

The cover image features a blurred background of green foliage and blue water. Overlaid on this is a semi-transparent map of Japan. The text 'Annual Report 2012' is centered in a white, sans-serif font with a subtle drop shadow.

# Annual Report 2012

Year Ended March 31, 2012



The Tama Shinkin Bank was first established in 1933 as the Tachikawa Credit Cooperative (a limited liability entity). With the Shinkin Bank Law coming into effect in 1951, the Tachikawa Credit Cooperative became the Tama Chuo Shinkin Bank, a local financial institution. Through supporting business development and creating assets that form the economic foundation of society for people who reside and run businesses in the Tama region, the Bank has contributed to the local community's development and has grown into its leading bank.

On January 10, 2006, in an era of great change, the Tama Chuo Shinkin Bank, the Taihei Shinkin Bank, and the Hachioji Shinkin Bank merged. These three regional financial institutions had served the same region, and it was determined that the region would be better served, and its growth better supported, by a single, more capable financial institution. The Tama Shinkin Bank, popularly known as "Tamashin" by the local community in which it has established its roots, is one of Japan's highest ranking shinkin banks. As of March 31, 2012, the Bank had total assets of ¥2,495.8 billion, net assets of ¥93.2 billion, and 1,939 employees. The Bank also had a service network of 76 branches, 4 branch offices, and 61 automatic teller facilities

## Non-Consolidated Financial Highlights

The Tama Shinkin Bank  
Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
<b>For the Fiscal Year:</b>			
Total Income	¥ 43,624	¥ 46,354	\$ 530,779
Total Expenses	38,292	39,305	465,902
Income Before Income Taxes	5,332	7,048	64,876
Net Income	3,466	4,691	42,170
<b>Business Profit</b>	<b>9,349</b>	<b>12,072</b>	<b>113,754</b>
<b>At Year-End:</b>			
Deposits	¥2,296,493	¥2,214,627	\$27,941,271
Loans and Bills Discounted	1,030,950	1,062,312	12,543,508
Securities	811,126	698,585	9,868,924
Total Assets	2,495,805	2,415,077	30,366,289
Total Net Assets	93,268	100,582	1,134,787

Notes: 1. Yen figures are rounded down to the nearest one million yen in this annual report.

2. Figures stated in U.S. dollars are translated solely for convenience at ¥82.19 to U.S.\$1, the rate prevailing on March 31, 2012.

3. "Business Profit" is obtained by adding the interest income, fees and commissions (income) and other operating income, subtracting interest expenses (excluding expenses on money held in trust), fees and commissions (expenses), other operating expenses, transfers to general reserves for bad debts and general and administrative expenses. Business profit is one of the indicators used by shinkin and other banks.

### Management Philosophy

*Tamashin is a business dedicated to the happiness of its customers.*

*Tamashin's mission is to contribute to the happiness and well-being of its customers.*

### Basic Policies

*Tamashin, as a public entity in society, and motivated by the spirit of cooperation among regional financial institutions:*

1. Is based on a system of cooperation among officers and employees.
2. Builds workplaces characterized by good faith, trust, enthusiasm, and reliability.
3. Expands operations and improves quality in the course of financial activities.

Through these efforts, Tamashin seeks to contribute to the prosperity of its home regions and the vitality of the Japanese economy.

### Corporate Ethics at Tama Shinkin Bank

1. Developing self-awareness and confidence as a socially responsible entity  
Tamashin is building trust with its members, customers, and local communities through its basic policies, self-awareness of its public role, and sound management based on the self responsibility of management.
2. Putting customers first and contributing to local communities  
Adhering to its management philosophy, Tamashin strives through its business activities to offer high-quality, premium services to its customers, and to contribute to the growth of local communities.
3. Adhering strictly to laws and regulations  
Tamashin complies with both laws and regulations, does not violate social norms, and remains conscientious and fair in its corporate operations.
4. Eliminating anti-social forces  
Tamashin takes a resolute stance against anti-social forces that put the order and safety of society at risk.
5. Disclosure of management information and cordial relations with local communities  
Tamashin works for cordial relations with local communities through the vigorous and fair disclosure of management information, and the deepening of communication on a broad scale.

# Letter from the President



*Dedicated to working with customers to create “Hometown Tama,” a region that is sustainable and energetic*

### **Fundamental Goals of the Medium-term Management Plan 2012**

Tamashin started implementing a three-year plan called “Medium-term Management Plan 2012” in fiscal year 2013. The plan’s central theme is to play a role in creating a sustainable and energetic region called “Hometown Tama.” To accomplish this, we will constantly serve as an infrastructure for solving issues in our home region that involve our corporate and individual customers as well as the entire Tama region.

The Medium-term Management Plan 2012 has the following three fundamental goals.

1. Fulfill the role of a regional problem-solving infrastructure.
2. Build a base of operations that facilitates the sustainable use of the shinkin bank business model.
3. Foster a work environment where people can do their jobs with confidence, pride, and worry-free.

We believe that contributing to progress in the Tama region through these goals is the primary role of Tama Shinkin Bank as an organization that is rooted in its home region.

The primary focus during fiscal year 2012 was the recovery and reconstruction of the areas damaged by the Great East Japan Earthquake in March 2011. Meanwhile, the Tama region had to cope with many problems even though there was no direct damage from this disaster. Every day, we focused our energy on fulfilling our mission of supporting the vitality of the region that we serve. We are committed to help companies to overcome the challenges of a difficult operating environment. We are also determined to help our individual customers lead their lives with confidence.

Our deposits continued to increase from the previous year. But a decline in the balance of loans and bills discounted shows that we need to work even harder on helping our customers solve a variety of issues.

We have just started the first year of our new three-year plan, “Medium-term Management Plan 2012.” In this important year, we are determined to solve as many problems as possible and as quickly as possible for our corporate and individual customers. Everyone in our organization has a clearly defined role in dealing with issues that cover our entire service area. Fulfilling this role will allow us to function as a problem-solving infrastructure for the Tama region.

### **Upgrading our support infrastructure for solving our customers’ problems**

To extend support for solving management issues at companies, we started Business Solution Platform Tama in March 2011. This platform is still a key element of our activities to assist companies. During the first half of the past fiscal year, following the March 2011 earthquake, we responded to the urgent needs of companies by using our skills in gathering information and taking appropriate actions. These measures reflect our philosophy of “extending even greater support when customers face serious challenges.” When we receive recognition from customers for this assistance, we feel that we have successfully communicated this philosophy to our customers.

Tamashin will continue to work on reinforcing our systems for assisting customers so that we can continue to help customers enact management reforms.

Our Tama Center Branch began operations in December 2011, raising our branch network to 80 locations. The new branch was named “Succesia.” The branch has a Smile Plaza that offers specialized consulting services, holds many types of seminars, and conducts other activities to provide one-stop convenience for meeting our customers’ needs.

