲634	▲634
Foreign PE	1	532	0	532	▲21	0	15	15
Total	58	90,848	5,198	85,650	▲12,729	▲3,364	▲148	▲8,710
Holding of securitized products and valuation gains(losses), realized profit(losses)								
Synthetic CDO	9	4,640	0	4,640	▲803	▲3,827	Foreign companies CDS (9)	
CLO, CBO	4	1,520	0	1,520	▲368	0	Foreign companies loans and bonds(3), Domestic company bond(1)	
ABS	2	636	0	636	0	0	Domestic credit card loan(1), auto loan(1)	
CMBS	10	6,205	0	6,205	▲138	0	Domestic commercial mortgages(10)	
CDO equity	2	976	0	976	0	1	Domestic blue-chip companies(2)	
Total	27	14,161	0	14,161	▲1,309	▲3,826		

Note

- 1: Redemption amount of union-type of fund investments was netting with dividends.
- 2: Realized P/L excludes funding cost and securities' interests.
- 3: Write-down on CDOs was based on market value without consideration of ratings.

Nonperforming Loans/Credit Costs

Nonperforming loans (based on the Financial Revitalization Law) (¥100mn·%)						
	FY06		FY07		FY08	
	1H		1H		1H	
Bankrupt assets	397	502	508	492	506	503
Doubtful assets	862	904	922	983	1,083	1,116
Substandard assets	405	560	577	790	765	371
Total	1,666	1,966	2,008	2,266	2,356	1,991
NPL ratio	4.14	4.81	4.92	5.56	5.84	4.70
In case of partial direct charge-off	3.71	4.18	4.27	4.90	5.13	4.04

Note: Partial direct charge-off was not executed.

Credit costs (¥100mn·%)						
	FY06		FY07		FY08	
	1H		1H		1H	
Transfer to general reserve for possible loan losses	▲53	9	33	▲25	9	▲17
Disposal of nonperforming loans	110	276	75	256	107	241
Credit costs	57	285	108	231	116	224
Credit costs ratio ※		0.72		0.57		0.55

※Credit costs ratio = credit expenses/total credit (average balance)

- ◆ Sudden collapse on SMEs outside Nagano affected the figures of 1H08.
- ◆ Business conditions both in large companies in Nagano and real estate companies outside Nagano were deteriorated in 2H08.

Credit costs by sector, by area as of Mar 31, 09 (¥100mn)			
	In Nagano	Outside Nagano	Total
Manufacturing	63	22	86
Construction	3	8	12
Wholesale	3	9	12
Retail	20	6	27
Real estate	13	77	90
Services	▲25	20	▲4
Others	▲4	3	▲1
Total	74	149	224

Risk Adjusted Capital Ratio

◆ The calculation method was changed to the FIRB approach.

(Authorized by FSA on Sep 08)

(¥100mn・%)

	FIRB basis 9/08	FIRB basis 3/09 (preliminary)	Inc/Dec
Risk adjusted capital ratio	12.63%	12.43%	▲0.20
Tier I ratio	11.71%	11.85%	0.14
Risk adjusted capital	3,823	3,759	▲63
Tier I	3,543	3,585	41
Tax effect equivalent	405	416	11
Tier II	416	242	▲174
Deduction	137	68	▲68
Risk asset	30,252	30,238	▲14
Credit risk	28,210	28,206	▲3
Operational risk	2,042	2,031	▲10

Core Tier I ratio (our estimation)	10.37%	10.48%	0.10
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Note 1: Core Tier I = Tier I - Preferred stocks - Preferred securities etc. - tax effect equivalent

2: As the Hachijuni Bank has not issued both preferred stocks and preferred securities, core Tier I is equal to Tier I minus tax effect equivalent (excl. valuation difference on available-for-sale securities).

◆ The Hachijuni Bank maintained large amount of valuation gains.

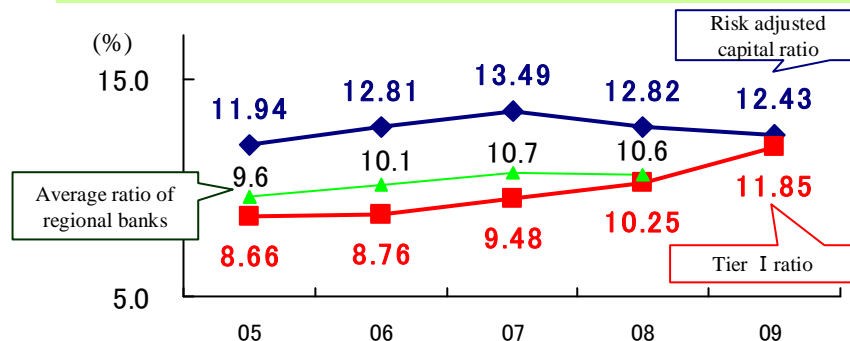
(Valuation gains as of Mar 31, 09: ¥43.8bn)

