

Financial Results for the First Half
Fiscal Year Ended September 30, 2012

Ashikaga Holdings Co., Ltd
The Ashikaga Bank, Ltd

Financial Results for the First Half Fiscal Year Ended September 30, 2012

-----Contents-----

Consolidated Financial Information for the First Half Fiscal 2012	
1. Consolidated Balance Sheets	1
2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	2
3. Consolidated Statement of Shareholders' Equity	3
4. Consolidated Statements of Cash Flows	4
5. Non-consolidated Balance Sheets	5
6. Non-consolidated Statements of Income	6
7. Non-consolidated Statement of Shareholders' Equity	7
Financial Data for the First Half Fiscal 2012 (ended September 30, 2012)	
1. Income Status	8
2. Net Business Income	10
3. Interest Rate Spread	10
4. Gains and Losses on Securities	10
5. Capital Adequacy Ratio	11
6. Return on Equity	11
Status of Loans	
1. Risk-monitored Loans	12
2. Reserve for Possible Loan Losses	13
3. Ratio to Reserve for Total Risk-monitored Loans	13
4. Loans subject to mandatory disclosure under the Financial Reconstruction Law	14
5. Coverage of loans subject to mandatory disclosure under the Financial Reconstruction Law	14
6. Loan Portfolio	15
(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	16
8. Balance of Deposits and Loans	16
Valuation Gains (Losses) on Securities	
1. Valuation Standards of Securities	17
2. Unrealized Valuation Gains (Losses) on Other Securities (available-for-sale securities)	17
Employees' Severance and Retirement Benefits	
1. Retirement Benefit Costs	18

Consolidated Financial Information for the First Half Fiscal 2012

1. Consolidated Balance Sheets

【Ashikaga Holdings Co., Ltd.】

(Millions of yen)

Item	As of September 30, 2011	As of September 30, 2012
Assets		
Cash and due from banks	217,928	99,112
Call loans and bills purchased	184,061	226,161
Commercial paper and other debt purchased	8,541	8,202
Trading securities	3,778	4,192
Securities	1,067,372	1,095,378
Loans and bills discounted	3,430,717	3,686,551
Foreign exchanges	5,130	7,030
Other assets	25,253	23,560
Tangible fixed assets	25,455	24,144
Intangible fixed assets	111,984	104,320
Deferred tax assets	9,997	10,030
Customer liabilities for acceptances and guarantees	18,348	18,365
Reserve for possible loan losses	(48,534)	(44,218)
Total Assets	5,060,033	5,262,831
Liabilities		
Deposits	4,493,442	4,623,284
Negotiable certificates of deposit	119,429	135,133
Collateral deposits received for securities lending	-	35,194
Borrowed money	120,175	134,949
Foreign Exchanges	552	463
Other liabilities	46,945	44,848
Reserve for directors' bonuses	21	18
Reserve for employee retirement benefits	15,827	11,418
Reserve for directors' retirement benefits	195	240
Reserve for reimbursement of deposits	1,303	1,412
Reserve for contingent losses	221	300
Reserve for credit card rewards points	64	77
Reserve for losses on disaster	350	102
Acceptances and guarantees	18,348	18,365
Total liabilities	4,816,879	5,005,809
Net Assets		
Capital stock	105,010	105,010
Capital surplus	95,780	95,780
Retained earnings	40,437	52,743
Total shareholders' equity	241,227	253,534
Net unrealized valuation gains (losses) on other securities (available for sale securities)	1,926	3,487
Total accumulated other comprehensive income	1,926	3,487
Total net assets	243,154	257,022
Total liabilities and net assets	5,060,033	5,262,831

(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	First half FY 2011	First half FY 2012
Operating income	52,041	51,924
Interest income	37,242	34,757
Interest on loans and discounts	31,684	30,077
Interest and dividends on securities	5,240	4,353
Fees and commissions	8,670	9,303
Other business income	5,160	6,080
Other operating income	967	1,782
Operating expenses	41,533	38,770
Interest expenses	3,960	3,384
Interest on deposits	2,096	1,554
Fees and commissions	2,889	3,110
Other business expenses	26	38
General and administrative expenses	32,331	29,933
Other operating expenses	2,326	2,302
Operating profit	10,507	13,153
Special gains	-	144
Special losses	41	186
Net profit before income taxes	10,466	13,112
Corporate, inhabitant, business taxes	305	984
Corporate tax adjustments, etc.	(451)	709
Total corporate taxes, etc.	(146)	1,694
Income before minority interests	10,612	11,418
Net profit	10,612	11,418