### **Aiming to build an even more powerful and lasting infrastructure**

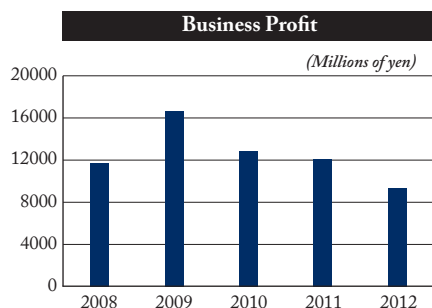
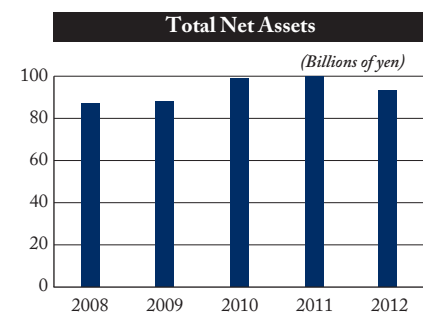
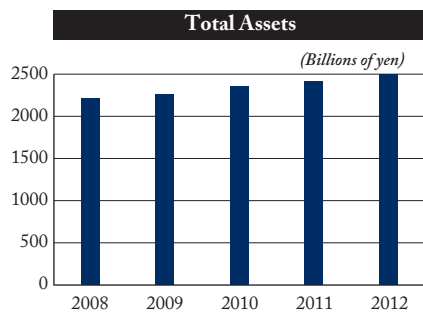
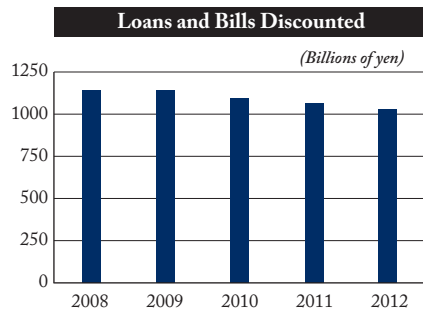
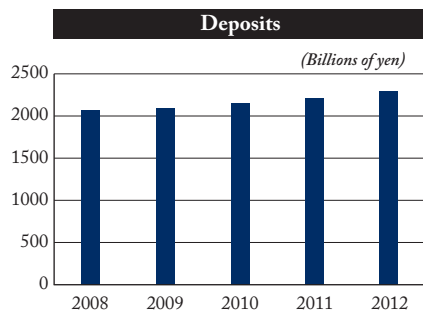
The goal of Tamashin is to create a region that is sustainable and energetic. The Tama region has many communities that are pleasant places to live along with stable companies that bolster the region’s economy. “Hometown Tama” should always be a place where people can live with confidence and a sense of security.

We are currently preparing for the transition to a new online system effective January 2013. This new system will enable our customers and the region to use our services with more confidence. We are presently using our own online system; Switching to new system will make us part of the Shinkin Joint Data Center to which about 90% of Japan’s shinkin banks belong.

Tamashin will celebrate its 80th anniversary in the fiscal year ending March 2014. Looking back at our long history of operations, backed by the support of our customers, makes me feel very grateful for this support. To continue earning the support of our customers for the next century and even longer, I want to make this fiscal year a time to reexamine our roles and take actions that are closely linked to our goals for the future.

Tamashin will continue to take the actions required to solve the problems of our customers and our home region. We will move with even greater speed, focus on responding to our customers’ demands with accuracy, and translate goals into actions. I ask for your continued support as Tamashin takes the steps needed to achieve more progress in the coming years.

Koji Sato, President



## The Financial and Economic Environment

Japan's economy was held back by a number of events during the fiscal year ended March 2012. The Great East Japan Earthquake resulted to electricity shortage due to nuclear power problems and weakness of supply chains. In overseas, concerns about the U.S. economic outlook, debt problems in Europe, and flooding in Thailand, all had a negative effect on the Japanese economy. In the fiscal year's second half, the economy started to recover. Demand associated with earthquake reconstruction projects was one cause. Japan's economy also benefited from expectations that softening of U.S. monetary policy would support an economic recovery and from less concerns about the European debt crisis.

In the corporate sector, manufacturing activity had recovered to the level of output prior to the collapse of Lehman Brothers. But output plummeted as the fiscal year began because of the earthquake. Corporate earnings began to recover along with expectations for demand fueled by earthquake reconstruction activity and for an end to the yen's record-setting strength. However, the fiscal year ended with lingering uncertainty about Japan's ability to achieve a sustained recovery due to concerns about the economic outlook, including a possible upturn in the cost of crude oil.

In the stock market, stock prices rebounded quickly because of the rapid restoration of supply chains in the fiscal year's first half and other positive developments. The rally brought the Nikkei Average back to the ¥10,000 level in July 2011. But the Nikkei Average then retreated quickly all the way to the ¥8,100 level because of concerns about the European debt crisis and other problems outside Japan. As concerns about these problems eased, the Nikkei Average once again recovered to the ¥10,000 level late in the fiscal year.

Consumer spending was sluggish early in the fiscal year as people held back on purchases following the March 2011 earthquake. Spending subsequently slowly recovered as earthquake reconstruction activities began and the Japanese government enacted several measures to stimulate spending.

## Operating Results

The fiscal year ended March 31, 2012 was the final year of the New Medium-term Management Plan 2011. Changes are constantly occurring in the regional economy and our customers' lives. Tamashin must fully utilize its value creation skills by retaining a firm dedication to our social mission and further upgrading the ability to take the necessary actions. Our success will require retaining a strong commitment to thoroughly implementing our business model. This is why the plan that just ended had the following central theme: Fully utilize value creation skills to contribute to prosperity and a stable quality of living in the Tama region.

Tamashin leveraged its service network to reinforce its position as a key infrastructure in its home region and help our customers solve many types of problems.

These efforts allowed Tamashin to achieve the following results. At the end of the fiscal year under review, the balance of deposits rose ¥81.8 billion to ¥2,296.4 billion, thanks to the support of all our regional customers, while the balance of loans and bills discounted contracted by ¥31.3 billion to ¥1,030.9 billion.

Securities increased by ¥112.5 billion to ¥811.1 billion. The fiscal year-end balance of total assets was up ¥80.7 billion to ¥2,495.8 billion, and the fiscal year-end balance of net assets decreased by ¥7.3 billion to ¥93.2 billion.

Total income before extraordinary income decreased by ¥2.7 billion, or 5.8%, to ¥43.6 billion. This was attributable primarily to a ¥31.3 billion decrease in loans and bills discounted, a ¥1.7 billion decrease in interest on loans and bills discounted due to a decline in interest rates, and a ¥0.7 billion increase in losses on sales and redemptions of Japanese government bonds. Total expenses before extraordinary expenses decreased by ¥0.8 billion, or 2.3%, to ¥37.7 billion. Interest on deposits was down ¥0.6 billion from the previous fiscal year and in other expenses, the reserve for system migration was held down.

As a result, ordinary income decreased by ¥1.8 billion, or 23.8%, to ¥5.8 billion, income before income taxes decreased by ¥1.7 billion, or 24.3%, to ¥5.3 billion, and net income decreased by ¥1.2 billion, or 26.1%, to ¥3.4 billion.

The capital adequacy ratio decreased by 0.87 percentage points from one year earlier to 8.79%. There was a reversal of ¥9.0 billion in the voluntary reserve for the repurchase of preferred shares, and ¥10.7 billion of preferred shares were repurchased from the Shinkin Central Bank and retired.

### Non-Performing Assets

Tamashin is disposing of non-performing loans in a manner that improves the business operations of customers with a positive outlook. By gaining a complete understanding of customers' difficulties and helping solve these problems, we are playing a part in improving their business operations.