The influence of the market change for risk adjusted capital ratio (%)				
Interest rate	As of Apr 30, 09	+50bps	+100bps	+150bps
Stock price				
Current level	12.53	12.31	12.09	11.87
TOPIX▲20%	12.31	11.74	11.25	10.77
TOPIX▲40%	11.30	10.46	9.97	9.49
TOPIX▲60%	9.81	9.18	8.69	8.21

※Due to the increase in valuation gains by stock price rise, the figure of Apr 09 exceeds the figure of Mar 09 by 0.1% to 12.53%.

※The amount of write-down on each stocks reflecting to the market change was not included in the above figures.

Risk adjusted capital ratio (non-consolidated)



Funding and Investment

◆ The Hachijuni Bank realized 「low-cost」 and 「stable」 fund-raising for entire period.

Funding and investment for domestic (¥100mn·average balance·rounded off)												
	4/08	5/08	6/08	7/08	8/08	9/08	10/08	11/08	12/08	1/09	2/09	3/09
Loans	39,105	38,873	39,309	39,211	39,225	39,287	39,271	39,593	40,582	40,654	40,641	40,869
Securities investment	12,364	12,679	13,068	13,107	13,037	13,030	12,688	12,904	12,721	12,443	12,553	12,483
Market investment (call loan, due from banks)	3,157	2,557	3,002	2,553	2,781	2,973	2,641	2,028	1,596	1,685	1,503	1,705
Deposits	51,341	51,303	51,328	51,245	51,015	50,977	50,406	50,692	51,130	50,965	50,882	51,622
Negotiable certificates of deposits	1,228	870	864	715	841	1,024	1,136	934	787	918	742	812
Market funding (call money, BOJ's fund supplying operations against pooled collateral)	9	19	165	46	273	170	927	685	857	759	911	605
Yield on deposits/CD (half-year average, contract-based)	0. 277% vs. market rate▲0. 447						0. 231% vs. market rate▲0. 384					
Market rate on deposits/CD (half-year average)	0. 725%						0. 616%					

◆ Interest rate risk (outlier ratio) was confined to 20% or lower.

Interest rate risk in the banking book (outlier ratio) as of Mar 31, 09	
Interest rate shock	Outlier ratio (preliminary)
200 basis point	16. 2%
Percentile	9. 0%

The balance of fund-raising and investment has been stabilized for entire period.

Properly control of interest rate risk ahead of interest rate rise

Note 1: Above measurement was based on the way of Repricing of Risk.

Note 2: Core deposits accounted for 50% of liquid deposits.

Earnings Projections for FY2009 and Staple Figures (non-consolidated)

Earnings Projections for FY2009 (full year)

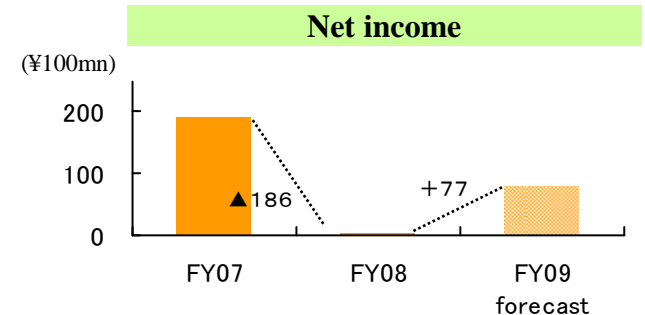
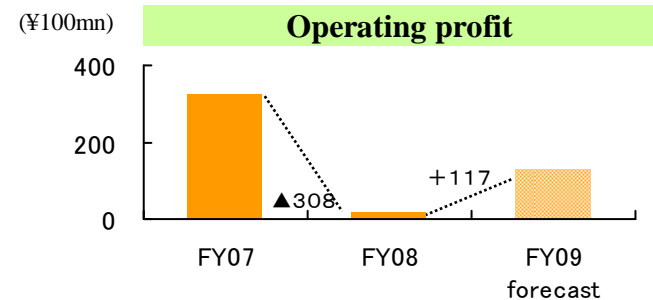
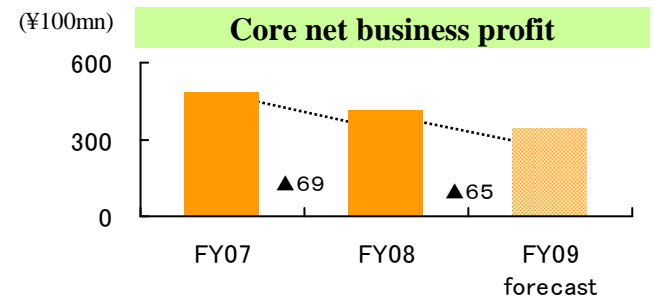
- ◆ Core net business profit will decrease by ¥6.5bn from FY08 due to the decline in profit on interest and fees and commissions.
- ◆ Net income will increase by ¥7.7bn from FY08 reflecting to the improvement of profits related to securities.
- ◆ Dividend payment per share for full year will be ¥5.0 (¥2.5 for interim dividend).

