

**INTERIM FINANCIAL DATA  
FOR THE SIX MONTHS ENDED  
SEPTEMBER 30, 2018**

**The Hachijuni Bank, Ltd.**

# I FINANCIAL REVIEW (The first half fiscal year ended September 30, 2018)

## 1. Breakdown of income

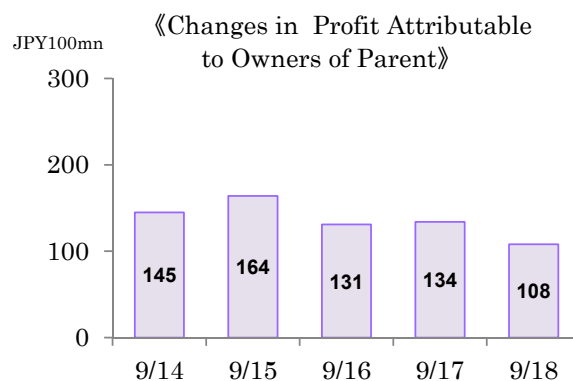
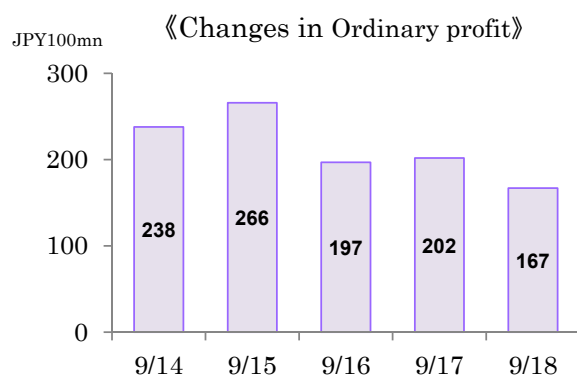
&lt;Consolidated&gt;

(Units: 1million yen)

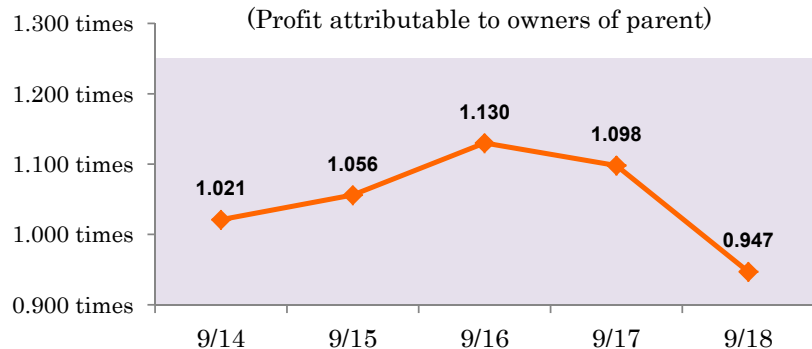
	First half of FY 2018 (A)	Inc/Dec (A-B)	First half of FY 2017 (B)
Consolidated gross business profit	46,801	(2,992)	49,793
Profit on interest	34,210	(121)	34,331
Profit on fees and commissions	6,577	(111)	6,688
Trading profit	1,260	133	1,127
Profit from other business transactions	4,753	(2,893)	7,646
General & administrative expenses	31,096	(574)	31,671
Credit related expenses	(370)	(1,039)	669
<b>Ordinary profit</b>	<b>16,773</b>	<b>(3,438)</b>	<b>20,211</b>
Extraordinary gains (losses)	(380)	142	(522)
Profit before income taxes	16,392	(3,295)	19,688
Total income taxes	4,894	(826)	5,721
Profit	11,498	(2,469)	13,967
Profit attributable to non-controlling interests	655	93	562
<b>Profit attributable to owners of parent</b>	<b>10,842</b>	<b>(2,562)</b>	<b>13,405</b>

(Number of Consolidated Companies)

Number of consolidated subsidiaries	9	(1)	10
Number of companies accounted for by the equity method	—	—	—



《The ratio of consolidated profits to parent company's profits》  
(Profit attributable to owners of parent)