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

(2) Consolidated Statements of Comprehensive Income

Item	First half FY 2011	First half FY 2012
Income before minority interests	10,612	11,418
Other comprehensive income	(1,031)	(5,497)
Net unrealized valuation gains (losses) on other securities (available for sale securities)	(1,031)	(5,497)
Comprehensive income	9,580	5,921
Comprehensive income attributable to owners of the parent	9,580	5,921
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	First half FY 2012 (ended September 30, 2012)
Shareholders' equity	
Capital stock	
Balance at the end of previous period	105,010
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of current period	105,010
Capital surplus	
Balance at the end of previous period	95,780
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of current period	95,780
Retained earnings	
Balance at the end of previous period	46,995
Changes of items during the period	
Dividends from surplus	(5,670)
Net profit	11,418
Total changes of items during the period	5,748
Balance at the end of current period	52,743
Total shareholders' equity	
Balance at the end of previous period	247,785
Changes of items during the period	
Dividends from surplus	(5,670)
Net profit	11,418
Total changes of items during the period	5,748
Balance at the end of current period	253,534
Accumulated other comprehensive income	
Net unrealized valuation gains (losses) on other securities (available for sale securities)	
Balance at the end of previous period	8,984
Changes of items during the period	
Net changes of items other than shareholders' equity	(5,497)
Total changes of items during the period	(5,497)
Balance at the end of current period	3,487
Total accumulated other comprehensive income	
Balance at the end of previous period	8,984
Changes of items during the period	
Net changes of items other than shareholders' equity	(5,497)
Total changes of items during the period	(5,497)
Balance at the end of current period	3,487
Total net assets	
Balance at the end of previous period	256,770
Changes of items during the period	
Dividends from surplus	(5,670)
Net profit	11,418
Net changes of items other than shareholders' equity	(5,497)
Total changes of items during the period	251
Balance at the end of current period	257,022

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

4. Consolidated Statements of Cash Flows

(Millions of yen)

[Ashikaga Holdings Co., Ltd.]	First half FY ended Sep 30, 2011	First half FY ended Sep 30, 2012
Cash flows from operating activities		
Net profit before income taxes	10,466	13,112
Depreciation	2,649	1,871
Impairment losses	8	-
Amortization of goodwill	3,101	3,101
Increase (decrease) in reserve for loan losses	(6,562)	(4,300)
Increase (decrease) in reserve for directors' bonuses	(49)	(54)
Increase (decrease) in reserve for employee retirement benefits	217	(4,638)
Increase (decrease) in reserve for directors' retirement benefits	21	20
Increase (decrease) in reserve for reimbursement of deposits	(46)	(27)
Increase (decrease) in reserve for contingent losses	(64)	36
Increase (decrease) in reserve for credit card rewards points	(0)	(3)
Increase (decrease) in reserve for losses on disaster	(168)	(68)
Interest income	(37,242)	(34,757)
Interest expenses	3,960	3,384
Losses (gains) on securities	(3,414)	(3,836)
Losses (gains) on foreign exchange	334	98
Losses (gains) on dispositions of fixed assets	32	41
Net decrease (increase) in loans and bills discounted	43,911	(44,001)
Net increase (decrease) in deposits	11,925	(34,032)
Net increase (decrease) in negotiable certificates of deposit	12,310	(4,780)
Net increase (decrease) in borrowed money (excluding subordinated borrowed money)	(169,061)	(86,698)
Net decrease (increase) in due from banks (excluding due from the Bank of Japan)	194	4,208
Net decrease (increase) in call loans and bills purchased	(53,501)	(40,194)
Net decrease (increase) in trading securities	(236)	(945)
Net increase (decrease) in collateral deposits received for securities lending	(19,700)	35,194
Net decrease (increase) in foreign exchanges (assets)	1,093	(1,365)
Net increase (decrease) in foreign exchanges (liabilities)	89	27
Interest received	36,578	34,930
Interest paid	(2,865)	(4,532)
Other, net	3,869	7,271
Subtotal	<u>(162,147)</u>	<u>(160,938)</u>
Income taxes paid	<u>(458)</u>	<u>(149)</u>
Net cash provided by (used in) operating activities	<u>(162,605)</u>	<u>(161,088)</u>
Cash flows from investing activities		
Purchases of securities	(237,111)	(178,761)
Proceeds from sales of securities	180,726	198,088
Proceeds from redemption of securities	327,267	83,504
Purchases of tangible fixed assets	(471)	(746)
Proceeds from sales of tangible fixed assets	(9)	524
Purchases of intangible fixed assets	(3,640)	(139)
Other, net	(10)	82
Net cash provided by (used in) investing activities	<u>266,751</u>	<u>102,553</u>
Cash flows from financing activities		
Dividends paid	(5,670)	(5,670)
Repayment of lease liabilities	(4)	(5)
Net cash provided by (used in) financing activities	<u>(5,674)</u>	<u>(5,675)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(23)</u>	<u>(11)</u>
Net increase (decrease) in cash and cash equivalents	<u>98,447</u>	<u>(64,222)</u>
Cash and cash equivalents at the beginning of the period	<u>110,390</u>	<u>160,230</u>
Cash and cash equivalents at the end of the period	<u>208,837</u>	<u>96,008</u>

