

INTERIM FINANCIAL DATA  
FOR THE SIX MONTHS ENDED  
SEPTEMBER 30, 2011

The Hachijuni Bank, Ltd.

## FINANCIAL REVIEW (The first half fiscal year ended September 30, 2011)

## 1. Summary (Non-consolidated)

## (1) Breakdown of income

## A. Net business profit

(Units: 1million yen)

	First half of FY 2011 (A)		First half of FY 2010 (B)
		Inc/Dec (A-B)	
Gross business profit	49,435	(497)	49,933
Profit on interest	40,597	(697)	41,295
Profit on fees and commissions	5,063	(154)	5,218
Trading profit	243	41	201
Profit from other business transactions	3,530	313	3,217
Gains (losses) related to bonds	3,080	(434)	3,515
General & administrative expenses	30,465	(102)	30,568
Personnel expenses	15,272	67	15,205
Non personnel expenses	13,537	(204)	13,742
Core net business profit (Note)	15,889	39	15,849
Actual net business profit (Note)	18,969	(395)	19,364
Transfer to general reserve for possible loan losses (Note)	—	3,971	(3,971)
Net business profit (Note)	18,969	(4,366)	23,336

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

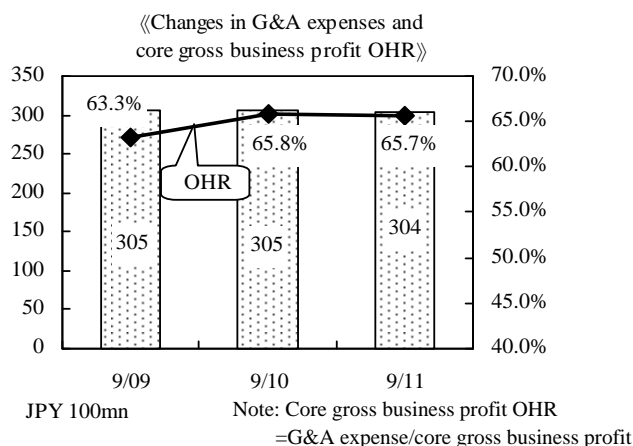
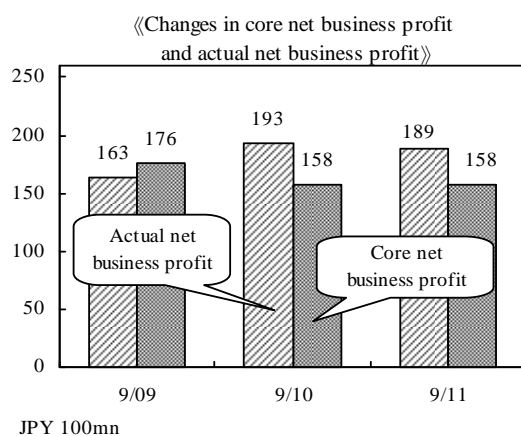
Core net business profit = gross business profit - G&amp;A expenses - gains (losses) related to bonds

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

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

2. In the first half of FY2011, reversal of transfer to general reserve for possible loan losses (¥5.0 billion) exceeded transfer to specific reserve (¥1.8 billion) so the difference of ¥3.2 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 ¥0.4 billion from the same period a year earlier to ¥49.4 billion.
- Profit on interest decreased by ¥0.6 billion to ¥40.5 billion mainly due to a decline in interest margin, reflecting the decline in interest rates.
  - Profit on fees and commissions decreased by ¥0.1 billion to ¥5.0 billion because fees and commissions payments increased while total fees and commissions increased.
  - Gains (losses) related to bonds decreased by ¥0.4 billion to ¥3.0 billion due to a decrease in profit on sales of bonds.
- (b) General and administrative expenses decreased ¥0.1 billion from the same period a year earlier to ¥30.4 billion as an increase in personnel expenses were offset by a decrease in non personnel expenses.
- (c) Core net business profit was ¥15.8 billion, more or less unchanged from the same period a year earlier. Actual net business profit decreased by ¥0.3 billion from the same period a year earlier to ¥18.9 billion, owing to a decrease in gains (losses) related to bonds. Net business profit decreased by ¥4.3 billion from the same period a year earlier to ¥18.9 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 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).



