Bank of Yokohama

Annual Report 2012

Year Ended March 31, 2012

横浜銀行

Profile

The Bank of Yokohama, Ltd. was founded in 1920 to serve the needs of individuals and companies in Kanagawa Prefecture and southwestern Tokyo. With its main business focusing on its home region, the Bank has since grown to become one of Japan's leading regional banks, with consolidated total assets of ¥12,802.1 billion and deposits of ¥11,061.5 billion as of March 31, 2012. Continuing to strengthen our presence under "New Horizon 2nd Stage," the medium-term management plan that we launched in April 2010, we are now moving to realize our vision for the Bank of Yokohama as a financial institution that is attractive to customers, shareholders, employees and communities.

Contents

The Bank of Yokohama Brand

The "Three-Ships Spirit"

MANAGEMENT PHILOSOPHY

Reflecting Yokohama's heritage as a port city, the "Three Ships" represents eternal prosperity, with customers, shareholders and bank employees (the "Three Ships") growing hand in hand with harmony. The three ideas underlying the concept we are working to realize are as follows.

- We aim to develop as a trustworthy bank. We will do this by fully recognizing our traditional role in ensuring a stable supply of funds, and in providing the kind of financial services demanded by the community by conducting our business in as thorough a manner as possible.
- In each area of our market, we aim to become a community bank deeply rooted in its locality, with each branch working to be the "best bank," growing through contribution to the community and in concert with it.
- We aim to be a bank that serves all the community, and is a great place to work, by developing and training employees and fostering energetic culture.

Our Brand Promise

We will create new opportunities for each and every customer
to enjoy the most appropriate financial services.

Afresh
あなたに、あたらしく。

Bank of Yokohama

BRAND SLOGAN

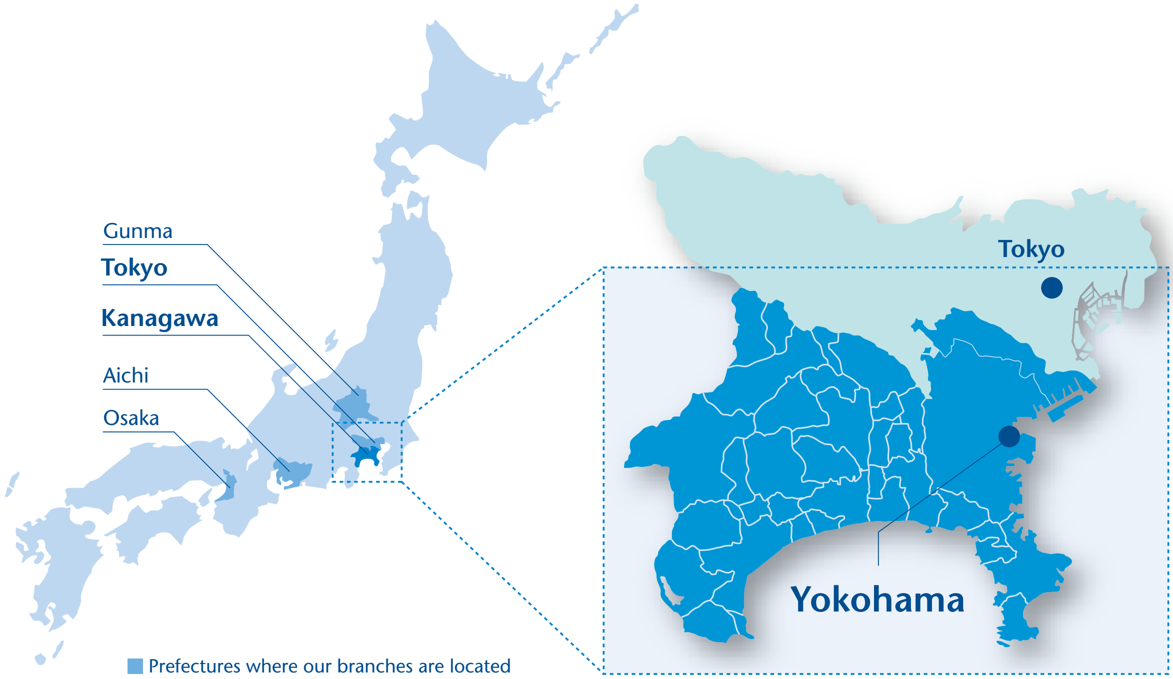
The word "Afresh" means "new," "again" and "to make something better." "Afresh" expresses our commitment to understanding and realizing the needs and wants of every single customer in the most advantageous manner by keeping a clear, positive outlook on the present and the future. The Japanese text below "Afresh" supports this message, being translated as "Something new for you."

BRAND SYMBOL

A stylized image of a ship seen from the bow at water level, this two-part symbol represents "customers" and "us" sailing together swiftly toward new destinations.

The Potential of Our Business Territory

Our business territory encompasses Kanagawa Prefecture and southwestern Tokyo, an area of excellent growth potential. Kanagawa's economic strength is also reflected in its total population and its indicators, such as gross prefectural product and retail sales, which place us among the top-five prefectures in Japan.



Potential of Kanagawa Prefecture

Population (Oct. 2011)
9.05 million (2nd/47 Prefectures) (Tokyo, Kanagawa, Osaka)

Number of Businesses (Jul. 2009)
336 thousand (4th) (Tokyo, Osaka, Aichi, Kanagawa)

Gross Prefectural Product (FY10)
¥29.7 trillion (4th) (Tokyo, Osaka, Aichi, Kanagawa)

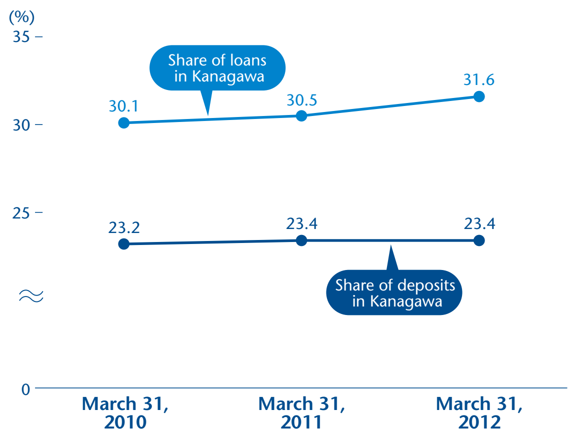
Manufacturing Output (2010)
¥17.2 trillion (2nd) (Aichi, Kanagawa, Shizuoka)

Retail Sales (2007)
¥8.5 trillion (3rd) (Tokyo, Osaka, Kanagawa)

(Note) Sources:
- Population and Number of Businesses: Ministry of Internal Affairs and Communications
- Gross Prefectural Product: Cabinet Office, Government of Japan
- Manufacturing Output, Retail Sales: Ministry of Economy, Trade and Industry

Market Shares in Kanagawa Prefecture

As of March 31, 2012



(Note) Market share calculations do not include Japan Post Bank, Credit Cooperatives and Japan Agricultural Cooperatives.

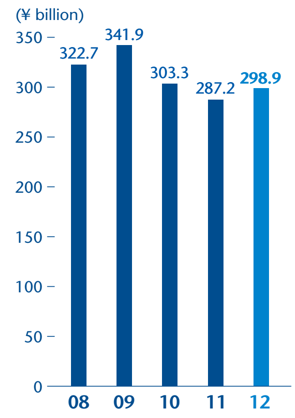
Consolidated Financial Highlights

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries

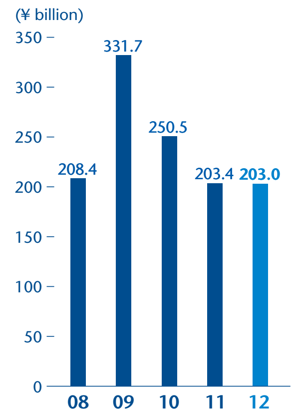
Years ended March 31	Millions of Yen* 2012	Millions of Yen* 2011	Thousands of U.S. Dollars** 2012
At year-end:			
Total assets	¥12,802,131	¥12,520,526	$155,762,641
Cash and due from banks	811,600	857,677	9,874,681
Deposits	11,061,581	10,725,087	134,585,486
Loans and bills discounted	8,970,301	8,601,882	109,141,032
Securities	2,113,975	1,994,647	25,720,596
Total equity	832,765	786,948	10,132,203
Capital stock	215,628	215,628	2,623,538
For the year:			
Total income	¥ 298,934	¥ 287,238	$ 3,637,118
Total expenses	203,003	203,450	2,469,927
Net income	51,190	47,089	622,826

* Yen amounts have been rounded down to millions of yen.
** U.S. dollar amounts are translated, for reference only, at the rate of ¥82.19=$1 effective on March 31, 2012.

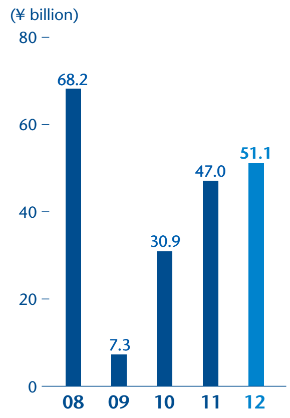
Total Income
Years ended March 31



Total Expenses
Years ended March 31



Net Income
Years ended March 31



Message from the Management

First of all, I would like to express our deep appreciation for your continued patronage and support of the Bank of Yokohama.

It has been more than one year ever since the Great East Japan Earthquake occurred. Instead of a slumping economy following the disaster, the Japanese economy quickly rebounded during summer 2011, thanks to a rapid restoration of the supply chain. During autumn 2011, external economic events, such as the Euro crisis, affected Japan and depressed exports and manufacturing levels. However, as a result, the Japanese government adapted new "eco-car" subsidies to encourage consumer spending, which enables us to have a positive outlook on the Japanese economy.

Unlike the overall Japanese economy, the economy of Kanagawa Prefecture, turned sluggish immediately after the earthquake. Although it recovered during summer 2011, declines in exports affected the economy in Kanagawa badly. However, since 2012, consumer spending sentiment has began to increase as seen in such areas as automobile and department store purchases.

In these circumstances, we are striving to fulfill our vision of the Bank of Yokohama as a financial institution that is attractive to customers, shareholders, employees and communities. Also we are building strong sales and management foundations to withstand any changes in our operational environment.

With regard to our sales, we have been cooperating with Hamagin Tokai Tokyo Securities to respond to diverse and sophisticated needs of individual customers, in addition to supplying timely and appropriate suggestions on housing loans and non-deposit products, and in addition to agency agreements with Asahi Trust regarding to inheritance-related operations. Hamagin Tokai Tokyo Securities decided to succeed to the Yokohama branch of Tokai Tokyo Securities, and also opened a 9th joint branch with the Bank in Sagami-ono in May.

In corporate banking, we have been continuously focusing on support of growth fields such as the medical industry, health industry and the environmental industry, with initiatives such as the establishment of the Growth Sector Strategy Fund, in cooperation with our group company, Yokohama Capital. Also, we have been enhancing our support system that provides funds and information to our corporate customers expanding their business abroad, especially to Asia through Shanghai branch, representative offices and in combination with local banks. In April 2012, we opened Bankok representative office.

In order to provide prompt service with great convenience, we are working to strengthen relationships with other regional banks. For instance, The 77 Bank officially agreed to join the Shared-Use System called MEJAR, utilized by the Bank of Yokohama, Hokuriku Bank and Hokkaido Bank, both subordinates of Hokuhoku Financial Group. The Bank of Yokohama and five other regional banks are also working on research in the field of retail banking to market financial services using cooperative data analysis.

Furthermore, we repurchased ¥5.0 billion of our own shares in Aug and Sep 2011, followed by another ¥5.0 billion of our own shares in May 2012, in order to improve the efficiency of capital through returning profits to shareholders.

Within the four main goals that were set by the medium term management plan, we almost achieved the target levels for Core Tier 1 Ratio, ROE and Credit Cost Ratio. Regarding OHR, we are in the progress of reducing costs by aggressively reducing overhead across all operations.

In the fiscal year ending March 31, 2013, the final year of the medium term management plan, we are taking steps toward the realization of three main themes "Improvement in corporate value by developing the Yokohama brand," "Intensification of low cost operation" and "Improvement of performance by reinforcing investment in human resources." We are striving to support our customers and local community by increasing our proposals of new loans, increasing sales of non-deposit products and promoting corporate revitalizations by providing all necessary support to improve management.

We look forward to your continued support in the future.

September 2012

Tatsumaro Terazawa
President

Medium-Term Management Plan

OUTLINE OF MEDIUM-TERM MANAGEMENT PLAN, "NEW HORIZON 2ND STAGE"

During the three-year period from April 2010 to March 2013, the Bank of Yokohama will build a "solid business foundation" that prepares us for the future, and a "strong business foundation" that can endure any changes in our operational environment. In line with our Long-Term Vision, we continue to build the Bank into an attractive financial institution for customers, shareholders, employees and communities.

The main themes of the plan are:

(1) Improvement of corporate value by developing the "Yokohama Brand"
(2) Intensification of low-cost operation
(3) Improvement of performance by reinforcing investment in human resources

KEY STRATEGIES

1. Direction of Practical Steps

(1) Provision of high-value financial services for customers
(2) Establishment of easy-to-use service channels for customers
(3) Enhancement of stability of the management to ensure customers feel secure

2. Important Measures

(1) Intensification in regional retail banking
(2) Improvement of fund management
(3) Strengthening of risk management
(4) Intensification of low-cost operation
(5) Improvement of performance by reinforcing investment in human resources

MAIN TARGET FIGURES (for the final fiscal year)

Core Tier 1 Ratio (Consolidated)	ROE (Consolidated)	Credit Costs Ratio (Non-consolidated)	OHR (Non-consolidated)
More than 8% *1	Around 7% *2	Around 0.30% *3	Around 45% *4

*1 {Tier 1 – (preferred stock + preferred securities + net deferred tax assets etc.) }/ Risk assets
*2 Net income / Shareholders' equity (average)
*3 Credit costs / Average balance of total loans
*4 Expenses / Gross operating income

PROGRESS OF THE MEDIUM-TERM MANAGEMENT PLAN

• Out of the four main goals initially set, Core Tier1 Ratio, ROE and Credit Cost Ratio were basically achieved in FY2011.

(¥ billion)

		1st year of Management Plan	2nd year of Management Plan		3rd year of Medium Term Management Plan	
		FY10 Actual	FY11 Forecast	FY11 Actual	FY12 Plan (originnally planned)	FY12 Forecast (announced in May-12)
Non-Consolidated basis	Gross Operating Income	205.1	206.0	203.6	221.0	201.5
	Expenses	98.7	99.0	98.3	99.0	9.8
	Net Business Profit	106.4	107.0	105.3	122.0	103.5
	Credit Costs*1	28.9	17.0	13.7	26.0	12.0
	Ordinary Profit	74.9	82.5	87.0	92.0	87.5
	Net Income	45.4	48.5	49.1	55.5	54.0
	OHR	48.1%	48.0%	48.2%	Around 45%	48.6%
	Credit Costs Ratio*1	0.33%	0.19%	0.15%	Around 0.30%	0.12%
Consolidated basis	Ordinary Profit	81.6	90.0	96.3	95.0	94.5
	Net Income	47.0	50.5	51.1	56.0	55.0
	ROE	6.5%	—	6.7%	Around 7%	—
	Core Tier 1 Ratio	8.6%	—	9.7%	Higher than 8.0%	—
Loans (Non-consolidated)		8,636.3	—	9,008.2	9,460.0	—
Retail Loans within Kanagawa Prefecture (Non-Consolidated)*2		5,973.5	—	6,233.0	6,550.0	—
Deposits (Non-Consolidated)		10,753.1	—	11,091.5	10,800.0	—
Non-Deposit Products for Individuals (Consolidated)		1,840.4	—	1,929.1	2,200.0	—

*1 "Recoveries of written-off claims" is not included in credit costs in FY10 Actual.
*2 Retail Loans within Kanagawa Prefecture = Loans to small and medium-sized businesses in Kanagawa Pref. +Loans to individuals in Kanagawa Pref.

Supporting Corporate Customers

The Bank of Yokohama offers a variety of services to meet the wide-ranging financing needs of its corporate customers. We are also developing sophisticated advisory services based on the capabilities of our group companies. These include advice in areas requiring specialist knowledge.

Meeting a Wide Range of Financing Needs

Since corporate customers seek various types of financing approaches, we have adopted non-recourse loans, PFIs, etc., and also ABLs as non-traditional forms of financial support that do not depend on real estate collateral or and personal guarantees, in order to best serve each customer's needs.

With the growing use of syndicated loans and private placement bonds in financing, we are continuously seeking new and more responsive ways to serve our customers.

Advanced Support for Growth Industries

We especially focus on financial support to growth industries such as medical care, nursing care, environment and energy.

In addition to the fund we established in July 2010, called the Growth Sector Strategy Fund, we established the Support Fund for Growth, in cooperation with our group company, Yokohama Capital, to reinforce our financial support capabilities for corporate customers.

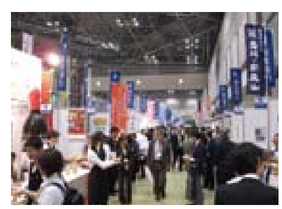
Business Loan Centers

Our Business Loan Centers assist a wide range of small and medium enterprises, especially by arranging credit guarantees through Credit Guarantee Corporations and providing finance using public support systems, such as policy finance schemes operated by local governments. Currently there are ten Business Loan Centers through which customers can obtain fine-tuned support to meet their financing needs.

Business Support through Our Network

We provide value-added information through our extensive networks in Kanagawa Prefecture and southwestern Tokyo, including solutions-based consulting that makes the most of our various information resources and M&A services to assist companies with expansion, restructuring and business succession.

To supply customers with new opportunities for sales channel expansion, we have provided business matching services while planning and hosting business forums. In November 2011, 37 regional banks participated in a forum we sponsored on "Food Collection." We frequently organize seminars to supplement general business information sharing .



Strengthening Managements to Support Their Business Restructuring

We help to improve managements and determine concrete measures for assistance by making the most of information gathered from our contact with them, with a focus on assessing customer's true financial situation, stability and external environmental factors.

The Management Support Office located in the headquarters comprises specialists who cooperate with branches to support these activities, as well as visiting customers directly. Of 733 corporate customers seeking improved management, 19 corporations improved and 638 corporations maintained the same level during the second half of FY2011.

In addition, if more drastic measures are required, we have introduced schemes to utilize RCC (Resolution and Collection Corporation), Business Revitalization fund, DES (Debt Equity Swap) and DDS (Debit Debit Swap).

Support for Global Business

The Bank of Yokohama offers customized financial service to corporate customers through Shanghai branch in China, where prospects for economic growth remain strong.

In Asia, we are affiliated with foreign banks such as the Bank of East Asia, Bangkok Bank and Standard Chartered Bank for provision of local financial services through optimal cooperation. Also, we reestablished the Bangkok representative office in April 2012.

Furthermore, Yokohama Asia Club, an organization composed of our customers has been providing various information, such as online announcements of seminars, consulting services and an e-mail newsletter. In March 2012, the members totalled 1,193 corporations.

Asia Strategy

Bangkok Representative Office

In Thailand, where a large number of Japanese companies are located, we launched Bangkok representative office in April 2012 in order to enhance our support and information-gathering function in the area.

Our focus in our business for individual customers is to improve customer convenience, especially through the enhancement of our branch and ATM networks. In addition, we will develop new functions by utilizing alliances. Another priority is the enhancement of our consulting services, such as housing loans and non-deposit products, that we offer to meet customers' needs.

New Branch

In November 2011, we opened "Shonan C-X branch" in Terrace Mall Shonan, which was opened at JR Tsujido station.

The concept of this branch is "A casually smart shop that makes it easy for customers to consult." The shop is open until 6 pm including weekends and holidays to consult about asset management and housing loans. We also set up a children's play space so that customers with kids can stop by the branch at leisure, as our goal is to be a localized, friendly branch.

Enhancing the ATM Network

We have equipped ATM in the convenient station yard, such as all of the 70 stations of Odakyu-line, and main stations in Sagami-line, Keihin express line and JR-line. The number of ATM locations turned to be 398 at the end of March, 2012.

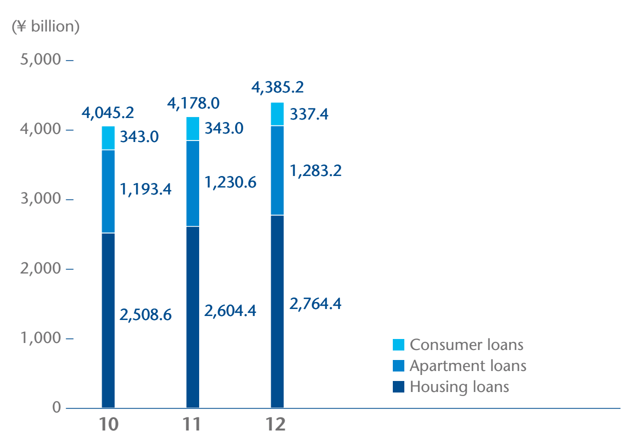
In addition, we already opened interconnection system with View Card of JR East Japan Railway Company and AEON Bank. Also, we cooperate with Seven Bank, Lawson Bank, ATM networks and E-net which enable us to share ATM equipped at convenience store.

