

Financial Results for the Fiscal Year
Ended March 31, 2012

Ashikaga Holdings Co., Ltd
The Ashikaga Bank, Ltd

Financial Results for the Fiscal Year Ended March 31, 2012

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Consolidated Financial Information for Fiscal 2011

1. Consolidated Balance Sheets	1
2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	2
3. Consolidated Statement of Shareholders' Equity	4
4. Consolidated Statements of Cash Flows	5
5. Non-consolidated Balance Sheets	6
6. Non-consolidated Statements of Income	8
7. Non-consolidated Statement of Shareholders' Equity	9

Financial Data for Fiscal 2011 (ended March 31, 2012)

1. Income Status	10
2. Net Business Income	12
3. Interest Rate Spread	12
4. Gains and Losses on Securities	12
5. Capital Adequacy Ratio	13
6. Return on Equity	13

Status of Loans

1. Risk-monitored Loans	14
2. Reserve for Possible Loan Losses	15
3. Ratio to Reserve for Total Risk-monitored Loans	15
4. Loans subject to mandatory disclosure under the Financial Reconstruction Law	16
5. Coverage of loans subject to mandatory disclosure under the Financial Reconstruction Law	16
6. Loan Portfolio	17
(1) Classification of loans by type of industry	
(2) Classification of risk-monitored loans by type of industry	
(3) Individual loans	
(4) Loans to small-and-medium-sized enterprises	
7. Loans to Entities Overseas by Country	18
8. Balance of Deposits and Loans	18

Valuation Gains (Losses) on Securities

1. Valuation Standards of Securities	19
2. Unrealized Valuation Gains (Losses) on Other Securities (available-for-sale securities)	19

Employees' Severance and Retirement Benefits

1. Projected Retirement Benefit Obligation	20
2. Retirement Benefit Costs	20

Consolidated Financial Information for Fiscal 2011

1. Consolidated Balance Sheets

【Ashikaga Holdings Co., Ltd.】

(Millions of yen)

Item	As of March 31, 2011	As of March 31, 2012
Assets		
Cash and due from banks	119,674	167,543
Call loans and bills purchased	130,385	185,694
Commercial paper and other debt purchased	7,848	8,395
Trading securities	3,536	3,230
Securities	1,335,264	1,202,480
Loans and bills discounted	3,474,628	3,642,549
Foreign exchanges	6,223	5,664
Other assets	26,456	26,321
Tangible fixed assets	26,208	24,790
Buildings	6,765	7,189
Land	13,083	12,673
Lease assets	21	19
Construction in progress	748	6
Other tangible fixed assets	5,589	4,900
Intangible fixed assets	112,902	108,206
Software	5,360	6,872
Goodwill	106,991	100,789
Lease assets	12	8
Other intangible fixed assets	537	536
Deferred tax assets	10,403	8,247
Customer liabilities for acceptances and guarantees	20,247	19,167
Reserve for possible loan losses	(55,097)	(48,519)
Total Assets	5,218,682	5,353,772
Liabilities		
Deposits	4,481,517	4,657,316
Negotiable certificates of deposit	107,119	139,914
Collateral deposits received for securities lending	19,700	-
Borrowed money	289,236	221,647
Foreign Exchanges	463	435
Other liabilities	43,080	40,214
Reserve for directors' bonuses	70	73
Reserve for employee retirement benefits	15,610	16,057
Reserve for directors' retirement benefits	174	219
Reserve for reimbursement of deposits	1,350	1,440
Reserve for contingent losses	286	263
Reserve for credit card rewards points	65	80
Reserve for losses on disaster	518	170
Acceptances and guarantees	20,247	19,167
Total liabilities	4,979,438	5,097,001
Net Assets		
Capital stock	105,010	105,010
Capital surplus	95,780	95,780
Retained earnings	35,494	46,995
Total shareholders' equity	236,285	247,785
Net unrealized valuation gains (losses) on other securities (available for sale securities)	2,958	8,984
Total accumulated other comprehensive income	2,958	8,984
Total net assets	239,243	256,770
Total liabilities and net assets	5,218,682	5,353,772

(Note) Figures are rounded down to the nearest million.

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

【Ashikaga Holdings Co., Ltd.】

(1) Consolidated Statements of Income

(Millions of yen)

Item	FY 2010	FY 2011
Operating income	104,644	101,268
Interest income	78,160	72,834
Interest on loans and discounts	66,089	62,709
Interest and dividends on securities	11,571	9,497
Interest on call loans and bills bought	181	242
Interest on deposits with other banks	174	266
Other interest income	143	118
Fees and commissions	16,812	17,616
Other business income	7,338	6,114
Other operating income	2,333	4,702
Recoveries of written-off claims	-	1,071
Gains on sales of stocks and other securities	707	2,212
Others	1,625	1,418
Operating expenses	88,879	84,067
Interest expenses	8,521	7,570
Interest on deposits	4,733	3,869
Interest on negotiable certificates of deposit	274	243
Interest on call money and bills sold	2	0
Interest on deposits for bonds lending transaction	9	3
Interest on borrowed money	3,488	3,443
Other interest expenses	13	9
Fees and commissions	5,563	5,753
Other business expenses	116	93
General and administrative expenses	59,829	62,424
Other operating expenses	14,848	8,225
Provision for reserve for possible loan losses	1,608	2,542
Write-off amount of loans	9,032	3,221
Losses on sales of stocks	773	963
Write-off amount of stocks	1,752	670
Losses on sales of loans	695	338
Other expenses or losses	986	489
Operating profit	15,765	17,201
Special gains	888	7
Gains on dispositions of fixed assets	200	7
Recoveries of written-off claims	687	-
Special losses	1,317	202
Losses on dispositions of fixed assets	234	194
Impairment losses	-	8
Losses caused by adoption of accounting standard for asset retirement obligations	378	-
Provision for reserve for losses on disaster	518	-
Losses on advanced depreciation of fixed assets	186	-
Net profit before income taxes	15,336	17,005
Corporate, inhabitant, business taxes	649	216
Corporate tax adjustments, etc.	(1,298)	(381)
Total corporate taxes, etc.	(648)	(164)
Income before minority interests	15,985	17,170
Net profit	15,985	17,170

(Note) Figures are rounded down to the nearest million.