In the fiscal year ended March 31, 2012, Tamashin's non-performing loans, reported in accordance with the Financial Reconstruction Law's Disclosure Standards, increased to ¥91.1 billion. This increase, along with a decrease in the balance of loans and bills discounted, which was mainly due to weak demand caused by Japan's soft economy, resulted in a non-performing loan ratio of 8.73%. The total balance of claims, including normal assets, declined from ¥1,076.6 billion to ¥1,043.4 billion.

Total amounts of non-performing loans by category and the total coverage ratio, as calculated under the Financial Reconstruction Law and the Shinkin Bank Law's Disclosure Standards, are as given below.

In accordance with the Financial Reconstruction Law, Tamashin is ensuring a higher level of transparency in disclosing operations, including the results of inspections of its assets. Tamashin's non-performing loans disclosed under the Financial Reconstruction Law amount to ¥91.1 billion, and 82.20% of this figure is secured by collateral, guarantees, and/or the reserves for possible loan losses. Tamashin covers the remaining ¥16.2 billion, or approximately 18%, with its total net assets of ¥93.2 billion.

Loans defined as risk-monitored under the Shinkin Bank Law's Disclosure Standards increased by 1.0% in the current fiscal year to ¥90.8 billion. This figure is comprised of ¥2.6 billion in loans to borrowers in bankruptcy, and ¥88.1 billion in other delinquent loans on which interest is not being accrued. There are no outstanding balances on which principal and/or interest is more than three months

### Non-Performing Assets under the Financial Reconstruction Law

Years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
Bankrupt and Quasi-Bankrupt Assets	¥ 14,266	¥ 13,844
Doubtful Assets	76,855	76,322
Substandard Loans	-	-
Normal Assets	952,325	986,532
Total	¥1,043,446	¥1,076,699

Note: Under the Shinkin Bank Law, claims subject to reporting are limited to loans and bills discounted. Under the Financial Reconstruction Law, in addition to loans and bills discounted, Banks must also report a wide range of claims, including securities lending, foreign exchange, accrued income and advance payments on other assets, and customers' liabilities for acceptances and guarantees. In addition, the bank must analyze the status of the claim in light of the borrower's financial condition.

### Risk-Monitored Loans under the Shinkin Bank Law

Years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
Total outstanding loans to borrowers in bankruptcy	¥ 2,660	¥ 2,244
Total other delinquent loans on which interest is not being accrued	88,155	87,648
Total loans on which principal and/or interest is past due for more than three months	-	-
Total loans with "Relaxation of Repayment Conditions" status	-	-
Total	¥90,816	¥89,893

### Glossary of Terms

#### 1. Bankrupt and Quasi-Bankrupt Assets

Loans to bankrupt borrowers, to those whose businesses are idle due to reorganization or negotiations in progress, and to those who are in a position similar to the aforesaid borrowers.

#### 2. Doubtful Assets

Loans to borrowers whose businesses are still operating, but whose financial position or business performance are deteriorating, and who are for that reason highly likely to find themselves unable to make required payments on principal and interest.

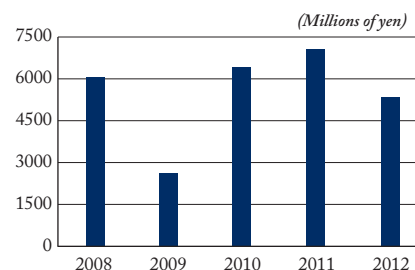
#### 3. Substandard Loans

Loans to customers identified as requiring caution under our self-assessment system. This figure represents those loans that are already past due for three months or more, or loans with "Relaxation of Repayment Conditions" status.

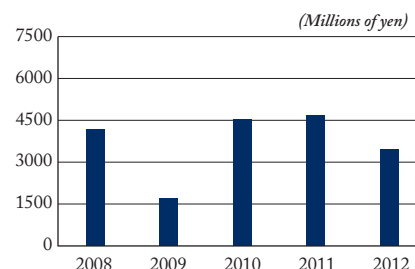
#### 4. Normal Assets

Loans to borrowers who display no particular problems with their financial position or performance, and who fall into none of the three categories above.

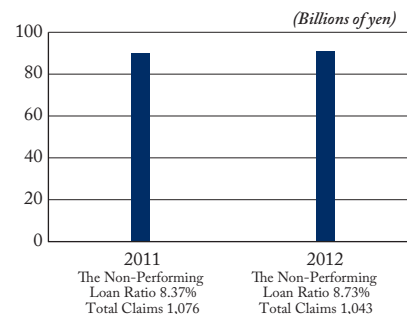
### Income Before Income Taxes



### Net Income



### Problem Assets under the Financial Reconstruction Law



past due or loans with “Relaxation of Repayment Conditions” status.

All outstanding loans to borrowers in bankruptcy are fully-secured by collateral, guarantees, and/or the reserves for possible loan losses. This figure is 81.60% for other delinquent loans on which interest is not being accrued. Of the total risk-monitored loans, 82.14% are secured by collateral, guarantees, and/or the reserves for possible loan losses.

Tamashin will continue to provide a broad range of financial and non-financial support to customers for the purpose of solving their problems.

### Capital Adequacy Ratio

Tamashin’s stance regarding the capital adequacy ratio is not simply to increase this ratio. Our policy is to steadily retain the appropriate earnings obtained from serving customers in our home region for the purposes of increasing the capital adequacy ratio as well as maintaining a sound base of operations.

The capital adequacy ratio was 8.79% as of March 31, 2012, 0.87 percentage points less than last year’s. The decrease was primarily caused by a ¥9.6 billion decrease in total capital to ¥90.9 billion, mainly due to the reversal of voluntary reserve (reserve for retirement of treasury preferred shares) for repurchase and retirement of treasury preferred shares.

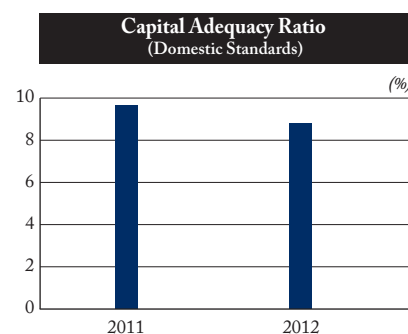
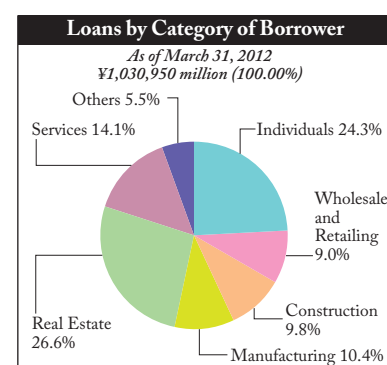
As a regional financial institution, Tamashin will continue to put its contribution to regional customers above all else, while striving to achieve sounder and more efficient management.

### Capital Adequacy Ratio (Calculated by domestic standards)

Years ended March 31, 2012 and 2011

	Millions of yen	
	2012	2011
Tier I Capital	¥ 85,645	¥ 94,141
Tier II Capital	5,324	6,441
Total Capital	¥ 90,970	¥100,583
Risk Assets		
On-Balance-Sheet Assets	¥933,287	¥944,807
Off-Balance-Sheet Assets	27,309	19,736
Amount Obtained by Dividing Operational Risk Equivalent by 8%	74,276	76,301
Capital Adequacy Ratio	8.79%	9.66%

Note: Beginning with the fiscal year ended March 31, 2007, the capital adequacy ratio is calculated in accordance with the standard for judging the suitability of the capital adequacy of shinkin banks in light of their asset holdings (Financial Services Agency Notification No. 21 of 2006), which is based on Article 89-1 of the Shinkin Bank Law applied mutatis mutandis to the provisions of Article 14-2 of the Banking Law.