1.250 times  
= target ratio of the long term  
management plan

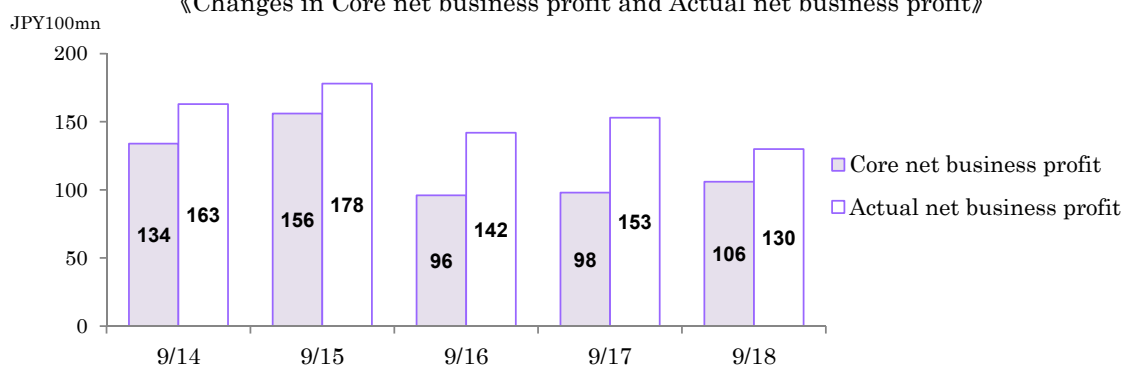
Note: The ratio of 9/18 was lower than 1 time because non-consolidated extraordinary gains (1.6 billion yen) which arose from the merger with our subsidiary (Hachijuni Business Service Co., Ltd.) wasn't recognized as part of consolidated profits.

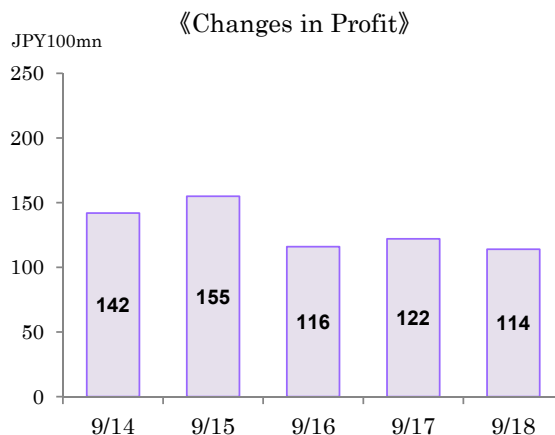
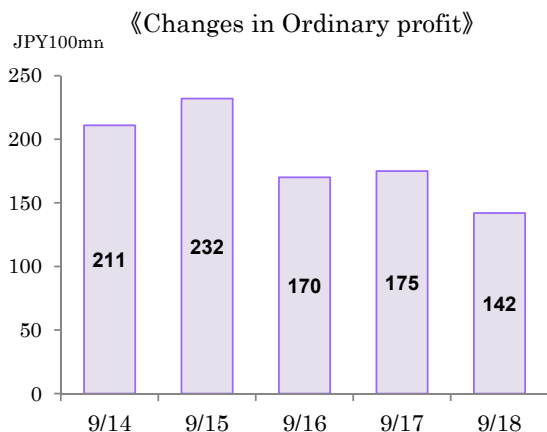
&lt;Non-consolidated&gt;

(Units: 1million yen)

		First half of FY 2018 (A)	Inc/Dec (A-B)	First half of FY 2017 (B)
Gross business profit	A	40,746	(3,154)	43,901
Profit on interest		34,090	(145)	34,236
Profit on fees and commissions		3,853	(122)	3,975
Trading profit		37	(41)	78
Profit from other business transactions		2,765	(2,845)	5,610
Gains (losses) related to bonds	B	2,375	(3,203)	5,579
General & administrative expenses	C	27,704	(799)	28,504
Personnel expenses		14,579	364	14,215
Non personnel expenses		11,230	(938)	12,169
<b>Core net business profit</b>	<b>A-B-C</b>	<b>10,666</b>	<b>848</b>	<b>9,817</b>
<b>Actual net business profit</b>	<b>A-C</b>	<b>13,041</b>	<b>(2,355)</b>	<b>15,396</b>
Transfer to general reserve for possible loan losses	D	—	277	(277)
Net business profit	A-C-D	13,041	(2,632)	15,674
Net gains (losses) related to equity securities	E	948	(1,291)	2,239
Profit (loss) on money held in trust		(1,180)	(863)	(316)
Disposal of nonperforming loans	F	48	(327)	375
Transfer to specific reserve		—	(321)	321
Reversal of allowance for loan losses	G =a+b	487	487	—
Reversal of general reserve	a	1,167	1,167	—
Reversal of specific reserve	b	(679)	(679)	—
Recoveries of written-off claims	H	12	(7)	19
<b>Ordinary profit</b>		<b>14,224</b>	<b>(3,299)</b>	<b>17,524</b>
Extraordinary gains (losses)		1,261	1,784	(522)
Income before income taxes		15,486	(1,515)	17,001
Total income taxes		4,048	(752)	4,801
<b>Profit</b>		<b>11,437</b>	<b>(762)</b>	<b>12,200</b>
Profit(losses) related to securities	B+E	3,323	(4,495)	7,819
Credit related expenses	D+F·G-H	(451)	(530)	78