(2) Consolidated Statements of Comprehensive Income

Item	FY 2010	FY 2011
Income before minority interests	15,985	17,170
Other comprehensive income	(5,808)	6,026
Net unrealized valuation gains (losses) on other securities (available for sale securities)	(5,815)	6,026
Gains (losses) on deferred hedges	7	-
Comprehensive income	10,176	23,197
Comprehensive income attributable to owners of the parent	10,176	23,197
Comprehensive income attributable to minority interests	-	-

(Note) Figures are rounded down to the nearest million.

3. Consolidated Statement of Shareholders' Equity

【Ashikaga Holdings Co., Ltd.】

(Millions of Yen)

Item	FY 2011(ended March 31, 2012)
Shareholders' equity	
Capital stock	
Balance at the beginning of the period	105,010
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of the period	105,010
Capital surplus	
Balance at the beginning of the period	95,780
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of the period	95,780
Retained earnings	
Balance at the beginning of the period	35,494
Changes of items during the period	
Dividends from surplus	(5,670)
Net profit	17,170
Total changes of items during the period	11,500
Balance at the end of the period	46,995
Total shareholders' equity	
Balance at the beginning of the period	236,285
Changes of items during the period	
Dividends from surplus	(5,670)
Net profit	17,170
Total changes of items during the period	11,500
Balance at the end of the period	247,785
Accumulated other comprehensive income	
Net unrealized valuation gains (losses) on other securities (available for sale securities)	
Balance at the beginning of the period	2,958
Changes of items during the period	
Net changes of items other than shareholders' equity	6,026
Total changes of items during the period	6,026
Balance at the end of the period	8,984
Total accumulated other comprehensive income	
Balance at the beginning of the period	2,958
Changes of items during the period	
Net changes of items other than shareholders' equity	6,026
Total changes of items during the period	6,026
Balance at the end of the period	8,984
Total net assets	
Balance at the beginning of the period	239,243
Changes of items during the period	
Dividends from surplus	(5,670)
Net profit	17,170
Net changes of items other than shareholders' equity	6,026
Total changes of items during the period	17,527
Balance at the end of the period	256,770

(Note) Figures are rounded down to the nearest million.

4. Consolidated Statements of Cash Flows

(Millions of yen)

[Ashikaga Holdings Co., Ltd.]	FY ended Mar 31, 2011	FY ended Mar 31, 2012
Cash flows from operating activities		
Net profit before income taxes	15,336	17,005
Depreciation	3,770	4,926
Impairment losses	-	8
Amortization of goodwill	6,202	6,202
Increase (decrease) in reserve for loan losses	(15,703)	(6,578)
Increase (decrease) in reserve for directors' bonuses	21	2
Increase (decrease) in reserve for employee retirement benefits	235	447
Increase (decrease) in reserve for directors' retirement benefits	32	45
Increase (decrease) in reserve for reimbursement of deposits	114	90
Increase (decrease) in reserve for contingent losses	121	(22)
Increase (decrease) in reserve for credit card rewards points	13	15
Increase (decrease) in reserve for losses on disaster	518	(347)
Interest income	(78,160)	(72,834)
Interest expenses	8,521	7,570
Losses (gains) on securities	(3,044)	(3,218)
Losses (gains) on money held in trust	(0)	-
Losses (gains) on foreign exchange	(2)	315
Losses (gains) on dispositions of fixed assets	33	186
Losses on advanced depreciation of fixed assets	186	-
Net decrease (increase) in loans and bills discounted	(106,973)	(167,920)
Net increase (decrease) in deposits	117,580	175,799
Net increase (decrease) in negotiable certificates of deposit	19,383	32,795
Net increase (decrease) in borrowed money (excluding subordinated borrowed money)	73,870	(67,589)
Net decrease (increase) in due from banks (excluding due from the Bank of Japan)	(4,279)	1,972
Net decrease (increase) in call loans and bills purchased	17,609	(55,493)
Net decrease (increase) in trading securities	829	314
Net increase (decrease) in collateral deposits received for securities lending	9,384	(19,700)
Net decrease (increase) in foreign exchanges (assets)	(1,745)	558
Net increase (decrease) in foreign exchanges (liabilities)	27	(27)
Interest received	76,091	73,205
Interest paid	(6,601)	(9,162)
Other, net	3,163	(1,608)
Subtotal	136,537	(83,042)
Income taxes paid	(501)	(547)
Net cash provided by (used in) operating activities	136,036	(83,589)
Cash flows from investing activities		
Purchases of securities	(1,701,732)	(565,369)
Proceeds from sales of securities	276,325	207,987
Proceeds from redemption of securities	1,322,168	501,712
Proceeds from sales of money held in trust	84	-
Purchases of tangible fixed assets	(2,721)	(1,117)
Proceeds from sales of tangible fixed assets	191	12
Purchases of intangible fixed assets	(2,636)	(3,974)
Other, net	7	(137)
Net cash provided by (used in) investing activities	(108,312)	139,114
Cash flows from financing activities		
Dividends paid	(5,670)	(5,670)
Repayment of lease liabilities	(8)	(9)
Net cash provided by (used in) financing activities	(5,678)	(5,679)
Effect of exchange rate changes on cash and cash equivalents	(22)	(4)
Net increase (decrease) in cash and cash equivalents	22,022	49,840
Cash and cash equivalents at the beginning of the period	88,367	110,390
Cash and cash equivalents at the end of the period	110,390	160,230