### The New BIS Regulations (Basel II)

Beginning with the fiscal year ended March 31, 2007, the capital adequacy ratio is calculated in accordance with the new BIS regulations (Basel II).

Under the new BIS regulations (Basel II), when calculating the capital adequacy ratio, the denominator includes total credit risk assets as before, but now the amount obtained by dividing operational risk equivalent assets by 8% is also added.

Operational risk is the risk of loss resulting from system fault, administrative error, or similar cause. There are three methods for calculating operational risk equivalent assets: (1) the basic indicator approach; (2) the standardized approach; and (3) the advanced measurement approach, but the Bank will use the basic indicator approach, where operational risk equivalent assets are equal to the average of 15% of annual gross profit for the most recent three years.

There are also three methods for calculating credit risk under the new BIS regulations (Basel II): (1) the standardized approach (2) the foundation internal rating-based approach (3) advanced internal ratings-based approach. From these the Bank selected the standardized approach.

# Non-Consolidated Balance Sheets

The Tama Shinkin Bank  
As of March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
<b>ASSETS</b>			
Cash and Due from Banks (Notes 10 and 14)	¥ 584,824	¥ 573,907	\$ 7,115,521
Call Loans	10,000	15,000	121,669
Monetary Claims Purchased (Note 15)	78	99	959
Money Held in Trust (Note 15)	4,999	3,497	60,826
Trading Account Securities (Notes 14 and 15)	54	58	667
Securities (Notes 2, 10, 14 and 15)	811,126	698,585	9,868,924
Loans and Bills Discounted (Notes 3, 13 and 14)	1,030,950	1,062,312	12,543,508
Foreign Exchange (Note 4)	435	573	5,298
Other Assets (Notes 5 and 10)	15,572	20,383	189,473
Tangible Fixed Assets (Notes 6, 16 and 17)	33,927	34,399	412,793
Intangible Fixed Assets (Note 6)	1,873	1,645	22,799
Deferred Tax Assets	3,326	4,160	40,477
Customers' Liabilities for Acceptances and Guarantees (Note 9)	11,139	13,240	135,528
Reserve for Possible Loan Losses (Note 14)	(12,505)	(12,786)	(152,159)
<b>Total Assets</b>	<b>¥2,495,805</b>	<b>¥2,415,077</b>	<b>\$30,366,289</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities:</b>			
Deposits (Notes 7, 10 and 14)	¥2,296,493	¥2,214,627	\$27,941,271
Call Money (Note 14)	75,478	65,932	918,346
Foreign Exchange (Note 4)	74	15	906
Other Liabilities (Note 8)	11,549	11,885	140,525
Reserve for Employee Bonuses	1,143	1,138	13,916
Reserve for Employee Retirement Benefits	1,028	1,535	12,510
Reserve for Executive Retirement Allowances	334	434	4,069
Reserve for Reimbursement of Dormant Deposits	267	518	3,255
Reserve for Contingencies	349	314	4,255
Reserve for System Migration	1,371	1,115	16,685
Deferred Tax Liabilities for Land Revaluation (Note 16)	3,306	3,734	40,229
Acceptances and Guarantees (Note 9)	11,139	13,240	135,528
<b>Total Liabilities</b>	<b>2,402,537</b>	<b>2,314,494</b>	<b>29,231,501</b>
<b>NET ASSETS:</b>			
<b>Members' Equity:</b>			
Share Capital (Note 11)	23,737	23,873	288,808
Capital Surplus (Note 11)	766	766	9,323
Retained Earnings (Note 12)	61,879	70,493	752,879
Disposal of Outstanding Equities	(1)	(3)	(16)
<b>Total Members' Equity</b>	<b>86,381</b>	<b>95,129</b>	<b>1,050,995</b>
<b>Valuation, Translation Adjustments and Others:</b>			
Unrealized Gains (Losses) on Other Securities (Notes 14 and 15)	5,268	4,478	64,102
Land Revaluation Excess (Note 16)	1,618	974	19,688
<b>Total Valuation, Translation Adjustments and Others</b>	<b>6,886</b>	<b>5,453</b>	<b>83,791</b>
<b>Total Net Assets (Note 18)</b>	<b>93,268</b>	<b>100,582</b>	<b>1,134,787</b>
<b>Total Liabilities and Net Assets</b>	<b>¥2,495,805</b>	<b>¥2,415,077</b>	<b>\$30,366,289</b>

The accompanying notes are an integral part of these financial statements.

# Non-Consolidated Statements of Income and Retained Earnings

The Tama Shinkin Bank

Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
<b>Income:</b>			
<b>Interest on:</b>			
Loans and Bills Discounted	¥25,609	¥27,402	\$311,584
Securities	8,874	8,619	107,978
Others	3,327	4,323	40,490
Fees and Commissions	3,554	3,584	43,247
Other Operating Income	1,037	1,155	12,617
Other Income	1,221	1,268	14,860
<b>Total Income</b>	<b>43,624</b>	<b>46,354</b>	<b>530,779</b>
<b>Expenses:</b>			
<b>Interest on:</b>			
Deposits	1,463	2,114	17,805
Borrowings and Rediscounts	74	22	905
Others	14	6	171
Fees and Commissions	1,603	1,643	19,503
Other Operating Expenses	1,444	597	17,572
General and Administrative Expenses	29,750	29,238	361,973
Other Expenses (Note 17)	3,942	5,681	47,970
<b>Total Expenses</b>	<b>38,292</b>	<b>39,305</b>	<b>465,902</b>
<b>Income Before Income Taxes</b>	<b>5,332</b>	<b>7,048</b>	<b>64,876</b>
<b>Income Taxes:</b>			
Current	1,056	1,894	12,855
Deferred	809	462	9,850
<b>Net Income (Note 18)</b>	<b>3,466</b>	<b>4,691</b>	<b>42,170</b>
<b>Unappropriated Earnings in Retained Earnings:</b>			
Balance at Beginning of the Year	5,263	4,887	64,041
Reversal of revaluation reserve for land	(238)	138	(2,905)
Reversal of voluntary reserve for retirement of treasury preferred shares	9,000	–	109,502
Retirement of treasury preferred shares	(10,854)	–	(132,060)
	<b>6,636</b>	<b>9,717</b>	<b>80,749</b>
<b>Appropriations:</b>			
Transfer to Legal Reserve (Note 12)	470	460	5,718
<b>Dividends</b>			
Common Shares (4.0% per year)	740	746	9,014
Preferred Shares (5.8% per year)	43	43	529
Preferred Shares (4.6% per year)	23	23	279
Preferred Shares (4.4% per year)	180	180	2,194
Transfer to Voluntary Reserves	3,000	3,000	36,500
<b>Total Appropriations</b>	<b>4,457</b>	<b>4,453</b>	<b>54,238</b>
<b>Unappropriated Profits at End of the Year (Note 19)</b>	<b>¥ 2,178</b>	<b>¥ 5,263</b>	<b>\$ 26,510</b>

The accompanying notes are an integral part of these financial statements.