(¥100mn)

	FY07		FY08		FY09 forecast	
	1H		1H		1H	
Core net business profit	236	481	204	411	172	346
Operating profit	163	322	52	13	50	130
Net income	97	190	31	3	30	80
Dividend per share (full year)	¥8.0		¥5.0		¥5.0	

【Dividend Policy】

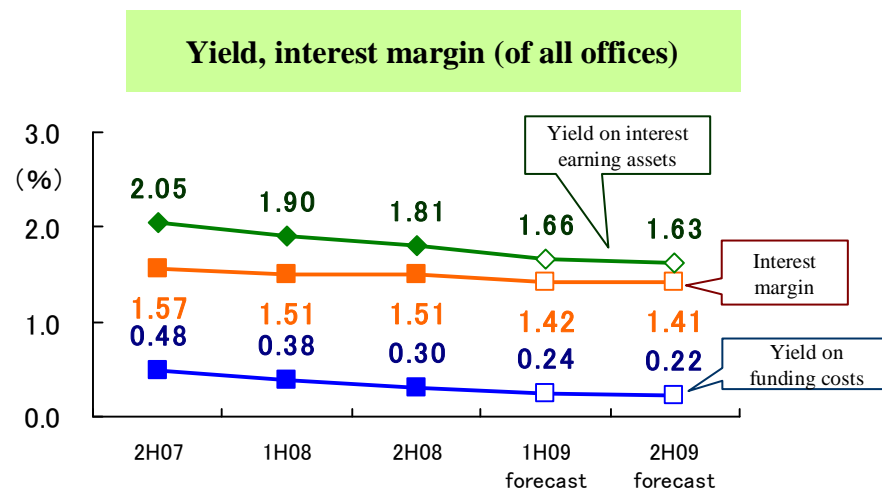
The Hachijuni Bank has set a goal to achieve the dividend ratio of approximately 20% against net income of ¥20.0 billion or lower, and if net income exceeds ¥20.0 billion mark, it will aim to add 30% of a portion of net income in excess of such amount to the foregoing 20% (lower limit of dividend per share: ¥5.0 a year)



Projections for Yield, Interest Margin/G&A Expenses

Projections for yield, interest margin (all offices) (%)					
	2H 07	1H 08	2H 08	1H 09 forecast	2H 09 forecast
Yield on interest earning assets	2.05	1.90	1.81	1.66	1.63
Yield on funding cost	0.48	0.38	0.30	0.24	0.22
Interest margin	1.57	1.51	1.51	1.42	1.41

Changes in yield (domestic offices) (%)					
	2H 07	1H 08	2H 08	1H 09 forecast	2H 09 forecast
Yield on interest earning assets	1.77	1.78	1.73	1.60	1.57
Yield on loans	2.05	2.05	1.99	1.86	1.81
Yield on securities	1.34	1.40	1.28	1.19	1.15
Yield on funding costs	0.27	0.28	0.23	0.20	0.18
Yield on deposit etc.	0.26	0.27	0.22	0.18	0.16



- ◆ Effect by the decline of interest rate ⇒ Interest income in domestic decreased by ¥5bn from FY08.
- ◆ Decline in the margin of interest ⇒ Due to decline in yield on securities and loans
- ◆ Main factor in decline in yield on securities ⇒ Losses on cancel of hedge fund: ¥3bn

Assumptions for FY09 projection

- Yield on 10-years JGB around 1.30%
- Ordinary deposits rate 0.04% level
- TIBOR around 0.55%
- Nikkei 225 ¥8,000 level

Projections for G&A expenses (¥100mn)				
	FY07	FY08	FY09 forecast	Inc/Dec
Personnel expenses	297	302	302	0
Non-personnel expenses	265	273	280	7
Core gross business profit OHR(%)	55.0	59.4	63.7	4.3

- ◆ Non-personnel expenses +¥0.7bn from FY08
- Outsourcing expenses +¥0.2bn from FY08
 - Issue of credit card, “HaLuCa” increased
 - Investment in collecting services by convenience stores etc.
- Depreciation +¥0.4bn
- Consumable goods expenses ▲¥0.2bn