5. Non-consolidated Balance Sheets

【The Ashikaga Bank, Ltd.】

(Millions of yen)

Item	As of Sep 30, 2011	As of Sep 30, 2012
Assets		
Cash and due from banks	217,926	99,111
Call loans	184,061	226,161
Commercial paper and other debt purchased	8,541	8,202
Trading securities	3,778	4,192
Securities	1,096,349	1,124,394
Loans and bills discounted	3,429,272	3,685,655
Foreign exchanges	5,130	7,030
Other assets	20,882	18,608
Tangible fixed assets	26,650	25,176
Intangible fixed assets	8,069	6,613
Deferred tax assets	10,659	10,700
Customer liabilities for acceptances and guarantees	18,348	18,365
Reserve for possible loan losses	(43,824)	(40,647)
Total Assets	4,985,846	5,193,564
Liabilities		
Deposits	4,524,062	4,659,792
Negotiable certificates of deposit	149,429	165,133
Collateral deposits received for securities lending	-	35,194
Borrowed money	40,175	54,949
Foreign Exchanges	552	463
Other liabilities	31,699	29,657
Income taxes payable	231	771
Lease liabilities	18	16
Asset retirement obligations	456	512
Others	30,993	28,357
Reserve for directors' bonuses	12	9
Reserve for employee retirement benefits	15,164	11,406
Reserve for directors' retirement benefits	119	137
Reserve for reimbursement of deposits	1,303	1,412
Reserve for contingent losses	221	300
Reserve for credit card rewards points	23	41
Reserve for losses on disaster	350	102
Acceptances and guarantees	18,348	18,365
Total liabilities	4,781,465	4,976,966
Net Assets		
Capital stock	135,000	135,000
Retained earnings	62,741	74,141
Earned surplus reserve	6,434	9,383
Other earned surplus	56,306	64,758
Earned surplus brought forward	56,306	64,758
Total shareholders' equity	197,741	209,141
Net unrealized valuation gains (losses) on other securities (available for sale securities)	6,639	7,456
Total valuation and translation adjustments, etc.	6,639	7,456
Total net assets	204,380	216,598
Total liabilities and net assets	4,985,846	5,193,564

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

6. Non-consolidated Statements of Income

【The Ashikaga Bank, Ltd.】

(Millions of yen)

Item	First half FY 2011	First half FY 2012
Operating income	50,300	49,940
Interest income	35,602	33,206
Interest on loans and discounts	30,155	28,586
Interest and dividends on securities	5,132	4,296
Fees and commissions	7,957	8,749
Other business income	5,044	5,931
Other operating income	1,694	2,052
Operating expenses	35,877	33,051
Interest expenses	2,287	1,713
Interest on deposits	2,103	1,561
Fees and commissions	2,922	3,147
General and administrative expenses	28,646	26,118
Other operating expenses	2,021	2,072
Operating profit	14,422	16,889
Special gains	-	42
Special losses	41	192
Net profit before income taxes	14,381	16,738
Corporate, inhabitant, business taxes	42	607
Corporate tax adjustments, etc.	(464)	648
Corporate taxes, etc.	(422)	1,255
Net profit	14,804	15,483

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

7. Non-consolidated Statement of Shareholders' Equity

【The Ashikaga Bank., Ltd.】

(Millions of Yen)