# Notes to Non-Consolidated Financial Statements

The Tama Shinkin Bank

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of presentation

The accompanying financial statements of The Tama Shinkin Bank (the Bank) are prepared in accordance with accounting principles and practices generally accepted in Japan under the requirements of the Japanese Commercial Code, the Shinkin Bank Law of 1951, and other applicable regulations.

In preparing these financial statements, certain reclassifications and rearrangements have been made to the financial statements issued in Japan. In addition, the accompanying notes include information that is not required under generally accepted accounting principles and practices in Japan but is presented herein as additional information. All yen figures have been rounded down to millions of yen by dropping the final six digits. For convenience only, U.S. dollar amounts presented in the accompanying financial statements have been translated from yen at the rate of ¥82.19 to US\$1, the exchange rate prevailing in Tokyo on March 31, 2012.

### b. Trading account securities

Trading account securities which are held for the short term in anticipation of market gains are recorded at fair value. The cost of such securities sold are computed using the moving-average method. Changes in the fair value of trading account securities are recorded in other operating income (expenses).

### c. Securities

As for securities other than those in trading portfolio, debt securities that the Bank has the intent and ability to hold to maturity (held-to-maturity bonds) are carried at amortized cost using the moving-average method.

Investments in subsidiaries and affiliates are carried at cost using the moving-average method.

Securities excluding those classified as trading securities, held-to-maturity or investments in subsidiaries and affiliates are defined as other securities. Other securities that are valued at fair market value are valued at market value as at the last day of the fiscal year. The cost of such securities sold are computed using the moving-average method. Other securities, whose market values are extremely difficult to determine, are carried at cost using the moving-average method. Unrealized gains and losses on other securities are reported, net of applicable income taxes as a component of net assets.

Securities that are held as trust assets in individually managed money trusts with the principal objective of securities portfolio management are stated at fair value.

### d. Derivatives

Derivative transactions, excluding those classified as trading derivatives, are carried at fair value.

### e. Depreciation and amortization method

Tangible fixed assets except for leased assets are stated at cost less accumulated depreciation. The depreciation of the Bank's tangible fixed assets is computed by the declining balance method.

The estimated useful lives of major items are as follows:

Buildings	15 to 50 years
Others	3 to 20 years

The amortization of the Bank's intangible fixed assets except for leased assets is computed by the straight-line method. Capitalized software for internal use is amortized by the straight-line method based on the Bank's estimate of useful life (five years).

### f. Foreign currency transactions

The financial statements of the Bank are maintained in or translated into Japanese yen. Foreign currency assets and liabilities held domestically are translated into yen at the prevailing rates on the Tokyo Foreign Exchange Market on the last business day of each fiscal year, and incorporated into the Bank's financial statements.

### g. Reserves

#### 1) Reserve for possible loan losses

The reserve for possible loan losses of the Bank has been established based on the Bank's internal rules for establishing a reserve for possible loan losses.

Based on the results of the self-assessment, customers are classified into five categories: such as "Normal Borrowers," "Borrowers Requiring Caution," "Potentially Bankrupt Borrowers," "Effectively Bankrupt Borrowers" and "Bankrupt Borrowers," as defined by the report of JICPA.

The reserve for possible loan losses was calculated based on the specific actual past loss ratio for Normal Borrowers and Borrowers Requiring Caution categories as a general reserve. Reserves for losses on loans of Potentially Bankrupt Borrowers are based on an overall evaluation of the estimated amount of recoveries from collateral or guarantees, in light of our judgment of the borrower's ability to meet his loan obligations. Reserves for losses on loans of Effectively Bankrupt Borrowers and Bankrupt Borrowers are calculated by deducting the estimated disposal value of collateral or guarantees from those claims which remain after the write-offs. For collateral or guaranteed claims of Effectively Bankrupt Borrowers and Bankrupt Borrowers, the amount exceeding the estimated value of collateral or guarantees was written off, as deemed uncollectible, directly from those claims. The write-off amount was ¥14,052 million (US\$170,980 thousand) and ¥16,575 million for the fiscal years ended March 31, 2012 and 2011, respectively.

All claims are being assessed by the branches and credit supervision divisions based on the Bank's internal rules for the self-assessment of asset quality. The Inspection Division, which is independent from branches and credit supervision divisions, conducts audits of these assessments.

#### 2) Reserve for employee bonuses

Reserve for employee bonuses is provided for the payments of bonuses to employees, by the amount of estimated bonuses, which are attributable to this fiscal year.

#### 3) Reserve for employee retirement benefits

The reserve for employee retirement benefits is provided for the payments of employee retirement benefits based on estimated amounts of the actuarial retirement benefit obligation and the pension assets as of the fiscal year end.

Unrecognized net actuarial differences are amortized from the next fiscal year by the straight-line basis over the prescribed years within the average remaining service period (10 years) of active employees.

#### 4) Reserve for executive retirement allowances

The reserve for executive retirement allowances is calculated according to the Bank's rule, and is equal to the amount that would be needed if all executives voluntarily retired at the end of the fiscal year.

#### 5) Reserve for reimbursement of dormant deposits

The reserve for reimbursement of dormant deposits, specifically dormant deposits that are recognized as income, is provided for the possible losses on future claims of withdrawal.

#### 6) Reserve for contingencies

The reserve for contingencies is provided for future payments to Credit Guarantee Corporation based on the amount reasonably calculated.

#### 7) Reserve for system migration

The reserve for system migration is provided for future payments for a move to the Shinkin Joint Data Center in January 2013.

### h. Leases

Finance lease transactions without transfer of ownership are included as part of tangible and intangible fixed assets and are depreciated using the straight-line method over the term of the lease. No residual value is considered unless guaranteed residual value is stated in the lease contracts.

Finance lease transactions without transfer of ownership entered into before April 1, 2008 have been accounted for in accordance with accounting methods used for operating leases.

### i. Consumption tax

National and local consumption taxes are accounted for using the net of tax method.

### j. Income taxes

The provision for income taxes is computed based on the pretax income included in the non-consolidated statements 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.

On December 2, 2011, the "Act for Partial Amendment of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Socio-Economic Structures" (Act No. 114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011) were promulgated. Accordingly, the corporation tax rate will be lowered from the fiscal year beginning April 1, 2012 and a special recovery tax will be implemented. The effective tax rate for the calculation of deferred tax assets and liabilities will be lowered from 31.25% to 29.64% for temporary differences scheduled to be reversed from the fiscal year beginning April 1, 2012 up to the fiscal year beginning from April 1, 2014, and to 27.86% for fiscal years beginning after April 1, 2015. As a result of these changes in the tax rates, deferred tax assets as of March 31, 2012 decreased by ¥588 million (US\$7,158 thousand), unrealized gains on other securities increased by ¥246 million (US\$3,001 thousand), and income taxes - deferred increased by ¥341 million (US\$4,157 thousand). Furthermore, deferred tax liabilities for land revaluation decreased by ¥405 million (US\$4,928 thousand) and land revaluation excess increased by the same amount.

### k. Application of the accounting standard

(Accounting standard for accounting changes in accounting principles and error corrections) Effective April 1, 2011, the Bank adopted the "Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24 December 4, 2009)" and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24 December 4, 2009)."