Projections for Nonperforming Loans/Credit Costs

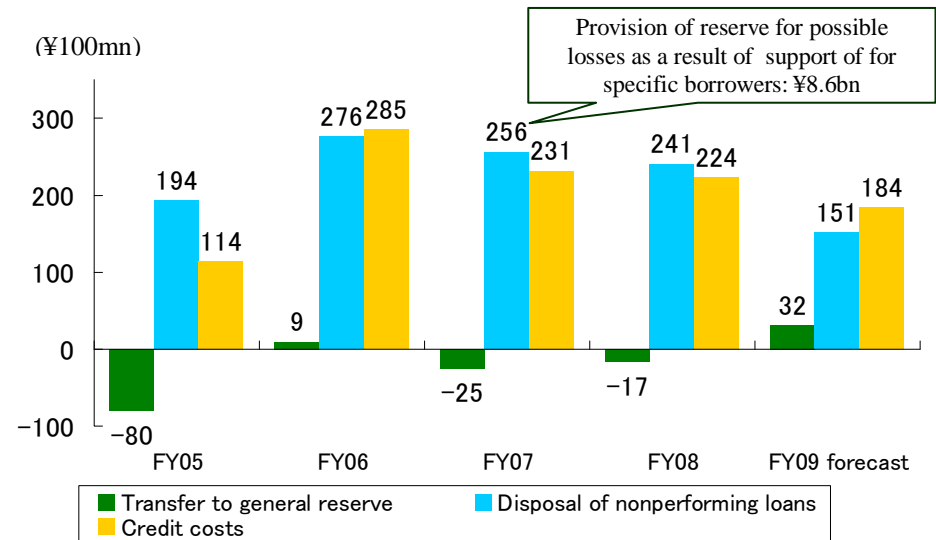
Projections for credit costs (¥100mn·%)				
	FY07	FY08	FY09 forecast	
			1H forecast	
Transfer to general reserve	▲25	▲17	13	32
Disposal of nonperforming loans	256	241	80	151
Credit costs	231	224	94	184
Credit costs ratio	0.57	0.55		0.45

※Credit cost ratio: credit expenses/total credit (average balance)

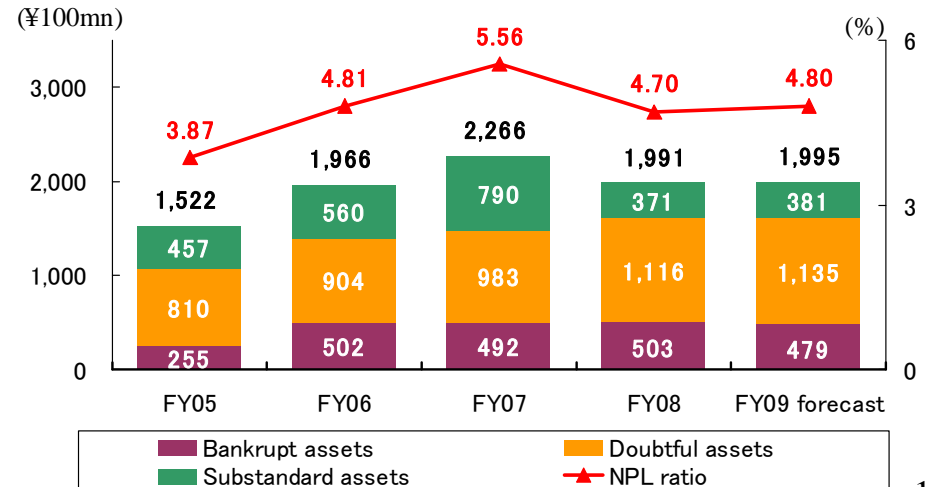
※FY09 forecast figure (¥18.4bn) was estimated by using latest ratio of debtors' rating change in addition to each factor.

Projections for Nonperforming loans (based on the Financial Revitalization Law) (¥100mn·%)				
	3/08	3/09	3/10 forecast	
			9/09 forecast	
Bankrupt assets	492	503	504	479
Doubtful assets	983	1,116	1,146	1,135
Substandard assets	790	371	376	381
Total	2,266	1,991	2,026	1,995
Ratio to total credit	5.56	4.70	4.88	4.80