Furthermore, to improve the convenience among other regional banks, we have cooperated with Kanagawa Bank, Hokuriku Bank, and Hokkaido Bank to reduce ATM fee, and with Joyo Bank, Chiba Bank, Tsukuba Bank, Tokyo Tomin Bank, Musashino Bank and newly added Chiba Kogyo Bank and The Yamanashi Chuo Bank to reduce both ATM fee and bank transfer fee.

Housing Loans

We have been providing financial support through various kinds of housing loans to our customers, focused on their financial needs and life plans, such as building and purchasing a house and transferring a mortgage from another bank.

Individual Loans (Non-consolidated)
As of March 31



Moreover, we have been providing value-added products, such as housing loans for women, with beneficial services including accommodation, childcare and nursing care at discounted price.

Customers are able to consult and apply for loans with our specialized staffs at 26 housing loan centers, most open even on weekends and holidays. We also have established direct housing loan centers for customers who wish to consult and apply by phone or over the Internet.

Non-deposit Products

To respond to customers asset management needs, we have created a variety of products, such as investment trusts, life insurance, etc.

We handled 59 brands of investment trusts in total as of the end of March 2012, and 12 brands of them are sold only through the Internet and telephone banking. In December 2011, we started selling funds of foreign bonds issued outside Japan by Japanese companies and funds of government bonds of emerging nations.

We sell 18 different types of life insurance products such as personal annuity insurance and premium whole life insurance, etc. Now, we have expanded our sales area to nine locations.

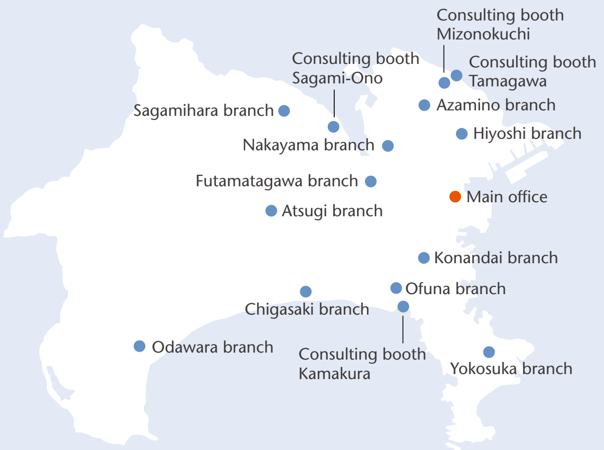
Booths Shared with Hamagin Tokyo Securities

Hamagin Tokai Tokyo Securities, which is a securities company jointly owned by Tokai Tokyo Financial Holdings and us, started in November 2008.

On May 14, 2012, it established a new branch at Sagami-Ono, bringing its business locations to 16 in total. We would like to response to customers needs with mutual cooperation with Hamagin Tokai Tokyo Securities.

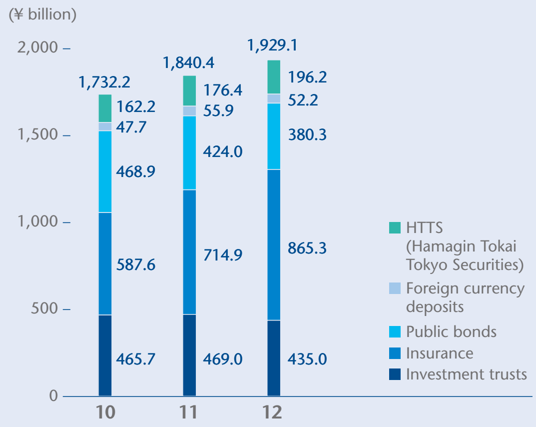
Branch Network of Hamagin Tokai Tokyo Securities

As of August 31, 2012



Balance of Non-Deposit Products for Individuals (Consolidated)

As of March 31



(Note) Insurance = annuity insurance + whole life insurance

Financial Market Activities

We actively use financial markets, including money markets, foreign exchange markets, bond markets and derivatives markets, both to meet the increasingly diverse needs of our customers, and also for diversified investment on our own account. We also use financial markets as part of our asset and liability management (ALM) to appropriately manage interest rate risk, price fluctuation risk, exchange rate risk and liquidity risk.

New Products and Services to Meet Customer Needs

We offer various derivatives that our customers use to hedge against interest rate and currency fluctuations and other risk factors. For added convenience, customers can place applications for foreign exchange contracts through our Internet-based Hamagin FX Direct service.

Diversified Investment

The Bank aims to secure stable investment returns by engaging in diversified investment that balances risks and returns, while paying careful consideration to the market environment to ensure diversification of income sources and risks.

IT-Related Initiatives

In May 2011, the Bank of Yokohama, the Hokuriku Bank, Ltd. and the Hokkaido Bank, Ltd., began to use the "MEJAR" shared use system, which the Bank introduced ahead of the other banks in January 2010. By sharing the system, the participating banks will achieve further reductions in their IT costs while responding more effectively to the wide-ranging needs of their customers. The system will also facilitate the timely introduction of jointly developed products, and allow the banks to integrate their administrative operations. A back-up center has been established in Toyama Prefecture to spread and avert risks relating to earthquakes and other contingencies.

Profit Distribution Policy

Dividend Policy

Returning profits to shareholders is an important management priority for the Bank of Yokohama. In the year ended March 31, 2005, the Bank introduced a performance-based dividend policy, while adhering to the concept of a stable dividend.

As for FY2012, the Bank maintains a performance-based dividend policy, focusing on a stable dividend. In addition, we will flexibly consider share buybacks based on market condition and our performance. We hereby inform you as follows:

(1) Ordinary Dividend

The Bank will pay a dividend of ¥10 per share irrespective of business performance, consisting of an interim dividend of ¥5 per share and a year-end dividend of ¥5 per share.

(2) Special Dividend

Regarding the portion of the dividend linked to business results, the Bank will make a profit distribution (in the form of payment of a special dividend or purchase of treasury stock) equivalent to approximately 40% of the amount exceeding ¥50 billion in net income, if net income for the fiscal year exceeds ¥50 billion.

Investing in Human Resources

One of the core themes of our medium-term management plan "New Horizon 2nd Stage" is "improvement of performance by reinforcing investment in human resources." We will continue to invest proactively in human resources under this strategy, the aim of which is to build a strong foundation for the Bank of Yokohama's future growth by enhancing the specialist skills of employees and creating a corporative environment in which they can utilize those skills to the full.

Human Resources Development

In October 2010, we established a new head office organization, the Financial Business School, to coordinate all aspects of education and training. We also reviewed and strengthened our education and training system. Specific steps included a review of job rotation systems for younger employees, the introduction of new training programs to enhance the special skills of mid-level employees, and the expansion of training programs to strengthen the management skills of executives.

Experts from various fields have been appointed as full-time instructors for high-quality education and training programs provided under yearly schedules. We will continue to develop human resources with advanced skills through in-house and external training systems, including overseas MBA programs.

Enhancing Motivation

Our business operations are becoming increasingly sophisticated and specialized, and we are continually improving our career design support systems to help employees to utilize their experience and skills in this environment. Our efforts to provide a diverse range of highly motivated human resources also include the reemployment of former employees who left the Bank for various reasons, such as marriage or childbirth, and the offer of formal, full-time jobs to part-time workers and others. In these ways, we are continually working to make effective use of the human resources of the Bank of Yokohama Group.

Active Promotion for Female Employees

We have introduced a program to enhance the status of female employees. Measures under this program include promotion to executive positions. As of March 31, 2012, 16 female employees had been promoted to branch manager level. We are actively preparing for the promotion of more female employees to executive roles.

Work-Life Balance Measures

The Bank is implementing a range of initiatives to help employees achieve a healthy work-life balance. These include support for continuing employment, the enhancement of non-work time, career development support, and support for health management. We have also introduced a flextime system, which allows employees to arrange their working hours more flexibly.

Important Measures

Human Resource Development	Training of Employees in Advanced Consulting Sales	**Increasing Value-up of Human Resources** **Activating the Organization**
	Strengthening Human Resource Development for High-specialty Jobs	
Enhancing Motivation	Improving Career Design Support Systems	
	Continuous Deployment of Work-life Balance Initiatives	

CSR Activities

As a bank with strong regional ties, the Bank of Yokohama aims to provide branches that are readily accessible to its customers and facilitate the provision of financial services in its region, while also building stronger relationships with local governments. We are also involved in a wide spectrum of social contribution initiatives, including support initiatives for families with children in our region.

Environmental Initiatives

Since May 2011, we provide housing loans for the construction or purchase of houses containing a specific percentage of Kanagawa-produced timber. This system encourages tree thinning and forest recycling through the use of local timber. In July 2011, we began to handle loans for residential installations of solar panels, with the aim of contributing toward a low-carbon society based on solar power generation.

The entire Bank of Yokohama Group is committed to energy saving and resource recycling. As part of that commitment, we are participating in the nationwide Challenge 25 Campaign, which promotes efforts to prevent global warming, including electricity and water conservation and eco-driving techniques. We also support the efforts of the Kanagawa Prefectural Government to promote the use of electric vehicles, which we have already introduced.

Child Development through Sports

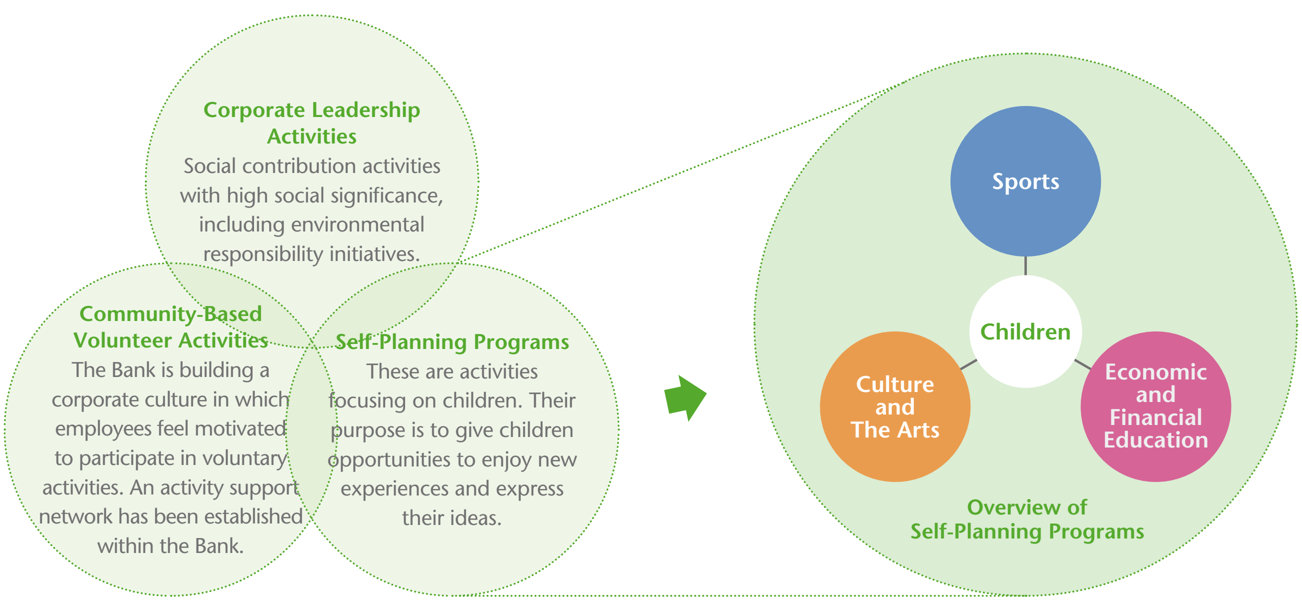
We sponsor the "Bank of Yokohama Cup; Kanagawa Young Peoples' Baseball Tournament."

We have also given opportunities to almost 1,000 students to learn from professional players at baseball and soccer clubs.

Initiatives for Children in Our Region

As part of our economic and financial education activities, our branches offer work experience opportunities for students from local elementary and junior and senior high schools. Through this program, we help children to develop a better understanding of the meaning of work. The Bank of Yokohama also contributes to the development of children through its support for sports, culture and the arts.

Overview of Regional Social Initiatives



Governance System

CORPORATE GOVERNANCE

Basic Approach

In accordance with the Bank of Yokohama's recognition of corporate governance as a critical management issue, the Board of Directors and Board of Corporate Auditors supervises and monitors the execution of the duties of directors while placing great emphasis on compliance with the Corporation Law and other laws and ordinances.

The Bank has introduced an executive officer system, within which executive officers appointed by the Board of Directors are responsible for the operation of their departments, together with directors. In addition, the term of office of directors has been limited to one year in order to invigorate the Board of Directors and to facilitate quick responses to changes in the business environment.

Description of Management Organization

The Bank is structured under the "company with auditors" system.

The Board of Directors is the apex of a structure designed to support appropriate delegation of authority and timely decision-making while ensuring strict enforcement of internal regulations.

It is the Bank's view that the effectiveness of corporate governance can be enhanced through the appointment of highly independent outside directors, which ensures thorough management oversight, and the maintenance of an auditing function through the corporate auditors and Board of Corporate Auditors.

A. Board of Directors

The Board of Directors makes decisions on important matters pertaining to the Bank's management, including policies and the execution of operations. Directors regularly report to the Board of Directors on various matters, including compliance, risk management and audit results. Meetings of the Board of Directors are normally held monthly.

B. Auditors, Board of Corporate Auditors

Individual auditors attend important management meetings, including meetings of the Board of Directors, in accordance with audit policies and plans determined by the Board of Auditors. The auditors also perform their duties by monitoring the Bank's operations, financial position, and the performance of directors' duties.

The Bank has established the Corporate Auditor's Office and staffed it with full-time employees to assist the corporate auditors, including the outside corporate auditors, and to ensure the smooth functioning of the Board of Corporate Auditors. The Board of Corporate Auditors normally meets monthly.

C. Management Conference

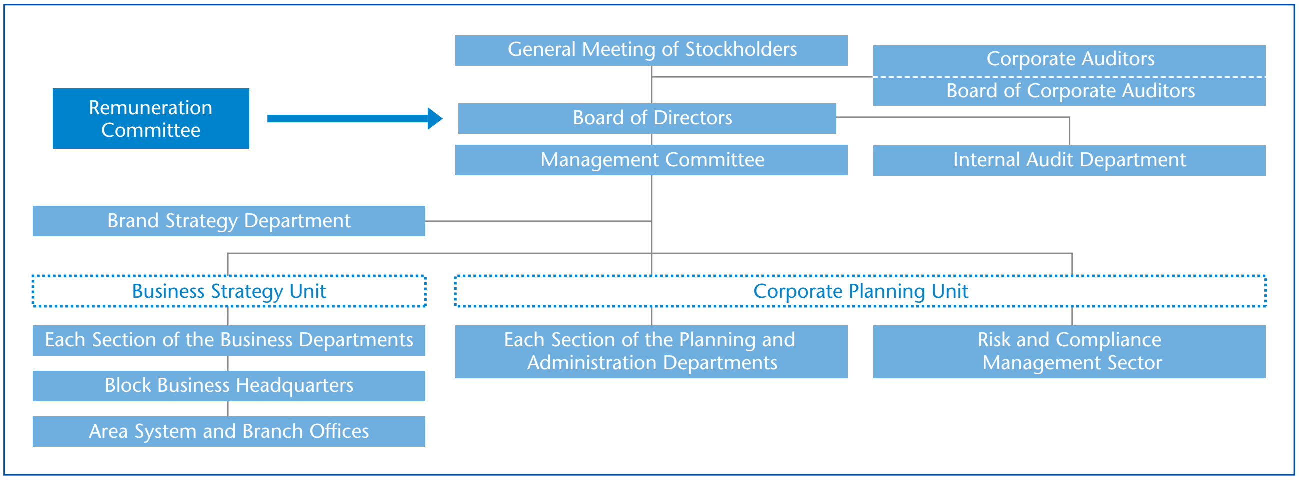
The membership of the Management Committee includes representative directors and directors. It deliberates on agenda items for meetings of the Board of Directors and makes decisions on important management matters as stipulated in the Bank's internal regulations. Meetings of the Management Conference are normally held weekly.

D. Remuneration Committee

The Remuneration Committee was established to deliberate on directors' remuneration. Its task is to ensure objectivity and transparency in related decisions.

Corporate Governance Structure

(As of June 30, 2012)



Governance System

Improvement of Internal Control Systems

The Bank develops and administers the following internal control systems to ensure compliance with laws and regulations, and with our Articles of Incorporation. These systems are continually assessed, and when necessary, steps are taken to improve their effectiveness.

A. A framework to ensure that the execution of duties of directors and employees is in accordance with the Articles of Incorporation as well as other laws and ordinances.

B. A framework for storing and managing information related to the execution of duties of directors.

C. Regulations and other frameworks related to control of loss-related risk.

D. A framework to ensure the execution of duties of the directors is being performed efficiently.

E. Systems to ensure the accuracy of financial statements.

F. A framework to ensure the appropriateness of operations within the Bank's group, comprising its subsidiaries as well as the Bank itself.

G. A framework concerning employees involved when Corporate Auditors request that the employees be assigned to assist them in their necessary duties, as well as provisions regarding the independence of those employees from the directors.

H. A framework enabling directors and employees to report to the Board of Corporate Auditors and a framework covering other reports to the Board of Corporate Auditors.

I. Other frameworks to ensure that audits by the Corporate Auditors are to be performed effectively.

(As of June 30, 2012)

COMPLIANCE

Approach to Compliance

The Bank has established the "Compliance Committee" and "Compliance Conference", which are forums for deliberations on basic compliance policies, stringent measures to prevent regulatory violations, and other compliance-related matters. Management is actively involved in compliance activities and is working to enhance related systems by strengthening compliance checks and providing detailed guidance to branches.

Basic Compliance Policy

The Bank's basic policy on compliance is determined by resolutions of the Board of Directors. Core aspects of compliance are defined in the Compliance Regulations. Every fiscal year the Board of Directors determines the Compliance Program of specific compliance measures, which form the basis for actual compliance implementation.

Compliance Framework

The Compliance Office within the Risk Management Department has overall responsibility for compliance activities throughout the Bank of Yokohama organization. Compliance officers are appointed directly by the Board of Directors and work independently of business departments to coordinate all aspects of compliance activities.

Elimination of Antisocial Elements

We are constantly aware of our social mission and responsibilities as a bank. For this reason, we steadfastly refuse to provide funds to antisocial elements that could threaten public order and safety and resolutely reject any unlawful demands or intervention by such elements. The entire Bank of Yokohama organization is united behind our fundamental principle of excluding any relationship whatsoever, including business transactions, with antisocial elements.

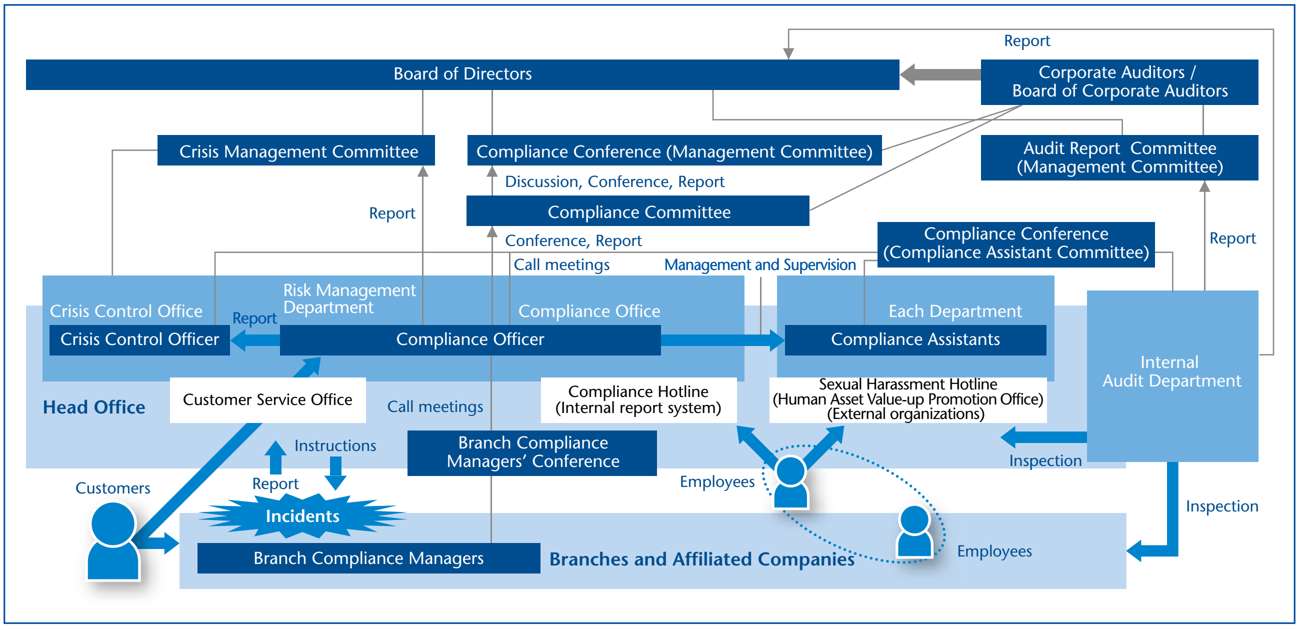
Approach to Customer Protection and Other Control Systems

In an effort to strengthen customer protection and other control systems, the Compliance Office has oversight, planning and management functions related to customer protection and other controls. The Customer Services Office, which operates within the Risk Management Department, serves as a framework for accommodating customer comments and complaints.

