

INTERIM FINANCIAL DATA
FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2014

The Hachijuni Bank, Ltd.

FINANCIAL REVIEW (The first half fiscal year ended September 30, 2014)

1. Summary (Non-consolidated)

(1) Breakdown of income

A. Net business profit

(Units: 1million yen)

	First half of FY 2014 (A)		First half of FY 2013 (B)
		Inc/Dec (A-B)	
Gross business profit	46,287	(2,998)	49,286
Profit on interest	37,689	(1,376)	39,065
Profit on fees and commissions	5,069	(59)	5,129
Trading profit	148	89	58
Profit from other business transactions	3,380	(1,652)	5,033
Gains (losses) related to bonds	2,905	(1,917)	4,823
General & administrative expenses	29,974	(121)	30,096
Personnel expenses	14,690	(364)	15,054
Non personnel expenses	13,442	(68)	13,510
Core net business profit (Note)	13,408	(959)	14,367
Actual net business profit (Note)	16,313	(2,876)	19,190
Transfer to general reserve for possible loan losses (Note)	—	—	—
Net business profit (Note)	16,313	(2,876)	19,190

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

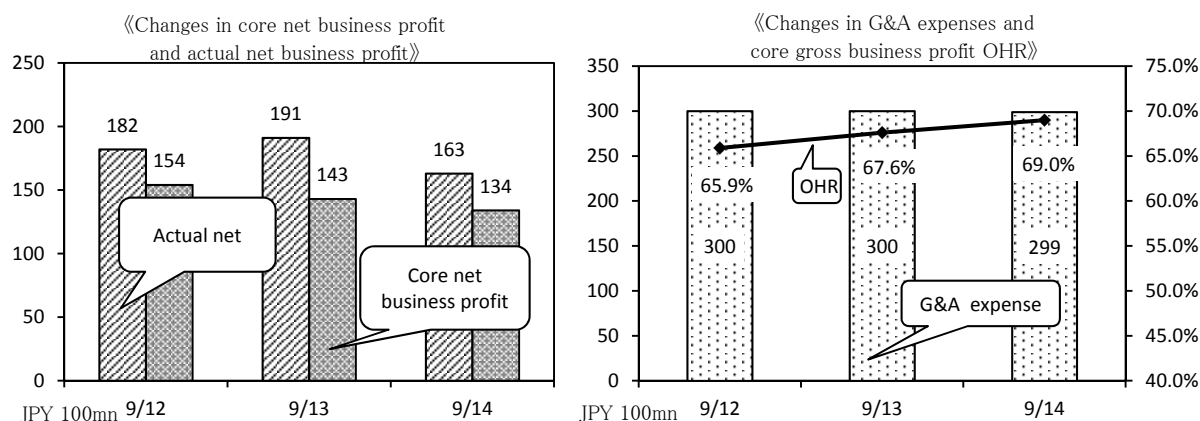
Core net business profit = gross business profit - G&A expenses - gains (losses) related to bonds

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 the first half of FY2014 and the first half of FY2013, total amount of reversal of general reserve and reversal of specific reserve exceeded total amount of transfer to general reserve and transfer to specific reserve so the differences were included in reversal of allowance for loan losses classified in temporary profit (loss).

- (a) Gross business profit decreased by ¥2.9 billion from the same period a year earlier to ¥46.2 billion.
- Profit on interest decreased by ¥1.3 billion to ¥37.6 billion mainly due to a decline in interest margin, reflecting the decline in interest rates.
 - Profit on fees and commissions was ¥5.0 billion, the same level as the same period a year earlier.
 - Gains (losses) related to bonds decreased by ¥1.9 billion to ¥2.9 billion because both gains and losses relating to the sale of bonds decreased.
- (b) General and administrative expenses decreased by ¥0.1 billion from the same period a year earlier to ¥29.9 billion due to a decrease in personnel expenses despite increases in taxes caused by the consumption tax hike.
- (c) Core net business profit decreased by ¥0.9 billion from the same period a year earlier to ¥13.4 billion due mainly to the decrease in profit on interest.
Actual net business profit decreased by ¥2.8 billion to ¥16.3 billion, owing to the decrease in gains (losses) related to bonds.
- (d) General reserve for possible loan losses resulted in a reversal mainly due to the decline in the outstanding balance of loans under close observation (please see the reference in the next page).
As a result, net business profit was ¥16.3 billion, the same amount as actual net business profit.