5. Non-consolidated Balance Sheets

【The Ashikaga Bank, Ltd.】

(Millions of yen)

Item	As of March 31, 2011	As of March 31, 2012
Assets		
Cash and due from banks	119,673	167,541
Cash	44,193	43,838
Due from banks	75,480	123,703
Call loans	130,385	185,694
Commercial paper and other debt purchased	7,848	8,395
Trading securities	3,536	3,230
Japanese government bonds	2,503	2,795
Local government bonds	542	332
Government guaranteed bonds	490	101
Securities	1,364,344	1,231,459
Japanese government bonds	681,830	363,322
Local government bonds	371,730	414,503
Corporate bonds	206,305	343,241
Stocks	66,774	67,483
Other securities	37,703	42,908
Loans and bills discounted	3,473,289	3,641,006
Bills discounted	28,524	31,701
Loans on bills	220,463	202,431
Loans on deeds	2,847,623	3,052,809
Overdrafts	376,678	354,064
Foreign exchanges	6,223	5,664
Due from foreign banks (our accounts)	6,004	5,525
Foreign bills bought	138	119
Foreign bills receivable	79	20
Other assets	21,805	22,120
Domestic exchange settlement account, debit	17	4
Prepaid expenses	103	96
Accrued income	5,985	5,952
Variation margins of future markets	3	0
Derivatives	5,287	3,760
Others	10,408	12,305
Tangible fixed assets	27,427	25,960
Buildings	7,193	7,567
Land	13,881	13,471
Lease assets	19	18
Construction in progress	748	6
Other tangible fixed assets	5,584	4,896
Intangible fixed assets	5,903	7,396
Software	5,368	6,862
Other intangible fixed assets	535	533
Deferred tax assets	11,066	8,874
Customer liabilities for acceptances and guarantees	20,247	19,167
Reserve for possible loan losses	(50,217)	(44,750)
Total Assets	5,141,531	5,281,761

(Millions of yen)		
Item	As of March 31, 2011	As of March 31, 2012
Liabilities		
Deposits	4,539,546	4,686,264
Current deposits	149,552	166,492
Ordinary deposits	2,281,664	2,471,996
Savings deposits	63,487	66,604
Deposits at notice	35,477	10,013
Time deposits	1,822,198	1,805,350
Installment savings	15,594	15,450
Other deposits	171,571	150,355
Negotiable certificates of deposit	107,119	169,914
Collateral deposits received for securities lending	19,700	-
Borrowed money	209,236	141,647
Borrowings from other banks	209,236	141,647
Foreign Exchanges	463	435
Foreign bills sold	359	298
Foreign bills payable	104	137
Other liabilities	27,169	25,388
Domestic exchange settlement account, credit	1,798	4,254
Income taxes payable	220	262
Accrued expenses	10,056	9,796
Unearned income	1,926	1,107
Reserve for interest on installment savings	8	9
Derivatives	4,147	2,815
Lease liabilities	20	19
Asset retirement obligations	429	493
Others	8,561	6,628
Reserve for directors' bonuses	42	43
Reserve for employee retirement benefits	14,885	15,389
Reserve for directors' retirement benefits	114	135
Reserve for reimbursement of deposits	1,350	1,440
Reserve for contingent losses	286	263
Reserve for credit card rewards points	23	44
Reserve for losses on disaster	518	170
Acceptances and guarantees	20,247	19,167
Total liabilities	4,940,703	5,060,304
Net Assets		
Capital stock	135,000	135,000
Retained earnings	57,990	73,404
Earned surplus reserve	4,423	6,434
Other earned surplus	53,567	66,969
Earned surplus brought forward	53,567	66,969
Total shareholders' equity	192,990	208,404
Net unrealized valuation gains (losses) on other securities (available for sale securities)	7,837	13,052
Total valuation and translation adjustments, etc.	7,837	13,052
Total net assets	200,828	221,457
Total liabilities and net assets	5,141,531	5,281,761

(Note) Figures are rounded down to the nearest million.

6. Non-consolidated Statements of Income

【The Ashikaga Bank, Ltd.】

(Millions of yen)