Protection of Personal Information

The Bank's Declaration on the Protection of Personal Information is based on the Japanese Personal Information Protection Law, industry guidelines and other requirements. This declaration, and the purposes for which customers' personal information will be used, are clearly stated on our website, in posters displayed in branches, and in brochures.

Compliance Structure



RISK MANAGEMENT

Approach to Risk Management

The risks confronting banks are becoming increasingly diverse and complex in step with the progress of financial deregulation, globalization and securitization as well as the development of derivatives and other financial engineering and IT, along with the growing sophistication of customer needs. After the Great East Japan Earthquake, highly effective risk management is required to maintain financial system. Given this situation, the Bank positions risk management as a critical management issue from the standpoint of maintaining and improving the soundness of its business, and constantly works to refine its approach in this direction.

Consequently, the Bank comprehensively manages a wide range of risks by conducting dynamic risk control. At the same time, the Bank has constructed a strict monitoring framework to cope with the various risks such as credit risk, market risk and liquidity risk. Under this framework, risk-controlling departments and risk-taking departments are organizationally separated.

Based on this framework, the Bank takes the characteristics of the various risks into consideration to draw a sharp line between "risks that should be taken" and "risks that should be avoided." The Bank actively deals with those risks that should be taken by applying appropriate control systems. In this manner, the Bank conducts sound and highly profitable business as a leader of the financial system in its region.

Basic Policies on Risk Management

Based on the Basic Risk Management Principles approved by the Board of Directors, the Bank conducts risk management in keeping with the basic policies stated below:

- Our risk management systems are designed to minimize the effects of economic fluctuations and market changes. As a major element of the financial system of our region, our basic mission is to provide financial services reliably and continuously.
- The Bank continually identifies, assesses, monitors and controls the various risks inherent in its operations, products, services and systems corresponding to our strategic goals, including medium-term management plans and operational management policies. In this way, the Bank is able to secure stable income commensurate with risk by maintaining sound management and appropriately allocating our management resources.
- The Bank has established specific risk management policies according to our strategic goals, and the Bank takes appropriate steps to ensure that all within our organization are aware of these policies. Risk management policies are reviewed annually or as required when there are changes in our strategic goals or the external environment.
- Various risks confronted by the Bank are distinguished and controlled as much as possible in an integrated manner because they are either cross-organizational, ranging across various operations, or are closely related to one another.
- The Bank distinguishes and controls risks on a comprehensive

and consolidated basis in principle. Under the Basel II framework, the Bank has established a credit risk management structure based on internal ratings and enhanced our operational risk management systems. Credit risk is assessed by using the "Foundation Internal Ratings Based approach (FIRB)" and operational risk by using the "Standardized Approach." The Bank has adopted the BIS Standard as of December 2009.

Integrated Risk Management

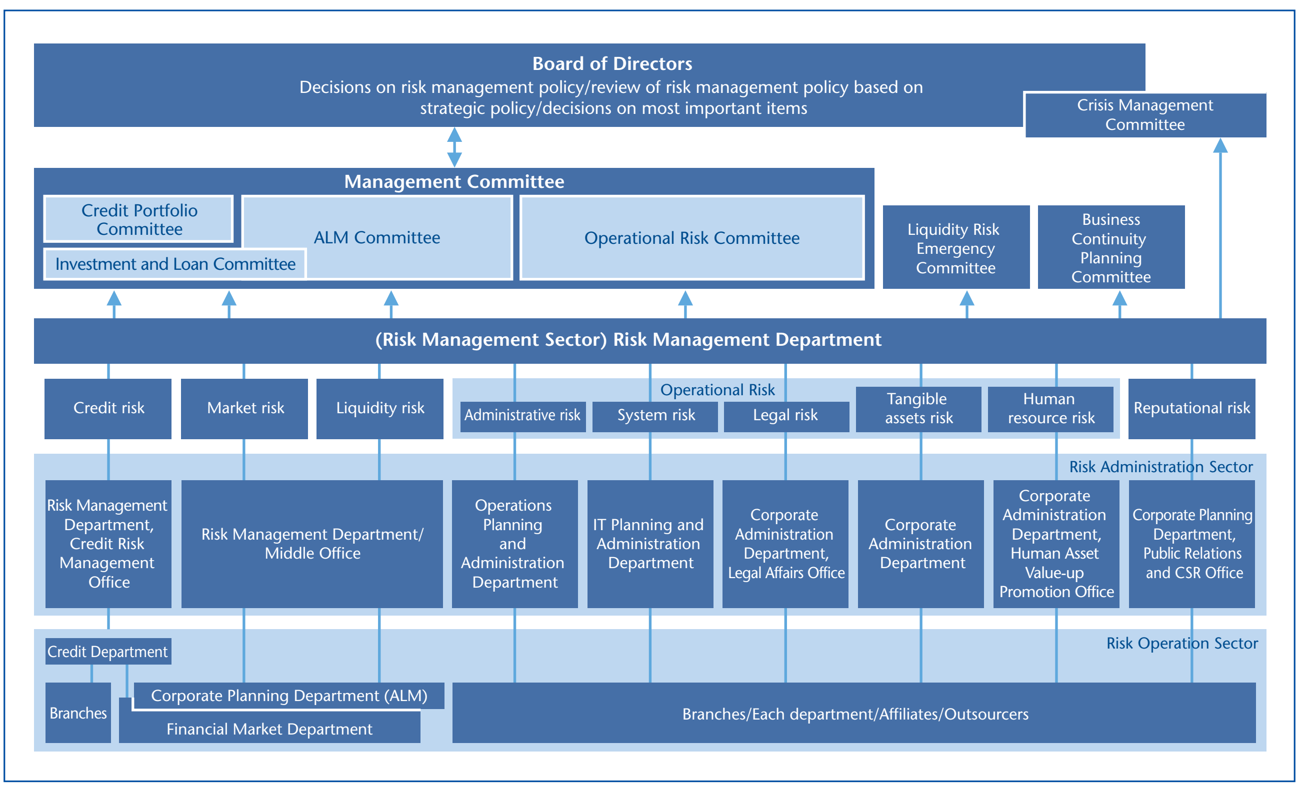
One of the Bank's basic policies of risk management is to "manage risks in an integrated manner as much as possible." To accomplish this goal, the Bank formulates "Integrated Risk Management Regulations" and seeks to understand each risk quantitatively in an integrated manner while conducting its business in pursuit of two aspects: to ensure the soundness of its management and to improve its profitability and efficiency.

Method of Risk Management

In keeping with the following basic rules, the Bank endeavors to refine its risk management practices and make them even stricter.

- Certain risks can be quantified, understood and thereby managed. After quantifying such risks by means of risk analysis using VaR (Value at Risk), BPV (Basis Point Value), gap analysis and simulations, the Bank controls those risks in keeping with the expected returns and management strengths.
- Applying back testing and stress tests, the Bank checks its quantification techniques and the validity and effectiveness of its management methods to ensure the effectiveness of risk management while also working to refine its quantification techniques and make them more precise. When conducting stress tests, we facilitate risk communication through the use of forward-looking scenarios that anticipate disaster, economic recession and changes in the environment.
- The Bank seeks to prevent the emergence of reputational risks and other risks that should be avoided or constrained. If such risks do emerge, however, the Bank seeks to deal with them immediately.
- The Bank identifies and assesses new risks resulting from various actions, such as the development, supply or modification of products and services, and establishes clearly defined risk control methods and management reporting systems.
- When tasks are outsourced, appropriate risk management measures are employed to ensure customer protection and management soundness.
- The Bank maintains risk management regulations concerning the establishment and effectiveness of risk management systems.

Risk Management Structure



Maintaining a Sound Financial Standing

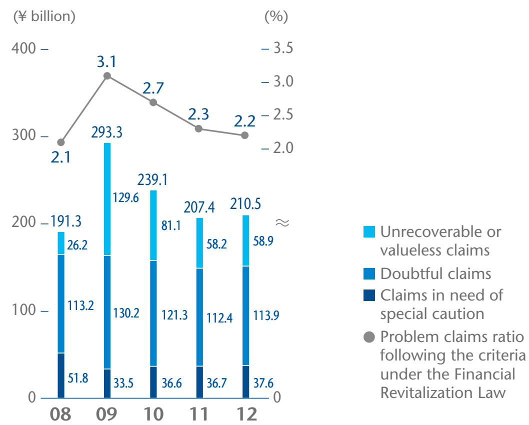
CLAIMS

The Problem Claims Ratio Decreased to 2.2% (Non-Consolidated)

Problem claims (under Financial Revitalization Law) increased by ¥3.1 billion to ¥210.5 billion from the previous term. However, the problem claims ratio decreased by 0.1 points to 2.2% from the previous term due to an increase in claims to normal borrowers.

Problem Claims as a Percentage of Total Claims

(In Accordance with the Financial Revitalization Law) (Non-Consolidated)
As of March 31



Coverage of Credit Information (As of March 31, 2012)

(¥ billion, %)

		Unrecoverable or valueless claims	Doubtful claims	Subtotal	In need of special caution (borrower category)	Total
Outstanding claims	(A)	58.9	113.9	172.8	43.6	216.5
Sum covered by collateral, etc.	(B)	29.7	83.5	113.3	19.1	132.4
Sum of possible uncollectible loans	(C=A-B)	29.1	30.3	59.5	24.5	84.1
Specific allowance for possible loan losses	(D)	29.1	11.5	40.6	4.7	45.4
Allowance coverage ratio	(D/C)x100	100.0	37.9	68.3	19.8	54.0
Total coverage ratio	(B+D) /Ax100	100.0	83.4	89.0	54.6	82.1

CAPITAL ADEQUACY

1. Overview of Capital Adequacy Assessment Method

As stipulated in its Basic Regulations on Capital Adequacy Management, the Bank of Yokohama assesses its capital adequacy by ascertaining whether it has sufficient capital to cover its risk exposure, taking into account management plans and strategies. Capital adequacy is assessed on the basis of total risk exposure and the capital adequacy ratio.

To assess capital adequacy based on total risk exposure, the Bank determines whether the buffer (unallocated capital) is sufficient to cover unallocated risk. In this way, it ensures that risk does not exceed its financial capacity.

Specifically, anticipated risk exposure is estimated on the basis of business plans for each segment, and capital is allocated within the scope of real capital according to the level of risk in each category, including credit risk, market risk, liquidity risk and operational risk. To monitor the effect of sudden environmental changes and economic cycles on the overall portfolio, the Bank analyzes the potential impact, including the degree of capital impairment, by periodically conducting stress tests based on common scenarios that reflect the possibility of serious deterioration in relation to each type of risk.

The Bank assesses its capital adequacy from the perspective of whether or not its capital buffer (unallocated capital) is sufficient, taking into account stress test results and risks that have been excluded from quantification because of quantification model limitations and other factors. The results are used to formulate capital strategies and risk management policies.

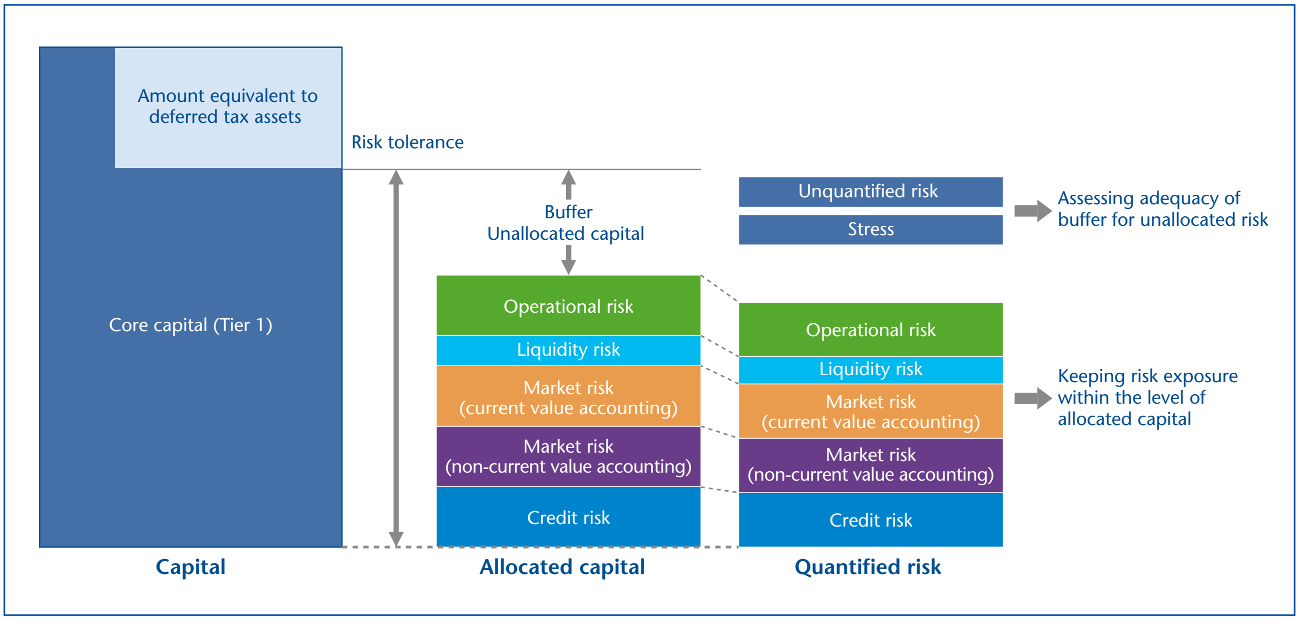
2. Overview of Credit Risk Management Policies and Procedures

The basic policy of the Bank of Yokohama, as an institution that helps to maintain an orderly credit environment in its region, is to supply credit reliably regardless of business trends and changes in the economic environment with a forward-looking stance, while keeping its exposure to credit risk within its financial capacity and enhancing its risk management approach. Under this policy, we have continually strengthened our credit risk management systems, based on internal rating systems.

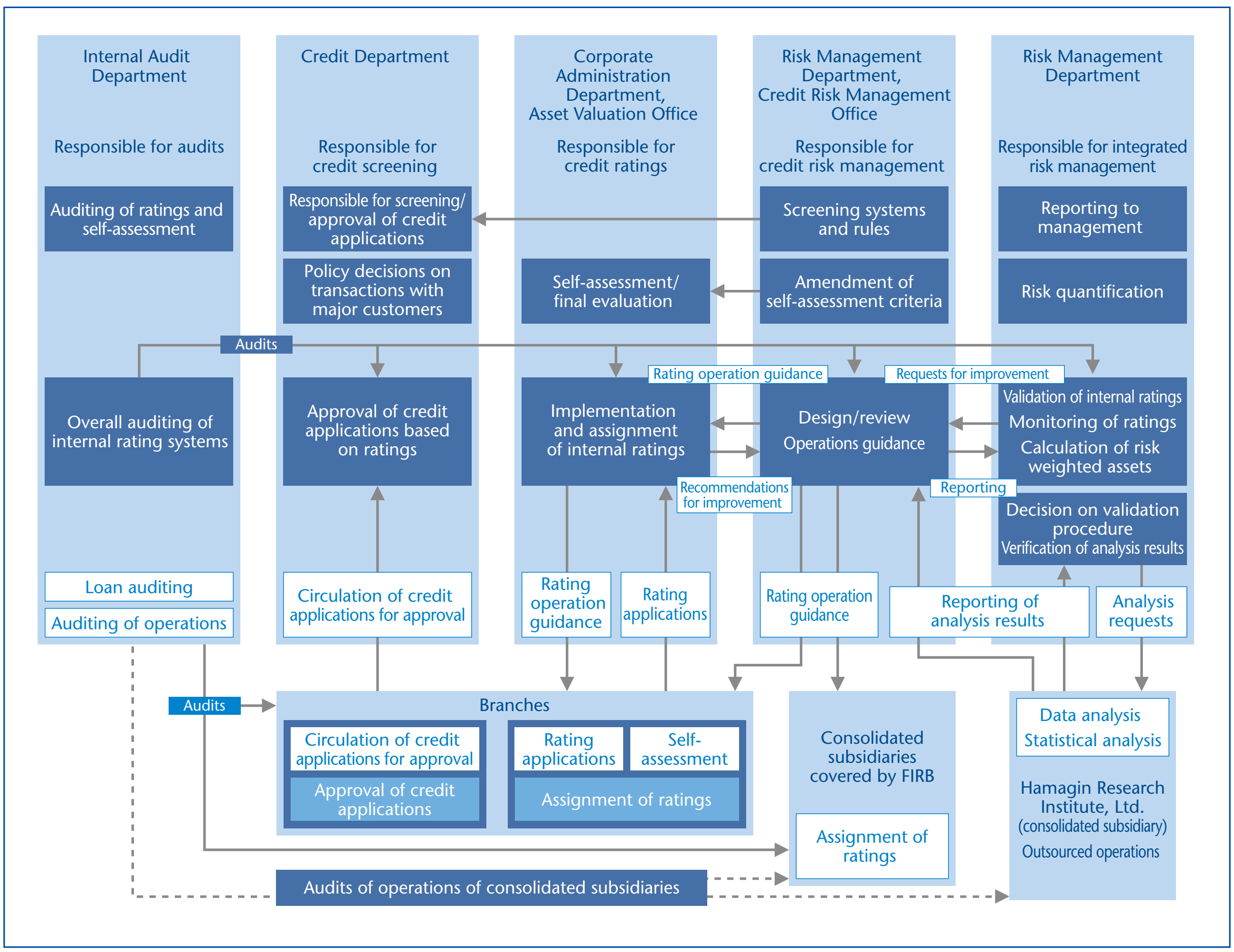
The Credit Risk Management Office, which is independent of the Credit Department (responsible for credit screening) and the Corporate Administration Department, Asset Valuation Office (responsible for credit ratings), has developed internal rating and self-assessment systems to analyze the credit risk of obligators and transactions. These systems are used to manage credit risk appropriately, and to write off assets and provide reserves where appropriate. The Risk Management Department, responsible for integrated risk management, maintains the effectiveness and objectivity of internal rating systems by validating them and by monitoring credit portfolios.

