

ANNUAL FINANCIAL DATA
FOR THE FISCAL YEAR ENDED
MARCH 31, 2013

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, 2013 (A)		FY ended March 31, 2012 (B)
		Inc/Dec (A-B)	
Gross business profit	95,942	(1,023)	96,966
Profit on interest	79,647	(1,859)	81,507
Profit on fees and commissions	10,076	125	9,950
Trading profit	242	(222)	465
Profit from other business transactions	5,976	934	5,042
Gains (losses) related to bonds	5,496	1,220	4,275
General & administrative expenses	58,677	(1,387)	60,064
Personnel expenses	29,973	(403)	30,377
Non personnel expenses	26,126	(978)	27,104
Core net business profit (Note)	31,768	(856)	32,625
Actual net business profit (Note)	37,265	364	36,901
Transfer to general reserve for possible loan losses (Note)	—	3,226	(3,226)
Net business profit (Note)	37,265	(2,862)	40,127

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

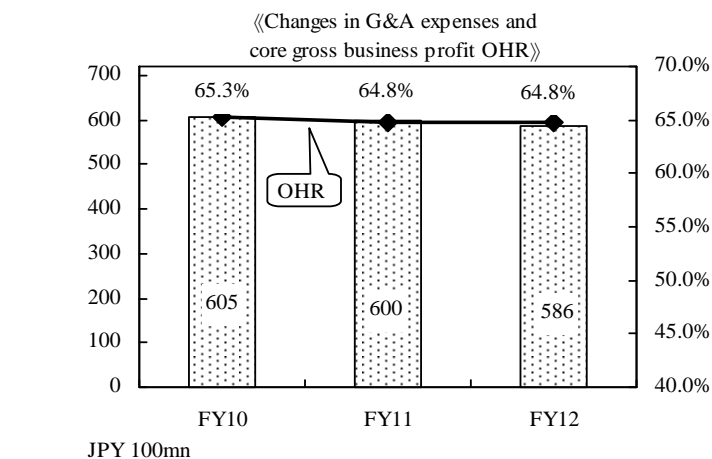
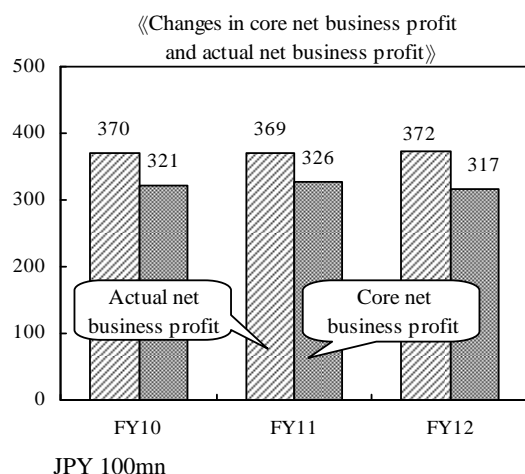
Core net business profit = gross business profit - G&A expenses - gains (losses) related to bonds

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 FY2012, reversal of general reserve for possible loan losses (¥2.7 billion) exceeded transfer to specific reserve (¥2.5 billion) so the difference of ¥0.2 billion was included in reversal of allowance for loan losses classified in temporary profit (loss) according to the accounting standards.

- (a) Gross business profit decreased by ¥1.0 billion from the previous fiscal year to ¥95.9 billion.
- Profit on interest decreased by ¥1.8 billion to ¥79.6 billion mainly due to a decline in interest margin, reflecting the decline in interest rates though the average balance of loans increased.
 - Profit on fees and commissions increased by ¥0.1 billion to ¥10.0 billion because the sales of investment type products increased in the latter half of the current fiscal year.
 - Gains (losses) related to bonds increased by ¥1.2 billion to ¥5.4 billion due to an increase in sales profit of bonds.
- (b) General and administrative expenses decreased by ¥1.3 billion from the previous fiscal year to ¥58.6 billion due to decreases in both personnel expenses and non personnel expenses.
- (c) Core net business profit decreased by ¥0.8 billion from the previous fiscal year to ¥31.7 billion.
Actual net business profit increased by ¥0.3 billion from the previous fiscal year to ¥37.2 billion, owing to the increase in gains related to bonds.
Net business profit decreased by ¥2.8 billion from the previous fiscal year to ¥37.2 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 ¥2.7 billion reversal mainly due to the decline in the outstanding balances of loans to be covered by the reserve (as for transfer to general reserve for possible loan losses, please refer to the above mentioned note 2).