《Changes in Core net business profit and Actual net business profit》





## 2. Major accounts

### ◆ Loans <Non-consolidated>

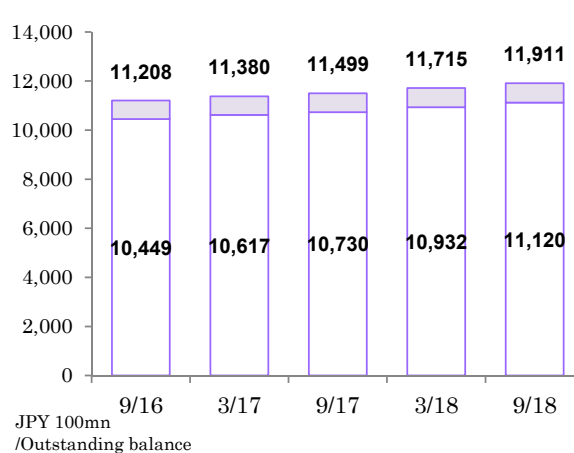
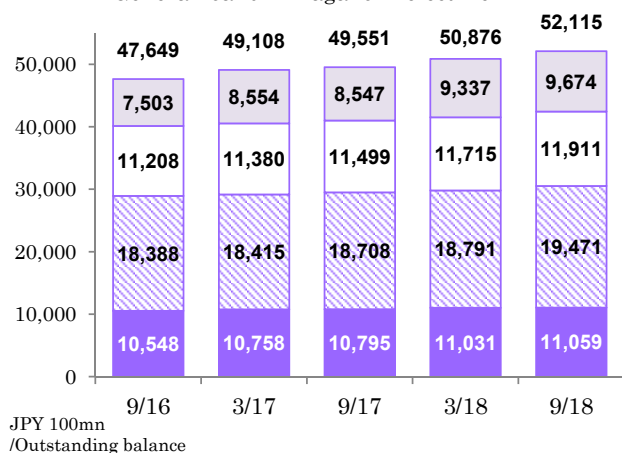
(Units: 100 million yen)

	First half of FY 2018 (A)	Inc/Dec (A-B)	Inc/Dec (A-C)	FY 2017 (B)	First half of FY 2017 (C)
<b>For all offices (outstanding balance as of the end of the period)</b>	<b>52,115</b>	<b>1,239</b>	<b>2,564</b>	<b>50,876</b>	<b>49,551</b>
Loans to general corporations	30,530	706	1,026	29,823	29,503
Loans to consumers	11,911	196	411	11,715	11,499
Housing related loans thereof	11,120	187	389	10,932	10,730
Others	9,674	336	1,126	9,337	8,547
<b>For all offices (average balance of the period)</b>	<b>51,784</b>	<b>1,638</b>	<b>2,219</b>	<b>50,146</b>	<b>49,565</b>
Loans to general corporations	30,432	575	905	29,857	29,527
Loans to consumers	11,790	295	375	11,495	11,415
Others	9,560	767	938	8,793	8,622

■ Others 《Changes in loans》  
■ Consumer loans  
■ General loans outside Nagano Prefecture  
■ General loans in Nagano Prefecture

《Changes in consumer loans》

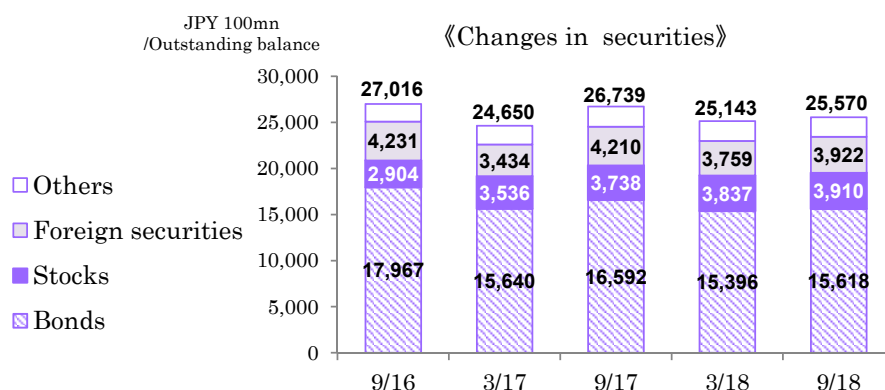
■ Others ■ Housing related loans



◆ Securities <Non-consolidated>

(Units: 100 million yen)