Maintaining a Sound Financial Standing

Overview of Capital Adequacy Assessment Method



Organizational Structure for Internal Rating Systems



Five-Year Summary of Consolidated Financial Statements

Consolidated Balance Sheets

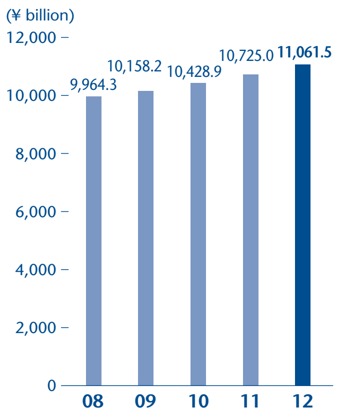
As of March 31,	2012	2011	2010	2009	2008
	Millions of Yen				
ASSETS:					
Cash and due from banks	¥ 811,600	¥ 857,677	¥ 731,175	¥ 623,224	¥ 544,132
Call loans and bills bought	108,820	143,395	92,425	72,076	232,611
Monetary claims bought	164,256	188,390	213,567	246,295	290,984
Trading assets	24,256	100,368	42,392	59,916	51,480
Securities	2,113,975	1,994,647	1,741,692	1,348,507	1,408,100
Loans and bills discounted	8,970,301	8,601,882	8,485,502	8,961,222	8,518,650
Foreign exchanges	5,214	3,948	4,839	7,257	3,595
Deferred tax assets	34,562	49,940	61,155	68,042	36,149
Customers' liabilities for acceptances and guarantees	293,484	331,805	358,400	400,362	426,264
Other	352,884	336,821	347,569	358,047	533,868
Allowance for loan losses	(77,226)	(88,352)	(94,406)	(110,413)	(56,317)
Total	¥12,802,131	¥12,520,526	¥11,984,313	¥12,034,535	¥11,989,520
LIABILITIES:					
Deposits	¥11,061,581	¥10,725,087	¥10,428,935	¥10,158,230	¥ 9,964,371
Negotiable certificates of deposit	27,460	96,900	48,750	130,520	155,456
Call money and bills sold	40,689	36,908	23,410	127,764	202,779
Trading liabilities	1,286	1,460	1,573	1,426	1,954
Borrowed money	304,226	282,939	99,758	250,293	110,887
Foreign exchanges	51	28	85	45	55
Bonds payable	64,300	64,300	64,300	34,300	40,000
Other liabilities	154,594	170,312	173,812	194,063	314,838
Provision for directors' bonuses	66	40	9		85
Provision for retirement benefits	171	143	118	91	73
Provision for directors' and corporate auditors' retirement benefits					1,072
Provision for reimbursement of deposits	1,029	898	934	879	881
Provision for contingent losses	1,096	700	594	420	116
Reserves under special laws	3	2	1		
Deferred tax liabilities for land revaluation	19,323	22,048	22,048	22,048	22,333
Acceptances and guarantees	293,484	331,805	358,400	400,362	426,264
Total liabilities	11,969,365	11,733,577	11,222,733	11,320,448	11,241,171
EQUITY:					
Capital stock	215,628	215,628	215,628	215,628	215,597
Surplus, reserves and other	563,530	520,180	496,979	450,102	487,299
Minority interests	53,606	51,139	48,972	48,354	45,450
Total equity	832,765	786,948	761,580	714,086	748,348
TOTAL	¥12,802,131	¥12,520,526	¥11,984,313	¥12,034,535	¥11,989,520

Consolidated Statements of Income

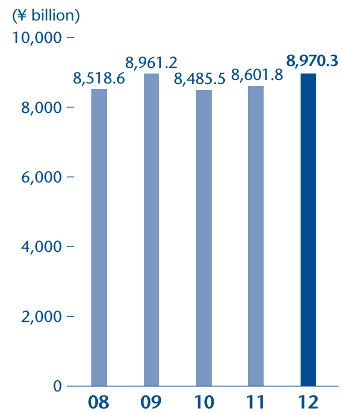
Years ended March 31,	2012	2011	2010	2009	2008
	Millions of Yen				
INCOME:					
Interest on loans and bills discounted	¥ 151,930	¥ 157,937	¥ 172,263	¥ 190,945	¥ 184,885
Other	147,004	129,300	131,095	151,002	137,890
Total income	298,934	287,238	303,358	341,947	322,776
EXPENSES:					
Interest on deposits	6,125	8,155	12,864	22,521	27,103
Other	196,877	195,295	237,636	309,255	181,337
Total expenses	203,003	203,450	250,500	331,777	208,441
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	95,931	83,787	52,857	10,170	114,335
TOTAL INCOME TAXES	41,139	33,323	20,238	2,121	44,378
MINORITY INTERESTS IN NET INCOME	(3,601)	(3,375)	(1,672)	(703)	(1,686)
NET INCOME	¥ 51,190	¥ 47,089	¥ 30,946	¥ 7,344	¥ 68,270

Yen amounts have been rounded down to millions of yen.

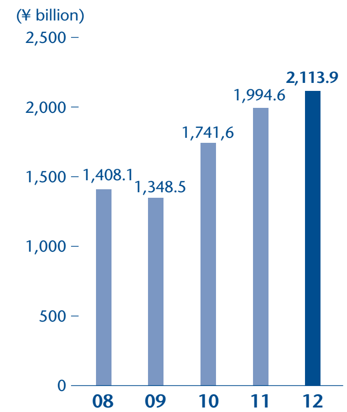
Deposits
As of March 31



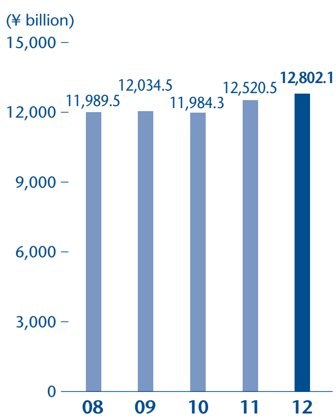
Loans and Bills Discounted
As of March 31



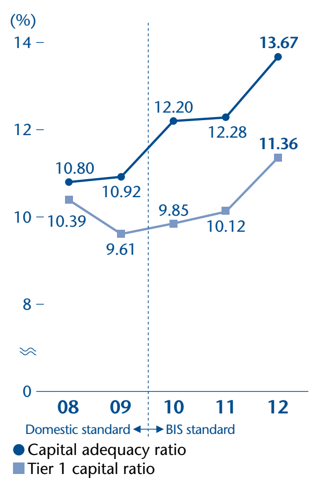
Securities
As of March 31



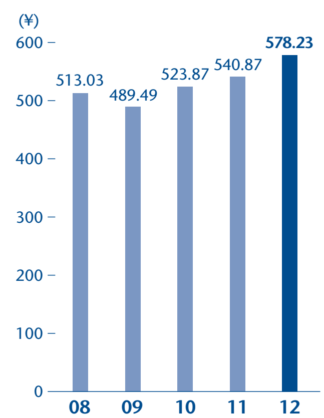
Total Assets
As of March 31



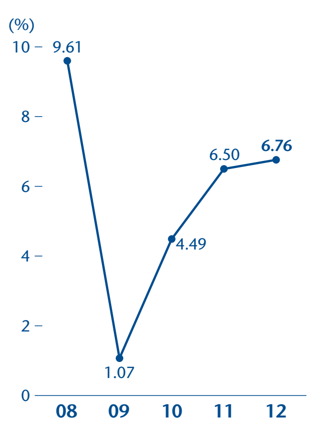
Capital Adequacy Ratio
As of March 31



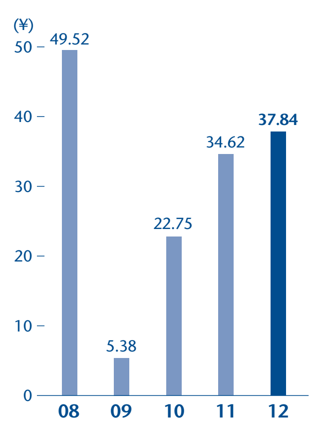
Net Assets Per Share
As of March 31



ROE
Years ended March 31



Net Income Per Share
Years ended March 31



Consolidated Balance Sheet

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	**2012**
ASSETS:			
Cash and due from banks (Notes 3 and 28)	**¥ 811,600**	¥ 857,677	**$ 9,874,681**
Call loans and bills bought (Note 28)	**108,820**	143,395	**1,324,010**
Monetary claims bought (Note 28)	**164,256**	188,390	**1,998,503**
Trading assets (Note 4)	**24,256**	100,368	**295,129**
Securities (Notes 5, 12, and 28)	**2,113,975**	1,994,647	**25,720,596**
Loans and bills discounted (Notes 6, 12, and 28)	**8,970,301**	8,601,882	**109,141,032**
Foreign exchanges (Notes 6 and 7)	**5,214**	3,948	**63,446**
Lease receivables and investment assets (Note 27)	**58,215**	52,819	**708,310**
Other assets (Notes 8 and 12)	**154,533**	139,006	**1,880,195**
Tangible fixed assets (Note 9)	**125,606**	126,960	**1,528,243**
Intangible fixed assets (Note 10)	**14,529**	18,034	**176,778**
Deferred tax assets (Note 26)	**34,562**	49,940	**420,518**
Customers' liabilities for acceptances and guarantees (Note 11)	**293,484**	331,805	**3,570,810**
Allowance for loan losses	**(77,226)**	(88,352)	**(939,610)**
TOTAL	**¥12,802,131**	¥12,520,526	**$155,762,641**
LIABILITIES:			
Deposits (Notes 12, 13, and 28)	**¥11,061,581**	¥10,725,087	**$134,585,486**
Negotiable certificates of deposit	**27,460**	96,900	**334,104**
Call money and bills sold	**40,689**	36,908	**495,072**
Trading liabilities (Note 4)	**1,286**	1,460	**15,648**
Borrowed money (Notes 12, 14 and 28)	**304,226**	282,939	**3,701,497**
Foreign exchanges (Note 7)	**51**	28	**623**
Bonds payable (Note 15)	**64,300**	64,300	**782,334**
Other liabilities (Note 16)	**154,594**	170,312	**1,880,938**
Provision for directors' bonuses	**66**	40	**811**
Provision for retirement benefits (Note 17)	**171**	143	**2,089**
Provision for reimbursement of deposits	**1,029**	898	**12,529**
Provision for contingent losses	**1,096**	700	**13,341**
Reserves under special laws	**3**	2	**45**
Deferred tax liabilities for land revaluation	**19,323**	22,048	**235,111**
Acceptances and guarantees (Note 11)	**293,484**	331,805	**3,570,810**
Total liabilities	**11,969,365**	11,733,577	**145,630,438**
EQUITY (Notes 18, 19, and 20):			
Capital stock—common stock—authorized, 3,000,000 thousand shares in 2012 and 2011; issued, 1,361,071 thousand shares in 2012 and 2011	**215,628**	215,628	**2,623,538**
Capital surplus	**177,244**	177,244	**2,156,521**
Subscription rights to shares	**285**	274	**3,472**
Retained earnings	**336,007**	298,369	**4,088,181**
Treasury stock—common stock—at cost, 14,095 thousand shares in 2012 and 1,166 thousand shares in 2011	**(5,591)**	(669)	**(68,036)**
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	**21,347**	13,446	**259,730**
Deferred gains or losses on hedges	**(11)**	(9)	**(140)**
Revaluation reserve for land	**34,249**	31,524	**416,711**
Total	**779,159**	735,809	**9,479,977**
Minority interests	**53,606**	51,139	**652,226**
Total equity	**832,765**	786,948	**10,132,203**
TOTAL	**¥12,802,131**	¥12,520,526	**$155,762,641**

See notes to consolidated financial statements.

Consolidated Statement of Income

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Years Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	**2012**
INCOME:			
Interest income:			
Interest on loans and bills discounted	**¥151,930**	¥157,937	**$1,848,522**
Interest and dividends on securities	**19,422**	17,681	**236,309**
Interest on call loans and bills bought	**564**	484	**6,867**
Interest on due from banks	**2,736**	2,699	**33,295**
Other interest income	**3,263**	3,580	**39,707**
Fees and commissions	**54,326**	52,171	**660,989**
Trading profits	**1,803**	1,250	**21,942**
Other operating income (Note 22)	**56,683**	44,724	**689,661**
Other income (Note 23)	**8,204**	6,708	**99,826**
Total income	**298,934**	287,238	**3,637,118**
EXPENSES:			
Interest expenses:			
Interest on deposits	**6,125**	8,155	**74,533**
Interest on negotiable certificates of deposit	**118**	103	**1,436**
Interest on call money and bills sold	**412**	499	**5,021**
Interest on payables under securities lending transactions			**2**
Interest on borrowed money	**2,232**	2,112	**27,168**
Interest on bonds payable	**1,246**	1,285	**15,167**
Other interest expenses	**1,811**	1,388	**22,040**
Fees and commissions	**11,485**	10,423	**139,740**
Trading losses	**20**	16	**249**
Other operating expenses (Note 24)	**44,644**	32,499	**543,181**
General and administrative expenses	**110,867**	110,968	**1,348,912**
Provision of allowance for loan losses	**7,222**	14,266	**87,877**
Other expenses (Note 25)	**16,816**	21,730	**204,601**
Total expenses	**203,003**	203,450	**2,469,927**
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	**95,931**	83,787	**1,167,191**
INCOME TAXES (Note 26):			
Current	**28,305**	15,719	**344,387**
Deferred	**12,834**	17,603	**156,157**
Total income taxes	**41,139**	33,323	**500,544**
INCOME BEFORE MINORITY INTERESTS	**54,791**	50,464	**666,647**
MINORITY INTERESTS IN NET INCOME	**(3,601)**	(3,375)	**(43,821)**
NET INCOME	**¥ 51,190**	¥ 47,089	**$ 622,826**

	Yen		U.S. Dollars
PER SHARE INFORMATION (Notes 2.v and 21):			
Basic net income per share	**¥37.84**	¥34.62	**$0.46**
Diluted net income per share	**37.82**	34.61	**0.46**
Dividend on common stock	**10.00**	10.00	**0.12**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	**2012**
INCOME BEFORE MINORITY INTERESTS	**¥54,791**	¥50,464	**$666,647**
OTHER COMPREHENSIVE INCOME (Note 30):			
Valuation difference on available-for-sale securities	**7,972**	(10,409)	**97,006**
Deferred gains or losses on hedges	**(1)**	22	**(21)**
Revaluation reserve for land	**2,724**		**33,153**
Total other comprehensive income	**10,696**	(10,387)	**130,138**
COMPREHENSIVE INCOME	**¥65,487**	¥40,077	**$796,785**
Comprehensive income attributable to owners of the parent	**¥61,814**	¥36,702	**$752,089**
Comprehensive income attributable to minority interests	**3,673**	3,374	**44,696**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2012

	Thousands	Millions of Yen										
							Accumulated Other Comprehensive Income					
	Outstanding Number of Shares of Common Stock	Capital Stock	Capital Surplus	Subscription Rights to Shares	Retained Earnings	Treasury Stock	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2010	1,359,887	¥215,628	¥177,244	¥192	¥264,885	¥ (689)	¥23,855	¥ (32)	¥31,524	¥712,608	¥48,972	¥761,580
Net income					47,089					47,089		47,089
Cash dividends, ¥10.00 per share of common stock					(13,599)					(13,599)		(13,599)
Purchases of treasury stock	(65)					(27)				(27)		(27)
Disposals of treasury stock	82				(5)	48				42		42
Net change in the year				82			(10,409)	22		(10,304)	2,167	(8,136)
BALANCE, MARCH 31, 2011	1,359,904	215,628	177,244	274	298,369	(669)	13,446	(9)	31,524	735,809	51,139	786,948
Net income					51,190					51,190		51,190
Cash dividends, ¥10.00 per share of common stock					(13,534)					(13,534)		(13,534)
Purchases of treasury stock	(13,086)					(5,012)				(5,012)		(5,012)
Disposals of treasury stock	157				(17)	89				72		72
Net change in the year				10			7,900	(1)	2,724	10,634	2,466	13,101
BALANCE, MARCH 31, 2012	**1,346,975**	**¥215,628**	**¥177,244**	**¥285**	**¥336,007**	**¥ (5,591)**	**¥21,347**	**¥ (11)**	**¥34,249**	**¥779,159**	**¥53,606**	**¥832,765**

	Thousands of U.S. Dollars (Note 1)										
						Accumulated Other Comprehensive Income					
	Capital Stock	Capital Surplus	Subscription Rights to Shares	Retained Earnings	Treasury Stock	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2011	$2,623,538	$2,156,521	$3,339	$3,630,247	$ (8,147)	$163,600	$ (119)	$383,558	$8,952,537	$622,215	$ 9,574,752
Net income				622,826					622,826		622,826
Cash dividends, $0.12 per share of common stock				(164,673)					(164,673)		(164,673)
Purchases of treasury stock					(60,984)				(60,984)		(60,984)
Disposals of treasury stock				(219)	1,095				876		876
Net change in the year			133			96,130	(21)	33,153	129,395	30,011	159,406
BALANCE, MARCH 31, 2012	**$2,623,538**	**$2,156,521**	**$3,472**	**$4,088,181**	**$ (68,036)**	**$259,730**	**$ (140)**	**$416,711**	**$9,479,977**	**$652,226**	**$10,132,203**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	**2012**
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	**¥ 95,931**	¥ 83,787	**$ 1,167,191**
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities:			
Depreciation and amortization	**10,383**	11,006	**126,341**
Amortization of goodwill	**526**	526	**6,401**
Increase (decrease) in allowance for loan losses	**(11,125)**	(6,054)	**(135,369)**
Increase (decrease) in provision for directors' bonuses	**26**	31	**318**
Increase (decrease) in provision for retirement benefits	**28**	25	**346**
Increase (decrease) in provision for reimbursement of deposits	**130**	(35)	**1,592**
Increase (decrease) in provision for contingent losses	**395**	106	**4,814**
Interest income	**(177,916)**	(182,383)	**(2,164,700)**
Interest expenses	**11,947**	13,545	**145,367**
Loss (gain) related to securities	**13,243**	2,213	**161,136**
Foreign exchange losses (gains)	**392**	2,423	**4,777**
Loss (gain) on disposals of fixed assets	**391**	360	**4,763**
Net decrease (increase) in trading assets	**76,112**	(57,976)	**926,053**
Net increase (decrease) in trading liabilities	**(173)**	(113)	**(2,116)**
Net decrease (increase) in loans and bills discounted	**(368,418)**	(116,219)	**(4,482,525)**
Net increase (decrease) in deposits	**336,493**	296,152	**4,094,092**
Net increase (decrease) in negotiable certificates of deposit	**(69,440)**	48,150	**(844,872)**
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	**21,286**	183,180	**258,995**
Net decrease (increase) in due from banks (excluding due from the Bank of Japan)	**(51,651)**	(2,400)	**(628,434)**
Net decrease (increase) in call loans and others	**57,705**	(26,446)	**702,103**
Net increase (decrease) in call money and others	**3,781**	13,498	**46,011**
Net decrease (increase) in foreign exchanges—assets	**(1,266)**	890	**(15,404)**
Net increase (decrease) in foreign exchanges—liabilities	**22**	(56)	**272**
Net decrease (increase) in lease receivables and investment assets	**(6,063)**	3,741	**(73,775)**
Interest and dividends received	**180,215**	188,535	**2,192,670**
Interest paid	**(13,746)**	(15,429)	**(167,250)**
Other, net	**(21,385)**	2,764	**(260,196)**
Subtotal	**87,828**	443,822	**1,068,601**
Income tax paid	**(13,181)**	(30,958)	**(160,376)**
Net cash provided by (used in) operating activities—(Forward)	**¥ 74,647**	¥ 412,864	**$ 908,225**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	**2012**
Net cash provided by (used in) operating activities—(Forward)	**¥ 74,647**	¥412,864	**$ 908,225**
INVESTING ACTIVITIES:			
Purchases of securities	**(3,129,034)**	(817,823)	**(38,070,749)**
Proceeds from sales of securities	**2,738,713**	275,222	**33,321,731**
Proceeds from maturities of securities	**243,260**	273,085	**2,959,729**
Purchases of tangible fixed assets	**(3,549)**	(2,437)	**(43,192)**
Proceeds from sales of tangible fixed assets	**236**	242	**2,872**
Purchases of intangible fixed assets	**(2,477)**	(2,287)	**(30,142)**
Other, net	**235**	58	**2,866**
Net cash provided by (used in) investing activities	**(152,617)**	(273,939)	**(1,856,885)**
FINANCING ACTIVITIES:			
Cash dividends paid	**(13,534)**	(13,599)	**(164,673)**
Cash dividends paid to minority stockholders	**(1,207)**	(1,207)	**(14,686)**
Purchases of treasury stock	**(5,012)**	(27)	**(60,984)**
Proceeds from sales of treasury stock	**2**	42	**36**
Net cash provided by (used in) financing activities	**(19,750)**	(14,791)	**(240,307)**
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	**(7)**	(31)	**(90)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(97,728)**	124,101	**(1,189,057)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**518,666**	394,564	**6,310,580**
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 3)	**¥ 420,937**	¥518,666	**$ 5,121,523**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Bank of Yokohama, Ltd. and Consolidated Subsidiaries
Year Ended March 31, 2012

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements of The Bank of Yokohama, Ltd. (the "Bank") and consolidated subsidiaries (the "Group") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, the Enforcement Regulation for the Banking Law and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2011 consolidated financial statements to conform to the classifications used in 2012.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and operates. As permitted by the Japanese Financial Instruments and Exchange Act, amounts less than one million yen have been omitted. As a result, the totals do not necessarily agree with the sum of the individual amounts. Yen amounts, other than per share amounts, have been rounded down to millions of yen. Yen per share amounts have been rounded down to two decimal places.

The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥82.19 to U.S. $1, the rate of exchange at March 31, 2012. Such translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation—The consolidated financial statements include the accounts of the Bank and its significant subsidiaries. The number of consolidated subsidiaries as of March 31, 2012 and 2011 was 11.

Under the control or influence concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are to be fully consolidated, and those companies over which the Bank has the ability to exercise significant influence are accounted for by the equity method.

Of the consolidated subsidiaries, 10 in 2012 and 2011 have a fiscal year ending on March 31, which is the same as the fiscal year of the Bank. One consolidated subsidiary with balance sheet dates of January 24 and July 24 was consolidated based on the tentative financial statements as of and for the year ended March 31.