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

B. Operating profit

(Units: 1million yen)

	FY ended March 31, 2013 (A)		FY ended March 31, 2012 (B)
		Inc/Dec (A-B)	
Temporary profit (loss)	(3,749)	7,927	(11,676)
Reversal of allowance for loan losses	259	259	—
Net gains (losses) related to equity securities	(516)	428	(944)
Profit (loss) on money held in trust	(1,716)	(1,610)	(106)
Disposal of nonperforming loans	809	(10,377)	11,187
Operating profit	33,476	5,051	28,424

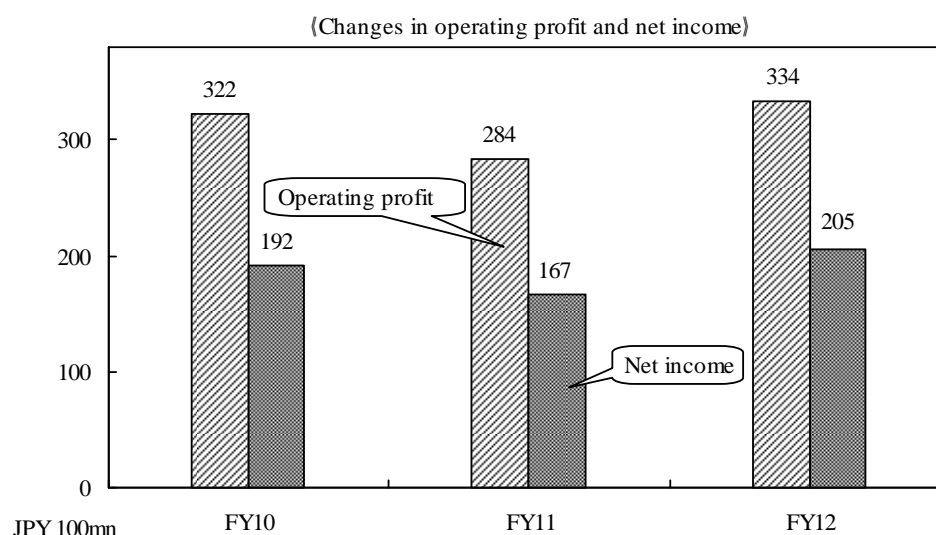
- (a) Despite the deterioration in profit (loss) on money held in trust, temporary profit (loss) markedly improved by ¥7.9 billion from the previous fiscal year to a negative ¥3.7 billion because of the substantial decrease in disposal of nonperforming loans.
- (b) Disposal of nonperforming loans decreased by ¥10.3 billion from the previous fiscal year to ¥0.8 billion due to the decrease in transfer to specific reserve. (Please refer to the above mentioned note 2.)
- (c) Operating profit increased by ¥5.0 billion from the previous fiscal year to ¥33.4 billion as temporary profit (loss) improved though net business profit decreased.

C. Current net income

(Units: 1million yen)

	FY ended March 31, 2013 (A)		FY ended March 31, 2012 (B)
		Inc/Dec (A-B)	
Extraordinary gains (losses)	(578)	(267)	(310)
Income before income taxes	32,897	4,783	28,113
Income taxes-current	9,496	913	8,583
Income taxes-deferred	2,854	68	2,785
Net income (loss)	20,546	3,801	16,744

Extraordinary gains (losses) deteriorated by ¥0.2 billion from the previous fiscal year to a negative ¥0.5 billion. As a result, net income for the current fiscal year was ¥20.5 billion, up ¥3.8 billion from the previous fiscal year.



(Reference)

1. Credit related expenses

(Units: 1million yen)

	FY ended March 31, 2013 (A)		FY ended March 31, 2012 (B)
		Inc/Dec (A-B)	
Transfer to general reserve (a)	—	3,226	(3,226)
Disposal of nonperforming loans (b)	809	(10,377)	11,187
Reversal of allowance for loan losses (c)	259	259	—
Reversal of general reserve	2,774	2,774	—
Transfer to specific reserve	2,514	2,514	—
Recoveries of written-off claims (d)	24	(400)	424
Credit related expenses (a)+(b)-(c)-(d)	524	(7,010)	7,535

2. In FY2012, reversal of general reserve for possible loan losses (¥2.7 billion) exceeded transfer to specific reserve (¥2.5 billion) so the difference of ¥0.2 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, 2013 (A)		FY ended March 31, 2012 (B)
		Inc/Dec (A-B)	
Transfer to general reserve (a)	(2,774)	452	(3,226)
Disposal of nonperforming loans (b)	3,324	(7,863)	11,187
Transfer to specific reserve	2,514	(8,163)	10,677
Recoveries of written-off claims (d)	24	(400)	424
Total (a)+(b)-(d)	524	(7,010)	7,535