## 2. SECURITIES

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
National Government Bonds	¥109,919	¥ 86,184	\$1,337,386
Local Government Bonds	135,267	104,274	1,645,789
Corporate Bonds	385,594	360,734	4,691,503
Stocks	13,746	12,828	167,253
Other Securities	166,598	134,562	2,026,990
Total	¥811,126	¥698,585	\$9,868,924

## 3. LOANS AND BILLS DISCOUNTED

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Bills Discounted	¥ 16,218	¥ 15,362	\$ 197,328
Loans on Bills	25,439	26,526	309,514
Loans on Deeds	975,779	1,005,224	11,872,241
Overdrafts	13,513	15,198	164,423
Total	¥1,030,950	¥1,062,312	\$12,543,508

The Bank is required, in accordance with the Ordinance Implementing Shinkin Bank Law, to disclose the following loans.

As of March 31, 2012 and 2011, loans to borrowers in bankruptcy on which unpaid interest is not being accrued amounted to ¥2,660 million (US\$32,375 thousand) and ¥2,244 million, respectively. Other delinquent loans on which interest is not being accrued amounted to ¥88,155 million (US\$1,072,582 thousand) and ¥87,648 million, respectively, at the same date.

Loans to borrowers in bankruptcy on which unpaid interest is not being accrued are loans for circumstances that apply to those stated in the Implementation Ordinance for the Corporation Tax Law (Government Ordinance No. 97, 1965) Article 96, Clause 1, Section 3 a to e, or Section 4 of the same Clause, among Non-Accrual Loans (excluding loans written-off, and hereinafter referred to as "Non-Accrual Loans") for which there is no prospect for recovery or repayment of principals or interest payment for which payment of principals or interest has not been received for a substantial period of time or for other reasons. On the other hand, other delinquent loans on which interest is not being accrued are those Non-Accrual Loans other than loans to borrowers in bankruptcy proceedings and other than loans for which interest payment have been rescheduled with the objective of assisting these borrowers in management restructuring.

There were no loans to report on which the principal and/or interest are past due for more than three months, excluding loans to borrowers in bankruptcy and other delinquent loans, as of March 31, 2012 and March 31, 2011.

In addition, there were no loans with "Relaxation of Repayment conditions" status to report as of March 31, 2012 and March 31, 2011. Loans with "Relaxation of Repayment Conditions" status are loans for which the Bank has relaxed the terms in favor of borrowers, such as reduction or exemption of the interest rate, extension of grace period for payment of the interest and reimbursement of the principal, waiver of the claim or any other arrangement advantageous to a debtor, which is made for the purpose of reorganization of, or support to the debtor. This excludes borrowers in bankruptcy, other delinquent loans, and loans that are past due for more than three months.

For loan participation, the fiscal year-end balance of the principal of loans and bills discounted booked as sold to participating entities in accordance with JICPA Accounting System Committee Report No. 3 issued June 1, 1995 totaled ¥171 million (US\$2,085 thousand).

## 4. FOREIGN EXCHANGE

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Assets:			
Foreign Bills of Exchange Bought	¥ 24	¥ 10	\$ 298
Foreign Bills of Exchange Receivable	1	12	17
Due from Foreign Banks	409	550	4,982
Total	¥435	¥573	\$5,298
Liabilities:			
Foreign Bills of Exchange Sold	¥ 74	¥ 15	\$ 905
Foreign Bills of Exchange Payable	0	—	0
Total	¥ 74	¥ 15	\$ 906



3) Redemption schedule on money claims and securities with maturity dates after the non-consolidated balance sheet date

March 31, 2012	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	¥252,667	¥249,000	¥ 25,068	¥ 31,000
Securities	102,879	253,673	198,476	225,720
Bonds Classified as Held-to-Maturity	5,850	8,400	5,836	81,006
Other Securities with Maturity Dates	97,029	245,273	192,640	144,713
Loans and Bills Discounted	221,790	199,528	145,140	464,492
Total	¥577,336	¥702,202	¥368,684	¥721,212

March 31, 2011	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	¥175,700	¥312,000	¥ 33,034	¥ 26,000
Securities	76,355	273,898	159,446	162,866
Bonds Classified as Held-to-Maturity	12,150	13,930	2,236	68,623
Other Securities with Maturity Dates	64,205	259,968	157,210	94,243
Loans and Bills Discounted	216,790	210,136	145,358	490,026
Total	¥468,846	¥796,035	¥337,838	¥678,893

March 31, 2012	Thousands of U.S. dollars			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Due from Banks	\$3,074,184	\$3,029,565	\$ 305,000	\$ 377,174
Securities	1,251,725	3,086,430	2,414,848	2,746,322
Bonds Classified as Held-to-Maturity	71,176	102,202	71,006	985,598
Other Securities with Maturity Dates	1,180,548	2,984,228	2,343,842	1,760,723
Loans and Bills Discounted	2,698,505	2,427,646	1,765,914	5,651,442
Total	\$7,024,414	\$8,543,643	\$4,485,764	\$8,774,939

4) Repayment schedule on borrowed money and other interest-bearing debts after the non-consolidated balance sheet date

March 31, 2012	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits	¥2,135,495	¥131,964	¥29,033	¥—
Call Money	75,478	—	—	—
Total	¥2,210,974	¥131,964	¥29,033	¥—

March 31, 2011	Millions of yen			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits	¥2,051,918	¥137,532	¥25,176	¥—
Call Money	65,932	—	—	—
Total	¥2,117,851	¥137,532	¥25,176	¥—

March 31, 2012	Thousands of U.S. dollars			
	1 year or less	1 to 3 years	3 to 5 years	Over 5 years
Deposits	\$25,982,423	\$1,605,605	\$353,242	\$—
Call Money	918,346	—	—	—
Total	\$26,900,770	\$1,605,605	\$353,242	\$—

15. MARKET VALUE OF MARKETABLE SECURITIES

For the Fiscal Year Ended March 31, 2012 and 2011

a. Securities

The market values of marketable securities as of March 31, 2012 and 2011 were as follows:

In addition to securities in the non-consolidated balance sheet, trading account securities, and loaned claims in trust within monetary claims purchased are included in the following amounts:

1) Securities classified as trading

March 31, 2012	Millions of yen	
	Gains included in profit/loss	
Trading Account Securities	¥0	

March 31, 2011	Millions of yen	
	Gains included in profit/loss	
Trading Account Securities	¥0	

March 31, 2012	Thousands of U.S. dollars	
	Gains included in profit/loss	
Trading Account Securities	\$0	

2) Bonds classified as held-to-maturity

March 31, 2012	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
Bonds with Unrealized Gains:			
National Government Bonds	¥ 8,399	¥ 8,746	¥ 347
Local Government Bonds	54,385	55,488	1,103
Corporate Bonds	24,890	25,462	572
Other	3,699	3,718	18
Subtotal	91,374	93,416	2,041
Bonds with Unrealized Losses:			
Local Government Bonds	2,867	2,838	(28)
Corporate Bonds	100	94	(5)
Other	7,700	7,646	(53)
Subtotal	10,667	10,579	(88)
Total	¥102,042	¥103,995	¥1,953

Note: Market value is calculated by using market prices at fiscal year-end.

March 31, 2011	Millions of yen		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
Bonds with Unrealized Gains:			
National Government Bonds	¥ 3,489	¥ 3,682	¥ 193
Local Government Bonds	25,737	26,184	446
Corporate Bonds	29,757	30,221	463
Other	2,599	2,613	13
Subtotal	61,585	62,701	1,116
Bonds with Unrealized Losses:			
Local Government Bonds	24,800	24,671	(128)
Corporate Bonds	7,244	7,211	(33)
Other	4,400	4,123	(276)
Subtotal	36,445	36,006	(438)
Total	¥98,030	¥98,708	¥ 677

Note: Market value is calculated by using market prices at fiscal year-end.