The consolidated financial statements do not include the accounts of four subsidiaries in 2012 and three subsidiaries in 2011, because the total assets, total income, net income, and retained earnings of these entities would not have had a material effect on the consolidated financial statements.

Investments in the unconsolidated subsidiaries were stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

All significant intercompany balances, transactions, and unrealized profits included in assets are eliminated in consolidation.

Goodwill represents the difference between the cost of an acquisition and the fair value of the net assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is amortized using the straight-line method over five years.

b. Trading Purpose Transactions—"Transactions for trading purposes" (for the purpose of capturing gains arising from short-term changes in interest rates, currency exchange rates or market prices of securities and other market-related indices or from arbitrage opportunities) are included in "Trading assets" and "Trading liabilities" on a trade-date basis. Trading securities and monetary claims purchased for trading purposes recorded in these accounts are stated at fair value and trading-related financial derivatives are stated at the amounts that would be settled if they were terminated at the end of the fiscal year.

Profits and losses on transactions for trading purposes are shown as "Trading profits" or "Trading losses" on a trade-date basis.

c. Securities—Securities are classified and accounted for, depending on management's intent, as follows: (1) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are stated at amortized cost computed by the straight-line method and (2) available-for-sale securities are stated at fair value with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. Securities whose fair values cannot be reliably determined are stated at cost determined by the moving-average cost method.

For other-than-temporary declines in fair value, securities are reduced to net realizable value by a charge to income.

d. Tangible fixed assets—Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation of tangible fixed assets owned by the Bank and its domestic consolidated subsidiaries is computed mainly by the declining-balance method while the straight-line method is applied to buildings acquired after April 1, 1998.

The range of useful lives is from 2 to 60 years for buildings and from 2 to 20 years for equipment.

Depreciation of leased property and equipment owned by a consolidated subsidiary is provided on the straight-line method over the lease periods.

e. Software—Cost of computer software obtained for internal use is amortized principally using the straight-line method over the estimated useful lives of five to seven years.

f. Long-Lived Assets—The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

g. Revaluation Reserve for Land—Under the "Law of Land Revaluation," the Bank elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 1998.

The resulting revaluation reserve for land represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. There was no effect on the consolidated statement of income. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the revaluation reserve for land account and related deferred tax liabilities.

The carrying amount of the land after the above one-time revaluation exceeded the market value by ¥40,789 million ($496,282 thousand) and ¥39,995 million as of March 31, 2012 and 2011, respectively.

h. Stock Issuance Costs—Stock issuance costs are changed to income when paid.

i. Allowance for loan losses—The Bank and certain consolidated finance companies provide an allowance for loan losses which is determined based on management's judgment and an assessment of future losses based on their self-assessment systems. These systems reflect past experience of credit losses, possible credit losses, business and economic conditions, the character, quality and performance of the portfolio, the value of collateral or guarantees, and other pertinent indicators.

The Bank has implemented a self-assessment system to determine its asset quality. The quality of all loans is assessed by branches and the credit supervisory division with a subsequent audit by the asset review and inspection division in accordance with the Bank's policy and guidelines for the self-assessment of asset quality.

The Bank has established a credit rating system under which its customers are classified into five categories. The credit rating system is used in the self-assessment of asset quality. All loans are classified into five categories for self-assessment purposes: "normal," "in need of caution," "possible bankruptcy," "virtual bankruptcy," and "legal bankruptcy."

The allowance for loan losses is calculated based on the actual historical loss ratio for normal and in need of caution categories, the fair value of the collateral for collateral-dependent loans, and other factors of solvency, including future cash flows for other categories. For claims to borrowers who are classified in the possible bankruptcy category, for which future cash flows could be reasonably estimated, an allowance is provided for the difference between the present value of expected future cash flows discounted at the contracted interest rate and the carrying value of the claims.

For collateralized or guaranteed claims to borrowers who are in "virtual bankruptcy" or "legal bankruptcy," the amount exceeding the estimated value of collateral or guarantees has been deducted as deemed uncollectible directly from those claims. As of March 31, 2012 and 2011, the deducted amounts were ¥83,866 million ($1,020,394 thousand) and ¥106,527 million, respectively.

Other consolidated subsidiaries maintain allowances for possible loan losses which are provided as deemed necessary to cover expected losses based on their own experience.

j. Provision for directors' bonuses—Provision for directors' bonuses are provided in the amount of the estimated bonuses which are attributable to each fiscal year.

k. **Provision for retirement benefits**—The Bank and domestic consolidated subsidiaries have lump-sum retirement benefit plans and contributory funded defined benefit pension plans covering substantially all of its employees. The Bank and domestic consolidated subsidiaries account for the provision for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date. Net actuarial gain (loss) is amortized using the straight-line method over 15 years commencing from the next fiscal year after incurrence.

l. **Provision for reimbursement of deposits**—Provision for reimbursement of deposits which were derecognized as liabilities under certain conditions is provided for possible losses on future claims of withdrawal based on historical reimbursement experience.

m. **Provision for contingent losses**—The Bank provides a provision for contingent losses not covered by other provisions in an amount deemed necessary based on estimated losses in the future.

n. **Reserve under special laws**—Reserve under special laws is provided for contingent liabilities from brokering of security transactions in accordance with section 1 of Article 46-5 of Japanese Financial Instruments and Exchange Act.

o. **Stock Options**—In December 2005, the Accounting Standard Board of Japan (the “ASBJ”) issued ASBJ Statement No. 8, “Accounting Standard for Stock Options,” and related guidance. The new standard and guidance are applicable to stock options newly granted on and after May 1, 2006. This standard requires companies to recognize compensation expense for employee stock options based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services. The standard also requires companies to account for stock options granted to non-employees based on the fair value of either the stock option or the goods or services received. In the balance sheet, stock options are presented as subscription rights to shares as a separate component of equity until exercised. The standard covers equity-settled, share-based payment transactions, but does not cover cash-settled, share-based payment transactions.

p. **Leases**—In March 2007, the ASBJ issued ASBJ Statement No. 13, “Accounting Standard for Lease Transactions,” which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008.

Lessor

Under the previous accounting standard, finance leases that were deemed to transfer ownership of leased property to the lessee were to be treated as sales. However, other finance leases were permitted to be accounted for as operating lease transactions if certain “as if sold” information was disclosed in the notes to the lessor’s financial statements. The revised accounting standard requires that all finance leases that are deemed to transfer ownership of the leased property to the lessee be recognized as lease receivables and all finance leases that are not deemed to transfer ownership of the leased property to the lessee be recognized as investments in leases.

The Group applied the revised accounting standard effective April 1, 2008.

Lease revenue and lease costs are recognized over the lease period.

q. **Income Taxes**—The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences. A valuation allowance is provided for any portion of the deferred tax assets if it is considered more likely than not that they will not be realized.

r. **Translation of Foreign Currencies**—Assets and liabilities denominated in foreign currencies and accounts of overseas branches held by the Bank have been translated at exchange rates prevailing as of the balance sheet date.

Foreign currency accounts held by consolidated foreign subsidiaries are translated into the currency of the subsidiaries at the respective year-end exchange rates.

s. **Derivatives and Hedging Activities**—Derivative financial instruments are classified and accounted for as follows: (a) all derivatives, except those entered into for hedging purposes, will be recognized as either assets or liabilities and measured at fair value with gains or losses on derivative transactions recognized in the statement of income, or (b) for derivatives used for hedging purposes, if the derivatives qualify for hedge accounting because of a high correlation and effectiveness between the hedging instruments and the hedged items, the gains or losses on the derivatives are deferred until maturity of the hedged transactions (deferral hedge accounting).

The Bank applies deferral hedge accounting based on the rules of the Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 24 for interest rate derivatives to manage interest rate risk from various financial assets and liabilities as a whole. Under these rules, the effectiveness of a fair value hedge is assessed by an identified group of hedge deposits, loans, and similar instruments and by a corresponding group of hedging instruments, such as interest rate swaps in the same maturity category. Also, under these rules, the effectiveness of cash flow hedges is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.

The Bank applies deferral hedge accounting based on the rules of the JICPA Industry Audit Committee Report No. 25 for currency swaps and funding swaps used for the purpose of currency exchange.

t. Cash and Cash Equivalents—For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash and due from the Bank of Japan.

u. Cash Dividends—Cash dividends charged to retained earnings are those dividends paid during the year and represent year-end dividends for the preceding year and interim dividends for the current year.

v. Per Share Information—Basic net income per share is computed by dividing net income available to common stockholders by the weighted-average number of shares of common stock outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

w. Accounting Changes and Error Corrections—In December 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections," and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections." Accounting treatments under this standard and guidance are as follows:

(1) Changes in Accounting Policies—When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.
(2) Changes in Presentations—When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation.
(3) Changes in Accounting Estimates—A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.
(4) Corrections of Prior-Period Errors—When an error in prior-period financial statements is discovered, those statements are restated. This accounting standard and the guidance are applicable to accounting changes and corrections of prior-period errors which are made from the beginning of the fiscal year that begins on or after April 1, 2011.

3. CASH AND CASH EQUIVALENTS

The reconciliation of "Cash and cash equivalents" in the consolidated statement of cash flows and "Cash and due from banks" in the consolidated balance sheet as of March 31, 2012 and 2011 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Cash and due from banks	**¥ 811,600**	¥ 857,677	**$ 9,874,681**
Interest-bearing deposits included in due from banks (other than due from the Bank of Japan)	**(390,662)**	(339,011)	**(4,753,158)**
Cash and cash equivalents	**¥ 420,937**	¥ 518,666	**$ 5,121,523**

4. TRADING ASSETS AND LIABILITIES

Trading assets and liabilities as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Trading assets:			
Trading securities	**¥23,033**	¥ 99,015	**$280,247**
Trading-related financial derivatives	**1,223**	1,353	**14,882**
Total	**¥24,256**	¥100,368	**$295,129**
Trading liabilities—trading related financial derivatives	**¥ 1,286**	¥ 1,460	**$ 15,648**

5. SECURITIES

Securities as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Japanese national government bonds	**¥ 770,236**	¥ 765,967	**$ 9,371,412**
Japanese local government bonds	**257,839**	291,625	**3,137,119**
Japanese corporate bonds	**879,869**	740,672	**10,705,311**
Japanese corporate stocks	**140,822**	134,571	**1,713,380**
Other securities	**65,207**	61,809	**793,374**
Total	**¥2,113,975**	¥1,994,647	**$25,720,596**

The carrying amounts and aggregate fair value of securities as of March 31, 2012 and 2011 were as follows:

	Millions of Yen			
March 31, 2012	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**¥ 110,764**	**¥30,637**	**¥13,473**	**¥ 127,928**
Debt securities	**1,597,681**	**14,957**	**525**	**1,612,113**
Other securities	**207,144**	**1,330**	**1,165**	**207,309**
Held-to-maturity	**295,831**	**7,161**	**50**	**302,942**

	Millions of Yen			
March 31, 2011	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 114,061	¥24,940	¥17,846	¥ 121,155
Debt securities	1,567,949	18,995	2,748	1,584,195
Other securities	232,554	747	2,835	230,466
Held-to-maturity	214,146	4,206	514	217,838

March 31, 2012	Thousands of U.S. Dollars Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**$ 1,347,659**	**$372,770**	**$163,932**	**$ 1,556,497**
Debt securities	**19,438,885**	**181,983**	**6,392**	**19,614,476**
Other securities	**2,520,314**	**16,185**	**14,175**	**2,522,324**
Held-to-maturity	**3,599,367**	**87,133**	**615**	**3,685,885**

Information on available-for-sale securities and held-to-maturity securities, which were sold during the years ended March 31, 2012 and 2011 was as follows:

March 31, 2012	Millions of Yen Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	**¥ 2,443**	**¥ 916**	**¥ 94**
Debt securities	**2,743,797**	**3,505**	**13,993**
Other securities	**9,649**	**65**	**20**
Held-to-maturity	**264**		
Total	**¥2,756,155**	**¥4,488**	**¥14,108**

March 31, 2011	Millions of Yen Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	¥ 5,995	¥1,624	¥ 501
Debt securities	266,649	1,090	2,187
Other securities	2,640	108	23
Held-to-maturity	153	1	
Total	¥275,437	¥2,824	¥2,712

March 31, 2012	Thousands of U.S. Dollars Proceeds	Realized Gains	Realized Losses
Available-for-sale:			
Equity securities	**$ 29,729**	**$11,152**	**$ 1,151**
Debt securities	**33,383,598**	**42,653**	**170,255**
Other securities	**117,400**	**801**	**253**
Held-to-maturity	**3,223**	**10**	
Total	**$33,533,950**	**$54,616**	**$171,659**

Impairment losses on available-for-sale securities for the years ended March 31, 2012 and 2011 were ¥2,249 million ($27,368 thousand) and ¥991 million, respectively.

Securities also include corporate stocks in unconsolidated and associated companies and investments in unconsolidated subsidiaries which totaled ¥760 million ($9,256 thousand) and ¥335 million as of March 31, 2012 and 2011, respectively.

6. LOANS AND BILLS DISCOUNTED

Loans and bills discounted as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Bills discounted	**¥ 43,863**	¥ 37,503	**$ 533,678**
Loans on bills	**313,829**	304,394	**3,818,347**
Loans on deeds	**7,731,297**	7,346,443	**94,066,159**
Overdrafts	**881,310**	913,541	**10,722,848**
Total	**¥8,970,301**	¥8,601,882	**$109,141,032**

"Past due loans" include loans classified as "possible bankruptcy" and "virtual bankruptcy" under the Bank's self-assessment guidelines. Interest receivables on loans in these categories are not accrued as accruals for accounting purposes. The loans and bills discounted include "loans to borrowers in bankruptcy" totaling ¥10,766 million ($130,990 thousand) and ¥16,401 million as of March 31, 2012 and 2011, respectively, as well as "past due loans" totaling ¥164,213 million ($1,997,973 thousand) and ¥156,541 million as of March 31, 2012 and 2011, respectively.

In addition to "past due loans" as defined, certain other loans classified as "in need of caution" under the Bank's self-assessment guidelines include "accruing loans contractually past due for three months or more." "Accruing loans contractually past due for three months or more" are loans on which the principal and/or interest is three months or more past due but exclude "loans to borrowers in bankruptcy" or "past due loans." The balances of "accruing loans contractually past due for three months or more" as of March 31, 2012 and 2011, were ¥5,196 million ($63,231 thousand) and ¥6,161 million, respectively.

"Restructured loans" are loans where the Bank and its subsidiaries have restructured lending conditions, such as by a reduction of the original interest rate, forbearance of interest payments, principal repayments, or renunciation of claims to support the borrowers' reorganization, but exclude "loans to borrowers in bankruptcy," "past due loans," and "accruing loans contractually past due for three months or more." The outstanding balances of "restructured loans" as of March 31, 2012 and 2011 were ¥32,456 million ($394,894 thousand) and ¥30,620 million, respectively.

The allowance for loan losses is not deducted from the amounts of loans shown in the above three paragraphs.

Contracts of overdraft facilities and loan commitment limits are contracts under which the Bank lends to customers up to the prescribed limits in response to customer applications for loans as long as there is no violation of any condition in the contracts. As of March 31, 2012 and 2011, the amounts of unused commitments were ¥1,698,870 million ($20,670,036 thousand) and ¥1,692,553 million, respectively. As of March 31, 2012 and 2011, the amounts of unused commitments whose remaining contract terms were within one year were ¥1,088,172 million ($13,239,719 thousand) and ¥1,027,189 million, respectively.

Since many of these commitments expire without being drawn down, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions whereby the Bank can refuse customer applications for loans or decrease the contract limits for certain reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of the contracts, the Bank obtains real estate, securities, or other assets as collateral if considered to be necessary. Subsequently, the Bank performs periodic reviews of the customers' business results based on internal rules and takes necessary measures to reconsider conditions in the contracts and/or require additional collateral and guarantees.

Discounting bills are treated as secured lending transactions. As of March 31, 2012 and 2011, the Bank has the right by contract or custom to sell or repledge bills discounted and foreign exchange bills bought and their total face value was ¥44,744 million ($544,400 thousand) and ¥38,309 million, respectively.

7. FOREIGN EXCHANGES

Foreign exchanges as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Assets			
Foreign exchange bills bought	**¥ 881**	¥ 806	**$10,721**
Foreign exchange bills receivable	**3,185**	2,388	**38,762**
Due from foreign correspondent accounts	**1,147**	753	**13,963**
Total	**¥5,214**	¥3,948	**$63,446**
Liabilities			
Foreign exchange bills sold		¥ 2	**$ 11**
Foreign exchange bills payable	**¥ 50**	26	**612**
Total	**¥ 51**	¥ 28	**$ 623**

8. OTHER ASSETS

Other assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Accrued income	**¥ 18,668**	¥ 14,904	**$ 227,135**
Prepaid expenses	**26,385**	28,401	**321,031**
Derivatives other than for trading—assets	**44,504**	47,705	**541,480**
Other	**64,975**	48,354	**790,549**
Total	**¥154,533**	¥139,006	**$1,880,195**

Other assets included security deposits amounting to ¥5,570 million ($67,772 thousand) and ¥5,972 million as of March 31, 2012 and 2011, respectively.

9. TANGIBLE FIXED ASSETS

Tangible fixed assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Buildings, net	**¥ 39,065**	¥ 39,358	**$ 475,305**
Land	**80,387**	80,387	**978,069**
Construction in progress	**240**	572	**2,931**
Other	**5,912**	6,641	**71,938**
Total	**¥125,606**	¥126,960	**$1,528,243**

The accumulated depreciation of tangible fixed assets as of March 31, 2012 and 2011 amounted to ¥162,995 million ($1,983,158 thousand) and ¥159,508 million, respectively.

10. INTANGIBLE FIXED ASSETS

Intangible fixed assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Software	**¥13,168**	¥16,136	**$160,220**
Goodwill	**755**	1,281	**9,193**
Other	**605**	616	**7,365**
Total	**¥14,529**	¥18,034	**$176,778**

11. CUSTOMERS' LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in acceptances and guarantees. As a contra account, customers' liabilities for acceptances and guarantees are presented as assets, representing the Bank's and certain consolidated subsidiaries' rights of indemnity from the applicants.

12. ASSETS PLEDGED

Assets pledged as collateral and the related liabilities as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Assets pledged as collateral:			
Securities	**¥1,222,845**	¥1,006,756	**$14,878,280**
Loans and bills discounted	**25,713**	28,521	**312,848**
Relevant liabilities to above assets:			
Deposits	**16,395**	38,511	**199,481**
Borrowed money	**210,430**	190,180	**2,560,287**

Additionally, securities amounting to ¥185,150 million ($2,252,711 thousand) and ¥128,088 million as of March 31, 2012 and 2011, respectively, and other assets amounting to ¥5,579 million ($67,882 thousand) and ¥8,073 million as of March 31, 2012 and 2011, respectively, were pledged as collateral for transactions, such as exchange settlement transactions or as substitute securities for initial margin on futures transactions and others.

13. DEPOSITS

Deposits as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Current deposits	**¥ 453,138**	¥ 396,673	**$ 5,513,309**
Ordinary deposits	**6,831,701**	6,462,042	**83,120,833**
Savings deposits	**228,445**	232,500	**2,779,483**
Deposits at notice	**84,155**	85,700	**1,023,919**
Time deposits	**3,290,611**	3,334,394	**40,036,641**
Other deposits	**173,527**	213,775	**2,111,301**
Total	**¥11,061,581**	¥10,725,087	**$134,585,486**

14. BORROWED MONEY

As of March 31, 2012 and 2011, the weighted-average annual interest rates applicable to borrowed money were 0.6 % and 0.7%, respectively.

Borrowed money includes borrowings from the Bank of Japan and other financial institutions. In addition, borrowed money included subordinated borrowings totaling ¥73,000 million ($888,186 thousand) and ¥73,000 million as of March 31, 2012 and 2011, respectively.

Annual maturities of borrowed money as of March 31, 2012 were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2013	¥224,027	$2,725,727
2014	3,221	39,189
2015	2,126	25,873
2016	1,278	15,558
2017	572	6,964
2018 and thereafter	73,000	888,186
Total	¥304,226	$3,701,497

15. BONDS PAYABLE

Bonds payable as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due December 2018, 2.56% interest	**¥11,400**	¥11,400	**$138,703**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due December 2018, 1.83% interest	**8,900**	8,900	**108,286**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due February 2019, 2.48% interest	**5,700**	5,700	**69,351**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due February 2019, 1.91% interest	**8,300**	8,300	**100,986**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due July 2019, 1.82% interest	**20,000**	20,000	**243,339**
Unsecured fixed and floating subordinated bonds, payable in Japanese yen, due July 2019, 1.28% interest	**10,000**	10,000	**121,669**
Total	**¥64,300**	¥64,300	**$782,334**

Annual maturities of bonds payable as of March 31, 2012 were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2018 and thereafter	**¥64,300**	**$782,334**

16. OTHER LIABILITIES

Other liabilities as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Accrued expenses	**¥ 12,855**	¥ 16,096	**$ 156,408**
Unearned revenue	**30,441**	31,158	**370,382**
Income taxes payable	**20,725**	5,089	**252,160**
Derivatives other than for trading—liabilities	**46,686**	45,081	**568,028**
Other	**43,886**	72,887	**533,960**
Total	**¥154,594**	¥170,312	**$1,880,938**

The domestic exchange settlement account consists of outstanding remittance bills from other banks and/or collection bills for which the Bank has received notices for payment from other banks which have not been settled.