Item	FY 2010	FY 2011
Operating income	99,586	96,450
Interest income	74,394	69,613
Interest on loans and discounts	62,760	59,665
Interest and dividends on securities	11,144	9,327
Interest on call loans	181	242
Interest on deposits with other banks	174	265
Other interest income	134	111
Fees and commissions	15,425	16,472
Fees and commissions on domestic and foreign exchanges	5,048	4,781
Other fees and commissions	10,376	11,690
Other business income	7,066	5,803
Gains on foreign exchange transactions	521	511
Gains on sales of trading securities	-	27
Gains on sales of bonds	6,315	4,957
Gains on redemption of bonds	-	27
Income from derivatives	229	280
Others	0	0
Other operating income	2,699	4,561
Recoveries of written-off claims	-	1,064
Gains on sales of stocks and other securities	1,077	2,150
Gains on money held in trust	0	-
Others	1,621	1,346
Operating expenses	74,647	70,860
Interest expenses	5,163	4,224
Interest on deposits	4,749	3,883
Interest on negotiable certificates of deposit	274	243
Interest on call money	2	0
Interest on deposits for bonds lending transaction	9	3
Interest on borrowed money	122	89
Other interest expenses	5	3
Fees and commissions	5,620	5,819
Fees and commissions on domestic and foreign exchanges	966	901
Other fees and commissions	4,654	4,918
Other business expenses	22	-
Losses on sales of trading securities	22	-
General and administrative expenses	52,373	54,993
Other operating expenses	11,467	5,823
Provision for reserve for possible loan losses	-	1,749
Write-off amount of loans	8,839	3,110
Losses on sales of stocks	226	0
Write-off amount of stocks	1,065	414
Losses on sales of loans	371	95
Other expenses or losses	963	453
Operating profit	24,938	25,589
Special gains	1,065	7
Gains on dispositions of fixed assets	333	7
Reversal of reserve for possible loan losses	61	-
Recoveries of written-off claims	669	-
Special losses	1,259	202
Losses on dispositions of fixed assets	176	194
Impairment losses	-	8
Losses caused by adoption of accounting standard for asset retirement obligations	378	-
Provision for reserve for losses on disaster	518	-
Losses on advanced depreciation of fixed assets	186	-
Net profit before income taxes	24,743	25,394
Corporate, inhabitant, business taxes	84	83
Corporate tax adjustments, etc.	(781)	(156)
Corporate taxes, etc.	(697)	(72)
Net profit	25,441	25,467

(Note) Figures are rounded down to the nearest million.

7. Non-consolidated Statement of Shareholders' Equity

【The Ashikaga Bank., Ltd.】

(Millions of Yen)

Item	FY 2011(ended March 31, 2012)
Stockholders' equity	
Capital stock	
Balance at the beginning of the period	135,000
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of the period	135,000
Retained earnings	
Earned surplus reserve	
Balance at the beginning of the period	4,423
Changes of items during the period	
Dividends from surplus	2,010
Total changes of items during the period	2,010
Balance at the end of the period	6,434
Other earned surplus	
Earned surplus brought forward	
Balance at the beginning of the period	53,567
Changes of items during the period	
Dividends from surplus	(12,064)
Net profit	25,467
Total changes of items during the period	13,402
Balance at the end of the period	66,969
Total retained earnings	
Balance at the beginning of the period	57,990
Changes of items during the period	
Dividends from surplus	(10,053)
Net profit	25,467
Total changes of items during the period	15,413
Balance at the end of the period	73,404
Total shareholders' equity	
Balance at the beginning of the period	192,990
Changes of items during the period	
Dividends from surplus	(10,053)
Net profit	25,467
Total changes of items during the period	15,413
Balance at the end of the period	208,404
Valuation and translation adjustments	
Net unrealized valuation gains (losses) on other securities (available for sale securities)	
Balance at the beginning of the period	7,837
Changes of items during the period	
Net changes of items other than shareholders' equity	5,215
Total changes of items during the period	5,215
Balance at the end of the period	13,052
Total valuation and translation adjustments	
Balance at the beginning of the period	7,837
Changes of items during the period	
Net changes of items other than shareholders' equity	5,215
Total changes of items during the period	5,215
Balance at the end of the period	13,052
Total net assets	
Balance at the beginning of the period	200,828
Changes of items during the period	
Dividends from surplus	(10,053)
Net profit	25,467
Net changes of items other than shareholders' equity	5,215
Total changes of items during the period	20,628
Balance at the end of the period	221,457

(Note) Figures are rounded down to the nearest million.

Financial Data for Fiscal 2011 (ended March 31, 2012)

1. Income Status

【 The Ashikaga Bank, Ltd. (Non-Consolidated basis)】

(Millions of yen)

Item	FY 2011 (A)	(A)-(B)	FY 2010 (B)
Gross business profit	81,844	(4,234)	86,079
Domestic gross business profit	80,740	(3,915)	84,656
Core gross business profit	75,838	(2,502)	78,340
Net interest income	65,032	(3,691)	68,723
Net fees and commissions	10,548	857	9,691
Net trading income	-	-	-
Net other business income	5,159	(1,081)	6,241
International gross business profit	1,103	(319)	1,423
Core gross business profit	1,022	(401)	1,423
Net interest income	356	(151)	507
Net fees and commissions	103	(9)	113
Net trading income	-	-	-
Net other business income	644	(158)	802
Expenses	54,127	2,535	51,592
Personnel expenses	25,775	710	25,064
Non-personnel expenses	25,724	1,814	23,909
Taxes	2,627	9	2,618
Net business income (before provision for general reserve for possible loan losses)	27,717	(6,769)	34,486
Gains (losses) on bonds	4,984	(1,330)	6,315
Provision for general reserve for possible loan losses	(2,593)	(2,593)	-
Net business income (after provision for general reserve for possible loan losses)	30,310	(4,176)	34,486
Net non-recurrent gains (losses)	(4,720)	4,828	(9,548)
Gains (losses) on stocks	1,736	1,950	(214)
Disposal of non-performing loans	7,525	(1,807)	9,333
Write-off amount of loans	3,110	(5,729)	8,839
Provision for specific reserve for possible loan losses	4,342	4,342	-
Losses on sales of loans	95	(276)	371
Provision for reserve for contingent losses	(22)	(144)	121
Reversal of reserve for possible loan losses	-	-	-
Recoveries of written-off claims	1,064	1,064	-
Operating profit	25,589	651	24,938
Net special gains (losses)	(195)	(1)	(194)
Reversal of reserve for possible loan losses	-	(61)	61
Recovery of written-off claims	-	(669)	669
Net gains (losses) from fixed assets	(186)	(343)	157
Gains on dispositions of fixed assets	7	(326)	333
Losses on dispositions of fixed assets	194	17	176
Impairment losses	8	8	-
Losses caused by adoption of accounting standard for asset retirement obligations	-	(378)	378
Provision for reserve for losses on disaster	-	(518)	518
Losses on advanced depreciation of fixed assets	-	(186)	186
Net profit before income taxes	25,394	650	24,743
Corporate, inhabitant, business taxes	83	(0)	84
Corporate tax adjustments, etc.	(156)	624	(781)
Net profit	25,467	26	25,441

