

ANNUAL FINANCIAL DATA
FOR THE FISCAL YEAR ENDED
MARCH 31, 2014

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, 2014 (A)		FY ended March 31, 2013 (B)
		Inc/Dec (A-B)	
Gross business profit	98,172	2,230	95,942
Profit on interest	80,673	1,026	79,647
Profit on fees and commissions	10,376	300	10,076
Trading profit	226	(15)	242
Profit from other business transactions	6,895	919	5,976
Gains (losses) related to bonds	6,406	909	5,496
General & administrative expenses	58,755	78	58,677
Personnel expenses	29,795	(178)	29,973
Non personnel expenses	26,413	287	26,126
Core net business profit (Note)	33,010	1,242	31,768
Actual net business profit (Note)	39,417	2,151	37,265
Transfer to general reserve for possible loan losses (Note)	(5,928)	(5,928)	—
Net business profit (Note)	45,345	8,080	37,265

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

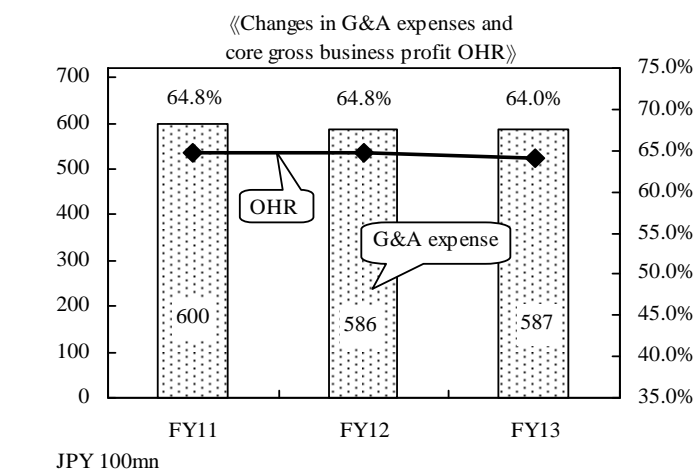
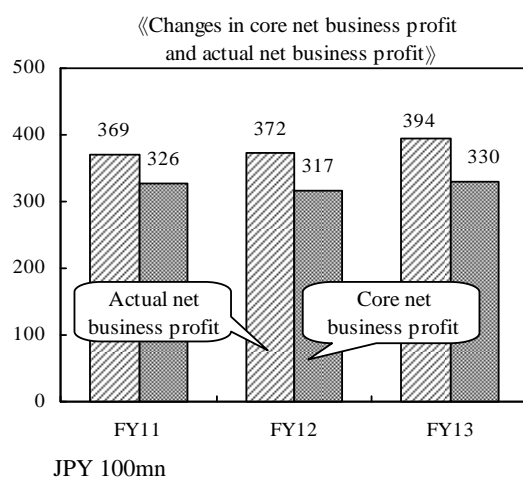
Core net business profit = gross business profit - G&A expenses - gains (losses) related to bonds

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 exceeded transfer to specific reserve so the difference was included in reversal of allowance for loan losses classified in temporary profit (loss) according to the accounting standards.

- (a) Gross business profit increased by ¥2.2 billion from the previous fiscal year to ¥98.1 billion.
- Profit on interest increased by ¥1.0 billion to ¥80.6 billion due to an increase in interest and dividends on securities despite a decrease in interest income of loans on the back of the decline in yield on loans.
 - Profit on fees and commissions increased by ¥0.3 billion to ¥10.3 billion owing to increases in handling fees of investment trusts and securities intermediary services fees.
 - Gains (losses) related to bonds increased by ¥0.9 billion to ¥6.4 due mainly to an increase in profit on sales of bonds.
- (b) General and administrative expenses was ¥58.7 billion, the same level as the previous fiscal year.
- (c) Core net business profit increased by ¥1.2 billion from the previous fiscal year to ¥33.0 billion.
Actual net business profit increased by ¥2.1 billion to ¥39.4 billion due to the increase in gains (losses) related to bonds.
Net business profit increased by ¥8.0 to ¥45.3 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 ¥5.9 billion reversal due to the decline in the amount of unsecured portion of loans.