Item	First half FY 2012 (ended Sep 30, 2012)
Stockholders' equity	
Capital stock	
Balance at the end of previous period	135,000
Changes of items during the period	
Total changes of items during the period	-
Balance at the end of current period	135,000
Retained earnings	
Earned surplus reserve	
Balance at the end of previous period	6,434
Changes of items during the period	
Dividends from surplus	2,949
Total changes of items during the period	2,949
Balance at the end of current period	9,383
Other earned surplus	
Earned surplus brought forward	
Balance at the end of previous period	66,969
Changes of items during the period	
Dividends from surplus	(17,694)
Net profit	15,483
Total changes of items during the period	(2,211)
Balance at the end of current period	64,758
Total retained earnings	
Balance at the end of previous period	73,404
Changes of items during the period	
Dividends from surplus	(14,745)
Net profit	15,483
Total changes of items during the period	737
Balance at the end of current period	74,141
Total shareholders' equity	
Balance at the end of previous period	208,404
Changes of items during the period	
Dividends from surplus	(14,745)
Net profit	15,483
Total changes of items during the period	737
Balance at the end of current period	209,141
Valuation and translation adjustments	
Net unrealized valuation gains (losses) on other securities (available for sale securities)	
Balance at the end of previous period	13,052
Changes of items during the period	
Net changes of items other than shareholders' equity	(5,595)
Total changes of items during the period	(5,595)
Balance at the end of current period	7,456
Total valuation and translation adjustments	
Balance at the end of previous period	13,052
Changes of items during the period	
Net changes of items other than shareholders' equity	(5,595)
Total changes of items during the period	(5,595)
Balance at the end of current period	7,456
Total net assets	
Balance at the end of previous period	221,457
Changes of items during the period	
Dividends from surplus	(14,745)
Net profit	15,483
Net changes of items other than shareholders' equity	(5,595)
Total changes of items during the period	(4,858)
Balance at the end of current period	216,598

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

Financial Data for the First Half Fiscal 2012 (ended September 30, 2012)

1. Income Status

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

(Millions of yen)

Item	First half FY 2012		First half FY 2011
	(A)	(A)-(B)	(B)
Gross business profit	43,027	(368)	43,395
Domestic gross business profit	42,536	(242)	42,779
Core gross business profit	36,912	(1,278)	38,190
Net interest income	31,278	(1,856)	33,134
Net fees and commissions	5,549	567	4,981
Net trading income	-	-	-
Net other business income	5,708	1,046	4,662
International gross business profit	490	(125)	616
Core gross business profit	490	(43)	534
Net interest income	215	34	180
Net fees and commissions	52	(0)	53
Net trading income	-	-	-
Net other business income	223	(159)	382
Expenses	25,716	(2,501)	28,217
Personnel expenses	13,661	587	13,073
Non-personnel expenses	10,454	(2,771)	13,225
Taxes	1,601	(317)	1,918
Net business income (before provision for general reserve for possible loan losses)	17,310	2,132	15,177
Gains (losses) on bonds	5,623	953	4,670
Provision for general reserve for possible loan losses	-	-	-
Net business income (after provision for general reserve for possible loan losses)	17,310	2,132	15,177
Net non-recurrent gains (losses)	(421)	333	(754)
Gains (losses) on stocks	(194)	(51)	(143)
Disposal of non-performing loans	1,682	81	1,601
Write-off amount of loans	1,591	(74)	1,666
Provision for specific reserve for possible loan losses	-	-	-
Losses on sales of loans	54	54	-
Provision for reserve for contingent losses	36	101	(64)
Reversal of reserve for possible loan losses	548	(340)	888
Recovery of written-off claims	440	(9)	450
Operating profit	16,889	2,466	14,422
Net special gains (losses)	(150)	(109)	(41)
Net gains (losses) from fixed assets	(150)	(117)	(32)
Gains on dispositions of fixed assets	42	42	-
Losses on dispositions of fixed assets	192	159	32
Impairment losses	-	(8)	8
Net profit before income taxes	16,738	2,356	14,381
Corporate, inhabitant, business taxes	607	564	42
Corporate tax adjustments, etc.	648	1,112	(464)
Net profit	15,483	678	14,804

Reference (Credit related costs)

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

(Millions of yen)