Credit costs

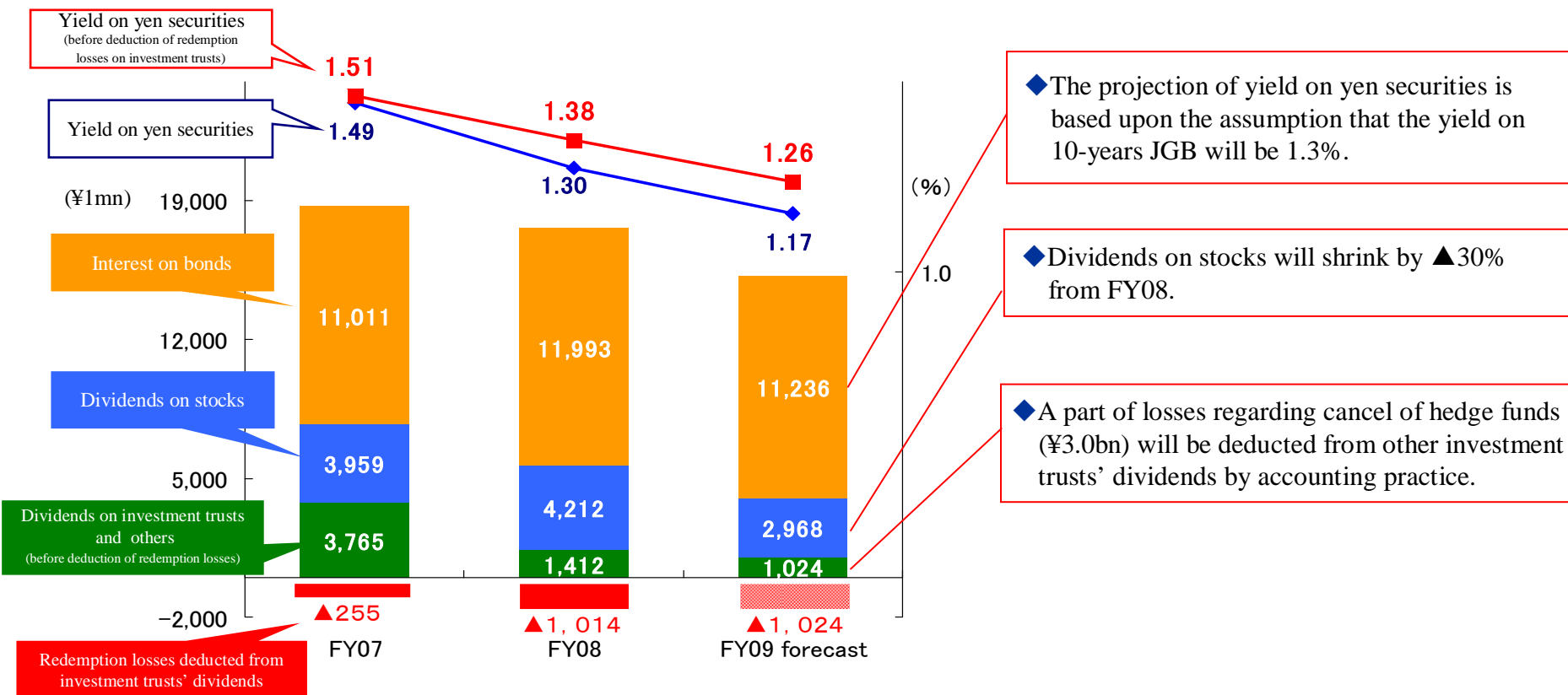


Nonperforming loans (based on the Financial Revitalization Law)



Projections for Securities Investments

Projections for interests and dividends on yen securities (incl. foreign securities denominated by yen)



Projections for realized P/L on the sale during FY09

- ◆ Hedge funds The balance of hedge funds as of Sep 30, 09 will reduce to ¥35bn owing to the cancel of funds with poor performance. (losses on cancel: about ¥3bn).
P/L on the sale of products other than hedge funds will be zero.
- ◆ CDO As all CDO (excluding 4 products: \$40mn) have already been written-down, downside risk will be restrictive.

Projections for Staple Figures in Personal Banking

◆ Construction of solid base for “lifelong transactions” by promotion of personal banking

Projections for investment type products				(¥100mn· outstanding balance)
	3/08	9/08	3/09	09/9 forecast
Public bonds	4,285	4,293	4,321	4,361
(new increase)	(279)	(423)	(399)	(340)
Investment trusts	2,515	2,305	1,726	1,755
(new increase)	(155)	(163)	(88)	(120)
Foreign currency deposits	218	218	268	240
Life insurance (Market price basis)	1,098	1,233	1,314	
(new increase)	(181)	(180)	(82)	(92)

◆ Reinforcement of consulting function and aftercare

- Increase of staff in personal banking
Number of staff has already increased by 100 to 630 by Apr 09.
- Expansion of “Charge of clients” system
All branches have introduced the system by Apr 09 so all clients (130 thousand) were covered by staff in charge of each client.
- Creation of “Branch support team”
Special team in Head Office started support to branches’ staff in Jun 09.