17. PROVISION FOR RETIREMENT BENEFITS

Under most circumstances, employees terminating their employment are entitled to retirement and pension benefits determined by reference to basic rates of pay at the time of termination, length of service, and conditions under which the termination occurs. Such retirement benefits are made in the form of a lump-sum severance payments and annuity payments from a trustee. In addition, the Bank and three consolidated subsidiaries have defined contribution pension plans. If the termination is involuntary, the employee is entitled to greater payments than in the case of voluntary termination.

The provision for retirement benefits as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Projected benefit obligation	**¥ (72,978)**	¥ (73,599)	**$ (887,919)**
Fair value of plan assets	**65,594**	63,124	**798,087**
Unfunded projected benefit obligation	**(7,383)**	(10,475)	**(89,832)**
Unrecognized actuarial loss	**31,507**	35,970	**383,350**
Net liability recognized	**24,124**	25,495	**293,518**
Prepaid pension cost	**24,295**	25,638	**295,607**
Provision for retirement benefits	**¥ (171)**	¥ (143)	**$ (2,089)**

The components of net periodic retirement benefit costs for the years ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Service cost	**¥ 1,347**	¥ 1,304	**$ 16,391**
Interest cost	**1,466**	1,462	**17,842**
Expected return on plan assets	**(1,951)**	(1,979)	**(23,738)**
Recognized actuarial loss	**4,356**	4,043	**53,010**
Other retirement costs (nonactuarial basis cost)	**610**	481	**7,428**
Net periodic retirement benefit costs	**¥ 5,829**	¥ 5,313	**$ 70,933**

Assumptions used for the years ended March 31, 2012 and 2011 were set forth as follows:

	2012	2011
Discount rate	**2.00%**	2.00%
Expected rate of return on plan assets	**3.50%**	3.50%
Recognition period of actuarial gain/loss	**15 years**	15 years

18. EQUITY

Japanese banks are subject to the Companies Act of Japan (the "Companies Act") and the Banking Law. The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the stockholders meeting. For companies that meet certain criteria such as (1) having a Board of Directors, (2) having independent auditors, (3) having a Board of Corporate auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Bank meets all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to stockholders subject to certain limitations and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act and the Banking Law provide certain limitations on the amounts available for dividends or the purchase of treasury stock.

b. Increases/Decreases and Transfer of Common Stock, Reserve, and Surplus

The Banking Law requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of the legal reserve and additional paid-in capital equals 100% of capital stock. Under the Companies Act, the total amount of additional paid-in capital and legal retained earnings may be reversed without limitation. The Companies Act also provides that capital stock, legal retained earnings, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts under certain conditions upon resolution of the stockholders.

c. Treasury Stock and Treasury Subscription Rights to Shares

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the stockholders which is determined by specific formula.

Under the Companies Act, subscription rights to shares are presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury subscription rights to shares and treasury stock. Such treasury subscription rights to shares are presented as a separate component of equity or deducted directly from subscription rights to shares.

19. STOCK OPTIONS

The Bank's stock option plans grant options to directors and others to purchase certain shares of the Bank's common stock in the respective exercise periods. The exercise prices are subject to adjustments for stock issuances below fair value and stock splits.

Stock-based compensation expense was ¥79 million ($972 thousand) and ¥117 million for the fiscal years ended March 31, 2012 and 2011, respectively.

The stock options outstanding as of March 31, 2012 are as follows:

Stock Option	Persons Granted	Number of Options Granted (Shares)	Date of Grant	Exercise Price	Exercise Period
2003 Stock Option	8 directors 180 employees	1,473,000	July 5, 2002	¥520	From June 27, 2004 to June 26, 2012
2004 Stock Option	8 directors 186 employees	1,407,000	July 7, 2003	437	From June 27, 2005 to June 26, 2013
2005 Stock Option	8 directors 280 employees	2,186,000	July 6, 2004	624	From June 26, 2006 to June 25, 2014
2006 Stock Option	7 directors 455 employees	4,379,000	July 7, 2005	648	From June 29, 2007 to June 28, 2015
2009 Stock Option	7 directors 11 executive officers	178,800	July 9, 2008	1	From July 10, 2008 to July 9, 2038
2010 Stock Option	8 directors 10 executive officers	277,200	July 8, 2009	1	From July 9, 2009 to July 8, 2039
2011 Stock Option	7 directors 10 executive officers	322,800	July 7, 2010	1	From July 8, 2010 to July 7, 2040
2012 Stock Option	8 directors 11 executive officers	189,800	July 6, 2011	1	From July 7, 2011 to July 6, 2041

The stock option activity is as follows:

Year Ended March 31, 2011	2002 Stock Option	2003 Stock Option	2004 Stock Option	2005 Stock Option	2006 Stock Option	2009 Stock Option	2010 Stock Option	2011 Stock Option	2012 Stock Option
Non-vested (shares):									
March 31, 2010—outstanding							68,400		
Granted								322,800	
Canceled							(6,000)		
Vested							(62,400)	(242,700)	
March 31, 2011—outstanding								80,100	
Vested (shares):									
March 31, 2010—outstanding	684,000	1,036,000	630,000	1,968,000	4,288,000	150,600	208,800		
Vested							62,400	242,700	
Exercised			(10,000)			(28,700)	(37,100)		
Canceled									
March 31, 2011—outstanding	684,000	1,036,000	620,000	1,968,000	4,288,000	121,900	234,100	242,700	

Year Ended March 31, 2012	2002 Stock Option	2003 Stock Option	2004 Stock Option	2005 Stock Option	2006 Stock Option	2009 Stock Option	2010 Stock Option	2011 Stock Option	2012 Stock Option
Non-vested (shares):									
March 31, 2011—outstanding								80,100	
Granted									189,800
Canceled								(5,200)	
Vested								(74,900)	(142,700)
March 31, 2012—outstanding									47,100
Vested (shares):									
March 31, 2011—outstanding	684,000	1,036,000	620,000	1,968,000	4,288,000	121,900	234,100	242,700	
Vested								74,900	142,700
Exercised						(33,400)	(53,500)	(62,900)	
Canceled	(684,000)								
March 31, 2012—outstanding		1,036,000	620,000	1,968,000	4,288,000	88,500	180,600	254,700	142,700
Exercise price	¥ 502	¥ 520	¥ 437	¥ 624	¥ 648	¥ 1	¥ 1	¥ 1	¥ 1
	$6.11	$6.33	$5.32	$7.59	$7.88	$0.01	$0.01	$0.01	$0.01
Average stock price at exercise						¥ 406	¥ 406	¥ 405	
						$4.94	$4.94	$4.93	
Fair value price at grant date						¥ 647	¥ 454	¥ 368	¥ 367
						$7.87	$5.52	$4.48	$4.47

The Assumptions Used to Measure Fair Value of 2012 Stock Option

Estimate method:	Black-Scholes option-pricing model
Volatility of stock price:	40.066%
Estimated remaining outstanding period:	Five years and one month
Estimated dividend:	¥10.00 per share
Interest rate with risk free:	0.473%

20. TREASURY STOCK

On March 28, 2012, the Board of Directors resolved to retire treasury stock. The detail of the treasury stock for which retirement was not been completed as of March 31, 2012 is as follows:

(1) Book value of treasury stock	¥5,157 million
(2) Type	Common Stock
(3) Number of treasury stock	13,000 thousand shares

On April 4, 2012, the Bank retired all treasury stock according to the resolution of the Board of Directors.

21. PER SHARE INFORMATION

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2012 and 2011 was as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
Year Ended March 31, 2012	Net Income	Weighted-Average Shares	EPS	
Basic EPS—Net income available to common stockholders	**¥51,190**	**1,352,546**	**¥37.84**	**$0.46**
Effect of dilutive warrants		**654**		
Diluted EPS—Net income for computation	**¥51,190**	**1,353,201**	**¥37.82**	**$0.46**
Year Ended March 31, 2011				
Basic EPS—Net income available to common stockholders	¥47,089	1,359,930	¥34.62	
Effect of dilutive warrants		599		
Diluted EPS—Net income for computation	¥47,089	1,360,529	¥34.61	

22. OTHER OPERATING INCOME

Other operating income for the years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Gain on foreign exchange transactions—net	**¥ 1,574**	¥ 2,082	**$ 19,160**
Gain on sales and redemption of bonds and other securities	**3,572**	1,194	**43,465**
Gain on derivatives	**17,060**	5,790	**207,571**
Lease receipts	**26,165**	25,506	**318,352**
Other	**8,310**	10,150	**101,113**
Total	**¥56,683**	¥44,724	**$689,661**

23. OTHER INCOME

Other income for the years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Gain on sales of stock and other securities	**¥ 916**	¥1,629	**$11,152**
Recovery of claims previously charged-off	**4,111**	2,493	**50,018**
Other	**3,177**	2,584	**38,656**
Total	**¥8,204**	¥6,708	**$99,826**

24. OTHER OPERATING EXPENSES

Other operating expenses for the years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Losses on sales and redemption of bonds and other securities	**¥15,246**	¥ 3,195	**$185,499**
Losses on write-downs of bonds and other securities	**174**	94	**2,129**
Lease costs	**23,209**	22,212	**282,392**
Other	**6,013**	6,997	**73,161**
Total	**¥44,644**	¥32,499	**$543,181**

25. OTHER EXPENSES

Other expenses for the years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Losses on sales of stocks and other securities	**¥ 94**	¥ 501	**$ 1,150**
Losses on write-downs of stocks and other securities	**2,217**	1,247	**26,974**
Loss on disposals of fixed assets	**393**	360	**4,783**
Direct charge-off of loans	**11,604**	18,004	**141,196**
Other	**2,506**	1,616	**30,498**
Total	**¥16,816**	¥21,730	**$204,601**

26. INCOME TAXES

The Bank and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.6% for the years ended March 31, 2012 and 2011.

The tax effects of significant temporary differences, which result in deferred tax assets and liabilities as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Deferred tax assets:			
Allowance for loan losses	**¥38,800**	¥54,186	**$472,080**
Write-downs of securities	**3,048**	3,795	**37,091**
Net unrealized loss on available-for-sale securities		52	
Other	**17,246**	16,710	**209,837**
Less valuation allowance	**(4,410)**	(5,845)	**(53,658)**
Total deferred tax assets	**54,685**	68,899	**665,350**
Deferred tax liabilities:			
Gain on contribution of the employees' retirement benefit trust	**10,301**	7,809	**125,332**
Net unrealized gain on available-for-sale securities	**6,115**	6,978	**74,411**
Other	**3,705**	4,170	**45,089**
Total deferred tax liabilities	**20,122**	18,958	**244,832**
Net deferred tax assets	**¥34,562**	¥49,940	**$420,518**

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2012 was as follows:

	2012
Normal effective statutory tax rate	**40.6%**
Decrease in deferred taxes due to newly enacted tax reform laws	**3.5**
Other—net	**(1.2)**
Actual effective tax rate	**42.9%**

A reconciliation between the normal effective statutory tax rate for the year ended March 31, 2011 and the actual effective tax rate reflected in the accompanying consolidated statement of income was not required under Japanese accounting standards due to immaterial differences.

On December 2, 2011, new tax reform laws were enacted in Japan which changed the normal effective statutory tax rate from approximately 40.6% to 38.0% effective for the fiscal years beginning on or after April 1, 2012 through March 31, 2015, and to 35.6% afterwards. The effect of this change was to decrease deferred tax assets in the consolidated balance sheet as of March 31, 2012, by ¥1,936 million ($23,557 thousand), to decrease deferred tax liabilities for land revaluation by ¥2,724 million ($33,153 thousand), to increase valuation difference on available-for-sale securities by ¥1,441 million ($17,536 thousand), to increase revaluation reserve for land by ¥2,724 million ($33,153 thousand), and to increase income taxes—deferred in the consolidated statement of income for the year then ended by ¥3,387 million ($41,212 thousand).

27. LEASES

Lessor

A consolidated subsidiary leases certain equipment and other assets to various customers.

The net investments in leases are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Gross lease receivables	**¥59,195**	¥51,849	**$720,224**
Unguaranteed residual values	**4,881**	6,416	**59,397**
Unearned interest income	**(7,040)**	(5,982)	**(85,656)**
Investments in leases, current	**¥57,037**	¥52,283	**$693,965**

Maturities of lease receivables for finance leases that are deemed to transfer ownership of the leased property to the lessee were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2013	¥ 242	$ 2,945
2014	206	2,516
2015	181	2,212
2016	164	2,005
2017	146	1,787
2018 and thereafter	385	4,689
Total	¥1,327	$16,154

Maturities of investment in leases for finance leases that are not deemed to transfer ownership of the leased property to the lessee were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2013	¥19,551	$237,886
2014	14,515	176,605
2015	10,394	126,466
2016	6,891	83,853
2017	3,497	42,550
2018 and thereafter	4,344	52,864
Total	¥59,195	$720,224

The minimum rental commitments under noncancelable operating leases as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Due within one year	**¥212**	¥ 190	**$ 2,580**
Due after one year	**752**	851	**9,154**
Total	**¥964**	¥1,042	**$11,734**

28. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group Policies for Financial Instruments

The Group engages in banking as its mainstay business, as well as leasing, securities, conducting survey research and other information services, venture capital, and other financial service businesses. Since the Group positions its core business services exclusively for local small-and medium-sized businesses and individuals, it is a fundamental policy of the Group to aim to minimize any adverse effects of economic fluctuations and the changing market environment and to provide financial services reliably. Under this policy, the Group endeavors to maintain sound management by continuously identifying, assessing, monitoring, and controlling the various risks inherent in financial instruments that correspond to the strategic goals of the Bank, including medium-term management plans and operational management policies. The Group also strives to secure stable revenues, commensurate with the risks, by appropriately allocating management resources.

(2) Nature and Extent of Risks Arising from Financial Instruments

The financial assets of the Bank, which mainly consist of loans to small-and medium-sized businesses and personal housing loans, are exposed to customer credit risk. Securities mainly consist of debt securities, equity securities, and investment trusts, and are accounted for as trading securities, held-to-maturity securities, and available-for-sale securities. These securities are exposed to issuers' credit risk and the risk of market price fluctuations.

The financial liabilities of the Bank are mainly personal deposits, which consist of liquidity deposits and fixed deposits. These deposits are exposed to liquidity risk, such as losses generated by unexpected withdrawals.

There are certain mismatches in interest rates and contract periods between financial assets such as loans and financial liabilities such as deposits, which are exposed to market risks from changes in variable interest rates. However, a part of this risk is mitigated by using interest-rate swap derivatives.

The Bank uses swaps, futures, forward and option contracts, and other similar types of contracts based on either interest rates, foreign exchange rates, or securities prices. These financial instruments are used in trading activities to generate trading revenues and fee income and are also used in Asset and Liability Management ("ALM") activities to control exposure to fluctuations in such market rates or prices.

The Bank uses derivatives to provide customers with risk hedging methods, to complement their ALM activities, to hedge market risks, and to strengthen earnings. The Bank carefully studies the risks involved with derivative transactions and maintains a policy of limiting the volume of the risks within a range which they are capable of controlling based on their financial strength.

Derivatives used for hedging purposes are recorded on the basis of hedge accounting in accordance with the Japanese accounting standard for financial instruments. Such derivatives are interest rate swaps, currency swaps, and forward exchange contracts which are utilized to control the risks from loan and bills discounted, foreign-currency monetary claims, and debt. The Bank reviews the effectiveness of hedging activities by the methods permitted under the accounting standard.

Similar to other market transactions, derivative transactions are subject to a variety of risks, including market, credit, and liquidity risks. Among those risks, the Bank emphasizes establishing a risk management structure to understand and manage market risk and credit risk.

Certain consolidated subsidiaries hold lease receivables and installment receivables. These financial instruments are exposed to market risks from changes in variable interest rates and credit risk.

(3) Risk Management for Financial Instruments

(a) Credit risk management

Under the consensus that credit risk is the risk with the most influence on the Bank's financial stability, the Bank has established a "Credit Policy" to realize one of its management philosophies, "We facilitate stable supply of funds as a mainstay of the credit order," and takes every initiative to optimize its credit portfolio management and credit control of individual accounts.

In addition, the Credit Risk Management Office in the Risk Management Department ("RMD"), which is responsible for credit risk control, has been established as a section independent of the Credit Department, which assesses the credit of individual accounts. The RMD has developed an "Internal Credit Rating System" and a "Self-Assessment System" to categorize the credibility of debtors and individual loan projects from an independent point of view and conducts appropriate credit risk control and proper amortization and/or determines the allowance for loan losses.

Under its Internal Credit Rating System, the Bank uses data of past credit default experience, collateral and guarantees sorted by credit rating to statistically quantify the aggregate credit risk volume for the entire credit portfolio. Such data and the quantified credit risk are then used to assess the debtor's financial health and profitability, including comparison of management strength and adjustment of appropriate lending rates.

The Bank also monitors the portfolio from various aspects to strictly control the following credit concentration risks:

- Debtor concentration risk could generate large losses due to too much credit concentrated in specific debtors or debtor groups. In order to control such risk, an aggregate credit limit and action plans for major debtors with a certain amount of credit, which is determined based on their management strength and profitability, are decided directly by the Board of Directors.
- Industry concentration risk could generate large losses due to too much credit concentrated in specific industries that could be significantly affected by changes in their respective surrounding economic conditions. In order to control such risk, the Bank uses credit limits established exclusively for specific industries and an alarm-point system.
- Use-of-loans concentration risk could generate large losses due to too much credit concentrated in specific use of loaned funds that could be significantly affected by changes in financing practices and the social environment. To identify increases in such risk, periodic investigations are performed.

Aiming at enhancing the effectiveness of these credit portfolio management measures, the Credit Portfolio Committee (Executive Committees consist of directors, etc.) meets periodically. In this Committee, credit breakdowns by region, amount, credit rating, industry and product, as well as risks against returns, are analyzed from a company-wide point of view. The Committee also discusses and decides material matters for advancing the credit risk control systems through measures including verification of the effectiveness of the Internal Credit Rating System.

To properly backup these credit risk control systems, an accumulation of large quantities of data is necessary. While the Bank continuously takes initiatives to expand and enrich its internal databases, it uses the "Credit Risk Information Total Service (CRITS)" and the "Credit Risk Assessment System (Credit Gauge)," which are provided by the Regional Banks Association of Japan as shared systems, to complement its own databases.

These shared systems are fully equipped with major functions such as financial scoring models for enterprises, credit control databases, and credit risk quantification systems. They also provide extensive statistical data on nationwide credit conditions and credit risks collected from 64 regional banks. By using these shared systems, the Bank carries out calculations according to the Monte Carlo simulation method in a short time and thereby achieves a detailed quantification of credit risk.

In order to assess the credibility of individual accounts, the Bank performs strict examinations in conformity with the five principles of "publicity," "safety," "profitability," "growth," and "liquidity," as stipulated in the Credit Policy.

During credit examinations, not only the credit risk relating to the traditional loan business, but also the credit risk of counterparties of derivatives and other market transactions are examined. Final decisions are made on the aggregate credit limit for entire on-and off-balance transactions and/or domestic and overseas transactions by customer group.

Regarding the individual credit of major debtors, the Investment and Loan Committee (Executive Committees consist of directors, etc.) analyzes and examines their credibility and decides on the extension of credit. This treatment is also aimed at enhancing the Bank's corporate governance.

If the debtor enterprises' performance deteriorates after the credit extension, the Management Support Office proactively assists in their rehabilitation. For effective rehabilitation support, human resources with rich knowledge and experience are indispensable. Based on this understanding, the Bank has established a Business Solution Advisor Certification System to nurture human resources capable of rehabilitation support and strengthened its structure for helping customers enhance their management systems.

(b) Market risk management (foreign exchange risk and interest risk)

It is a fundamental policy of the Bank to enter into market transactions that appropriately meet customers' needs, which have been increasingly diversified due to the development of financial engineering (such as the emergence of various derivative transactions), as well as in transactions that enhance the profitability of the Bank.