(2) Major accounts (Non-consolidated)

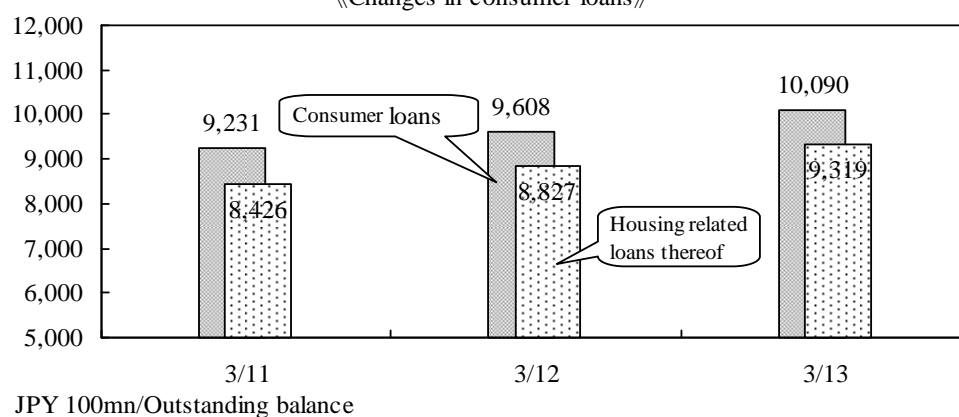
A. Loans

(Units: 100 million yen)

	FY ended March 31, 2013 (A)		First half year ended Sept. 30, 2012 (B)	FY ended March 31, 2012 (C)
		Inc/Dec (A-B)		
For all offices (outstanding balance as of the end of the period)	43,699	1,108	42,590	42,341
Loans to general corporations	28,400	348	28,051	28,043
Loans to consumers	10,090	296	9,794	9,608
For all offices (average balance of the period)	42,936	336	42,600	41,954
Loans to general corporations	28,364	178	28,185	28,309
Loans to consumers	9,788	126	9,661	9,357

- (a) The outstanding balance increased by ¥135.7 billion, or 3.2% from the previous fiscal year to ¥4,369.9 billion due to increases in loans to consumers, to general corporations, and to local public bodies.
- (b) The average balance was ¥4,293.6 billion, up ¥98.2 billion, or 2.3% from the previous fiscal year.

《Changes in consumer loans》



B. Securities

(Units: 100 million yen)

	FY ended March 31, 2013 (A)		First half year ended Sept. 30, 2012 (B)	FY ended March 31, 2012 (C)
		Inc/Dec (A-B)		
For all offices (outstanding balance as of the end of the period)	22,656	2,207	20,449	19,901
Bonds thereof	16,287	923	15,364	14,601
JGB thereof	12,928	1,273	11,654	11,066
Stocks thereof	2,348	641	1,706	1,974
For all offices (average balance of the period)	19,595	574	19,020	17,466
Bonds thereof	14,885	405	14,480	13,370
JGB thereof	11,420	473	10,946	10,143
Stocks thereof	1,180	(1)	1,182	1,169

- (a) The outstanding balance increased by ¥275.4 billion, or 13.8% from the previous fiscal year to ¥2,265.6 billion due mainly to an increase in bonds such as JGBs.
- (b) The average balance increased by ¥212.8 billion, or 12.1% from the previous fiscal year to ¥1,959.5 billion.

C. Deposits

(Units: 100 million yen)

	FY ended March 31, 2013 (A)		First half year ended Sept. 30, 2012 (B)	FY ended March 31, 2012 (C)
		Inc/Dec (A-B)		
For all offices (outstanding balance as of the end of the period)	58,233	1,335	1,533	56,898
Individuals thereof	40,445	481	794	39,964
Corporations thereof	13,081	93	573	12,988
For all offices (average balance of the period)	57,119	(25)	763	57,144
Individuals thereof	40,107	224	832	39,883
Corporations thereof	12,752	(70)	188	12,823

- (a) The outstanding balance increased by ¥153.3 billion, or 2.7% from the previous fiscal year to ¥5,823.3 billion due to increases in deposits from individual customers and from corporate customers.
- (b) The average balance increased by ¥76.3 billion, or 1.3% from the previous fiscal year to ¥5,711.9 billion.