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

B. Operating profit

(Units: 1million yen)

	FY ended March 31, 2014 (A)		FY ended March 31, 2013 (B)
		Inc/Dec (A-B)	
Temporary profit (loss)	(4,783)	(1,034)	(3,749)
Reversal of allowance for loan losses	—	(259)	259
Net gains (losses) related to equity securities	1,813	2,329	(516)
Profit (loss) on money held in trust	(259)	1,457	(1,716)
Disposal of nonperforming loans	6,767	5,957	809
Operating profit	40,481	7,005	33,476

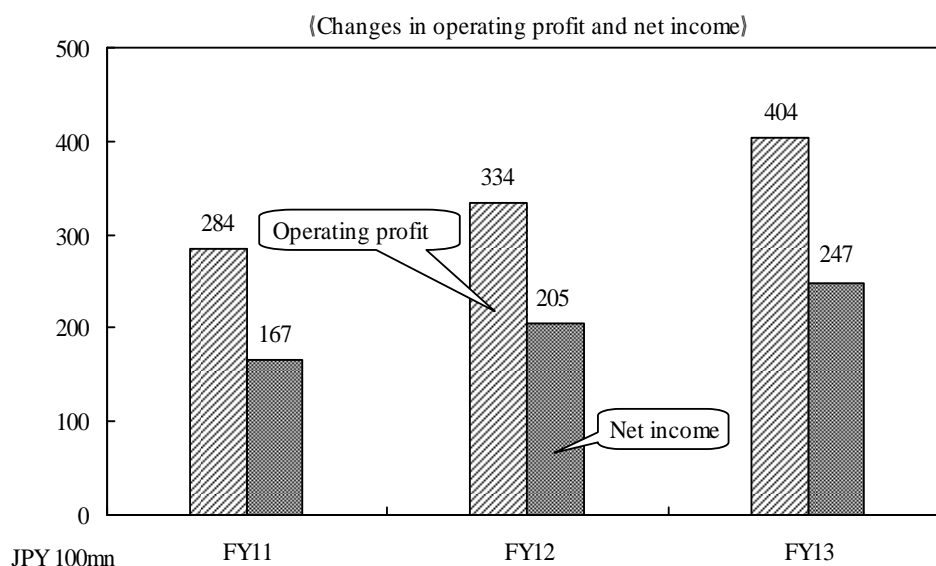
- (a) Temporary profit (loss) deteriorated by ¥1.0 billion from the previous fiscal year to a negative ¥4.7 billion due to an increase in disposal of nonperforming loans, despite improvements in net gains (losses) related to equity securities and in profit (loss) on money held in trust.
- (b) Disposal of nonperforming loans increased by ¥5.9 billion from the previous fiscal year to ¥6.7 billion.
- (c) Operating profit increased by ¥7.0 billion from the previous fiscal year to ¥40.4 billion due to the increase in net business profit despite the deterioration in temporary profit.

C. Current net income

(Units: 1million yen)

	FY ended March 31, 2014 (A)		FY ended March 31, 2013 (B)
		Inc/Dec (A-B)	
Extraordinary gains (losses)	(311)	267	(578)
Income before income taxes	40,170	7,273	32,897
Income taxes—current	11,875	2,378	9,496
Income taxes—deferred	3,581	727	2,854
Net income (loss)	24,713	4,167	20,546

- (a) Extraordinary gains (losses) improved by ¥0.2 billion from the previous fiscal year to a negative ¥0.3 billion.
- (b) As a result, net income for the current fiscal year was ¥24.7 billion, up ¥4.1 billion from the previous fiscal year.