It is also its fundamental policy to perform market risk management that corresponds to the above-mentioned market transactions. Specifically, the Bank controls interest rate risk, foreign exchange risk, and price fluctuation risk in its ALM (Asset Liability Management) processes.

To control market risks effectively, the ALM Committee (Executive Committees consist of directors, etc.) meets semiannually to set the amount of capital to be allocated within the Bank's risk tolerance parameters in relation to the level of risk exposure and to set the position limits (the upper limits of the risk that the Bank can hold) by operation and the warning points (the level of loss amounts at which to start reviewing operating policies). The market risk operation sections enter into market transactions flexibly and efficiently in conformity with these risk limit rules.

The Bank has established reciprocal control mechanisms in its market operations by separating its organization into front office (Financial Market Department), middle office (RMD), and back office (Operations Planning and Administration Department) functions. The middle office is responsible for market risk management, measures risks and returns relating to market transactions, and monitors the front office and back office. The middle office provides daily reports to management concerning market risk exposure and the profit-and-loss situation. For management purposes, the Bank also separates the market operations into trading operations and banking operations.

The Bank's trading operations include profit-generating trading transactions that take advantage of short-term fluctuations and differences in value among markets in indices such as interest rates, foreign exchange rates, and market quotations of financial instruments. The trading operations also deal with transactions for the purpose of mitigating possible losses incurred from the above-mentioned transactions. The financial instruments that are allowed to be dealt with in the trading operations include Japanese government bonds ("JGB"), JGB futures, interest rate swaps, and interest rate futures. Operations other than trading operations are defined as banking operations. The trading operations are carried out in a rigid manner in compliance with the Bank's internal rules on definition of trading transactions, authorities for fair value calculation, and its methods.

The Bank currently utilizes various effective measurement methods suitable to operational features and investment policies, in addition to VaR (Value-at-Risk) and BPV (Basis Point Value), to quantify market risk. The same market risk measurement system is commonly used in the calculation of VaR and other measures of market risk.

The Bank performs quantitative analysis on market risks relating to all financial instruments in principle, using mainly VaR. In calculating VaR, the Bank uses the historical simulation method (confidence interval: 99.9%, observation period: 1,250 days). As for holding periods, the Bank has set 10 days for financial instruments for trading purposes and periods considered appropriate (primarily from one month to one year, based on the position settlement periods and other factors) for financial instruments for nontrading purposes (those for banking operations).

The aggregate amount of the market risks (estimated loss amount) of the Bank's trading business was ¥39 million ($474 thousand) and ¥68 million as of March 31, 2012 and 2011, respectively. The aggregate amount of the market risks of the banking business, excluding market risks of unlisted equity securities and other financial instruments whose fair value cannot be reliably determined, stood at ¥109,127 million ($1,327,740 thousand) and ¥110,275 million as of March 31, 2012 and 2011, respectively. It should be noted that the aggregate amounts of market risks represent a simple sum of amounts of each market risk categorized by risk type. It should be also noted that the interest risks on loans and deposits are calculated by defining core deposits as liquid deposits which have had no movement, incoming or outgoing, to/from the Bank for a considerable period of time and by categorizing these using maturity periods of up to five years with an average of less than 2.5 years.

The Bank carries out back testing to compare VaR calculated based on the models with hypothetical profit and loss, which are assumed to have been incurred when the portfolio was fixed as it was at the point of the risk amount measurement. The outcome of the tests is reported to the ALM Committee quarterly. According to the result of back testing conducted, it is believed that the measurement model the bank uses is adequate to capture market risks. It should be noted that VaR measures the amount of market risk at certain probability levels statistically calculated based on historical market fluctuations, and therefore, there may be cases where market risks cannot be captured in such situations as when market conditions are changing dramatically beyond what was experienced historically.

(c) Liquidity risk management

The basic structure of assets and liabilities of a bank is to procure funds as deposits with relatively short maturities and to invest them in loans and debt securities with long maturities.

Therefore, managing liquidity risk to facilitate a stable settlement system should be recognized as a top-priority issue for a bank. Should the Bank's liquidity fall short, it would not only affect the Bank but also the whole financial system and the whole regional economy significantly, and would clearly show the emergence of systemic risk. Based on this understanding, the Bank closely stipulates in its internal regulations, such as the Basic Regulations of Liquidity Risk Management, the methods of liquidity risk management to be used in day-to-day operations, as well as appropriate countermeasures to be taken in case of concern and/or critical situations regarding liquidity risk.

In order to facilitate stable funding management on a daily basis and maintain preparation for urgent cash outflows, the ALM Committee semiannually sets limits for fund reserves that require maintenance of highly liquid assets above a certain level stipulated in the guidelines. The middle office (RMD) monitors the level of fund reserves daily against the limits in a strict manner.

In addition, the status of investments and procurement of funds are examined together with the prospects of the interest rate and foreign exchange markets and with current circumstances regarding risks, not only by the ALM Committee but also by Market Risk Expert Committees held in relevant sections every week. This is done in order to reflect changes in the market environment in liquidity risk management.

In cases where obvious signs of liquidity risk can be discerned, such as in the case of significant changes in the market environment and/or the Bank's status of fund investments and procurement, the Liquidity Risk Emergency Committee will be called upon immediately to, with participation of relevant sections, compile and organize information and make prompt decisions on necessary countermeasures.

(4) Supplementary Explanation on Fair Value of Financial Instruments

The fair values of financial instruments are based on their market prices and, in cases where market prices are not readily available, reasonably calculated prices. Such prices have been calculated using certain assumptions and these prices may differ if calculated based on different assumptions.

(5) Fair Values of Financial Instruments

Fair values of financial instruments are based on quoted prices in active markets. If quoted prices are not available, other rational valuation techniques are used instead.

(a) Fair value of financial instruments

	Millions of Yen		
March 31, 2012	Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Cash and due from banks	**¥ 811,600**	**¥ 811,600**	
(3) Monetary claims bought	**164,256**	**164,256**	
(4) Securities:			
Held-to-maturity securities	**295,831**	**302,942**	**¥ 7,110**
Available-for-sale securities	**1,804,350**	**1,804,350**	
(5) Loans and bills discounted	**8,970,301**		
Allowance for loan losses*[1]	**(75,617)**		
Net	**8,894,684**	**8,969,679**	**74,995**
Total assets	**¥11,970,723**	**¥12,052,830**	**¥82,106**
(1) Deposits	**¥11,061,581**	**¥11,066,105**	**¥ 4,524**
(2) Borrowed money	**304,226**	**304,878**	**652**
Total liabilities	**¥11,365,807**	**¥11,370,984**	**¥ 5,177**
Derivative instruments*[2]:			
Hedge accounting is not applied	**¥ 7,313**	**¥ 7,313**	
Hedge accounting is applied	**(9,558)**	**(9,558)**	
Total derivative instruments	**¥ (2,244)**	**¥ (2,244)**	

	Millions of Yen		
March 31, 2011	Carrying Amount	Fair Value	Unrealized Gain/Loss
(1) Cash and due from banks	¥ 857,677	¥ 857,677	
(2) Call loans and bills bought	143,395	143,395	
(3) Monetary claims bought	188,390	188,390	
(4) Securities:			
Held-to-maturity securities	214,146	217,838	¥ 3,691
Available-for-sale securities	1,766,601	1,766,601	
(5) Loans and bills discounted	8,601,882		
Allowance for loan losses*[1]	(86,046)		
Net	8,515,836	8,593,691	77,855
Total assets	¥11,686,048	¥11,767,594	¥81,546
(1) Deposits	¥10,725,087	¥10,732,150	¥ 7,062
(2) Borrowed money	282,939	283,612	673
Total liabilities	¥11,008,026	¥11,015,762	¥ 7,736
Derivative instruments*[2]:			
Hedge accounting is not applied	¥ 7,191	¥ 7,191	
Hedge accounting is applied	(4,672)	(4,672)	
Total derivative instruments	¥ 2,518	¥ 2,518	

March 31, 2012	Thousands of U.S. Dollars Carrying Amount	 Fair Value	 Unrealized Gain/Loss
(1) Cash and due from banks	$ 9,874,681	$ 9,874,681	
(3) Monetary claims bought	1,998,503	1,998,503	
(4) Securities:			
Held-to-maturity securities	3,599,367	3,685,885	$ 86,518
Available-for-sale securities	21,953,407	21,953,407	
(5) Loans and bills discounted	109,141,032		
Allowance for loan losses*1	(920,028)		
Net	108,221,004	109,133,467	912,463
Total assets	$145,646,962	$146,645,943	$998,981
(1) Deposits	$134,585,486	$134,640,533	$ 55,047
(2) Borrowed money	3,701,497	3,709,439	7,942
Total liabilities	$138,286,983	$138,349,972	$ 62,989
Derivative instruments*2:			
Hedge accounting is not applied	$ 88,987	$ 88,987	
Hedge accounting is applied	(116,300)	(116,300)	
Total derivative instruments	$ (27,313)	$ (27,313)	

*1 Allowances for loan losses relevant to loans and bills discounted have been deducted.
*2 Derivative instruments include derivative transactions both in trading assets and liabilities, and other assets and liabilities. Derivative instruments are presented as net of assets and liabilities associated with derivative transactions.

Assets

(1) Cash and Due from Banks

The carrying amounts of due from banks with no maturities approximate fair values. For due from banks with maturities, the carrying amounts approximate fair values because they have short maturities of one year or less.

(2) Call Loans and Bills Bought

The carrying amounts of call loans and bills bought approximate fair values because they have short maturities of one year or less.

(3) Monetary claims bought

The fair values of beneficiary rights of trust in monetary claims bought are measured at the quoted price obtained from financial institutions.

(4) Securities

The fair values of marketable equity securities are measured at the quoted market price of the stock exchange for equity instruments. Fair values of bonds are measured at the market price or the quoted price obtained from financial institutions. Fair values of investment trusts are measured at the quoted price.

The fair values of private placements with floating interest rates approximate their book values as long as customers' credit risks have not changed significantly after issuance because the market rates are promptly reflected in the floating interest rates. The fair values of private placements with fixed interest rates are determined by discounting future cash flows at the rate that consists of the risk-free rate and the credit risk premium that corresponds to the internal credit rating.

(5) Loans and Bills Discounted

The carrying amounts of loans and bills discounted with floating interest rates approximate fair value as long as customers' credit risks have not changed significantly after lending because the market rates are promptly reflected in the floating interest rates.

The fair values of loans and bills discounted with fixed interest rates are determined by discounting the future cash flows at the rates that consist of the risk-free rate and the credit risk premium that corresponds to the internal credit rating. The future cash flows of certain loans and bills discounted are grouped by product and by remaining duration in accordance with internal rules of credit risk classification. The carrying amounts of loans and bills discounted with maturity less than one year approximate fair value because of their short maturities.

For loans to obligors' "legal bankruptcy," "virtual bankruptcy," and "possible bankruptcy," a reserve is provided based on the discounted cash flow method or based on amounts expected to be collected through the disposal of collateral or execution of guarantees. The carrying value net of the reserve as of the consolidated balance sheet date is a reasonable estimate of the fair values of those loans.

The carrying amounts of loans and bills discounted that do not have fixed maturities due to loan characteristics, such as limited loan amounts within the value of pledged assets, approximate fair value due to their expected repayment periods and interest rate conditions.

Liabilities

(1) Deposits

The fair values of demand deposits are recognized as the payment at the date of the consolidated balance sheet. The fair values of time deposits are determined by discounting the contractual cash flows grouped by product and by the remaining duration at the rates that would be applied for similar new contracts. The carrying amounts of the deposits with maturities less than one year approximate fair value because of their short-term maturities.

(2) Borrowed Money

The carrying amount of borrowed money with floating interest rates approximates fair value because the market rates are promptly reflected in the floating interest rate and the credit risks of the Bank and its consolidated subsidiaries have not changed significantly after borrowing. The fair value of borrowed money with fixed interest rates is determined by discounting future cash flows at the rate that would be applied for similar new contracts. The carrying amount of borrowed money with maturity of less than one year approximates fair value because of its short maturity period.

Derivatives

The fair values of derivative instruments are measured at the market price or determined using the discounted cash flow method or option-pricing model.

(b) Carrying amount of financial instruments whose fair value cannot be reliably determined

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
Equity securities without readily available market price*1*3	**¥12,896**	¥13,418	**$156,910**
Investments in partnerships*2*3	**136**	145	**1,657**
Total	**¥13,032**	¥13,563	**$158,567**

*1 Equity securities without readily available market price are out of the scope of the fair value disclosure because their fair values cannot be reliably determined.

*2 Investments in partnerships, the assets of which comprise equity securities without a readily available market price, are out of the scope of the fair value disclosure.

*3 During the year ended March 31, 2012, impairment losses on equity securities without a readily available market price of ¥110 million ($1,346 thousand) and on investments in partnerships of ¥2 million ($30 thousand) were recognized. During the year ended March 31, 2011, impairment losses on equity securities without readily available market price of ¥273 million and on investments in partnerships of ¥23 million were recognized.

(6) Maturity Analysis for Financial Assets and Liabilities with Contractual Maturities

March 31, 2012	Millions of Yen Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years	Due after 10 Years
Due from banks	**¥ 687,571**					
Monetary claims bought	**21,255**					**¥ 142,681**
Securities:						
Held-to-maturity securities	**22,763**	**¥ 67,221**	**¥ 25,777**	**¥ 5,470**	**¥ 165,048**	**10,000**
Available-for-sale securities with contractual maturities	**247,739**	**656,351**	**424,241**	**84,105**	**178,224**	**57,894**
Loans and bills discounted	**2,243,030**	**1,596,756**	**1,055,510**	**622,725**	**681,650**	**2,501,632**
Total	**¥3,222,359**	**¥2,320,329**	**¥1,505,529**	**¥712,301**	**¥1,024,922**	**¥2,712,208**

March 31, 2011	Millions of Yen Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years	Due after 10 Years
Due from banks	¥ 702,934					
Call loans and bills bought	143,395					
Monetary claims bought	19,173					¥ 169,135
Securities:						
Held-to-maturity securities	20,208	¥ 56,600	¥ 57,335	¥ 3,040	¥ 66,889	10,000
Available-for-sale securities with contractual maturities	143,849	549,754	555,289	96,596	214,845	56,984
Loans and bills discounted	2,218,334	1,525,850	1,012,950	532,708	661,708	2,372,152
Total	¥3,247,895	¥2,132,205	¥1,625,575	¥632,344	¥943,442	¥2,608,272

March 31, 2012	Thousands of U.S. Dollars Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years	Due after 10 Years
Due from banks	**$ 8,365,634**					
Monetary claims bought	**258,613**					**$ 1,735,992**
Securities:						
Held-to-maturity securities	**276,956**	**$ 817,878**	**$ 313,633**	**$ 66,553**	**$ 2,008,128**	**121,669**
Available-for-sale securities with contractual maturities	**3,014,227**	**7,985,780**	**5,161,712**	**1,023,309**	**2,168,439**	**704,401**
Loans and bills discounted	**27,290,798**	**19,427,629**	**12,842,327**	**7,576,660**	**8,293,594**	**30,437,190**
Total	**$39,206,228**	**$28,231,287**	**$18,317,672**	**$8,666,522**	**$12,470,161**	**$32,999,252**

Note: As of March 31, 2012, loans and bills discounted whose cash flow cannot be estimated such as "legal bankruptcy," "virtual bankruptcy," and "possible bankruptcy" loans amounting to ¥174,979 million ($2,128,963 thousand) and loans and bills discounted with no contractual maturities amounting to ¥94,014 million ($1,143,871 thousand) are not included.
As of March 31, 2011, loans and bills discounted whose cash flow cannot be estimated such as "legal bankruptcy," "virtual bankruptcy," and "possible bankruptcy" loans amounting to ¥172,943 million and loans and bills discounted with no contractual maturities amounting to ¥105,233 million are not included.

March 31, 2012	Millions of Yen Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years
Deposits	**¥10,366,058**	**¥524,438**	**¥188,604**	**¥5,512**	**¥6,967**

March 31, 2011	Millions of Yen Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years
Deposits	¥9,988,303	¥556,760	¥169,071	¥4,340	¥6,611

March 31, 2012	Thousands of U.S. Dollars Due in 1 Year or Less	Due after 1 Year through 3 Years	Due after 3 Years through 5 Years	Due after 5 Years through 7 Years	Due after 7 Years through 10 Years
Deposits	**$125,758,101**	**$6,380,809**	**$2,294,734**	**$67,065**	**$84,777**

Note: The cash flow of demanded deposits is included in "Due in 1 year or less."

29. DERIVATIVE INFORMATION

Derivative Transactions to Which Hedge Accounting Is Not Applied at March 31, 2012 and 2011

The Bank had the following derivative contracts, that were quoted on listed exchanges, outstanding as of March 31, 2012 and 2011:

March 31, 2012	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Bond contracts—Futures written	**¥569**		**¥1**	**¥1**

March 31, 2011	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Bond contracts—Futures written	¥554		¥(4)	¥(4)

March 31, 2012	Thousands of U.S. Dollars Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Bond contracts—Futures written	**$6,925**		**$14**	**$14**

The Bank had the following derivative contracts, that were not quoted on listed exchanges, outstanding as of March 31, 2012 and 2011:

March 31, 2012	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Interest rate contracts:				
Interest rate swaps:				
Receive fixed and pay floating	**¥2,091,873**	**¥1,723,755**	**¥ 36,285**	**¥ 36,285**
Receive floating and pay fixed	**2,088,200**	**1,615,170**	**(30,050)**	**(30,050)**
Receive floating and pay floating	**381,060**	**335,060**	**180**	**180**
Caps and others written	**51,009**	**29,448**	**(147)**	**671**
Caps and others purchased	**35,000**	**18,400**	**134**	**134**
Foreign exchange:				
Currency swaps	**148,453**	**116,285**	**849**	**849**
Forward exchange contracts written	**22,955**		**(349)**	**(349)**
Forward exchange contracts purchased	**23,462**		**379**	**379**
Options written	**36,104**	**20,560**	**(2,573)**	**136**
Options purchased	**35,571**	**20,560**	**2,604**	**511**

March 31, 2011	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Interest rate contracts:				
Interest rate swaps:				
Receive fixed and pay floating	¥2,047,650	¥1,696,868	¥ 30,021	¥ 30,021
Receive floating and pay fixed	2,045,391	1,638,091	(24,809)	(24,809)
Receive floating and pay floating	192,490	192,490	220	220
Caps and others written	50,231	32,565	(145)	861
Caps and others purchased	33,300	17,300	113	113
Foreign exchange:				
Currency swaps	202,879	180,617	1,330	1,330
Forward exchange contracts written	17,184		(135)	(135)
Forward exchange contracts purchased	21,915		117	117
Options written	69,777	26,610	(5,008)	(534)
Options purchased	72,073	26,610	5,492	2,051

March 31, 2012	Thousands of U.S. Dollars Contract Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gain/Loss
Interest rate contracts:				
Interest rate swaps:				
Receive fixed and pay floating	**$25,451,683**	**$20,972,819**	**$ 441,486**	**$ 441,486**
Receive floating and pay fixed	**25,406,995**	**19,651,672**	**(365,621)**	**(365,621)**
Receive floating and pay floating	**4,636,330**	**4,076,652**	**2,192**	**2,192**
Caps and others written	**620,625**	**358,301**	**(1,799)**	**8,168**
Caps and others purchased	**425,843**	**223,872**	**1,637**	**1,637**
Foreign exchange:				
Currency swaps	**1,806,218**	**1,414,840**	**10,339**	**10,339**
Forward exchange contracts written	**279,301**		**(4,256)**	**(4,256)**
Forward exchange contracts purchased	**285,468**		**4,618**	**4,618**
Options written	**439,275**	**250,155**	**(31,307)**	**1,665**
Options purchased	**432,797**	**250,155**	**31,684**	**6,217**

Derivative Transactions to Which Hedge Accounting Is Applied at March 31, 2012 and 2011

The Bank had the following derivative contracts, that were not quoted on listed exchanges, outstanding as of March 31, 2012 and 2011:

March 31, 2012	Hedged Item	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value
Interest rate contracts—Interest rate swaps—receive floating and pay fixed	Loans and bills discounted	**¥ 5,475**	**¥5,475**	**¥ (9)**
Foreign exchange—Currency swaps	Deposits denominated in foreign currencies, Due from banks denominated in foreign currencies, etc.	**339,769**		**(9,549)**

March 31, 2011	Hedged Item	Millions of Yen Contract Amount	Contract Amount Due after One Year	Fair Value
Interest rate contracts—Interest rate swaps—receive floating and pay fixed	Loans and bills discounted	¥ 610	¥610	¥ (10)
Foreign exchange—Currency swaps	Deposits denominated in foreign currencies, Due from banks denominated in foreign currencies, etc.	335,554		(4,662)

March 31, 2012	Hedged Item	Thousands of U.S. Dollars Contract Amount	Contract Amount Due after One Year	Fair Value
Interest rate contracts—Interest rate swaps—receive floating and pay fixed	Loans and bills discounted	**$ 66,616**	**$66,616**	**$ (116)**
Foreign exchange—Currency swaps	Deposits denominated in foreign currencies, Due from banks denominated in foreign currencies, etc.	**4,133,956**		**(116,184)**

The above interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements is recognized and included in interest expense or income. In addition, the fair value of such interest rate swaps in Note 28 is included in that of the hedged items (i.e., loan and bills discounted).

30. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income for the year ended March 31, 2012 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2012	**2012**
Valuation difference on available-for-sale securities:		
Gains arising during the year	**¥ (1,817)**	**$ (22,118)**
Reclassification adjustments to profit or loss	**12,334**	**150,073**
Amount before income tax effect	**10,516**	**127,955**
Income tax effect	**(2,543)**	**(30,949)**
Total	**¥ 7,972**	**$ 97,006**
Deferred gain or losses on hedges:		
Gains arising during the year	**¥ (1,513)**	**$ (18,417)**
Reclassification adjustments to profit or loss	**1,512**	**18,401**
Amount before income tax effect	**(1)**	**(16)**
Income tax effect		**(5)**
Total	**¥ (1)**	**$ (21)**
Revaluation reserve for land:		
Income tax effect	**¥ 2,724**	**$ 33,153**
Total	**¥ 2,724**	**$ 33,153**
Total other comprehensive income	**¥10,696**	**$130,138**

The corresponding information for the year ended March 31, 2011 was not required under the accounting standard for presentation of comprehensive income as an exemption for the first year of adopting that standard and not disclosed herein.

31. SEGMENT INFORMATION

Under the ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures," and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

The Group engages in banking as its mainstay business, as well as leasing, securities, and other financial services businesses. The Group Strategic Conference established in the Bank helps each Group company set its own management goals and conducts periodic reviews of progress as part of its thorough supervision of the management of the Group. Segment information for businesses other than the banking operations of each Group company is not disclosed due to their immateriality.

32. SUBSEQUENT EVENT

(1) On May 11, 2012, the Board of Directors resolved the following appropriation of retained earnings:

Appropriation of Retained Earnings as of March 31, 2012

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends—Common stock (¥5.00—$0.06 per share)	**¥6,734**	**$81,943**

(2) On May 11, 2012, the Board of Directors resolved the following repurchases of treasury stock:

On May 11, 2012, the Board of Directors resolved to repurchase its own shares as defined under Article 459, section 1 of the Companies Act.

(1) Type of shares to be repurchased	Common Stock
(2) Total number of shares to be repurchased	15,000,000 shares (upper limit)
(3) Total amount of shares to be repurchased	¥5 billion (upper limit)
(4) Schedule of repurchases of stock	From May 17, 2012 to June 19, 2012

The Bank repurchased its own shares based on the resolution at the Board of Directors' Meeting held on May 11, 2012.

(1) Type of shares to be repurchased	Common Stock
(2) Total number of shares to be repurchased	13,922,000 shares
(3) Total amount of shares to be repurchased	¥4,999,848,000
(4) Schedule of repurchases of stock	From May 17, 2012 to June 11, 2012

Independent Auditors' Report

Deloitte.

Deloitte Touche Tohmatsu LLC
MS Shibaura Building
4-13-23, Shibaura
Minato-ku, Tokyo 108-8530
Japan

Tel:+81 (3) 3457 7321
Fax:+81 (3) 3457 1694
www.deloitte.com/jp

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Bank of Yokohama, Ltd.:

We have audited the accompanying consolidated balance sheet of The Bank of Yokohama, Ltd. and consolidated subsidiaries as of March 31, 2012, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in conformity with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Bank of Yokohama, Ltd. and consolidated subsidiaries as of March 31, 2012, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 11, 2012

Member of
Deloitte Touche Tohmatsu Limited

Non-Consolidated Balance Sheet

The Bank of Yokohama, Ltd.
March 31, 2012—Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
ASSETS:			
Cash and due from banks	**¥ 810,478**	¥ 854,674	**$ 9,861,034**
Call loans and bills bought	**108,820**	143,395	**1,324,010**
Monetary claims bought	**155,144**	180,135	**1,887,635**
Trading assets	**24,256**	100,368	**295,129**
Securities	**2,122,239**	2,004,082	**25,821,136**
Loans and bills discounted	**9,017,178**	8,644,177	**109,711,385**
Foreign exchanges	**5,214**	3,948	**63,446**
Other assets	**133,998**	123,456	**1,630,348**
Tangible fixed assets	**126,299**	127,628	**1,536,680**
Intangible fixed assets	**12,695**	15,477	**154,461**
Deferred tax assets	**25,556**	39,330	**310,949**
Customers' liabilities for acceptances and guarantees	**75,287**	82,528	**916,019**
Allowance for loan losses	**(64,843)**	(73,862)	**(788,944)**
TOTAL	**¥12,552,327**	¥12,245,341	**$152,723,288**
LIABILITIES:			
Deposits	**¥11,091,562**	¥10,753,145	**$134,950,271**
Negotiable certificates of deposit	**48,460**	117,900	**589,609**
Call money and bills sold	**40,689**	36,908	**495,072**
Trading liabilities	**1,286**	1,460	**15,648**
Borrowed money	**325,044**	304,800	**3,954,789**
Foreign exchanges	**51**	28	**623**
Bonds payable	**64,300**	64,300	**782,334**
Other liabilities	**109,074**	126,700	**1,327,099**
Provision for directors' bonuses	**66**	40	**811**
Provision for reimbursement of deposits	**1,029**	898	**12,529**
Provision for contingent losses	**1,096**	700	**13,341**
Deferred tax liabilities for land revaluation	**19,323**	22,048	**235,111**
Acceptances and guarantees	**75,287**	82,528	**916,019**
Total liabilities	**11,777,272**	11,511,461	**143,293,256**
EQUITY:			
Capital stock—common stock—authorized, 3,000,000 thousand shares in 2012 and 2011; issued, 1,361,071 thousand shares in 2012 and 2011	**215,628**	215,628	**2,623,538**
Capital surplus	**177,244**	177,244	**2,156,521**
Subscription rights to shares	**285**	274	**3,472**
Retained earnings:			
Legal retained earnings	**38,384**	38,384	**467,018**
Other retained earnings	**293,569**	257,986	**3,571,840**
Valuation difference on available-for-sale securities	**21,296**	13,516	**259,108**
Deferred gains or losses on hedges	**(11)**	(9)	**(140)**
Revaluation reserve for land	**34,249**	31,524	**416,711**
Treasury stock—common stock—at cost, 14,095 thousand shares in 2012 and 1,166 thousand shares in 2011	**(5,591)**	(669)	**(68,036)**
Total equity	**775,054**	733,879	**9,430,032**
TOTAL	**¥12,552,327**	¥12,245,341	**$152,723,288**

Non-Consolidated Statement of Income

The Bank of Yokohama, Ltd.
Year Ended March 31, 2012—Unaudited

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	**2012**
INCOME:			
Interest income:			
Interest on loans and bills discounted	**¥152,037**	¥157,936	**$1,849,832**
Interest and dividends on securities	**19,347**	17,610	**235,406**
Interest on call loans and bills bought	**564**	484	**6,867**
Interest on due from banks	**2,734**	2,696	**33,272**
Other interest income	**3,186**	3,501	**38,765**
Fees and commissions	**47,586**	45,440	**578,983**
Trading profits	**494**	423	**6,018**
Other operating income	**22,192**	9,953	**270,017**
Other income	**7,337**	5,725	**89,270**
Total income	**255,481**	243,773	**3,108,430**
EXPENSES:			
Interest expenses:			
Interest on deposits	**6,129**	8,160	**74,583**
Interest on negotiable certificates of deposit	**129**	128	**1,572**
Interest on call money and bills sold	**412**	499	**5,021**
Interest on payables under securities lending transactions			**2**
Interest on borrowed money	**3,287**	3,099	**40,001**
Interest on bonds payable	**1,246**	1,285	**15,168**
Other interest expenses	**1,811**	1,387	**22,039**
Fees and commissions	**16,029**	15,008	**195,028**
Trading losses	**20**	16	**249**
Other operating expenses	**15,413**	3,273	**187,537**
General and administrative expenses	**103,135**	103,122	**1,254,847**
Provision of allowance for loan losses	**7,817**	14,176	**95,115**
Other expenses	**13,343**	17,657	**162,354**
Total expenses	**168,778**	167,816	**2,053,516**
INCOME BEFORE INCOME TAXES	**86,703**	75,956	**1,054,914**
INCOME TAXES:			
Current	**26,258**	13,195	**319,491**
Deferred	**11,308**	17,312	**137,591**
Total income taxes	**37,567**	30,507	**457,082**
NET INCOME	**¥ 49,135**	¥ 45,449	**$ 597,832**

	Yen		U.S. Dollars
PER SHARE INFORMATION:			
Basic net income per share	**¥36.32**	¥33.42	**$0.44**
Diluted net income per share	**36.31**	33.40	**0.44**

Non-Consolidated Statement of Changes in Equity

The Bank of Yokohama, Ltd.
Year Ended March 31, 2012—Unaudited

	Thousands	Millions of Yen									
			Capital Surplus		Retained Earnings						
	Outstanding Number of Shares of Common Stock	Capital Stock	Additional Paid-in Capital	Subscription Rights to Shares	Legal retained earnings	Other retained earnings	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Treasury Stock	Total Equity
BALANCE, APRIL 1, 2010	1,359,887	¥215,628	¥177,244	¥192	¥38,384	¥226,141	¥ 23,901	¥ (32)	¥31,524	¥ (689)	¥712,294
Net income						45,449					45,449
Cash dividends, ¥10.00 per share of common stock						(13,599)					(13,599)
Purchases of treasury stock	(65)									(27)	(27)
Disposals of treasury stock	82					(5)				48	42
Net change in the year				82			(10,384)	22			(10,279)
BALANCE, MARCH 31, 2011	1,359,904	215,628	177,244	274	38,384	257,986	13,516	(9)	31,524	(669)	733,879
Net income						49,135					49,135
Cash dividends, ¥10.00 per share of common stock						(13,534)					(13,534)
Purchases of treasury stock	(13,086)									(5,012)	(5,012)
Disposals of treasury stock	157					(17)				89	72
Net change in the year				10			7,779	(1)	2,724		10,513
BALANCE, MARCH 31, 2012	**1,346,975**	**¥215,628**	**¥177,244**	**¥285**	**¥38,384**	**¥293,569**	**¥ 21,296**	**¥ (11)**	**¥34,249**	**¥ (5,591)**	**¥775,054**

	Thousands of U.S. Dollars									
		Capital Surplus		Retained Earnings						
	Capital Stock	Additional Paid-in Capital	Subscription Rights to Shares	Legal retained earnings	Other retained earnings	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Treasury Stock	Total Equity
BALANCE, MARCH 31, 2011	$2,623,538	$2,156,521	$3,339	$467,018	$3,138,900	$164,458	$ (119)	$383,558	$ (8,147)	$8,929,066
Net income					597,832					597,832
Cash dividends, $0.12 per share of common stock					(164,673)					(164,673)
Purchases of treasury stock									(60,984)	(60,984)
Disposals of treasury stock					(219)				1,095	876
Net change in the year			133			94,650	(21)	33,153		127,915
BALANCE, MARCH 31, 2012	**$2,623,538**	**$2,156,521**	**$3,472**	**$467,018**	**$3,571,840**	**$259,108**	**$ (140)**	**$416,711**	**$ (68,036)**	**$9,430,032**

Corporate Information

CORPORATE DATA

(As of March 31, 2012)

Company Name
The Bank of Yokohama, Ltd.

Head Office
1-1, Minatomirai 3-chome, Nishi-ku,
Yokohama, Kanagawa 220-8611, Japan
Tel: 81 (45) 225-1111
Fax: 81 (45) 225-1160

Date of Establishment
December 16, 1920

Paid-in Capital
¥215,628 million

Number of Employees
4,614

Number of Branches and Offices (As of August 31, 2012)
607
Domestic: 602 (196 branches, 8 sub-branches, 398 ATM locations)
Overseas: 1 Branch, 4 Representative offices

Internet Address
http://www.boy.co.jp/e/index.html

INTERNATIONAL NETWORK

(As of August 31 ,2012)

Japan

Head Office:
1-1, Minatomirai 3-chome,
Nishi-ku, Yokohama,
Kanagawa 220-8611, Japan
Tel: 81 (45) 225-1111
Fax: 81 (45) 225-1160
URL: http://www.boy.co.jp/

Tokyo Office:
8-2, Nihonbashi 2-chome,
Chuo-ku, Tokyo 103-0027, Japan
Tel: 81 (3) 3272-4171

Asia

Shanghai Branch:
17F, Shanghai World Financial Center,
100 Century Avenue, Pudong New Area,
Shanghai 200120,
People's Republic of China
Tel: 86 (21) 6877-6800
Fax: 86 (21) 6877-6680

GENERAL MANAGER
Takashi Kato

Hong Kong Representative Office:
Suite 2109, Tower 6, The Gateway,
Harbour City, 9 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong,
S.A.R., People's Republic of China
Tel: 852-2523-6041
Fax: 852-2845-9022

CHIEF REPRESENTATIVE
Tomonori Okayama

Bangkok Representative Office:
No 57 Park Ventures Ecoplex Unit1005,
10th Floor, Wireless Road, lumpini,
Patumwan Bankok 10330, Thailand
Tel: +66 2254-7251
Fax: +66 2254-7255

CHIEF REPRESENTATIVE
Kazuyoshi Kuwabara

North America

New York Representative Office:
780 Third Avenue., 32nd Floor.,
New York, NY 10017, U.S.A.
Tel: 1 (212) 750-0022
Fax: 1 (212) 750-8008

CHIEF REPRESENTATIVE
Koichi Nakamaki

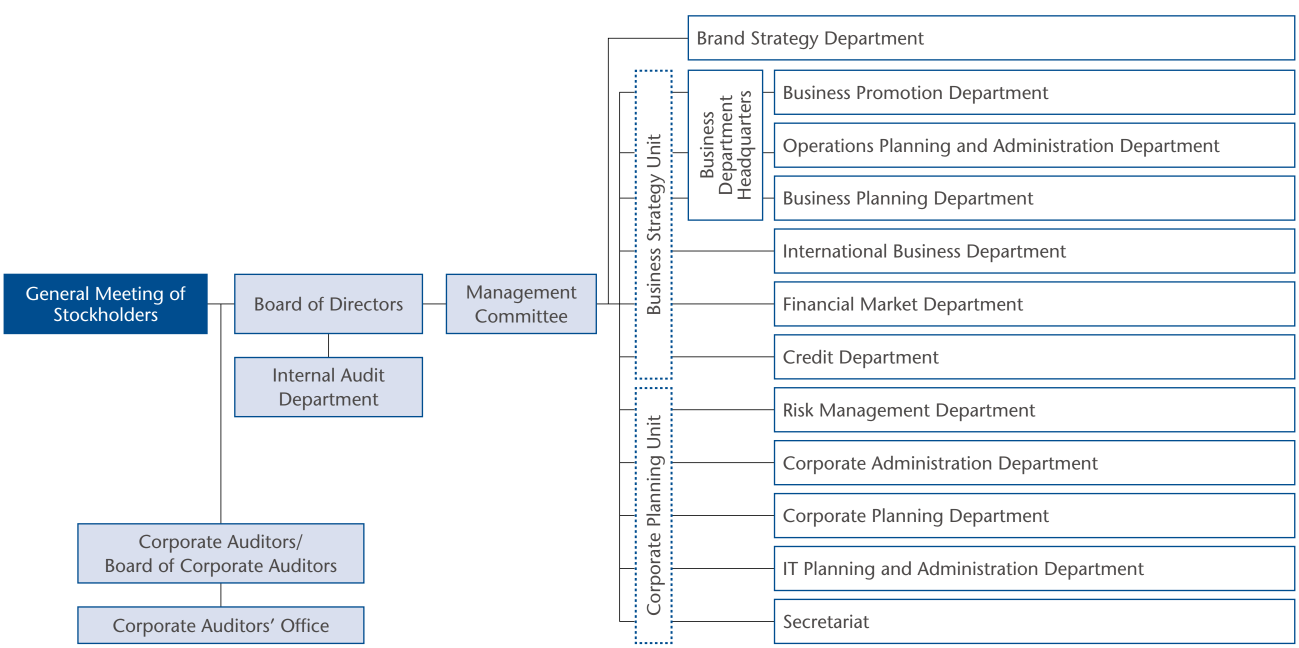
Europe

London Representative Office:
40 Basinghall Street,
London EC2V 5DE, U.K.
Tel: 44 (20) 7628-9973
Fax: 44 (20) 7638-1886

CHIEF REPRESENTATIVE
Tatsuya Kataoka

ORGANIZATION

(As of August 1 ,2012)



DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE AUDITORS

(As of June 20, 2012)

Chairman and Director
Tadashi Ogawa

President (Representative Director)
Tatsumaro Terazawa

Deputy President (Representative Director)
Chiyuki Okubo

Director and Managing Executive Officers
Seiichi Yoneda
Kengo Takano

Director and Executive Officer
Atsushi Mochizuki
Susumu Koshida
Yasuyoshi Oya

Outside Directors
Shoji Hanawa
Harumi Sakamoto

Managing Executive Officers
Shunji Komatsu
Shizumi Maesako

Executive Officers
Yoshiyuki Hiranuma
Shinya Yamada
Yasuhiro Shibuya
Soh Okada
Osamu Ishida
Yuji Shirai
Yasutaka Nozawa
Kenichi Kawamura
Hironobu Onishi
Tomonori Ito

Corporate Auditors
Ryuichi Kaneko
Katsunori Amano

Outside Corporate Auditors
Toru Hara
Atsushi Shimizu
Rikuro Oikawa

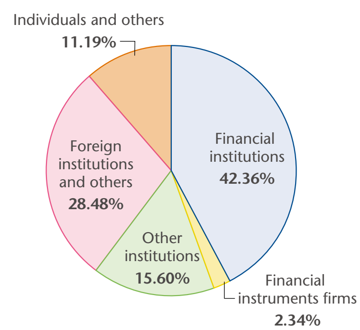
INVESTOR INFORMATION

(As of March 31, 2012)

Authorized Stocks	3,000,000 thousand
Outstanding Stocks	1,361,071 thousand shares
Capital Adequacy Ratio (Consolidated)	13.67%
Stock Listing	First Section of the Tokyo Stock Exchange
Ticker code	8332
Unit of trading	1,000 shares

INFORMATION ON COMMON STOCK

(As of March 31, 2012)



MAJOR STOCKHOLDERS (Common Stock)

(As of March 31, 2012)

	Number of stock held (thousand)	Percentage of stock held (%)
Japan Trustee Services Bank, Ltd. (Trustee Account)	113,701	8.35
The Master Trust Bank of Japan, Ltd. (Trustee Account)	66,759	4.90
Meiji Yasuda Life Insurance Company	36,494	2.68
Trust & Custody Services Bank, Ltd. (Meiji Yasuda Life Insurance Company Retirement Benefit trust Account re-entrusted by Mizuho trust and banking Co., Ltd.)	36,494	2.68
Northern Trust Co. (AVFC) Sub A/C American Clients	31,621	2.32
Nippon Life Insurance Company	26,709	1.96
Japan Trustee Services Bank, Ltd. (Trustee Account 9)	26,547	1.95
The Dai-ichi Life Insurance Company, Limited	21,994	1.61
Northern Trust Co. AVFC U.S. Tax Exempted Pension Funds	18,552	1.36
SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	14,944	1.09

GROUP COMPANIES

(As of March 31, 2012)

Name	Main Business
Hamagin Tokai Tokyo Securities Co., Ltd.	Securities services
Hamagin Research Institute, Ltd.	Consulting business, conducting surveys researches, and other information services
Hamagin Finance Co., Ltd.	Leasing and factoring services
Yokohama Capital Co., Ltd.	Investment in, and Financing to, small and medium-sized enterprises
Yokohama Guarantee Co., Ltd.	Residential-loan-guarantee services
Yokohama Staff Service Co., Ltd.	Temporary staff dispatching agency and management of real estate
Yokohama Operation Service Co., Ltd.	Cash dispenser control center
Hamagin Mortgage Service Co., Ltd.	Real estate appraisal services
Hamagin Business Operations Center Co., Ltd.	Back office services
BANKCARD Service Japan Co., Ltd.	Creditcard services

The Bank of Yokohama, Ltd.

1-1, Minatomirai 3-chome, Nishi-ku, Yokohama, Kanagawa 220-8611, Japan
Internet URL Address: http://www.boy.co.jp/