(Note) Based on "Practical Guidelines on Accounting Standards for Financial Instruments" (JICPA Accounting Practice Committee Statements No.14), "Reversal of Reserves for possible Loan losses" and "Recovery of write-off claims" have been recorded in Net non-recurrent gains (losses) beginning with this fiscal year. However retroactive adjustment was not made for the previous fiscal year.

Reference (Credit related costs)

【The Ashikaga Bank, Ltd.(Non-consolidated basis)】

(Millions of yen)

Item	FY 2011		FY 2010
	(A)	(A)-(B)	(B)
Provision for general reserve for possible loan losses	(2,593)	(2,593)	-
Disposal of non-performing loans	7,525	(1,807)	9,333
Write-off amount of loans	3,110	(5,729)	8,839
Provision for specific reserve for possible loan losses	4,342	4,342	-
Losses on sales of loans	95	(276)	371
Provision for reserve for contingent losses	(22)	(144)	121
Reversal of reserve for possible loan losses	-	(61)	61
Reversal of general reserve for possible loan losses	-	(5,606)	5,606
Reversal of specific reserve for possible loan losses	-	5,544	(5,544)
Recovery of written-off claims	1,064	394	669
Total + - -	3,868	(4,733)	8,602

Reference (Consolidated Income Status)

【Ashikaga Holdings Co., Ltd.】

(Millions of yen)

Item	FY 2011		FY 2010
	(A)	(A)-(B)	(B)
Consolidated gross business profit	83,148	(4,960)	88,109
Net interest income	65,263	(4,375)	69,639
Net fees and commissions	11,863	614	11,248
Net trading income	-	-	-
Net other business income	6,021	(1,200)	7,221
General and administrative expenses	62,424	2,595	59,829
Write-off and reserve expenses of loans	6,078	(5,379)	11,457
Reversal of reserve for possible loan losses	-	-	-
Recovery of written-off claims	1,071	1,071	-
Gains (losses) on stocks	578	2,396	(1,818)
Equity in gains (losses) of affiliated companies	-	-	-
Others	905	144	760
Operating Profit	17,201	1,436	15,765
Special gains (losses)	(195)	232	(428)
Reversal of reserve for possible loan losses	-	-	-
Recovery of written-off claims	-	(687)	687
Net profit before income taxes	17,005	1,669	15,336
Corporate, inhabitant, business taxes	216	(432)	649
Corporate tax adjustments, etc.	(381)	916	(1,298)
Income before minority interests	17,170	1,185	15,985
Minority interests	-	-	-
Net profit	17,170	1,185	15,985

(Note) Consolidated gross business profit=(Interest income-Interest expenses)+(Fees and commissions income-Fees and commissions expenses)+(Trading income-Trading expenses)+(Other business income-Other business expenses)

2. Based on "Practical Guidelines on Accounting Standards for Financial Instruments" (JICPA Accounting Practice Committee Statements No.14), "Reversal of Reserves for possible Loan losses" and "Recovery of write-off claims" have been recorded in other operating income beginning with this fiscal year. However retroactive adjustment was not made for the previous fiscal year.

Credit related costs (- -)	5,006	(5,762)	10,769
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Reference (Number of Consolidated Subsidiaries)

【Ashikaga Holdings Co., Ltd.】

Item	FY 2011		FY 2010
	(A)	(A)-(B)	(B)
Number of consolidated subsidiaries	7	-	7
Number of affiliated companies applicable to the equity method	-	-	-

2. Net Business Income

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	FY 2011 (A)	(A)-(B)	FY 2010 (B)
Net business income (before provision for reserve for possible loan losses)	27,717	(6,769)	34,486
Per head (in thousands of yen)	10,201	(2,797)	12,999
Net business income	30,310	(4,176)	34,486
Per head (in thousands of yen)	11,155	(1,843)	12,999

3. Interest Rate Spread

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(%)

Item (Whole bank operations)	FY 2011 (A)	(A)-(B)	FY 2010 (B)
Average yield on interest earning assets	1.40	(0.15)	1.55
Average yield on loans and bills discounted	1.72	(0.15)	1.87
Average yield on securities	0.78	(0.05)	0.83
Average yield on interest bearing liabilities	1.21	(0.01)	1.22
Average yield on deposits and negotiable certificates of deposit	0.08	(0.03)	0.11
Average yield on call money and borrowed money	0.10	0.00	0.10
Average interest rate spread -	0.19	(0.14)	0.33

(%)

Item (Domestic operations)	FY 2011 (A)	(A)-(B)	FY 2010 (B)
Average yield on interest earning assets	1.40	(0.14)	1.54
Average yield on loans and bills discounted	1.72	(0.15)	1.87
Average yield on securities	0.77	(0.05)	0.82
Average yield on interest bearing liabilities	1.19	(0.01)	1.20
Average yield on deposits and negotiable certificates of deposit	0.08	(0.02)	0.10
Average interest rate spread -	0.21	(0.13)	0.34