Item	First half FY 2012		First half FY 2011 (B)
	(A)	(A)-(B)	
Provision for general reserve for possible loan losses	-	-	-
Disposal of non-performing loans	1,682	81	1,601
Write-off amount of loans	1,591	(74)	1,666
Provision for specific reserve for possible loan losses	-	-	-
Losses on sales of loans	54	54	-
Provision for reserve for contingent losses	36	101	(64)
Reversal of reserve for possible loan losses	548	(340)	888
Reversal of general reserve for possible loan losses	7,829	5,961	1,868
Reversal of specific reserve for possible loan losses	(7,280)	(6,301)	(979)
Recovery of written-off claims	440	(9)	450
Total + - -	693	431	262

Reference (Consolidated Income Status)

【Ashikaga Holdings Co., Ltd.】

(Millions of yen)

Item	First half FY 2012		First half FY 2011 (B)
	(A)	(A)-(B)	
Consolidated gross business profit	43,607	(591)	44,198
Net interest income	31,372	(1,908)	33,281
Net fees and commissions	6,192	410	5,781
Net trading income	-	-	-
Net other business income	6,042	907	5,134
General and administrative expenses	29,933	(2,398)	32,331
Write-off and reserve expenses of loans	1,723	76	1,647
Reversal of reserve for possible loan losses	257	164	93
Recovery of written-off claims	445	(8)	454
Gains (losses) on stocks	(365)	22	(388)
Equity in gains (losses) of affiliated companies	-	-	-
Others	866	737	128
Operating Profit	13,153	2,646	10,507
Special gains (losses)	(41)	0	(41)
Net profit before income taxes	13,112	2,646	10,466
Corporate, inhabitant, business taxes	984	679	305
Corporate tax adjustments, etc.	709	1,160	(451)
Income before minority interests	11,418	806	10,612
Minority interests	-	-	-
Net profit	11,418	806	10,612

(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)

Credit related costs (- -)	1,020	(79)	1,099
------------------------------	-------	------	-------

Reference (Number of Consolidated Subsidiaries)

【Ashikaga Holdings Co., Ltd.】

Item	First half FY 2012		First half FY2011 (B)
	(A)	(A)-(B)	
Number of consolidated subsidiaries	7	-	7
Number of affiliated companies applicable to the equity method	-	-	-

(Note) Three subsidiaries, (Ashigin Business Service Co., Ltd, Ashigin System Kaihatsu Co., Ltd and Ashigin research Institute Co., Ltd.) were merged into one subsidiary (Ashigin Research Institute Co., Ltd.) on October 1, 2012. And another subsidiary, Ashigin Business Support Co., Ltd, which had already transferred its function to The Ashikaga Bank, Ltd, ceased doing business on Jun 30, 2012 and duly completed its liquidation on October 2, 2012.

2. Net Business Income

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

(Millions of yen)

Item	First half FY 2012		First half FY 2011 (B)
	(A)	(A)-(B)	
Net business income (before provision for reserve for possible loan losses)	17,310	2,132	15,177
Per head (in thousands of yen)	5,452	(97)	5,549
Net business income	17,310	2,132	15,177
Per head (in thousands of yen)	5,452	(97)	5,549

3. Interest Rate Spread

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

(%)

Item (Whole bank operations)	First half FY 2012		First half FY 2011 (B)
	(A)	(A)-(B)	
Average yield on interest earning assets	1.31	(0.16)	1.47
Average yield on loans and bills discounted	1.59	(0.18)	1.77
Average yield on securities	0.75	(0.08)	0.83
Average yield on interest bearing liabilities	1.11	(0.15)	1.26
Average yield on deposits and negotiable certificates of deposit	0.06	(0.03)	0.09
Average yield on call money and borrowed money	0.10	0.00	0.10
Average interest rate spread -	0.20	(0.01)	0.21

(%)

Item (Domestic operations)	First half FY 2012		First half FY 2011 (B)
	(A)	(A)-(B)	
Average yield on interest earning assets	1.30	(0.17)	1.47
Average yield on loans and bills discounted	1.59	(0.18)	1.77
Average yield on securities	0.75	(0.07)	0.82
Average yield on interest bearing liabilities	1.10	(0.14)	1.24
Average yield on deposits and negotiable certificates of deposit	0.06	(0.03)	0.09
Average interest rate spread -	0.20	(0.03)	0.23

4. Gains and Losses on Securities

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

(Millions of yen)

Item	First half FY 2012		First half FY 2011 (B)
	(A)	(A)-(B)	
Gains (losses) on bonds (Japanese government bonds, etc.)	5,623	953	4,670
Gains on sales	5,623	953	4,670
Gains on redemption	-	-	-
Losses on sales	-	-	-
Losses on redemption	-	-	-
Write-offs	-	-	-
Gains (losses) on stocks	(194)	(51)	(143)
Gains on sales	0	(114)	115
Losses on sales	34	34	-
Write-offs	160	(97)	258