March 31, 2012	Thousands of U.S. dollars		
	Non-consolidated balance sheet amount	Market value	Net unrealized gains (losses)
Bonds with Unrealized Gains:			
National Government Bonds	\$ 102,192	\$ 106,422	\$ 4,230
Local Government Bonds	661,699	675,121	13,421
Corporate Bonds	302,840	309,799	6,959
Other	45,015	45,243	228
Subtotal	1,111,746	1,136,586	24,840
Bonds with Unrealized Losses:			
Local Government Bonds	34,890	34,539	(351)
Corporate Bonds	1,216	1,146	(70)
Other	93,685	93,034	(650)
Subtotal	129,792	128,720	(1,071)
Total	\$1,241,539	\$1,265,307	\$23,768

Note: Market value is calculated by using market prices at fiscal year-end.

3) Other securities

March 31, 2012	Millions of yen		
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other Securities with Unrealized Gains:			
Stocks	¥ 5,560	¥ 4,446	¥1,114
Bonds	521,799	514,974	6,824
National Government Bonds	101,520	99,279	2,241
Local Government Bonds	77,654	76,862	791
Corporate Bonds	342,624	338,833	3,791
Other	121,785	119,970	1,814
Subtotal	649,145	639,391	9,753
Other Securities with Unrealized Losses:			
Stocks	6,203	7,742	(1,539)
Bonds	18,339	18,581	(241)
Local Government Bonds	360	361	(1)
Corporate Bonds	17,979	18,219	(240)
Other	33,413	34,090	(677)
Subtotal	57,956	60,414	(2,457)
Total	¥707,102	¥699,806	¥7,295

Note: Non-consolidated balance sheet amount is calculated by using market prices at fiscal year-end.

March 31, 2011	Millions of yen		
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
Other Securities with Unrealized Gains:			
Stocks	¥ 4,263	¥ 3,208	¥ 1,054
Bonds	394,945	388,840	6,104
National Government Bonds	75,164	73,378	1,786
Local Government Bonds	50,297	49,588	709
Corporate Bonds	269,482	265,873	3,608
Other	105,416	103,588	1,827
Subtotal	504,624	495,637	8,987
Other Securities with Unrealized Losses:			
Stocks	6,591	8,228	(1,636)
Bonds	65,218	65,643	(425)
National Government Bonds	7,530	7,565	(35)
Local Government Bonds	3,438	3,452	(14)
Corporate Bonds	54,249	54,624	(375)
Other	22,147	22,567	(420)
Subtotal	93,956	96,438	(2,482)
Total	¥598,580	¥592,075	¥ 6,504

Note: Non-consolidated balance sheet amount is calculated by using market prices at fiscal year-end.

	Thousands of U.S. dollars		
	Non-consolidated balance sheet amount	Acquisition cost	Net unrealized gains (losses)
March 31, 2012			
Other Securities with Unrealized Gains:			
Stocks	\$ 67,653	\$ 54,098	\$ 13,555
Bonds	6,348,701	6,265,664	83,037
National Government Bonds	1,235,194	1,207,922	27,271
Local Government Bonds	944,812	935,179	9,632
Corporate Bonds	4,168,694	4,122,561	46,132
Other	1,481,751	1,459,669	22,082
Subtotal	7,898,107	7,779,432	118,674
Other Securities with Unrealized Losses:			
Stocks	75,477	94,204	(18,727)
Bonds	223,139	226,079	(2,940)
Local Government Bonds	4,386	4,402	(16)
Corporate Bonds	218,752	221,676	(2,924)
Other	406,538	414,776	(8,238)
Subtotal	705,154	735,060	(29,906)
Total	\$8,603,261	\$8,514,493	\$ 88,768

Note: Non-consolidated balance sheet amount is calculated by using market prices at fiscal year-end.

4) Bonds sold during the fiscal year ended March 31, 2012 and 2011 that are classified as held-to-maturity

There are no corresponding items.

5) Other securities sold during the fiscal year ended March 31, 2012 and 2011

	Millions of yen		
	Sales amount	Gains on sale	Losses on sale
March 31, 2012			
Stocks	¥ 609	¥ 62	¥ 239
Bonds	74,098	683	423
National Government Bonds	8,989	26	2
Local Government Bonds	4,124	30	—
Corporate Bonds	60,985	626	421
Other	12,648	109	510
Total	¥87,356	¥854	¥1,173

	Millions of yen		
	Sales amount	Gains on sale	Losses on sale
March 31, 2011			
Stocks	¥ 727	¥101	¥290
Bonds	59,870	631	40
National Government Bonds	26,530	358	30
Local Government Bonds	3,574	40	—
Corporate Bonds	29,766	232	9
Other	15,748	204	278
Total	¥76,346	¥937	¥608

	Thousands of U.S. dollars		
	Sales amount	Gains on sale	Losses on sale
March 31, 2012			
Stocks	\$ 7,409	\$ 757	\$ 2,910
Bonds	901,556	8,312	5,151
National Government Bonds	109,375	327	24
Local Government Bonds	50,180	366	—
Corporate Bonds	742,000	7,619	5,126
Other	153,889	1,328	6,212
Total	\$1,062,855	\$10,399	\$14,274

6) Impairment of Securities

Other securities with market value are written down to their respective fair market values when the decline compared to the acquisition costs is significant and is determined to be other-than-temporary. The amount of the write-down is accounted for as an impairment loss and is charged against income.

As of March 31, 2012, there were no impairment losses on other Securities with market value.

As of March 31, 2011, an impairment loss on other securities with market value amounted to ¥79 million.

b. Money held in trust

1) Money held in trust classified as trading

	Millions of yen	
	Non-consolidated balance sheet amount	Gains included in profit/loss
March 31, 2012		
Money Held in Trust Classified as Trading	¥4,999	¥(0)

	Millions of yen	
	Non-consolidated balance sheet amount	Gains included in profit/loss
March 31, 2011		
Money Held in Trust Classified as Trading	¥3,497	¥(0)

	Thousands of U.S. dollars	
	Non-consolidated balance sheet amount	Gains included in profit/loss
March 31, 2012		
Money Held in Trust Classified as Trading	\$60,826	\$(1)

16. LAND REVALUATION

In accordance with the Land Revaluation Law, promulgated on March 31, 1998, the Bank's business-use real estate was revalued. The corresponding taxes on land revaluation is reported as "Deferred Tax Liabilities for Land Revaluation" in the liabilities section of the non-consolidated balance sheets. The excess of the revaluation over the related deferred tax liabilities is recorded as "Land Revaluation Excess."

Date of the revaluation

The former Tama Chuo Shinkin Bank: March 31, 1999

The former Taihei Shinkin Bank: March 31, 1998

The former Hachioji Shinkin Bank: March 31, 1998

The methods of real estate revaluation stipulated in Land Revaluation Law, Article 3, Section 3 were reasonably adjusted as follows: Namely, land revaluation was adjusted in accordance with valuation by road rating stipulated in Article 2, Section 4 of the Implementation Ordinance for the Land Revaluation Law (Government Ordinance No. 119 March 31, 1998) and for the land of which road rating price is not determined were adjusted based on the appraised value for the property tax stipulated in Article 2, Section 3 of the Law. Additionally, road rating price in relation to its depth and other factors was adjusted in accordance with the standard determined by the Primary Regulation Notice

regarding the Land Price Valuation issued by National Tax Administration Agency, and for appraised value for property tax were adjusted by multiplying multiplier in valuation tables.