## B. Operating profit

(Units: 1million yen)

	First half of FY 2011 (A)		First half of FY 2010 (B)
		Inc/Dec (A-B)	
Temporary profit (loss)	2,633	10,566	(7,933)
Reversal of allowance for loan losses	3,211	3,211	—
Net gains (losses) related to equity securities	(586)	3,410	(3,996)
Disposal of nonperforming loans	319	(3,948)	4,268
Operating profit	21,592	6,194	15,397

- (a) Due to the decrease in disposal of nonperforming loans, improvement in net gains (losses) related to equity securities, and reversal of allowance for loan losses, temporary profit increased by ¥10.5 billion from the same period a year earlier to ¥2.6 billion.
- (b) The amount of disposal of nonperforming loans decreased by ¥3.9 billion from the same period a year earlier to ¥0.3 billion (as for transfer to specific reserve, please refer to the above mentioned note 2).
- (c) Despite the decrease in net business profit, operating profit increased by ¥6.1 billion from the same period a year earlier to ¥21.5 billion because temporary profit was substantially improved.

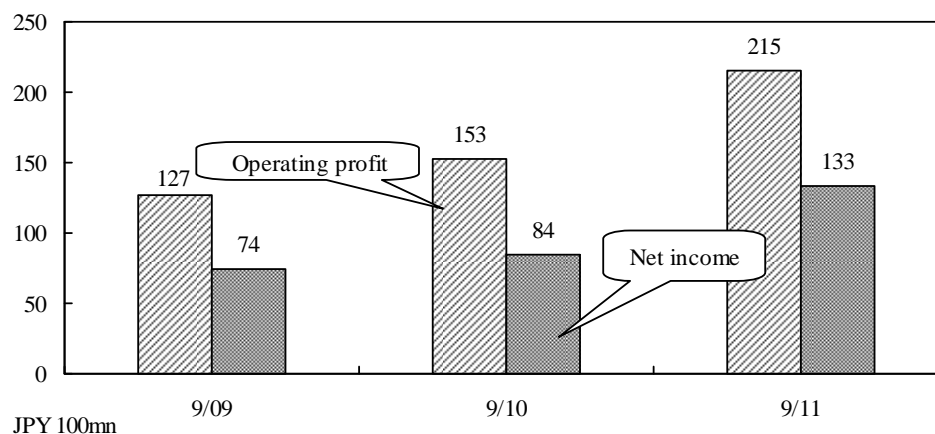
## C. Interim net income

(Units: 1million yen)

	First half of FY 2011 (A)		First half of FY 2010 (B)
		Inc/Dec (A-B)	
Extraordinary gains (losses)	(134)	(79)	(55)
Income before income taxes	21,457	6,114	15,342
Income taxes—current	6,812	2,870	3,941
Income taxes—deferred	1,311	(1,678)	2,990
Net income (loss)	13,333	4,922	8,410

Net income for the current interim fiscal year was ¥13.3 billion, up ¥4.9 billion from the same period a year earlier due to the increase in operating profit.

《Changes in operating profit and net income》



(Reference)

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

	First half of FY 2011 (A)		First half of FY 2010 (B)
		Inc/Dec (A-B)	
Transfer to general reserve (a)	—	3,971	(3,971)
Disposal of nonperforming loans (b)	319	(3,948)	4,268
Reversal of allowance for loan losses (c)	3,211	3,211	—
Recoveries of written-off claims (d)	415	415	—
Credit related expenses (a)+(b)-(c)-(d)	(3,307)	(3,603)	296

Credit related expenses decreased by ¥3.6 billion from the same period a year earlier to a negative ¥3.3 billion, reflecting reversal in general reserve for possible loan losses.