Strengthen aftercare in case of sudden drop of market

 [Aftercare for the expansion of transaction](#)

◆ Expansion of footholds focused on personal banking

- Plaza-type branches: 12 (open on holidays)
(Full-function plazas: 6, Loan plazas: 6)
- Joint branches with Hachijuni Securities Co., Ltd.: 4

Projections for profit on investment type products (¥100mn)				
	2H 07	1H 08	2H 08	1H 09 forecast
Public bonds	1	1	1	1
Investment trusts	10	9	5	5
Trust fees	7	6	4	4
Foreign currency deposits	5	5	5	4
Life and non-life insurance	11	10	5	5
Total	28	25	17	17

Projections for personal deposits, loans (¥100mn)				
	3/08	9/08	3/09	9/09 forecast
Personal yen deposits (half-year average balance)	36,550	37,037	37,252	37,616
Consumer loans (end balance)	9,463	9,485	9,404	9,270
Housing related loans	8,511	8,554	8,505	8,395

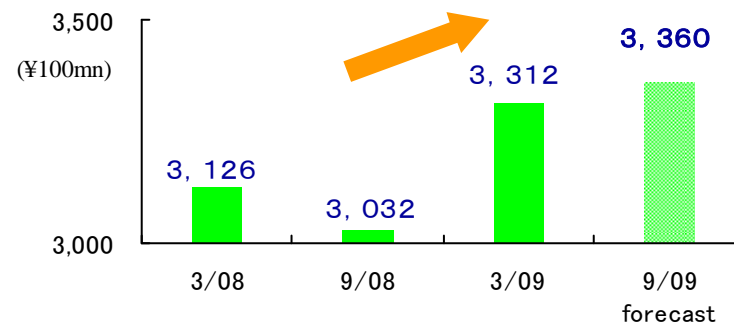
Projections for Staple Figures in Corporate Banking

◆ Reinforcement of support to SME's fund-raising by providing full lineup of products

Projections for loans (¥100mn·average balance)				
	3/08	9/08	3/09	9/09 forecast
Business area neighboring Nagano (Nagano, Niigata, Gifu)	14,903	14,361	14,212	13,900
For SMEs	12,047	11,641	11,581	11,569
No. of customers (No. of clients at the end of period)	25,900	25,784	25,302	26,000
Business area outside Nagano (Tokyo, Saitama, Gunma, Aichi, Osaka)	13,283	13,533	14,957	14,873
For SMEs	3,905	4,075	4,185	4,131

Projections for fees and commissions (¥1mn)				
	2H 07	1H 08	2H 08	1H09 forecast
Syndicated loans, private placement bonds, factoring	673	690	740	470
M&A, business matching etc.	114	130	177	104
Derivatives	559	219	251	300
Total	1,347	1,041	1,168	874

Loans guaranteed by Credit Guaranty Association (CGA) ~Balance of Sep 30, 09 will exceed a peak of the past~



◆ Lineup of products (guaranteed indirectly by Nagano Prefecture)

- “Assist loans for management soundness (against the price hike of fuel and materials)”

Total amounts as of Mar 31, 09: **¥6,149mn/314 cases**

- “Support loans for SMEs (short-term emergency loans)”

Total amounts as of Mar 31, 09: **¥455mn/66 cases**

- “Support loans for SMEs (for renewal of loans)”

Total amounts as of Mar 31, 09: **¥1,681mn/164 cases**

- “Emergency guarantee” system started.

Total amounts as of Mar 31, 09: **¥3,372mn/280 cases**

◆ Original products

- “Emergency support loans” (available to use of CGA)

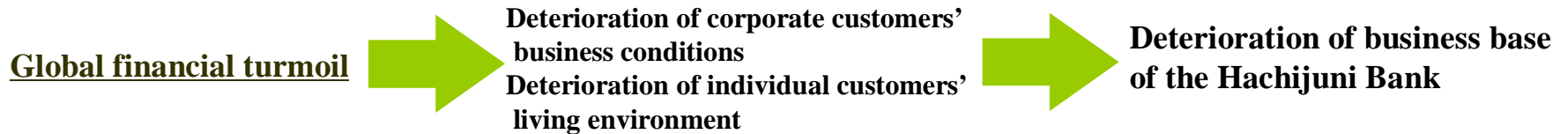
Total amounts as of Mar 31, 09: **¥4,086mn/218 cases**

(Loans guaranteed by CGA: **¥3,929mn/207 cases**)

The 28th Long-Term Management Plan

Correspondence to the Changes in Economic Environment

Changes in surrounding conditions



The Hachijuni Bank's mission and correspondence

Protection to support local customers by investing management resources to the maximum



The Hachijuni Bank accelerated schedule for one year and revised the Long-Term Management Plan