4. Gains and Losses on Securities

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	FY 2011 (A)	(A)-(B)	FY 2010 (B)
Gains (losses) on bonds (Japanese government bonds, etc.)	4,984	(1,330)	6,315
Gains on sales	4,957	(1,357)	6,315
Gains on redemption	27	27	-
Losses on sales	-	-	-
Losses on redemption	-	-	-
Write-offs	-	-	-
Gains (losses) on stocks	1,736	1,950	(214)
Gains on sales	2,150	1,072	1,077
Losses on sales	0	(226)	226
Write-offs	414	(650)	1,065

5. Capital Adequacy Ratio (Domestic standard)

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Capital adequacy ratio	8.32%	(0.37%)	0.25%	8.69%	8.07%
Tier 1 Capital	193,658	(4,082)	10,721	197,741	182,936
Tier 2 Capital	15,725	419	383	15,305	15,341
General reserve for loan losses qualified as capital	15,725	419	383	15,305	15,341
Deductions	-	-	-	-	-
Capital + -	209,383	(3,663)	11,105	213,046	198,278
Risk assets	2,516,038	67,130	61,394	2,448,907	2,454,644

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Capital adequacy ratio	9.47%	(0.04%)	0.84%	9.51%	8.63%
Tier 1 Capital	141,326	3,989	17,702	137,337	123,623
Tier 2 Capital	95,578	1,769	8,578	93,808	86,999
General reserve for loan losses qualified as capital	15,578	438	390	15,140	15,187
Subordinated debts	80,000	-	-	80,000	80,000
(Portion of subordinated debts not qualified as capital)	-	1,331	8,188	(1,331)	(8,188)
Deductions	669	(12)	(55)	681	724
Capital + -	236,235	5,770	26,337	230,464	209,898
Risk assets	2,492,504	70,086	62,473	2,422,417	2,430,030

6. Return on Equity

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(%)

Item	FY 2011		FY 2010
	(A)	(A)-(B)	(B)
Net business income basis (before provision for general reserve for possible loan losses)	13.12	(4.34)	17.46
Net business income basis	14.35	(3.11)	17.46
Net profit basis	12.06	(0.82)	12.88

*A denominator (Net average assets) is calculated as follows: (Net assets at the beginning of the period excludes subscription rights to shares + Net assets at the end of the period excludes subscription rights to shares)/2

Status of Loans

1. Risk-monitored Loans

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(1) Risk-monitored loans

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	3,659	(827)	(731)	4,487	4,390
Non-accrual delinquent loans	84,831	3,490	(3,488)	81,340	88,319
Loans past due 3 month or more	-	(60)	(18)	60	18
Restructured loans	33,613	(212)	7,566	33,826	26,046
Total risk-monitored loans	122,104	2,390	3,328	119,714	118,776
(Reference) Amount of partial direct write-off executed	17,276	(7,974)	(6,179)	25,251	23,456
Total loans	3,641,006	211,734	167,717	3,429,272	3,473,289

(2) Ratio of Risk-monitored loans to total loans

(%)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	0.10	(0.03)	(0.02)	0.13	0.12
Non-accrual delinquent loans	2.32	(0.05)	(0.22)	2.37	2.54
Loans past due 3 month or more	-	(0.00)	(0.00)	0.00	0.00
Restructured loans	0.92	(0.06)	0.18	0.98	0.74
Total risk-monitored loans	3.35	(0.14)	(0.06)	3.49	3.41

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(1) Risk-monitored loans

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	3,757	(856)	(796)	4,614	4,553
Non-accrual delinquent loans	86,454	3,507	(3,260)	82,947	89,714
Loans past due 3 month or more	-	(60)	(18)	60	18
Restructured loans	33,613	(212)	7,566	33,826	26,046
Total risk-monitored loans	123,825	2,377	3,491	121,448	120,333
(Reference) Amount of partial direct write-off executed	20,331	(8,116)	(6,640)	28,448	26,972
Total loans	3,642,549	211,832	167,920	3,430,717	3,474,628

(2) Ratio of Risk-monitored loans to total loans

(%)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	0.10	(0.03)	(0.03)	0.13	0.13
Non-accrual delinquent loans	2.37	(0.04)	(0.21)	2.41	2.58
Loans past due 3 month or more	-	(0.00)	(0.00)	0.00	0.00
Restructured loans	0.92	(0.06)	0.18	0.98	0.74
Total risk-monitored loans	3.39	(0.15)	(0.07)	3.54	3.46

2. Reserve for Possible Loan Losses

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Reserve for possible loan losses	44,750	926	(5,467)	43,824	50,217
General reserve for possible loan losses	26,977	(725)	(2,593)	27,702	29,570
Specific reserve for possible loan losses	17,773	1,651	(2,874)	16,122	20,647
Reserve for specific foreign debtors	-	-	-	-	-

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Reserve for possible loan losses	48,519	(15)	(6,578)	48,534	55,097
General reserve for possible loan losses	27,156	(730)	(2,599)	27,886	29,755
Specific reserve for possible loan losses	21,362	714	(3,979)	20,648	25,342
Reserve for specific foreign debtors	-	-	-	-	-

3. Ratio to Reserve for Total Risk-monitored Loans

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(%)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Before partial direct write-off	44.47	(3.10)	(7.38)	47.57	51.85
After partial direct write-off	36.52	0.12	(5.69)	36.40	42.21