(Reference)

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

	FY ended March 31, 2014 (A)		FY ended March 31, 2013 (B)
		Inc/Dec (A-B)	
Transfer to general reserve (a)	(5,928)	(5,928)	—
Disposal of nonperforming loans (b)	6,767	5,957	809
Reversal of allowance for loan losses (c)	—	(259)	259
Recoveries of written-off claims (d)	8	(16)	24
Credit related expenses (a)+(b)-(c)-(d)	830	305	524

Credit related expenses increased by ¥0.3 billion from the previous fiscal year to ¥0.8 billion.

2. In FY2012, reversal of general reserve for possible loan losses exceeded transfer to specific reserve 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, 2014 (A)		FY ended March 31, 2013 (B)
		Inc/Dec (A-B)	
Transfer to general reserve (a)	(5,928)	(3,154)	(2,774)
Disposal of nonperforming loans (b)	6,767	3,443	3,324
Transfer to specific reserve	6,041	3,526	2,514
Recoveries of written-off claims (d)	8	(16)	24
Total (a)+(b)-(d)	830	305	524

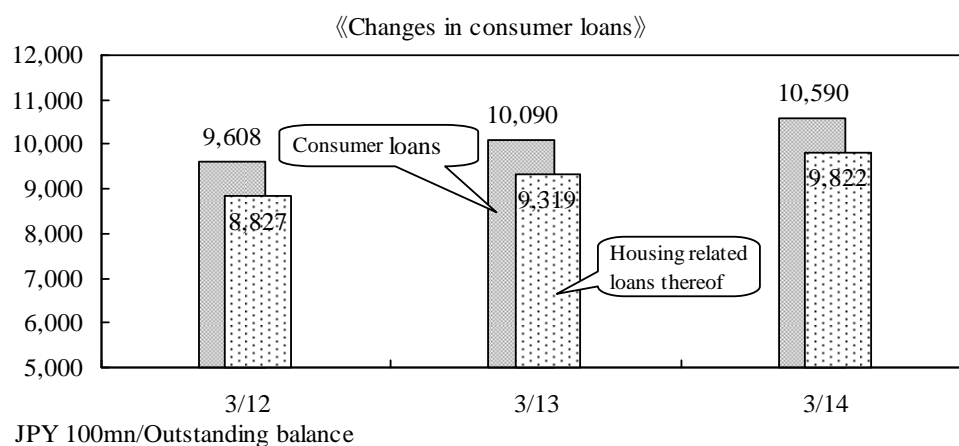
(2) Major accounts (Non-consolidated)

A. Loans

(Units: 100 million yen)

	FY ended March 31, 2014 (A)		First half year ended Sept.30, 2013(B)	FY ended March 31, 2013 (C)	
		Inc/Dec (A-B)			Inc/Dec (A-C)
For all offices (outstanding balance as of the end of the period)	44,424	353	725	44,071	43,699
Loans to general corporations	28,127	(256)	(273)	28,383	28,400
Loans to consumers	10,590	239	499	10,350	10,090
For all offices (average balance of the period)	44,499	301	1,562	44,198	42,936
Loans to general corporations	28,828	163	464	28,665	28,364
Loans to consumers	10,321	126	533	10,195	9,788

- (a) The outstanding balance increased by ¥72.5 billion, or 1.6% from the previous fiscal year to ¥4,442.4 billion due to increases in loans to consumers, to local public entities, despite a decrease in loans to general corporations.
- (b) The average balance increased by ¥156.2 billion, or 3.6% from the previous fiscal year to ¥4,449.9 billion.



B. Securities

(Units: 100 million yen)

	FY ended March 31, 2014 (A)		First half year ended Sept.30, 2013(B)	FY ended March 31, 2013 (C)	
		Inc/Dec (A-B)			Inc/Dec (A-C)
For all offices (outstanding balance as of the end of the period)	23,742	1,935	1,086	21,806	22,656
Bonds thereof	16,194	975	(92)	15,219	16,287
JGB thereof	12,631	826	(296)	11,805	12,928
Stocks thereof	2,601	50	253	2,551	2,348
For all offices (average balance of the period)	20,537	429	942	20,107	19,595
Bonds thereof	15,124	168	238	14,956	14,885
JGB thereof	11,745	114	325	11,631	11,420
Stocks thereof	1,170	22	(10)	1,148	1,180

- (a) The outstanding balance increased by ¥108.6 billion, or 4.7% from the previous fiscal year to ¥2,374.2 billion due to increases in foreign securities and stocks on the back of the stock prices rise.
- (b) The average balance increased by ¥94.2 billion, or 4.8% from the previous fiscal year to ¥2,053.7 billion.