2. In FY2010, reversal of transfer to general reserve for possible loan losses (¥5.0 billion) exceeded transfer to specific reserve (¥1.8 billion) so the difference of ¥3.2 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)

	First half of FY 2011 (A)		First half of FY 2010 (B)
		Inc/Dec (A-B)	
Transfer to general reserve (a)	(5,018)	(1,047)	(3,971)
Disposal of nonperforming loans (b)	2,127	(2,140)	4,268
Transfer to specific reserve	1,807	(2,175)	3,983
Recoveries of written-off claims (d)	415	415	—
Total (a)+(b)-(d)	(3,307)	(3,603)	296

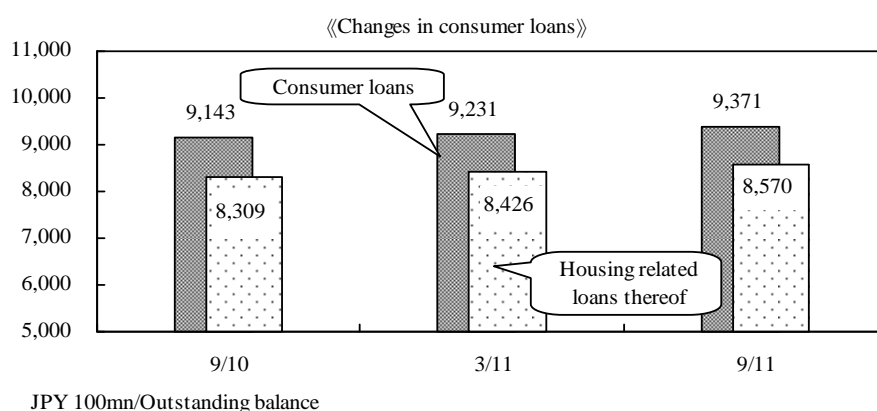
## (2) Major accounts (Non-consolidated)

## A. Loans

(Units: 100 million yen)

	First half of FY 2011 (A)		FY 2010 (B)	First half of FY2010(C)	
	Inc/Dec (A-B)	Inc/Dec (A-C)			
For all offices (outstanding balance as of the end of the period)	41,483	(174)	514	41,658	40,969
Loans to general corporations	27,855	(236)	(468)	28,092	28,324
Loans to consumers	9,371	140	228	9,231	9,143
For all offices (average balance of the period)	41,740	507	649	41,232	41,091
Loans to general corporations	28,204	(299)	(218)	28,503	28,422
Loans to consumers	9,243	95	114	9,148	9,129

- (a) The outstanding balance increased by ¥51.4 billion, or 1.2% from the same period a year earlier to ¥4,148.3 billion due to increases in loans to consumers, to local public bodies and to the government, despite a decrease in loans to general corporations.
- (b) The average balance increased by ¥64.9 billion, or 1.5% from the same period a year earlier to ¥4,174.0 billion.



## B. Securities

(Units: 100 million yen)

	First half of FY 2011 (A)		FY 2010 (B)	First half of FY2010(C)	
	Inc/Dec (A-B)	Inc/Dec (A-C)			
For all offices (outstanding balance as of the end of the period)	18,611	1,918	2,651	16,692	15,959
Bonds thereof	13,928	1,783	2,278	12,144	11,650
JGB thereof	10,740	1,951	2,283	8,789	8,456
Stocks thereof	1,773	(162)	(99)	1,936	1,873
For all offices (average balance of the period)	16,847	1,544	2,075	15,303	14,771
Bonds thereof	12,899	1,302	1,741	11,597	11,157
JGB thereof	9,586	1,190	1,658	8,396	7,928
Stocks thereof	1,156	(53)	(38)	1,210	1,194

- (a) The outstanding balance increased by ¥265.1 billion, or 16.6% from the same period a year earlier to ¥1,861.1 billion due to an increase in bonds, mainly JGBs.
- (b) The average balance increased by ¥207.5 billion, or 14.0% from the same period a year earlier to ¥1,684.7 billion.