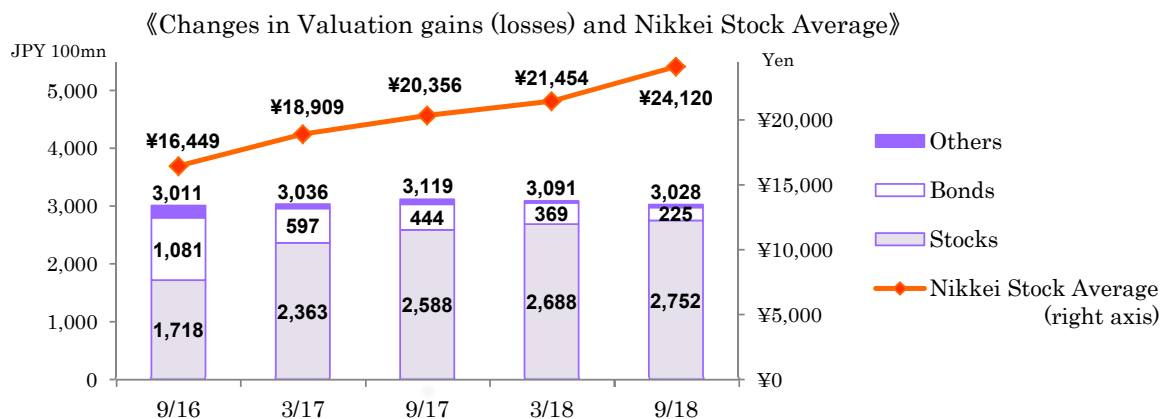
	As of September 30, 2018			FY 2017 (B)	First half of FY 2017 (C)
	First half of FY 2018 (A)	Inc/Dec (A-B)	Inc/Dec (A-C)		
<b>For all offices (outstanding balance as of the end of the period)</b>	<b>25,570</b>	<b>426</b>	<b>(1,169)</b>	<b>25,143</b>	<b>26,739</b>
Bonds	15,618	222	(973)	15,396	16,592
JGB thereof	10,119	148	(760)	9,970	10,880
Stocks	3,910	73	171	3,837	3,738
Foreign securities	3,922	163	(288)	3,759	4,210
Others	2,117	(32)	(80)	2,150	2,198
<b>For all offices (average balance of the period)</b>	<b>22,658</b>	<b>(236)</b>	<b>110</b>	<b>22,895</b>	<b>22,547</b>
Bonds	15,371	(58)	(57)	15,429	15,428
JGB thereof	9,962	(237)	(514)	10,199	10,477
Stocks	1,254	(14)	6	1,268	1,248
Foreign securities	3,949	(95)	103	4,045	3,846
Others	2,083	(68)	58	2,151	2,024



◆ Valuation gains (losses) <Non-consolidated>

(Units: 100 million yen)

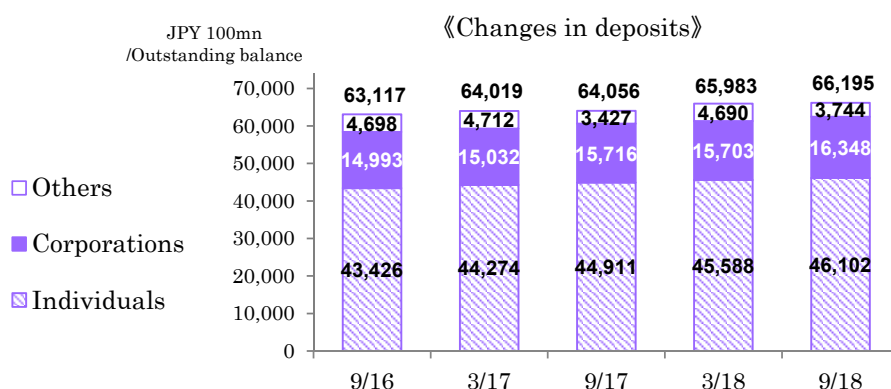
	As of September 30, 2018			
	Valuation gains (losses)	Change from March 31, 2018	Valuation gains	Valuation losses
<b>Other securities</b>	<b>3,028</b>	<b>(63)</b>	<b>3,132</b>	<b>104</b>
Stocks	2,752	64	2,754	1
Bonds	225	(143)	269	43
Others	49	15	108	59