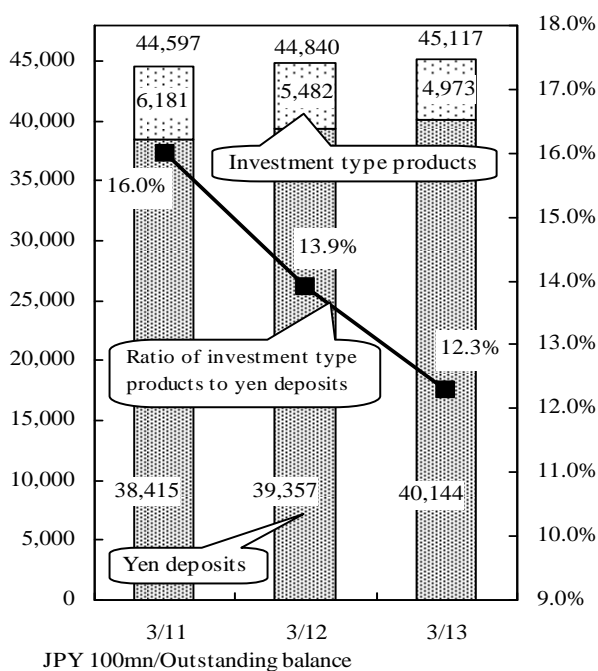
D. Personal financial assets deposited (outstanding balance)

(Units: 100 million yen)

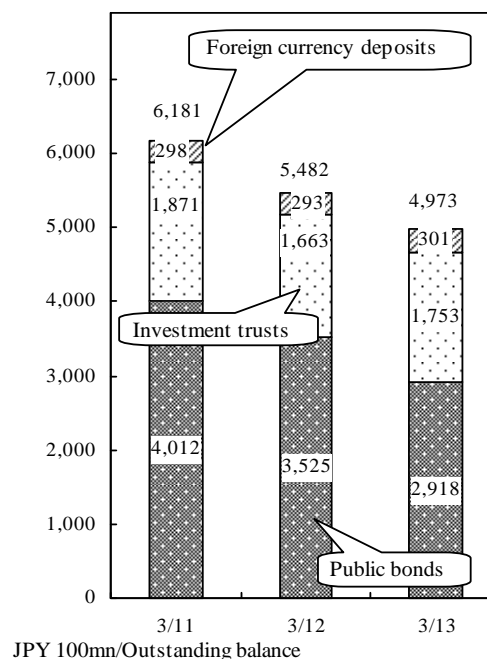
	As of March 31, 2013 (A)		As of Sept. 30, 2012 (B)	As of March 31, 2012 (C)
		Inc/Dec (A-B)		
Yen deposits	40,144	447	786	39,696
Foreign currency deposits	301	33	7	267
Investment trusts	1,753	250	90	1,503
Public bonds (Government bonds, and other bonds)	2,918	(318)	(607)	3,236
Total	45,117	413	277	44,703

The outstanding balance increased ¥27.7 billion, or 0.6% from the previous fiscal year to ¥4,511.7 billion due to an increase in yen deposits despite a decrease in public bonds.

《Changes in personal financial assets deposited》



《Changes in investment type products》



(3) Capital ratio (Basel 3 standards) (consolidated) (non-consolidated)

		As of Mar 31, 2013	
		Consolidated	Non-consolidated
Total capital ratio	①/④	17.88%	17.15%
Tier1 capital ratio	②/④	14.97%	14.26%
Common Equity Tier1 capital ratio	③/④	14.78%	14.26%

(Units: 100 million yen)

Total capital	①	5,241	4,860
Tier1 capital	②	4,387	4,041
Common Equity Tier1 capital	③	4,334	4,041
Risk weighted assets	④	29,307	28,328

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

Note 2: As a bank subject to international standards, the above capital ratios were calculated by new Basel 3 standards in the end of the current fiscal year (Mar 31, 2013).

(Reference) Risk adjusted capital ratio as of Mar 31, 2012

		As of Mar 31, 2012	
		Consolidated	Non-consolidated
Risk adjusted capital ratio (BIS standards)	④/⑤	16.84%	16.24%
Tier1 ratio	①/⑤	15.12%	14.46%

(Units: 100 million yen)

Tier1	①	4,228	3,926
Tier2	②	539	511
Deduction	③	58	28
Risk adjusted capital	④=①+②-③	4,709	4,409
Risk assets	⑤	27,958	27,137

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

(Units: 100 million yen)

	As of March 31, 2013 (A)			
	Valuation gains (losses)		Valuation gains	Valuation losses
		Change from March 31, 2012		
Securities held to maturity	—	—	—	—
Other securities	2,062	936	2,082	19
Equity securities	1,229	431	1,238	9
Bonds	700	375	701	0
Others	131	129	141	9

Valuation gains on other securities increased by ¥93.6 billion from the end of FY2011 (March 31, 2012) to ¥206.2 billion.