◆ **The 28th Long-Term Management Plan** (3 years: from Apr 1, 2009 to Mar 31, 2012)

Plan's theme : "Act for customers, Start from scratch"

Take actions by making maximum use of group's financial strength and human resources

Actions for customers

Actions reforming the Hachijuni Bank group

Actions for Customers①

Focus 1: Support to local companies by making full use of the Hachijuni Bank group's resources

- ◆ Reinforcement of support for improving the management and business of corporate customers
- ◆ Increase of clients by through business promotion cover all clients

Loan Strategy Meeting (Committee)

- ◆ This Meeting decides loan strategy to react the changes of surroundings quickly.
 - In Nagano: Reinforce rehabilitation support for corporate customers
 - Outside Nagano: Review of loan portfolio

Support to SME's funding efforts

- ◆ Nagano Prefecture introduced Emergency Loan system by the Hachijuni Bank's advice.
 - Apr 08: "Assist loans for management soundness (against the price hike of fuel and materials)"
 - Oct 08: "Support loans to SMEs (short-term emergency loans)"
 - Feb 09: "Support loans to SMEs (for renewal of loans)"
- ◆ Original products
 - "Emergency Support Loans" (available to use of credit guarantee)

In case of using credit guarantee, The Hachijuni Bank **reduced loan rate by 0.5%** (reduction amount is equal to guarantee fee).

Reinforcement of business support to corporate customers

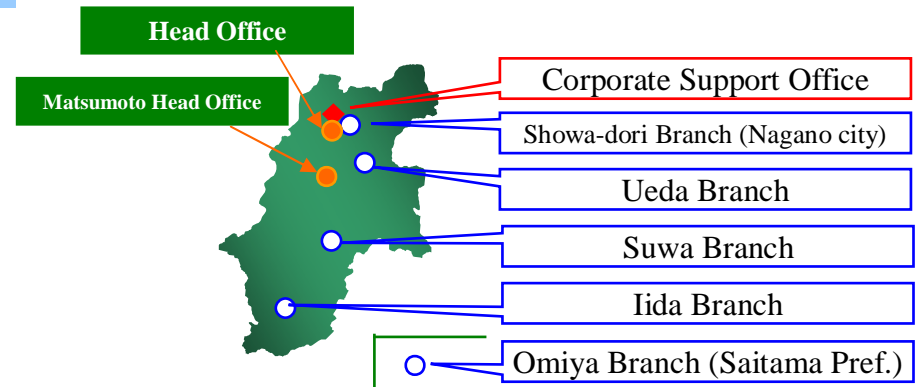
- ◆ Support to 'mono-zukuri' (making goods by the technical experts and the engineers), innovation of management, business matching etc.
 - Number of tackling cases in next 3 years: **3,300 or more**

230 territories



Reinforcement of support to restructuring

- ◆ Increase of staff in Corporate Support Office
- ◆ Allocation of special teams supporting corporate customers in major branches (see lower illustration)
 - Strengthen support and accelerate speed of supporting
 - NPL ratio for Mar 2012: **below 5.0%** (cf. Mar 31, 09: 4.70%)



Reinforcement of relations by expanding business visits

- ◆ The Hachijuni Bank realized business talk with all clients in Nagano. (230 territories)
 - Jun 08~Sep 08: "Business promotion activities campaign"
 - Dec 08~Feb 09: General Managers have visited all corporate clients: **20,000 clients**
- ◆ Target figure of corporate clients (loan clients) by Mar 2012: **26,000 or more** (cf. Mar 09: 25,300)

Actions for Customers②

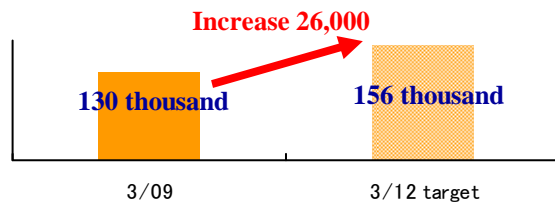
Focus 2: Realize a bank to walk with customers all their lives

- ◆ Creation of individual customers who makes the Hachijuni Bank main (Main Individual Customers :MICs) through expansion of transaction bases
- ◆ Enhancement of consulting and aftercare

Creation of MICs through expansion of transaction bases

- ◆ Promotion of compound transactions based on
 1. “payroll-credit services”
 2. “pension receiving services”
- Target figure of MICs by Mar 2012: increase 26,000 or more (cf. Mar 09: about 130,000)

Establishment of the base for “lifelong transaction” by enclosing both services



MICs 1: payroll-credit services + $\alpha \Rightarrow$ increase by 16,000

~Number of payroll-credit services users in Nagano: 580,000~

- Potential core customers: MICs 1 will grow to be main customer groups in loan and asset management businesses in the future.
- Non face-to-face channel: Improvement of convenience with internet banking
<Number of internet banking contractors: top level in regional banks>
- Increase of profit: The profitability of MICs 1 was 3.5 times in comparison with that of customers using only payroll-credit services.