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

B. Operating profit

(Units: 1million yen)

	First half of FY 2014 (A)		First half of FY 2013 (B)
		Inc/Dec (A-B)	
Temporary profit (loss)	4,892	(460)	5,353
Reversal of allowance for loan losses	3,319	(319)	3,638
Net gains (losses) related to equity securities	515	(931)	1,447
Profit (loss) on money held in trust	235	537	(301)
Disposal of nonperforming loans	220	(239)	460
Operating profit	21,164	(3,338)	24,502

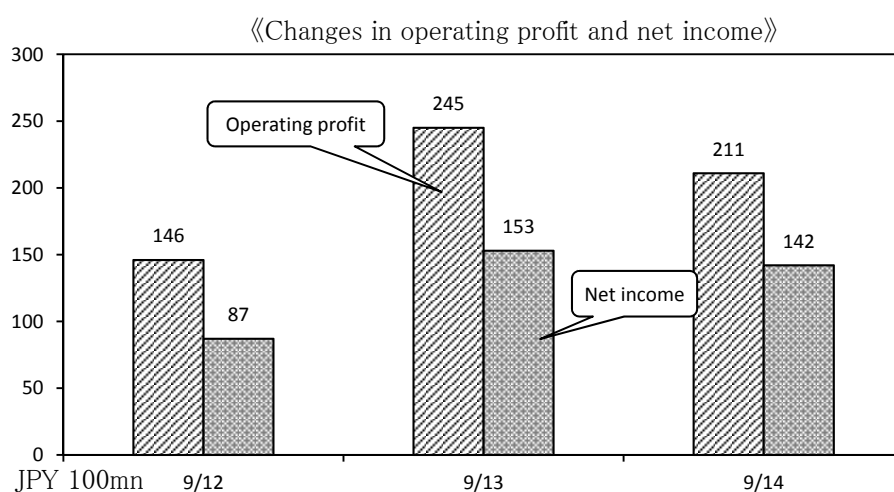
- (a) Despite the improvement in profit (loss) on money held in trust, temporary profit (loss) declined by ¥0.4 billion from the same period a year earlier to ¥4.8 billion due to decreases in net gains (losses) related to equity securities and in reversal of allowance for loan losses.
- (b) Disposal of nonperforming loans decreased by ¥0.2 billion from the same period a year earlier to ¥0.2 billion (please see the reference in this page).
- (c) Operating profit decreased by ¥3.3 billion from the same period a year earlier to ¥21.1 billion because net business profit as well as temporary profit decreased.

C. Current net income

(Units: 1million yen)

	First half of FY 2014 (A)		First half of FY 2013 (B)
		Inc/Dec (A-B)	
Extraordinary gains (losses)	(141)	(47)	(94)
Income before income taxes	21,022	(3,385)	24,408
Income taxes-current	6,721	(417)	7,138
Income taxes-deferred	28	(1,894)	1,922
Net income (loss)	14,273	(1,073)	15,346

As a result, net income for the current interim fiscal year was ¥14.2 billion, down ¥1.0 billion from the same period a year earlier.



(Reference)

Credit related expenses

(Units: 1million yen)

	First half of FY 2014 (A)		First half of FY 2013 (B)
		Inc/Dec (A-B)	
Transfer to general reserve (a)	—	—	—
Disposal of nonperforming loans (b)	220	(239)	460
Reversal of allowance for loan losses (c)	3,319	(319)	3,638
Reversal of general reserve	2,006	(2,878)	4,885
Transfer to specific reserve	(1,312)	(2,559)	1,246
Recoveries of written-off claims (d)	1	0	0
Credit related expenses (a)+(b)-(c)-(d)	(3,099)	78	(3,178)

Credit related expenses was a negative ¥3.0 billion, the same level as the same period a year earlier.