## C. Deposits

(Units: 100 million yen)

	First half of FY 2011 (A)		FY 2010 (B)	First half of FY2010(C)
	Inc/Dec (A-B)	Inc/Dec (A-C)		
For all offices (outstanding balance as of the end of the period)	55,839	75	1,250	55,764
Individuals thereof	39,079	365	889	38,714
Corporations thereof	12,157	15	(63)	12,142
For all offices (average balance of the period)	56,376	1,641	1,821	54,735
Individuals thereof	39,028	718	912	38,309
Corporations thereof	12,597	269	318	12,327

(a) The outstanding balance increased by ¥125.0 billion, or 2.2% from the same period a year earlier to ¥5,583.9 billion due to increases in deposits from individual customers and public funds.

(b) The average balance increased by ¥182.1 billion, or 3.3% from the same period a year earlier to ¥5,637.6 billion.

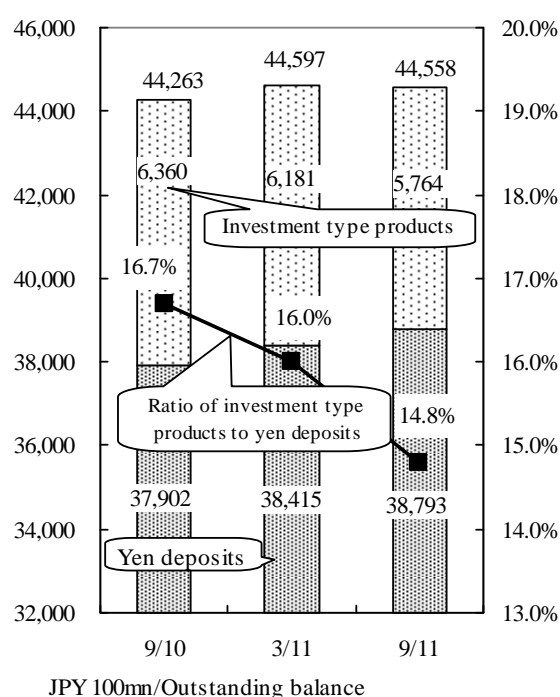
## D. Personal financial assets deposited (outstanding balance)

(Units: 100 million yen)

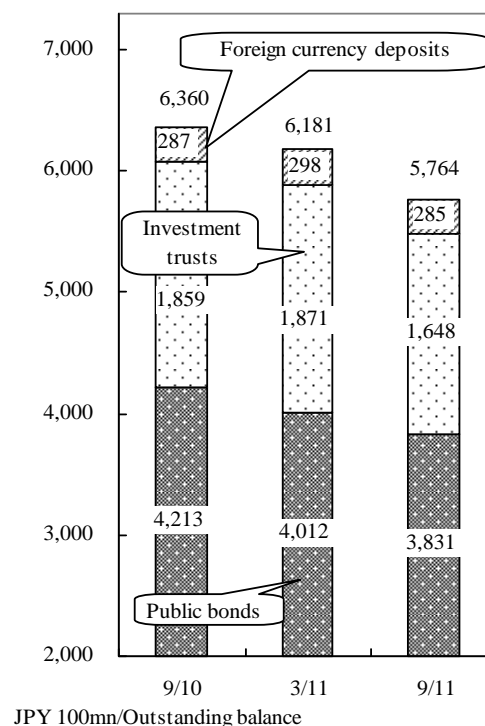
	First half of FY 2011 (A)		FY 2010 (B)	First half of FY2010(C)
	Inc/Dec (A-B)	Inc/Dec (A-C)		
Yen deposits	38,793	378	891	37,902
Foreign currency deposits	285	(12)	(1)	298
Investment trusts	1,648	(223)	(211)	1,859
Public bonds (Government bonds, and other bonds)	3,831	(180)	(382)	4,012
Total	44,558	(38)	295	44,263

The outstanding balance of financial assets deposited increased by ¥29.5 billion, or 0.6% from the same period a year earlier to ¥4,455.8 billion owing to an increase in yen deposits, despite decreases in investment trusts and public bonds.