MICs 2: pension receiving services + $\alpha \Rightarrow$ increase by 10,000

~Number of pension receivers in Nagano: 210,000~

- Lifelong transaction: MICs 1 will become to MICs 2 in the future.
- Middle-aged group: Core customers in asset management, succession to next generation
- Increase of profit: The profitability of MICs 2 was 5.4 times in comparison with that of customers using only pension receiving services.

Enhancement of consulting and aftercare

- ◆ “Charge of clients” system was introduced into entire offices in Apr 09.
 - 1 counter staff/1 client-relations staff is in charge of 350 clients. (Number of all clients: 130,000)
 - Sales promotion and aftercare by face-to-face
 - Establishment of long-lasting relationships with customers
- ◆ Counseling for troubled loan borrowers was strengthened from Apr 09.
 - Positive use of footholds specialized in personal banking (open holiday)
 - Counseling by special team was reinforced.

Expansion of footholds specialized in personal banking in whole areas of Nagano Prefecture



- ◆ Plaza-type branches: 12
- ◆ Branches focused on personal banking: 13



Actions Reforming the Hachijuni Bank Group

Focus 3: Perform business operations correctly and speedy

- ◆ Improvement of the quality of operations by clerical work reform, loan operations reform
- ◆ Fixation of “Area-unit branch network”
- ◆ Well-controlled investments and reduction of non-personnel expenses

Clerical work reform	Loan operations reform	Area-unit branch network
<p>➤ New structure focused on image processing</p> <p> «Paper-less» «Operation-less»</p> <ul style="list-style-type: none"> ● About 200 staff's duties in back office operations will be reduced. (The quantity of back office operations was equivalent to 900 staff's duties) ● Shift staff to the counter and promotion 	<p>➤ “New Loan Assist System”</p> <ul style="list-style-type: none"> ● Scheduled to start in next year ● Speedup of examination by electric circular system ● Strengthen credit control ● Loan operations will be reduced <u>about 30%</u> 	<p>➤ Nagano and Niigata were divided to 25 areas.</p> <ul style="list-style-type: none"> ● Area-unit branch network <p style="margin-left: 20px;">Branches specialized in corporate banking: 12 Branches specialized in personal banking: 13 82 plazas: 6</p> <p>-----</p> <p style="margin-left: 20px;">Branches providing full banking: 23 Branches providing both corporate and personal banking at counter: 13</p>

Focus 4: Every one acts lively and contributes to local society

- ◆ Fixation of compliance awareness
- ◆ Implementation of “Tackling role” system and evaluation of its progress
- ◆ Implementation of skill extension programs according to each course

Amendment of personnel evaluation system	Expansion of long-term training plan
<p>➤ “<u>Tackling role</u>” system started in Apr 09.</p> <p>Every staff's role was designated under management philosophy and long-term management plan, and it's progress was evaluated.</p>	<p>➤ “<u>Skill extension programs (4 courses)</u>” will start in Oct 09 for reinforcement of staff's specialty.</p> <p><4 courses: clerical work, personal, corporate, compound></p> <p>New “growth support dictionary” makes staff's skill clearly.</p>

【Every staff can perform each one's role from the perspective of Bank's future growth】

【Development of strategic measures according to the progress of staff's skill】

Target Figures for the end of FY2011

◆ Enhancement of solidity in business base by confirming soundness target and action target

➤ **Tier 1 risk adjusted capital ratio (non-consolidated)** **maintain 11% or more**

➤ **Number of loan clients with business fund** **above 26,000**
(Nagano, Niigata and Nakatsugawa)

➤ **Number of cases supporting to restructuring business** **above 3,300**
and strengthening of management base by companies
 ※Support to mono-zukuri, innovation of management, local resources,
 business matching, business succession, medical industry etc.

➤ **Nonperforming loans ratio** **below 5.0%**

➤ **Number of Main Individual Customers (MICs)** **increase by 26,000**
or more
 MICs 1 (payroll-credit services + accumulated-type products + internet banking)
 and
 MICs 2 (pension receiving services + ¥1mn or more of personal assets deposited with Bank)

※Accumulated-type products: accumulated yen deposit, accumulated investment trusts

※Personal assets: yen time deposits, investment trusts, public bonds, foreign currency deposits

This report includes the descriptions relating to the future business performance but these descriptions would not assure the future business results. Please note that the actual business results will be substantially changed due to variable economic conditions.

<for inquiry>

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