(Reference) Nikkei stock average

Mar. 29, 2013: ¥12,397

Mar. 30, 2012: ¥10,083

(5) Status of Assets (Non-consolidated)

Disclosure of loans based on the Financial Revitalization Law

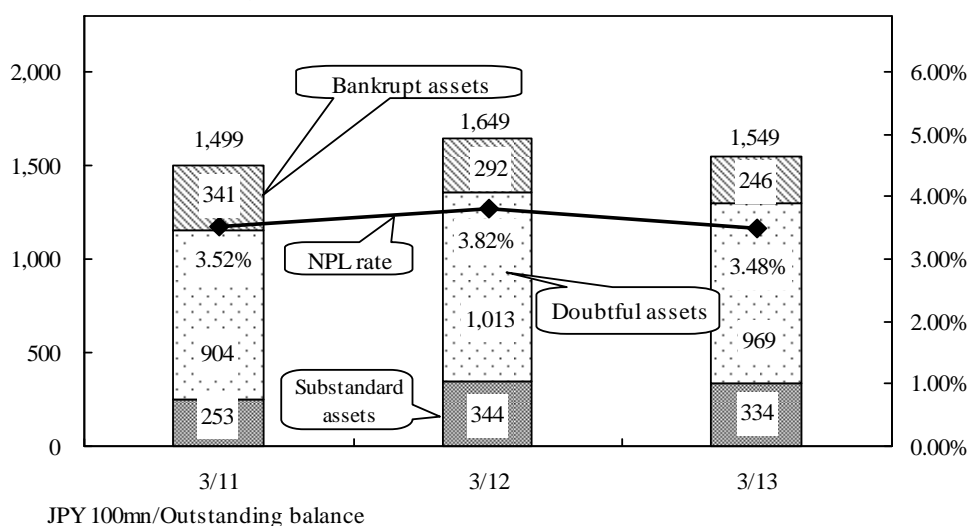
(Units: 100 million yen, %)

	As of March 31, 2013 (A)			As of Sept. 30, 2012 (B)	As of March 31, 2012 (C)
		Inc/Dec (A-B)	Inc/Dec (A-C)		
Bankrupt and quasi-bankrupt assets	246	(1)	(46)	248	292
Doubtful assets	969	(50)	(43)	1,019	1,013
Substandard assets	334	16	(10)	317	344
Total	1,549	(35)	(99)	1,585	1,649
As a percentage of total credits	3.48	△ 0.17	△ 0.34	3.65	3.82

Coverage ratio	74.0	△ 0.2	△ 1.4	74.2	75.4
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Disclosed loans based on the Financial Revitalization Law decreased by ¥9.9 billion from the end of FY2011 (March 31, 2012) to ¥154.9 billion.

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



2. Earning projections for the fiscal year ending March 31, 2014

(Non-consolidated)

(Units: 100 million yen)

	Projection for half year ending 2013/9/30	Projection for FY ending 2014/3/31(A)		Results for FY ended 2013/3/31 (B)
			(A-B)	
Gross business profit	468	910	(49)	959
Profit on interest	377	746	(50)	796
Profit on fees and commissions	56	112	12	100
Trading profit	3	6	4	2
Profit from other business transactions	31	44	(15)	59
(Gains (losses) related to bonds (JGB etc.)) (a)	25	30	(24)	54
General and administrative expenses	305	599	13	586
(Personnel expenses)	150	298	(1)	299
(Non-personnel expense)	138	274	13	261
Core net business profit	140	280	(37)	317
Actual net business profit	165	310	(62)	372
Transfer to general reserve for possible loan losses (b)	4	5	5	—
Net business profit	160	305	(67)	372
Net gains (losses) related to equity securities (c)	1	2	7	(5)
Disposal of nonperforming loans (d)	17	30	22	8
Reversal of allowance for loan losses (e)	—	—	(2)	2
Recoveries of written-off claims (f)	0	0	0	0
Operating profit	160	300	(34)	334
Net income	100	190	(15)	205
Credit related expenses (b)+(d)-(e)-(f)	21	36	31	5
Profit(losses) related to securities (a)+(c)	26	32	(17)	49

(Consolidated)

(Units: 100 million yen)

	Projection for half year ending 2013/9/30	Projection for FY ending 2014/3/31(A)		Results for FY ended 2013/3/31 (B)
			(A-B)	
Operating profit	180	340	(58)	398
Net income	105	200	(21)	221

* 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.