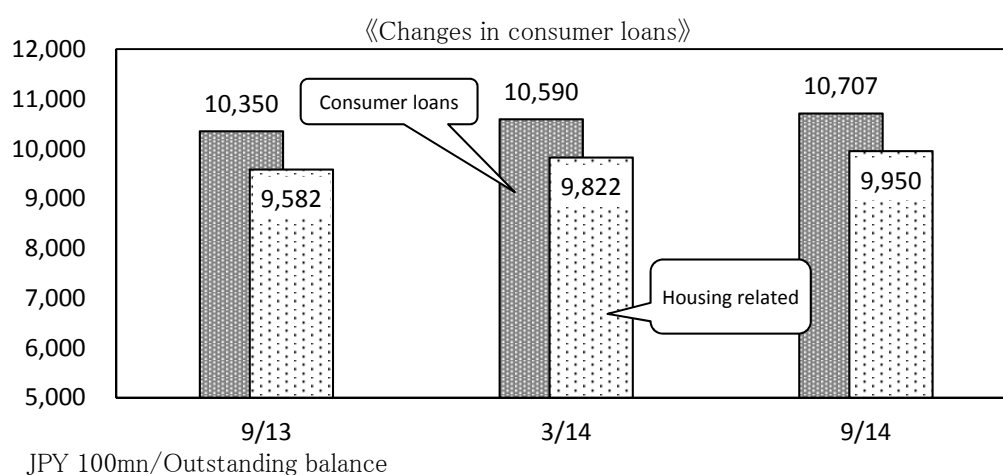
(2) Major accounts (Non-consolidated)

A. Loans

(Units: 100 million yen)

	First half of FY 2014 (A)		FY 2013 (B)	First half of FY 2013 (C)	
		Inc/Dec (A-B)			Inc/Dec (A-C)
For all offices (outstanding balance as of the end of the period)	44,834	409	763	44,424	44,071
Loans to general corporations	28,306	179	(76)	28,127	28,383
Loans to consumers	10,707	117	356	10,590	10,350
For all offices (average balance of the period)	45,373	873	1,175	44,499	44,198
Loans to general corporations	28,852	23	186	28,828	28,665
Loans to consumers	10,606	285	411	10,321	10,195

- (a) The outstanding balance increased by ¥76.3 billion, or 1.7% from the same period a year earlier to ¥4,483.4 billion due to increases in loans to consumers and to local public entities.
- (b) The average balance increased by ¥117.5 billion, or 2.6% from the same period a year earlier to ¥4,537.3 billion.



B. Securities

(Units: 100 million yen)

	First half of FY 2014 (A)		FY 2013 (B)	First half of FY 2013 (C)	
		Inc/Dec (A-B)			Inc/Dec (A-C)
For all offices (outstanding balance as of the end of the period)	25,199	1,457	3,392	23,742	21,806
Bonds thereof	16,514	319	1,295	16,194	15,219
JGB thereof	12,876	245	1,071	12,631	11,805
Stocks thereof	3,029	427	478	2,601	2,551
For all offices (average balance of the period)	22,068	1,531	1,960	20,537	20,107
Bonds thereof	15,792	668	836	15,124	14,956
JGB thereof	12,206	460	574	11,745	11,631
Stocks thereof	1,154	(16)	6	1,170	1,148

- (a) The outstanding balance increased by ¥339.2 billion, or 15.5% from the same period a year earlier to ¥2,519.9 billion due to increases in the balance of JGBs and in valuation gains of stocks on the back of the stock prices rise.
- (b) The average balance increased by ¥196.0 billion, or 9.7% from the same period a year earlier to ¥2,206.8 billion.

C. Deposits

(Units: 100 million yen)

	First half of FY 2014 (A)		FY 2013 (B)	First half of FY 2013 (C)	
		Inc/Dec (A-B)			Inc/Dec (A-C)
For all offices (outstanding balance as of the end of the period)	60,051	38	1,077	60,013	58,974
Individuals thereof	41,771	422	785	41,348	40,985
Corporations thereof	14,004	349	177	13,655	13,827
For all offices (average balance of the period)	60,465	1,613	1,775	58,851	58,689
Individuals thereof	41,707	577	846	41,129	40,860
Corporations thereof	14,326	898	1,019	13,428	13,306

- (a) The outstanding balance increased by ¥107.7 billion, or 1.8% from the same period a year earlier to ¥6,005.1 billion due mainly to an increase in deposits from individual customers.
- (b) The average balance increased by ¥177.5 billion, or 3.0% from the same period a year earlier to ¥6,046.5 billion.