5. Capital Adequacy Ratio (Domestic standard)

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

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Capital adequacy ratio	8.83%	0.51%	0.14%	8.32%	8.69%
Tier 1 Capital	209,141	15,483	11,400	193,658	197,741
Tier 2 Capital	15,917	191	611	15,725	15,305
General reserve for loan losses qualified as capital	15,917	191	611	15,725	15,305
Deductions	-	-	-	-	-
Capital + -	225,058	15,675	12,011	209,383	213,046
Risk assets	2,546,731	30,693	97,824	2,516,038	2,448,907

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

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Capital adequacy ratio	9.95%	0.48%	0.44%	9.47%	9.51%
Tier 1 Capital	155,846	14,519	18,508	141,326	137,337
Tier 2 Capital	95,767	189	1,959	95,578	93,808
General reserve for loan losses qualified as capital	15,767	189	627	15,578	15,140
Subordinated debts	80,000	-	-	80,000	80,000
(Portion of subordinated debts not qualified as capital)	-	-	1,331	-	(1,331)
Deductions	577	(91)	(103)	669	681
Capital + -	251,036	14,801	20,571	236,235	230,464
Risk assets	2,522,842	30,337	100,424	2,492,504	2,422,417

6. Return on Equity

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

(%)

Item	First half FY2012		First half FY 2011(B)
	(A)	(A)-(B)	
Net business income basis (before provision for general reserve for possible loan losses)	15.76	0.82	14.94
Net business income basis	15.76	0.82	14.94
Net profit basis	14.09	(0.48)	14.57

*A denominator (Net average assets) is calculated as follows: (Net assets at the beginning of period excludes subscription rights to shares + Net assets at term-end 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 Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	4,902	1,243	415	3,659	4,487
Non-accrual delinquent loans	82,928	(1,902)	1,587	84,831	81,340
Loans past due 3 month or more	-	-	(60)	-	60
Restructured loans	31,477	(2,136)	(2,349)	33,613	33,826
Total risk-monitored loans	119,307	(2,796)	(406)	122,104	119,714
(Reference)Amount of partial direct write-off executed	14,605	(2,671)	(10,645)	17,276	25,251
Total loans	3,685,655	44,649	256,383	3,641,006	3,429,272

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

(%)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	0.13	0.03	0.00	0.10	0.13
Non-accrual delinquent loans	2.25	(0.07)	(0.12)	2.32	2.37
Loans past due 3 month or more	-	-	(0.00)	-	0.00
Restructured loans	0.85	(0.07)	(0.13)	0.92	0.98
Total risk-monitored loans	3.23	(0.12)	(0.26)	3.35	3.49

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

(1) Risk-monitored loans

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	5,019	1,261	405	3,757	4,614
Non-accrual delinquent loans	84,003	(2,450)	1,056	86,454	82,947
Loans past due 3 month or more	-	-	(60)	-	60
Restructured loans	31,477	(2,136)	(2,349)	33,613	33,826
Total risk-monitored loans	120,500	(3,325)	(948)	123,825	121,448
(Reference)Amount of partial direct write-off executed	17,181	(3,150)	(11,267)	20,331	28,448
Total loans	3,686,551	44,001	255,833	3,642,549	3,430,717

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

(%)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	0.13	0.03	0.00	0.10	0.13
Non-accrual delinquent loans	2.27	(0.10)	(0.14)	2.37	2.41
Loans past due 3 month or more	-	-	(0.00)	-	0.00
Restructured loans	0.85	(0.07)	(0.13)	0.92	0.98
Total risk-monitored loans	3.26	(0.13)	(0.28)	3.39	3.54

2. Reserve for Possible Loan Losses

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

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Reserve for possible loan losses	40,647	(4,103)	(3,177)	44,750	43,824
General reserve for possible loan losses	19,148	(7,829)	(8,554)	26,977	27,702
Specific reserve for possible loan losses	21,499	3,725	5,376	17,773	16,122
Reserve for specific foreign debtors	-	-	-	-	-

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

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Reserve for possible loan losses	44,218	(4,300)	(4,316)	48,519	48,534
General reserve for possible loan losses	19,297	(7,858)	(8,589)	27,156	27,886
Specific reserve for possible loan losses	24,920	3,558	4,272	21,362	20,648
Reserve for specific foreign debtors	-	-	-	-	-