C. Deposits

(Units: 100 million yen)

	FY ended March 31, 2014 (A)		First half year ended Sept.30, 2013(B)	FY ended March 31, 2013 (C)	
		Inc/Dec (A-B)			Inc/Dec (A-C)
For all offices (outstanding balance as of the end of the period)	60,013	1,039	1,779	58,974	58,233
Individuals thereof	41,348	363	902	40,985	40,445
Corporations thereof	13,655	(171)	574	13,827	13,081
For all offices (average balance of the period)	58,851	161	1,732	58,689	57,119
Individuals thereof	41,129	268	1,021	40,860	40,107
Corporations thereof	13,428	121	675	13,306	12,752

- (a) The outstanding balance increased by ¥177.9 billion, or 3.0% from the previous fiscal year to ¥6,001.3 billion due to increases in deposits from individual customers and corporate customers.
- (b) The average balance increased by ¥173.2 billion, or 3.0% from the previous fiscal year to ¥5,885.1 billion.

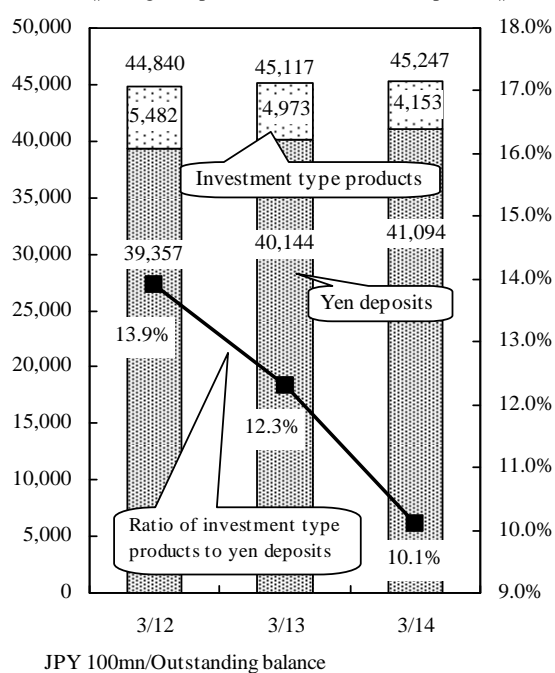
D. Personal financial assets deposited (outstanding balance)

(Units: 100 million yen)

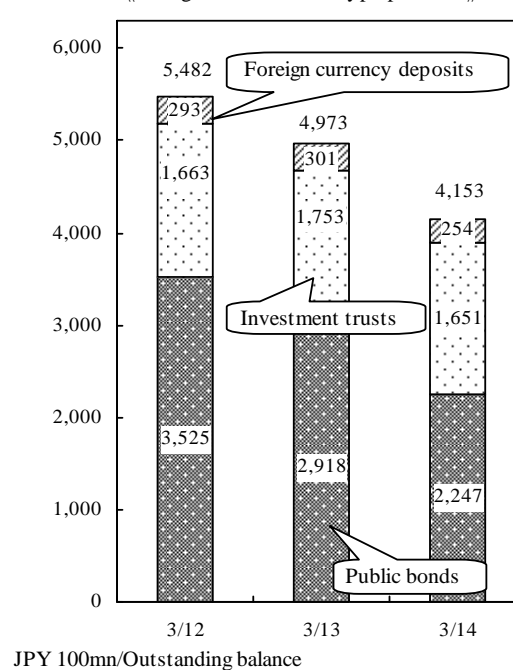
	As of March 31, 2014 (A)		As of Sept. 30, 2013 (B)	As of March 31, 2013 (C)	
		Inc/Dec (A-B)			Inc/Dec (A-C)
Yen deposits	41,094	382	950	40,711	40,144
Foreign currency deposits	254	(19)	(47)	274	301
Investment trusts	1,651	(22)	(101)	1,673	1,753
Public bonds (Government bonds, and other bonds)	2,247	(327)	(671)	2,574	2,918
Total	45,247	13	129	45,234	45,117