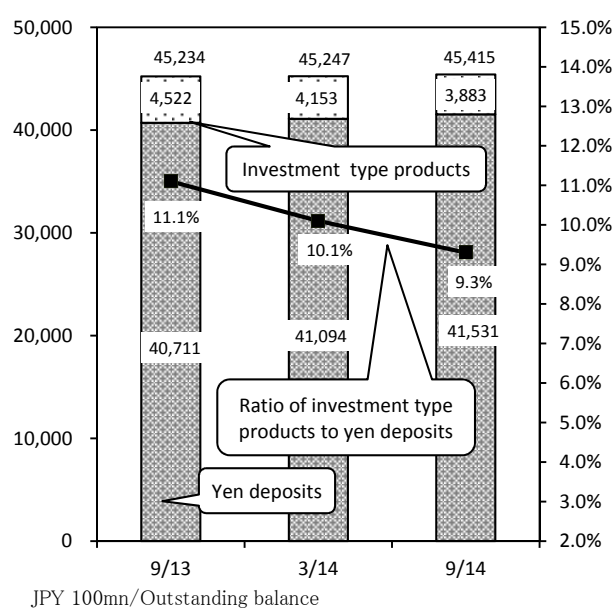
D. Personal financial assets deposited (outstanding balance)

(Units: 100 million yen)

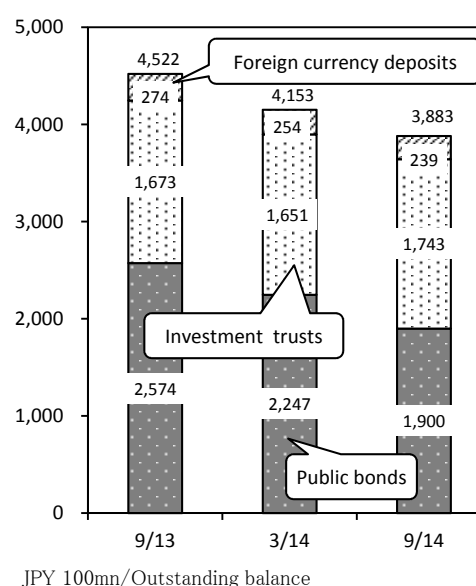
	As of September 30, 2014 (A)		As of March 31, 2014 (B)	As of September 30, 2013 (C)	
		Inc/Dec (A-B)			Inc/Dec (A-C)
Yen deposits	41,531	437	820	41,094	40,711
Foreign currency deposits	239	(15)	(34)	254	274
Investment trusts	1,743	92	69	1,651	1,673
Public bonds (Government bonds, and other bonds)	1,900	(346)	(674)	2,247	2,574
Total	45,415	168	181	45,247	45,234

The outstanding balance of financial assets deposited increased by ¥18.1 billion, or 0.4% from the same period a year earlier to ¥4,541.5 billion owing to an increase in yen deposits, despite a decrease in public bonds (JGBs etc.).

《Changes in personal financial assets deposited》



《Changes in investment type products》



(3) Capital ratio (Basel III standards)

<Consolidated>

		As of Sep 30, 2014		As of Mar 31, 2014	As of Sep 30, 2013
			Change from Mar 31, 2014		
Total capital ratio	①/④	19.71%	0.86%	1.27%	18.85%
Tier1 capital ratio	②/④	16.72%	0.30%	1.22%	16.42%
Common Equity Tier1 capital ratio	③/④	16.48%	0.25%	1.15%	16.23%

(Units: 100 million yen)

Total capital	①	5,908	392	510	5,516	5,398
Tier1 capital	②	5,012	210	473	4,802	4,539
Common Equity Tier1 capital	③	4,940	193	451	4,747	4,489
Risk weighted assets	④	29,973	725	700	29,247	29,272
Required capital		2,397	58	56	2,339	2,341

<Non-consolidated>

		As of Sep 30, 2014		As of Mar 31, 2014	As of Sep 30, 2013
			Change from Mar 31, 2014		
Total capital ratio	①/④	18.76%	0.74%	1.21%	18.02%
Tier1 capital ratio	②/④	15.84%	0.21%	1.18%	15.63%
Common Equity Tier1 capital ratio	③/④	15.84%	0.21%	1.18%	15.63%

(Units: 100 million yen)

Total capital	①	5,480	363	494	5,116	4,986
Tier1 capital	②	4,627	188	462	4,438	4,164
Common Equity Tier1 capital	③	4,627	188	462	4,438	4,164
Risk weighted assets	④	29,200	816	797	28,384	28,402
Required capital		2,336	65	63	2,270	2,272

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

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

As for the disclosure of capital structure based on "Pillar 3 (market discipline)" disclosure requirement, please refer to the Bank's homepage (<http://www.82bank.co.jp>).

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

	As of September 30, 2014 (A)			
	Valuation gains (losses)		Valuation gains	Valuation losses
		Change from March 31, 2014		
Securities held to maturity	—	—	—	—
Other securities	2,673	566	2,688	15
Equity securities	1,888	415	1,891	3
Bonds	661	85	662	0
Others	123	64	134	10

Valuation gains on other securities increased by ¥56.6 billion from the end of FY2013 (March 31, 2014) to ¥267.3 billion.