3. Ratio to Reserve for Total Risk-monitored Loans

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

(%)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Before partial direct write-off	41.04	(3.43)	(6.53)	44.47	47.57
After partial direct write-off	33.73	(2.79)	(2.67)	36.52	36.40

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

(%)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Before partial direct write-off	44.39	(3.35)	(6.89)	47.74	51.28
After partial direct write-off	36.36	(2.69)	(3.39)	39.05	39.75

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

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

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Bankrupt and substantially bankrupt claims	14,301	3,196	(301)	11,105	14,602
Doubtful claims	73,724	(3,857)	2,237	77,582	71,486
Claims requiring supervision	31,477	(2,136)	(2,410)	33,613	33,887
Subtotal	119,502	(2,798)	(473)	122,301	119,976
Normal claims	3,612,677	54,854	272,070	3,557,822	3,340,607
Total	3,732,180	52,056	271,596	3,680,123	3,460,583
(Reference) Amount of partial direct write-off executed	14,605	(2,671)	(10,645)	17,276	25,251

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

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Bankrupt and substantially bankrupt claims	15,594	2,649	(860)	12,944	16,455
Doubtful claims	73,860	(3,863)	2,225	77,724	71,635
Claims requiring supervision	31,477	(2,136)	(2,410)	33,613	33,887
Subtotal	120,931	(3,351)	(1,045)	124,282	121,977
Normal claims	3,614,572	54,473	271,870	3,560,098	3,342,701
Total	3,735,503	51,122	270,824	3,684,381	3,464,678
(Reference) Amount of partial direct write-off executed	17,181	(3,150)	(11,267)	20,331	28,448

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 Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Coverage amount	85,019	4,178	4,973	80,841	80,046
Portion covered by reserve	24,425	1,810	3,554	22,614	20,870
Portion covered by collateral and guarantees	60,594	2,368	1,418	58,226	59,175
Reserve for specific debtors	-	-	-	-	-

(%)

Coverage ratio /	71.14	5.04	4.43	66.10	66.71
------------------	-------	------	------	-------	-------

6. Loan Portfolio

(1) Classification of loans by type of industry

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

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Total	3,685,655	44,649	256,383	3,641,006	3,429,272
Manufacturing	521,332	(2,959)	(896)	524,291	522,228
Agriculture / Forestry	11,882	(2,968)	(4,083)	14,850	15,965
Fishery	491	(70)	(53)	561	544
Mining / Quarrying of stone / Gravel	4,775	27	210	4,748	4,565
Construction	132,737	(5,949)	(3,167)	138,686	135,904
Electricity, gas and water	22,476	1,672	3,268	20,804	19,208
Telecommunication	42,401	879	2,405	41,522	39,996
Transportation / Postal activities	94,628	(2,946)	6,812	97,574	87,816
Wholesale / Retail services	401,348	1,189	6,266	400,159	395,082
Financial and insurance services	134,917	25,041	21,919	109,876	112,998
Real estate / Goods rental and leasing	357,753	2,809	31,874	354,944	325,879
Services	298,073	(19,551)	(15,888)	317,624	313,961
National / Local government	443,990	12,117	169,776	431,873	274,214
Others	1,218,841	35,357	37,940	1,183,484	1,180,901

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

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

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Total	119,307	(2,796)	(406)	122,104	119,714
Manufacturing	29,847	(367)	1,357	30,215	28,490
Agriculture / Forestry	755	(72)	221	828	534
Fishery	-	-	-	-	-
Mining / Quarrying of stone / Gravel	56	0	3	56	52
Construction	11,122	(1,970)	(3,101)	13,093	14,224
Electricity, gas and water	4	(4,000)	(2,001)	4,005	2,006
Telecommunication	1,030	179	719	850	311
Transportation / Postal activities	2,703	145	430	2,557	2,272
Wholesale / Retail services	20,276	2,725	1,946	17,551	18,330
Financial and insurance services	1,971	(191)	(83)	2,163	2,055
Real estate / Goods rental and leasing	19,024	1,349	949	17,675	18,075
Services	19,278	37	1,497	19,241	17,780
National / Local government	-	-	-	-	-
Others	13,235	(630)	(2,344)	13,865	15,580

(3) Individual loans

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

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Individual loans	1,289,786	35,880	57,568	1,253,906	1,232,218
Housing loans	1,255,360	37,005	60,177	1,218,355	1,195,183
Other loans	34,426	(1,125)	(2,609)	35,551	37,035