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(%)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Before partial direct write-off	47.74	(3.54)	(8.03)	51.28	55.77
After partial direct write-off	39.05	(0.70)	(6.67)	39.75	45.72

4. Loans subject to mandatory disclosure under the Financial Reconstruction Law

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Bankrupt and substantially bankrupt claims	11,105	(3,497)	(6,414)	14,602	17,519
Doubtful claims	77,582	6,095	2,122	71,486	75,460
Claims requiring supervision	33,613	(273)	7,548	33,887	26,065
Subtotal	122,301	2,324	3,255	119,976	119,045
Normal claims	3,557,822	217,215	173,404	3,340,607	3,384,418
Total	3,680,123	219,540	176,660	3,460,583	3,503,463
(Reference) Amount of partial direct write-off executed	17,276	(7,974)	(6,179)	25,251	23,456

【Ashikaga Holdings Co, Ltd. (Consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Bankrupt and substantially bankrupt claims	12,944	(3,510)	(6,229)	16,455	19,174
Doubtful claims	77,724	6,088	2,101	71,635	75,622
Claims requiring supervision	33,613	(273)	7,548	33,887	26,065
Subtotal	124,282	2,305	3,419	121,977	120,863
Normal claims	3,560,098	217,396	173,064	3,342,701	3,387,034
Total	3,684,381	219,702	176,483	3,464,678	3,507,897
(Reference) Amount of partial direct write-off executed	20,331	(8,116)	(6,640)	28,448	26,972

5. Coverage of loans subject to mandatory disclosure under the Financial Reconstruction Law

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Coverage amount	80,841	794	(4,006)	80,046	84,848
Portion covered by reserve	22,614	1,744	(1,394)	20,870	24,009
Portion covered by collateral and guarantees	58,226	(949)	(2,611)	59,175	60,838
Reserve for specific debtors	-	-	-	-	-

(%)

Coverage ratio /	66.10	(0.61)	(5.17)	66.71	71.27
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6. Loan Portfolio

(1) Classification of loans by type of industry

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Total	3,641,006	211,734	167,717	3,429,272	3,473,289
Manufacturing	524,291	2,063	(3,673)	522,228	527,964
Agriculture / Forestry	14,850	(1,115)	(4,837)	15,965	19,687
Fishery	561	17	(85)	544	646
Mining / Quarrying of stone / Gravel	4,748	183	(199)	4,565	4,947
Construction	138,686	2,782	(11,893)	135,904	150,579
Electricity, gas and water	20,804	1,596	(1,153)	19,208	21,957
Telecommunication	41,522	1,526	433	39,996	41,089
Transportation / Postal activities	97,574	9,758	6,179	87,816	91,395
Wholesale / Retail services	400,159	5,077	1,927	395,082	398,232
Financial and insurance services	109,876	(3,122)	14,181	112,998	95,695
Real estate / Goods rental and leasing	354,944	29,065	61,355	325,879	293,589
Services	317,624	3,663	(16,983)	313,961	334,607
Government / Local government	431,873	157,659	106,286	274,214	325,587
Others	1,183,484	2,583	16,180	1,180,901	1,167,304

(2) Classification of risk-monitored loans by type of industry

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Total	122,104	2,390	3,328	119,714	118,776
Manufacturing	30,215	1,725	4,482	28,490	25,732
Agriculture / Forestry	828	293	(124)	534	953
Fishery	-	-	-	-	-
Mining / Quarrying of stone / Gravel	56	3	47	52	9
Construction	13,093	(1,131)	1,591	14,224	11,501
Electricity, gas and water	4,005	1,998	3,997	2,006	8
Telecommunication	850	539	528	311	321
Transportation / Postal activities	2,557	284	(97)	2,272	2,654
Wholesale / Retail services	17,551	(778)	(1,897)	18,330	19,449
Financial and insurance services	2,163	107	(3,531)	2,055	5,694
Real estate / Goods rental and leasing	17,675	(400)	1,714	18,075	15,960
Services	19,241	1,460	(595)	17,780	19,836
Government / Local government	-	-	-	-	-
Others	13,865	(1,714)	(2,788)	15,580	16,654

(3) Individual loans

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Individual loans	1,253,906	21,688	26,535	1,232,218	1,227,371
Housing loans	1,218,355	23,172	30,134	1,195,183	1,188,221
Other loans	35,551	(1,484)	(3,599)	37,035	39,150

(4) Loans to small-and-medium-sized enterprises

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(%)

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Ratio to total loans and bills discounted	70.74	(3.42)	(3.30)	74.16	74.04

7. Loans to Entities Overseas by Country
【The Ashikaga Bank, Ltd. (Non-consolidated basis)】
 (1) Specific overseas loans

Not applicable

(2) Loans to Asian Countries

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
China	328	22	(3)	306	332
(Risk-monitored loans included)	-	-	-	-	-
Total	328	22	(3)	306	332
(Risk-monitored loans included)	-	-	-	-	-

(3) Loans to Latin American Countries

Not applicable

(4) Loans to Russia

Not applicable

8. Balance of Deposits and Loans
【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

Item	As of Mar 31, 2012			As of Sep 30, 2011	As of Mar 31, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Deposits	4,686,264	162,201	146,717	4,524,062	4,539,546
Deposits (Annual or semiannual average)	4,528,944	6,351	158,908	4,522,592	4,370,035
Loans	3,641,006	211,734	167,717	3,429,272	3,473,289
Loans (Annual or semiannual average)	3,453,309	56,859	113,466	3,396,449	3,339,842