The excess of book value over current value was ¥6,229 million (US\$75,793 thousand) as of March 31, 2012 and ¥6,204 million as of March 31, 2011.

17. LOSSES ON IMPAIRMENT OF FIXED ASSETS

The difference between the recoverable amount and the book value of the following assets is recognized as "Losses on impairment of fixed assets" and included in "Other expenses" in this fiscal year.

Losses on impairment of fixed assets at March 31, 2012, consisted of the following:

Area	Purpose of use	Type	Millions of yen	Thousands of U.S. dollars
Within Tokyo	Branch, etc. (1 item)	Building, etc.	¥ 1	\$ 20
Within Tokyo	Branch, etc. (1 item)	Building, etc.	1	17
Within Tokyo	Branch, etc. (1 item)	Land, building, etc.	178	2,166
Within Tokyo	Branch, etc. (1 item)	Land, building, etc.	221	2,699
Within Tokyo	Warehouse (1 item)	Land	0	3
Total			¥403	\$4,907

Recoverable amounts of the stated asset group are calculated using net realizable value which is based on appraisal value in accordance with the Real Estate Appraisal Standard less the expected sale costs.

18. PER SHARE DATA

	Yen		U.S. dollars
	2012	2011	2012
Net Assets per Share	¥253.64	¥254.38	\$3.086
Net Income per Share	9.39	11.96	0.114

19. SUBSEQUENT EVENT

The following appropriation of retained earnings applicable to the year ended March 31, 2012, was approved at the members' meeting held on June 22, 2012.

	Millions of yen	Thousands of U.S. dollars
Retained Earnings at End of the Year	¥2,178	\$26,510
Appropriations:		
Legal Reserve	350	4,258
Dividends		
Common Shares (4.0% per year)	735	8,948
Retained Earnings Carried Forward	¥1,093	\$13,303

## Independent Auditors' Report

To the Board of Directors of  
The Tama Shinkin Bank

We have audited the non-consolidated balance sheets of The Tama Shinkin Bank as of March 31, 2012 and 2011, and the related non-consolidated statements of income and retained earnings for the years then ended, all expressed in Japanese yen.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of The Tama Shinkin Bank and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Grant Thornton Taiyo AS&G LLC

Tokyo, Japan

May 24, 2012, except for Note 19, as to which the date is June 22, 2012

## Five-Year Summary (Non-Consolidated Basis)

The Tama Shinkin Bank  
Years ended March 31, 2012, 2011, 2010, 2009 and 2008

	Millions of yen					Thousands of
	2012	2011	2010	2009	2008	U.S. dollars
<b>For the Years Ended March 31</b>						<b>2012</b>
Total Income	¥ 43,624	¥ 46,354	¥ 48,253	¥ 53,333	¥ 51,055	\$ 530,779
Interest on Loans and Bills Discounted	25,609	27,402	29,547	32,490	33,056	311,584
Interest and Dividends on Securities	8,874	8,619	8,566	7,878	7,689	107,978
Total Expenses	38,292	39,305	41,852	50,699	44,989	465,902
Business Profit	9,349	12,072	12,852	16,662	11,755	113,754
Income Before Income Taxes	5,332	7,048	6,401	2,634	6,065	64,876
Net Income	3,466	4,691	4,524	1,689	4,188	42,170
<b>As of March 31</b>						
Total Assets	¥2,495,805	¥2,415,077	¥2,357,221	¥2,263,116	¥2,215,759	\$30,366,289
Securities	811,126	698,585	671,553	620,854	573,402	9,868,924
Loans and Bills Discounted	1,030,950	1,062,312	1,097,224	1,144,511	1,143,072	12,543,508
Total Liabilities	2,402,537	2,314,494	2,258,176	2,174,573	2,127,930	29,231,501
Deposits	2,296,493	2,214,627	2,158,092	2,097,049	2,068,521	27,941,271
Total Net Assets	93,268	100,582	99,044	88,543	87,828	1,134,787
Number of Branches	80	79	79	78	78	
Number of Employees and Officers	1,952	1,930	1,896	1,831	1,779	
<b>Deposits</b>						
Per Branch	¥ 28,706	¥ 28,033	¥ 27,317	¥ 26,885	¥ 26,519	\$ 349,265
Per Employee and Officer	1,176	1,147	1,138	1,145	1,162	14,314
<b>Loans and Bills Discounted</b>						
Per Branch	12,886	13,447	13,888	14,673	14,654	156,793
Per Employee and Officer	528	550	578	625	642	6,425

Note: U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2012 of ¥82.19=US\$1.

## Supplemental Consolidated Financial Information (Unaudited)

The Tama Shinkin Bank and Subsidiaries  
Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of
	2012	2011	U.S. dollars
<b>For the Fiscal Year:</b>			<b>2012</b>
Total Income	¥ 50,065	¥ 53,194	\$ 609,147
Total Expenses	44,199	45,614	537,770
Income Before Income Taxes and Others	5,866	7,580	71,376
Net Income	3,704	4,923	45,067
<b>At Year-End:</b>			
Deposits	¥2,294,479	¥2,212,545	\$27,916,766
Loans and Bills Discounted	1,032,273	1,063,392	12,559,593
Securities	809,754	697,175	9,852,220
Total Assets	2,507,655	2,427,375	30,510,463
Total Net Assets	97,093	104,078	1,181,323
	Yen		U.S. dollars
<b>Per Share Data (par value ¥50):</b>			
Net Income	¥ 10.06	¥ 12.61	\$ 0.122
Net Assets	264.83	264.54	3.222

Notes: 1. This Bank consolidated three subsidiaries for the years ended March 31, 2012 and 2011.

2. U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2012 of ¥82.19=US\$1.

## Board of Directors and Auditors

As of June 30, 2012

### President

Koji Sato

### Senior Managing Director

Toshiro Yagi

### Managing Directors

Masakazu Kamioka

Keiichi Ishigaki

Hideo Kaba

### Directors

Kuniharu Suzuki

Katsutoshi Omata

Hiroyuki Fukuda

Tadashi Suzuki

Kuniyoshi Tami

Hiroshi Hashimoto

Satoshi Sorimachi

### Standing Auditor

Setsuji Sugimoto

## Directory

### Head Office

8-28, Akebonocho 2-chome  
Tachikawa, Tokyo 190-8681, Japan  
Phone: 042-526-7700

### International Department

8-28, Akebonocho 2-chome  
Tachikawa, Tokyo 190-8681, Japan  
Phone: 042-523-9190  
Fax: 042-529-5750

### International Operations Center

8-28, Akebonocho 2-chome  
Tachikawa, Tokyo 190-8681, Japan  
Phone: 042-526-7703  
Fax: 042-529-5750  
SWIFT.BIC: TAMAJPJT

### Tamashin World Cash Center

Lumine Tachikawa Bldg., 9F  
1-1, Akebonocho 2-chome  
Tachikawa, Tokyo 190-0012, Japan  
Phone: 042-523-0057



**The Tama Shinkin Bank**

8-28 Akebonocho 2-chome, Tachikawa,  
Tokyo 190-8681, Japan