《Changes in personal financial assets deposited》



《Changes in investment type products》



(3) Risk adjusted capital ratio  
(Consolidated)

	First half of FY 2011 (A)			FY 2010 (B)	First half of FY2010(C)
	(Preliminary basis)	Inc/Dec (A-B)	Inc/Dec (A-C)		
Risk adjusted capital ratio (BIS standards)	17.32%	1.45%	1.50%	15.87%	15.82%
Tier I risk adjusted ratio	15.78%	1.64%	1.80%	14.14%	13.98%

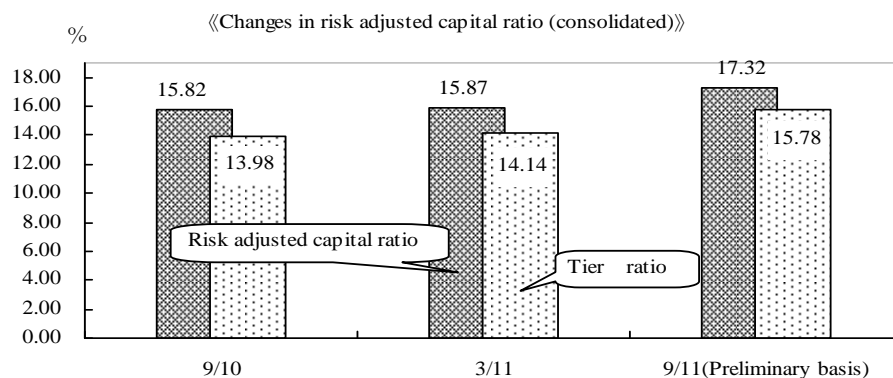
(Units: 100 million yen)

Tier I (1)	4,198	138	200	4,060	3,997
Tax effect equivalent	331	(6)	(67)	338	399
Tier II (2)	462	(95)	(145)	557	607
Deduction (3)	54	(5)	(28)	60	82
Risk adjusted capital (1)+(2)-(3)	4,606	49	83	4,557	4,523
Risk assets	26,591	(2,121)	(2,000)	28,713	28,592
Total required capital	2,127	(169)	(160)	2,297	2,287

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 1.45% from the end of FY2010 to 17.32%. It exceeds 8% required by the BIS standards.



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

	First half of FY 2011			
	Valuation gains (losses)		Valuation gains	Valuation losses
		Change from Mar. 31, 2011		
Securities held to maturity	—	—	—	—
Other securities	918	25	1,033	115
Equity securities	622	(170)	669	46
Bonds	293	182	296	3
Others	2	13	67	65

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 ¥2.5 billion from the end of FY2010 (Mar. 31, 2011) to ¥91.8 billion.

(Reference) Nikkei stock average

Sep. 30, 2011: ¥8,700

Mar. 31, 2011: ¥9,755

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

Disclosure of loans based on the Financial Revitalization Law

(Units: 100 million yen, %)

	First half of FY 2011 (A)		FY 2010 (B)	First half of FY2010(C)
		Inc/Dec (A-B)		
Bankrupt and quasi-bankrupt assets	368	26	(128)	341
Doubtful assets	876	(27)	(31)	904
Substandard assets	305	52	74	253
<b>Total</b>	<b>1,550</b>	<b>51</b>	<b>(84)</b>	<b>1,499</b>
As a percentage of total credits	3.66	0.14	(0.25)	3.52

Coverage ratio	75.0	(1.3)	(3.7)	76.3	78.7
----------------	------	-------	-------	------	------

(a) Disclosed loans based on the Financial Revitalization Law was ¥155.0 billion, up ¥5.1 billion from the end of FY2010.

(b) Ratio to total credits rose by 0.14% from the end of FY2010 to 3.66%.