The outstanding balance of financial assets deposited increased by ¥12.9 billion, or 0.2% from the previous fiscal year to ¥4,524.7 billion owing to an increase in yen deposits, despite a decrease in public bonds (Government bonds etc.).

《Changes in personal financial assets deposited》



《Changes in investment type products》



(3) Capital ratio (Basel III standards)

<Consolidated>

	As of March 31, 2014 (A)			As of Sept. 30, 2013 (B)	As of March 31, 2013 (C)
	(preliminary)	Inc/Dec (A-B)	Inc/Dec (A-C)		
Total capital ratio (a)/(d)	18.85%	0.41%	0.97%	18.44%	17.88%
Tier1 capital ratio (b)/(d)	16.42%	0.92%	1.45%	15.50%	14.97%
Common Equity Tier1 capital ratio (c)/(d)	16.23%	0.90%	1.45%	15.33%	14.78%

(Units: 100 million yen)

Total capital (a)	5,516	117	274	5,398	5,241
Tier1 capital (b)	4,802	263	415	4,539	4,387
Common Equity Tier1 capital (c)	4,747	258	413	4,489	4,334
Risk weighted assets (d)	29,247	(25)	(60)	29,272	29,307
Required capital	2,339	(2)	(4)	2,341	2,344

<Non-consolidated>

	As of March 31, 2014 (A)			As of Sept. 30, 2013 (B)	As of March 31, 2013 (C)
	(preliminary)	Inc/Dec (A-B)	Inc/Dec (A-C)		
Total capital ratio (a)/(d)	18.02%	0.47%	0.87%	17.55%	17.15%
Tier1 capital ratio (b)/(d)	15.63%	0.97%	1.37%	14.66%	14.26%
Common Equity Tier1 capital ratio (c)/(d)	15.63%	0.97%	1.37%	14.66%	14.26%

(Units: 100 million yen)

Total capital (a)	5,116	130	256	4,986	4,860
Tier1 capital (b)	4,438	273	396	4,164	4,041
Common Equity Tier1 capital (c)	4,438	273	396	4,164	4,041
Risk weighted assets (d)	28,384	(18)	56	28,402	28,328
Required capital	2,270	(1)	4	2,272	2,266

Note 1: In the above Risk weighted assets calculation, credit risk assets was based on The Foundation Internal Ratings-Based Approach and operational risk amount was based on The Standardized Approach.

Note 2: Required capital was 8% of Risk weighted assets.

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

	As of March 31, 2014 (A)			
	Valuation gains (losses)		Valuation gains	Valuation losses
		Change from March 31, 2013		
Securities held to maturity	—	—	—	—
Other securities	2,107	45	2,130	23
Equity securities	1,472	242	1,477	5
Bonds	575	(124)	576	1
Others	59	(72)	75	16

Valuation gains on other securities increased by ¥4.5 billion from the end of FY2012 (March 31, 2013) to ¥210.7 billion.