◆ Deposits <Non-consolidated>

(Units: 100 million yen)

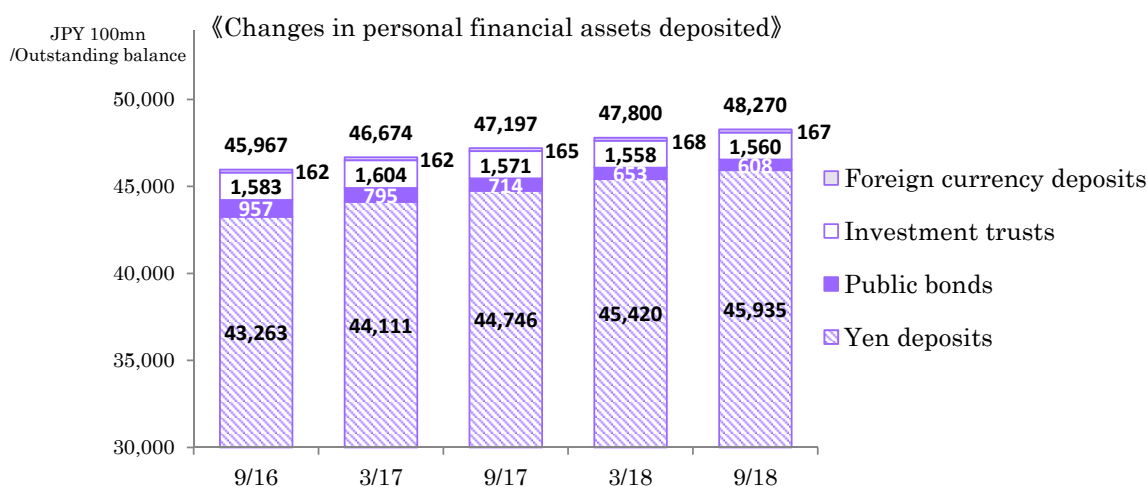
	As of			FY 2017 (B)	First half of FY 2017 (C)
	First half of FY 2018 (A)	Inc/Dec (A-B)	Inc/Dec (A-C)		
<b>For all offices (outstanding balance as of the end of the period)</b>	<b>66,195</b>	<b>211</b>	<b>2,138</b>	<b>65,983</b>	<b>64,056</b>
Individuals	46,102	513	1,190	45,588	44,911
Corporations	16,348	644	631	15,703	15,716
Others	3,744	(945)	317	4,690	3,427
<b>For all offices (average balance of the period)</b>	<b>65,986</b>	<b>1,547</b>	<b>1,822</b>	<b>64,438</b>	<b>64,163</b>
Individuals	45,864	847	1,203	45,017	44,660
Corporations	16,112	267	350	15,844	15,761
Others	4,009	432	268	3,576	3,741



◆ Personal financial assets deposited <Non-consolidated>

(Units: 100 million yen)

	As of			As of March 31, 2018 (B)	As of September 30, 2017 (C)
	September 30, 2018 (A)	Inc/Dec (A-B)	Inc/Dec (A-C)		
<b>Total (outstanding balance)</b>	<b>48,270</b>	<b>470</b>	<b>1,073</b>	<b>47,800</b>	<b>47,197</b>
Yen deposits	45,935	514	1,188	45,420	44,746
Investment type products	2,335	(44)	(115)	2,379	2,451
Foreign currency deposits	167	(1)	1	168	165
Investment trusts	1,560	1	(11)	1,558	1,571
Public bonds (Government bonds, and other bonds)	608	(44)	(105)	653	714