Valuation Gains (Losses) on Securities

1. Valuation Standards of Securities

Trading purpose securities	Market value method (Valuation differences are recognized as gains or losses and stated in statement of income)
Securities held to maturity	Amortized cost method
Other securities (available-for-sale securities)	Market value method (Valuation differences are stated in net assets of balance sheet)
Stocks of subsidiaries and affiliated companies	Cost accounting method

2. Unrealized Valuation Gains (Losses) on Other Securities (available-for-sale securities)

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	As of Mar 31, 2012					As of Sep 30, 2011			As of Mar 31, 2011		
	Unrealized valuation gains (losses)					Unrealized valuation gains (losses)			Unrealized valuation gains (losses)		
	(A)	(A-B)	(A-C)	Valuation gains	Valuation losses	(B)	Valuation gains	Valuation losses	(C)	Valuation gains	Valuation losses
Held-to-maturity	4,121	167	2,751	4,130	9	3,953	3,960	6	1,369	1,382	13
Bonds	4,041	104	2,707	4,041	-	3,936	3,936	-	1,334	1,334	-
Others	79	62	44	89	9	17	23	6	35	48	13
Other (available-for-sale)	17,537	7,889	7,564	21,978	4,441	9,647	16,530	6,883	9,972	17,169	7,196
Stocks	10,093	5,478	2,159	10,648	555	4,614	6,013	1,399	7,933	8,958	1,025
Bonds	10,925	582	4,544	11,170	244	10,343	10,516	172	6,381	8,196	1,815
Others	(3,481)	1,828	860	159	3,641	(5,310)	1	5,311	(4,341)	13	4,355
Total	21,658	8,057	10,315	26,109	4,451	13,601	20,491	6,890	11,342	18,551	7,209
Stocks	10,093	5,478	2,159	10,648	555	4,614	6,013	1,399	7,933	8,958	1,025
Bonds	14,966	686	7,251	15,211	244	14,279	14,452	172	7,715	9,531	1,815
Others	(3,401)	1,891	904	249	3,650	(5,293)	25	5,318	(4,306)	62	4,368

(Note) Stocks in other securities (available-for-sale securities) that have market prices are stated at their average market prices during the final month of the fiscal year, and bonds and others that have market prices are stated at their fiscal year-end market prices.

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

	As of Mar 31, 2012					As of Sep 30, 2011			As of Mar 31, 2011		
	Unrealized valuation gains (losses)					Unrealized valuation gains (losses)			Unrealized valuation gains (losses)		
	(A)	(A-B)	(A-C)	Valuation gains	Valuation losses	(B)	Valuation gains	Valuation losses	(C)	Valuation gains	Valuation losses
Held-to-maturity	4,121	167	2,751	4,130	9	3,953	3,960	6	1,369	1,382	13
Bonds	4,041	104	2,707	4,041	-	3,936	3,936	-	1,334	1,334	-
Others	79	62	44	89	9	17	23	6	35	48	13
Other (available-for-sale)	13,599	8,754	8,646	18,855	5,255	4,845	15,261	10,416	4,952	14,230	9,277
Stocks	4,272	6,389	3,417	7,445	3,172	(2,116)	4,600	6,717	855	5,754	4,899
Bonds	11,008	520	4,353	11,253	245	10,488	10,661	172	6,655	8,470	1,815
Others	(1,681)	1,844	876	156	1,838	(3,526)	-	3,526	(2,557)	5	2,563
Total	17,720	8,921	11,398	22,985	5,265	8,799	19,222	10,422	6,322	15,613	9,291
Stocks	4,272	6,389	3,417	7,445	3,172	(2,116)	4,600	6,717	855	5,754	4,899
Bonds	15,049	624	7,060	15,294	245	14,424	14,597	172	7,989	9,805	1,815
Others	(1,601)	1,907	920	245	1,847	(3,508)	23	3,532	(2,522)	53	2,576

(Note) Stocks in other securities (available-for-sale securities) that have market prices are carried at their average market prices during the final month of the fiscal year, and bonds and others that have market prices are carried at their fiscal year-end market prices.

V Employees' Severance and Retirement Benefits

1. Projected Retirement Benefit Obligation

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012		As of Mar 31, 2011
	(A)	(A-B)	(B)
Projected retirement benefit obligation (Discount rate)	(47,724) 2%	(233)	(47,490) 2%
Fair value of plan assets	30,420	869	29,550
Unrealized actuarial differences	2,849	(596)	3,445
Sub total + +	(14,455)	38	(14,494)
Prepaid pension expenses	933	542	391
Reserve for employee retirement benefits	(15,389)	(503)	(14,885)

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012		As of Mar 31, 2011
	(A)	(A-B)	(B)
Projected retirement benefit obligation (Discount rate)	(49,610) 2%	(305)	(49,304) 2%
Fair value of plan assets	31,173	937	30,236
Unrealized actuarial differences	3,309	(540)	3,850
Sub total + +	(15,126)	91	(15,218)
Prepaid pension expenses	930	539	391
Reserve for employee retirement benefits	(16,057)	(447)	(15,610)

2. Retirement Benefit Costs

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012		As of Mar 31, 2011
	(A)	(A-B)	(B)
Retirement benefit costs	2,505	91	2,413
Service cost	1,336	8	1,327
Interest cost	942	4	938
Expected return on plan assets	(591)	(3)	(587)
Recognized actuarial loss	804	82	721
Other retirement cost	13	0	12

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

Item	As of Mar 31, 2012		As of Mar 31, 2011
	(A)	(A-B)	(B)
Retirement benefit costs	2,710	112	2,598