(Reference) Nikkei stock average

Mar. 29, 2013: ¥12,397

Mar. 31, 2014: ¥14,827

(5) Status of Assets (Non-consolidated)

Disclosure of loans based on the Financial Revitalization Law

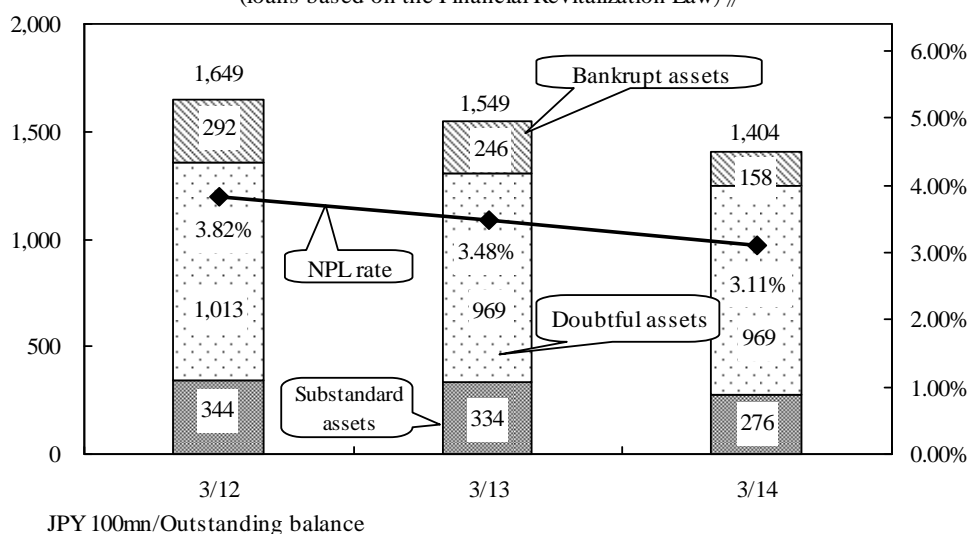
(Units: 100 million yen, %)

	As of March 31, 2014 (A)			As of Sept. 30, 2013 (B)	As of March 31, 2013 (C)
		Inc/Dec (A-B)	Inc/Dec (A-C)		
Bankrupt and quasi-bankrupt assets	158	(22)	(87)	180	246
Doubtful assets	969	(1)	0	970	969
Substandard assets	276	(1)	(57)	277	334
Total	1,404	(24)	(145)	1,429	1,549
As a percentage of total credits	3.11	(0.08)	(0.37)	3.19	3.48

Coverage ratio	73.4	0.4	(0.6)	73.0	74.0
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Disclosed loans based on the Financial Revitalization Law decreased by ¥14.5 billion from the end of FY2012 (March 31, 2013) to ¥140.4 billion.

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



2. Earning projections for the fiscal year ending March 31, 2015

(Non-consolidated)

(Units: 100 million yen)

	Projection for half year ending 2014/9/30	Projection for FY ending 2015/3/31(A)	(A-B)	Results for FY ended 2014/3/31 (B)
Gross business profit	442	881	(100)	981
Profit on interest	353	701	(105)	806
Profit on fees and commissions	50	100	(3)	103
Trading profit	3	6	4	2
Profit from other business transactions	35	72	4	68
(Gains (losses) related to bonds (JGB etc.)) (a)	29	59	(5)	64
General and administrative expenses	307	601	14	587
(Personnel expenses)	150	296	(1)	297
(Non-personnel expense)	137	273	9	264
Core net business profit	105	220	(110)	330
Actual net business profit	135	280	(114)	394
Transfer to general reserve for possible loan losses (b)	—	—	59	(59)
Net business profit	135	280	(173)	453
Net gains (losses) related to equity securities (c)	20	30	12	18
Disposal of nonperforming loans (d)	2	4	(63)	67
Reversal of allowance for loan losses (e)	7	6	6	—
Recoveries of written-off claims (f)	0	0	0	0
Operating profit	170	320	(84)	404
Net income	110	210	(37)	247
Credit related expenses (b)+(d)-(e)-(f)	(5)	(2)	(10)	8
Profit(losses) related to securities (a)+(c)	49	89	7	82

(Consolidated)

(Units: 100 million yen)

	Projection for half year ending 2014/9/30	Projection for FY ending 2015/3/31(A)	(A-B)	Results for FY ended 2014/3/31 (B)
Operating profit	195	370	(93)	463
Net income	115	225	(40)	265

* 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.