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

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

(%)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Ratio to total loans and bills discounted	70.91	0.17	(3.25)	70.74	74.16

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

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
China	232	(95)	(73)	328	306
(Risk-monitored loans included)	-	-	-	-	-
Total	232	(95)	(73)	328	306
(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)】

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Deposits	4,659,792	(26,471)	135,729	4,686,284	4,524,062
Deposits (Annual or semiannual average)	4,602,490	73,546	79,898	4,528,944	4,522,592
Loans	3,685,655	44,649	256,383	3,641,006	3,429,272
Loans (Annual or semiannual average)	3,573,355	120,046	176,906	3,453,309	3,396,449

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 Sep 30, 2012					As of Mar 31, 2012			As of Sep 30, 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	5,144	1,023	1,190	5,240	96	4,121	4,130	9	3,953	3,960	6
Bonds	5,205	1,163	1,268	5,205	-	4,041	4,041	-	3,936	3,936	-
Others	(60)	(140)	(78)	35	96	79	89	9	17	23	6
Other (available-for-sale)	9,467	(8,069)	(179)	15,718	6,251	17,537	21,978	4,441	9,647	16,530	6,883
Stocks	7,352	(2,740)	2,738	8,267	914	10,093	10,648	555	4,614	6,013	1,399
Bonds	7,098	(3,826)	(3,244)	7,380	281	10,925	11,170	244	10,343	10,516	172
Others	(4,984)	(1,503)	325	70	5,054	(3,481)	159	3,641	(5,310)	1	5,311
Total	14,611	(7,046)	1,010	20,958	6,347	21,658	26,109	4,451	13,601	20,491	6,890
Stocks	7,352	(2,740)	2,738	8,267	914	10,093	10,648	555	4,614	6,013	1,399
Bonds	12,304	(2,662)	(1,975)	12,586	281	14,966	15,211	244	14,279	14,452	172
Others	(5,045)	(1,643)	247	105	5,151	(3,401)	249	3,650	(5,293)	25	5,318

(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 (first half fiscal) year-end market prices.

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

(Millions of yen)

	As of Sep 30, 2012					As of Mar 31, 2012			As of Sep 30, 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	5,144	1,023	1,190	5,240	96	4,121	4,130	9	3,953	3,960	6
Bonds	5,205	1,163	1,268	5,205	-	4,041	4,041	-	3,936	3,936	-
Others	(60)	(140)	(78)	35	96	79	89	9	17	23	6
Other (available-for-sale)	5,596	(8,003)	750	13,292	7,695	13,599	18,855	5,255	4,845	15,261	10,416
Stocks	1,667	(2,605)	3,783	5,814	4,147	4,272	7,445	3,172	(2,116)	4,600	6,717
Bonds	7,129	(3,879)	(3,358)	7,409	280	11,008	11,253	245	10,488	10,661	172
Others	(3,200)	(1,518)	325	67	3,267	(1,681)	156	1,838	(3,526)		3,526
Total	10,740	(6,980)	1,941	18,532	7,792	17,720	22,985	5,265	8,799	19,222	10,422
Stocks	1,667	(2,605)	3,783	5,814	4,147	4,272	7,445	3,172	(2,116)	4,600	6,717
Bonds	12,334	(2,715)	(2,090)	12,615	280	15,049	15,294	245	14,424	14,597	172
Others	(3,261)	(1,659)	247	102	3,363	(1,601)	245	1,847	(3,508)	23	3,532

(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 (first half fiscal) year-end market prices.

V. Employees' Severance and Retirement Benefits

1 . Retirement Benefit Costs

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

(Millions of yen)

Item	As of Sep 30, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Retirement benefit costs	1,197	(1,308)	(50)	2,505	1,247
Service cost	630	(705)	(36)	1,336	667
Interest cost	446	(495)	(24)	942	471
Expected return on plan assets	(310)	280	(15)	(591)	(295)
Amortization of prior service cost	(70)	(70)	(70)	-	-
Recognized actuarial loss	440	(363)	38	804	402
Other retirement cost	60	47	58	13	2

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

(Millions of yen)

Item	As of Mar 31, 2012			As of Mar 31, 2012	As of Sep 30, 2011
	(A)	(A-B)	(A-C)	(B)	(C)
Retirement benefit costs	1,200	(1,509)	(145)	2,710	1,345