### 3. Financial soundness

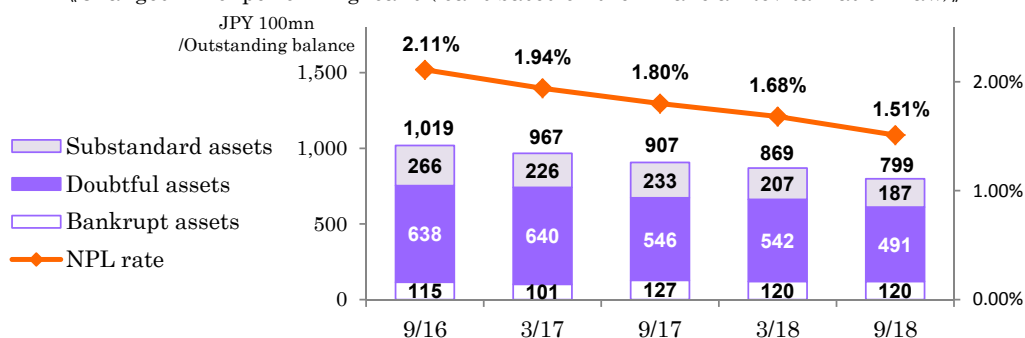
#### ◆ Disclosure of loans based on the Financial Revitalization Law

<Non-consolidated>

(Units: 100 million yen, %)

	As of			As of March 31, 2018 (B)	As of September 30, 2017 (C)
	September 30, 2018 (A)	Inc/Dec (A-B)	Inc/Dec (A-C)		
<b>Total</b>	<b>799</b>	<b>(70)</b>	<b>(108)</b>	<b>869</b>	<b>907</b>
Bankrupt and quasi-bankrupt assets	120	0	(7)	120	127
Doubtful assets	491	(50)	(55)	542	546
Substandard assets	187	(19)	(45)	207	233
<b>As a percentage of total credits</b>	<b>1.51</b>	<b>(0.17)</b>	<b>(0.29)</b>	<b>1.68</b>	<b>1.80</b>

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



#### ◆ Capital ratio (Basel III standards)

<Consolidated>

		As of			As of March 31, 2018 (B)	As of September 30, 2017 (C)
		September 30, 2018 (A)	Inc/Dec (A-B)	Inc/Dec (A-C)		
<b>Total capital ratio</b>	<b>A/D</b>	<b>19.74%</b>	<b>(0.77%)</b>	<b>(1.53%)</b>	<b>20.51%</b>	<b>21.27%</b>
Tier1 capital ratio	B/D	19.74%	(0.77%)	(0.94%)	20.51%	20.68%
Common Equity Tier1 capital ratio	C/D	19.74%	(0.77%)	(0.76%)	20.51%	20.50%

(Units: 100 million yen)

Total capital	A	7,054	(15)	107	7,070	6,946
Tier1 capital	B	7,054	(15)	300	7,070	6,753
Common Equity Tier1 capital	C	7,054	(15)	360	7,070	6,693
Risk weighted assets	D	35,731	1,273	3,083	34,457	32,648
Required capital	D×8%	2,858	101	246	2,756	2,611

<Non-consolidated>

		As of			As of March 31, 2018 (B)	As of September 30, 2017 (C)
		September 30, 2018 (A)	Inc/Dec (A-B)	Inc/Dec (A-C)		
<b>Total capital ratio</b>	<b>a/d</b>	<b>19.06%</b>	<b>(0.64%)</b>	<b>(1.30%)</b>	<b>19.70%</b>	<b>20.36%</b>
Tier1 capital ratio	b/d	19.06%	(0.64%)	(0.80%)	19.70%	19.86%
Common Equity Tier1 capital ratio	c/d	19.06%	(0.64%)	(0.80%)	19.70%	19.86%

(Units: 100 million yen)

Total capital	a	6,690	(13)	137	6,703	6,553
Tier1 capital	b	6,690	(13)	297	6,703	6,392
Common Equity Tier1 capital	c	6,690	(13)	297	6,703	6,392
Risk weighted assets	d	35,100	1,084	2,915	34,015	32,184
Required capital	d×8%	2,808	86	233	2,721	2,574

Note: 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.

## II Earning projections for FY 2018

### <Consolidated>

(Units: 100 million yen)

	First half of FY 2018	Projection for FY 2018		FY 2017 (B)
		(A)	(A-B)	
Ordinary profit	167	345	(70)	415
Profit attributable to owners of parent	108	225	(33)	258

### <Non-consolidated>

(Units: 100 million yen)

	First half of FY 2018	Projection for FY 2018		FY 2017 (B)
		(A)	(A-B)	
Core net business profit	106	225	(3)	228
Actual net business profit	130	255	(47)	302
Net business profit	130	255	(47)	302
Ordinary profit	142	285	(63)	348
Profit	114	215	(12)	227

※ 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.