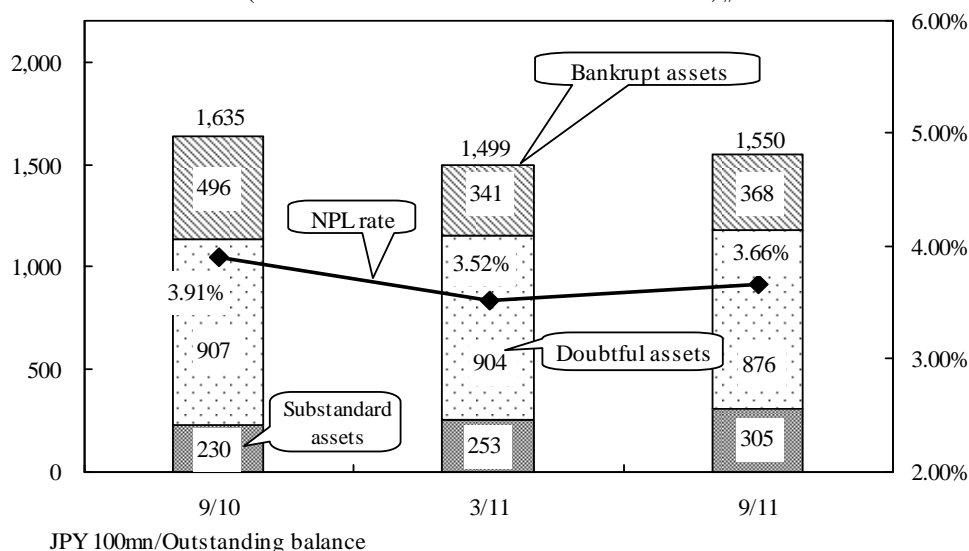
(c) Although a partial direct charge-off was not executed, the above table would have been shown as follows if it had been performed.

(Units: 100 million yen, %)

	First half of FY 2011 (A)		FY 2010 (B)	First half of FY2010(C)
		Inc/Dec (A-B)		
Bankrupt and quasi-bankrupt assets	140	(7)	(14)	147
Doubtful assets	876	(27)	(31)	904
Substandard assets	305	52	74	230
<b>Total</b>	<b>1,322</b>	<b>16</b>	<b>28</b>	<b>1,305</b>
As a percentage of total credits	3.14	0.06	0.02	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. Earnings projections for FY2011

(Non-consolidated)

(Units: 100 million yen)

	First half of FY 2011	Projection for		FY2010 (B)
		FY2011 (A)	(A-B)	
Operating income	646	1,165	(13)	1,178
Gross business profit	494	962	(14)	976
Profit on interest	405	797	(21)	818
Profit on fees and commissions	50	109	5	104
Trading profit	2	5	2	3
Profit from other business transactions	35	50	1	49
(Gains (losses) related to bonds(JGB etc.)) (a)	30	38	(11)	49
General and administrative expenses	304	606	1	605
(Personnel expenses)	152	303	(1)	304
(Non-personnel expenses)	135	276	2	274
Core net business profit	158	318	(3)	321
Actual net business profit	189	356	(14)	370
Transfer to general reserve for possible loan losses (b)	—	1	1	—
Net business profit	189	355	(15)	370
Net gains (losses) related to equity securities (c)	(5)	(19)	25	(44)
Disposal of nonperforming loans (d)	3	88	84	4
Reversal of allowance for loan losses (e)	32	—	—	—
Recoveries of written-off claims (f)	4	4	4	—
Operating profit	215	244	(78)	322
Extraordinary gains	0	0	(10)	10
(Reversal of allowance for loan losses) (g)	—	—	(10)	10
Extraordinary losses	1	4	2	2
Net income	133	150	(42)	192
Credit related expenses (b)+(d)-(e)-(f)-(g)	(33)	85	90	(5)
Profit(losses) related to securities (a)+(c)	24	19	14	5

(Consolidated)

(Units:100 million yen)

	First half of FY 2011	Projection for		FY2010 (B)
		FY2011 (A)	(A-B)	
Operating income	861	1,600	(19)	1,619
Operating profit	250	294	(93)	387
Net income	136	155	(47)	202

The above figures of projections for FY2011 were changed from the previous projections disclosed in May 13.

\* 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.