(Reference) Nikkei stock average
 Sep. 30, 2014: ¥16,173
 Mar. 31, 2014: ¥14,827

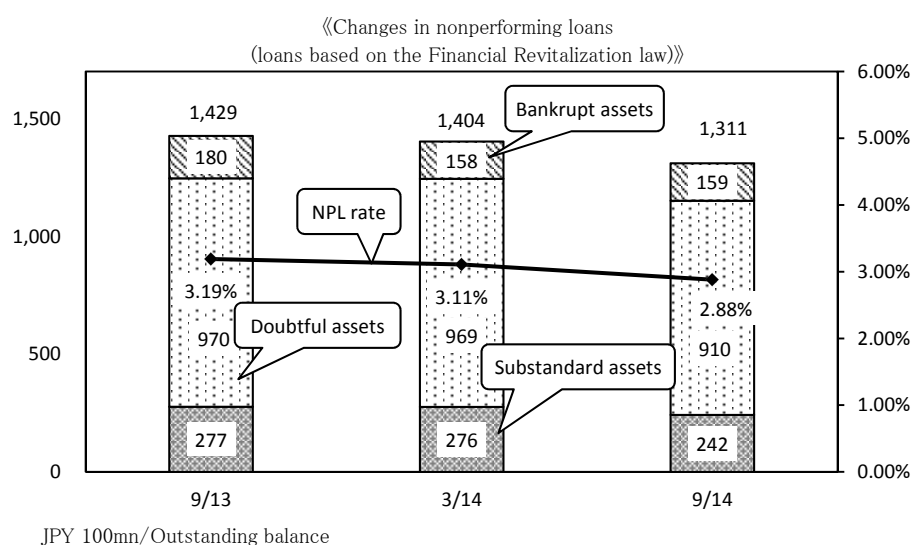
(5) Status of Assets (Non-consolidated)

Disclosure of loans based on the Financial Revitalization Law (Units: 100 million yen, %)

	As of September 30, 2014 (A)			As of March 31, 2014 (B)	As of September 30, 2013 (C)
		Inc/Dec (A-B)	Inc/Dec (A-C)		
Bankrupt and quasi-bankrupt assets	159	0	(21)	158	180
Doubtful assets	910	(58)	(60)	969	970
Substandard assets	242	(34)	(35)	276	277
Total	1,311	(92)	(117)	1,404	1,429
As a percentage of total credits	2.88	(0.23)	(0.31)	3.11	3.19

Coverage ratio	74.8	1.4	1.8	73.4	73.0
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Disclosed loans based on the Financial Revitalization Law decreased by ¥9.2 billion from the end of FY2013 (March 31, 2014) to ¥131.1 billion.



2. Earning projections for FY 2014

(Non-consolidated)

(Units: 100 million yen)

	First half of FY 2014	Projection for FY 2014 (A)		FY 2013 (B)
			(A-B)	
Gross business profit	462	901	(80)	981
Profit on interest	376	729	(77)	806
Profit on fees and commissions	50	99	(4)	103
Trading profit	1	4	2	2
Profit from other business transactions	33	68	0	68
(Gains (losses) related to bonds (JGB etc.)) (a)	29	59	(5)	64
General and administrative expenses	299	596	9	587
(Personnel expenses)	146	293	(4)	297
(Non-personnel expense)	134	272	8	264
Core net business profit	134	245	(85)	330
Actual net business profit	163	305	(89)	394
Transfer to general reserve for possible loan losses (b)	—	—	59	(59)
Net business profit	163	305	(148)	453
Net gains (losses) related to equity securities (c)	5	5	(13)	18
Disposal of nonperforming loans (d)	2	4	(63)	67
Reversal of allowance for loan losses (e)	33	48	48	—
Recoveries of written-off claims (f)	0	0	0	0
Operating profit	211	370	(34)	404
Net income	142	250	3	247
Credit related expenses (b)+(d)-(e)-(f)	(30)	(44)	(52)	8
Profit(losses) related to securities (a)+(c)	34	64	(18)	82

(Consolidated)

(Units: 100 million yen)

	First half of FY 2014	Projection for FY 2014 (A)		FY 2013 (B)
			(A-B)	
Operating profit	238	420	(43)	463
Net income	145	260	(5)	265

The above figures of projections for FY2014 were changed from the previous projections disclosed in May 16.

- * 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.