



Annual Report 2012

Profile

Musashino Bank is the only regional bank whose operational base consists of Saitama Prefecture. The prefecture lies immediately to the north of Tokyo, and many of its residents commute to work in the capital. Currently, 7.20 million (estimated) people live in Saitama, making it the country's fifth most populous prefecture after Tokyo, Kanagawa, Osaka,

and Aichi, and the population is still climbing.

Since its establishment in 1952, Musashino Bank has been one of Saitama Prefecture's core financial institutions, and has played a major role in supporting the development of the regional economy and local industries for six decades.

Corporate Philosophy

“Working in harmony with the local community it serves”

To contribute to the prosperity of the local community and to secure growth and development in partnership with the region.

“Maintaining a deep respect toward customers”

To engage in bold management that anticipates change while providing the highest quality services throughout the organization as a whole.

Bank Data (nonconsolidated basis, as of March 31, 2012)

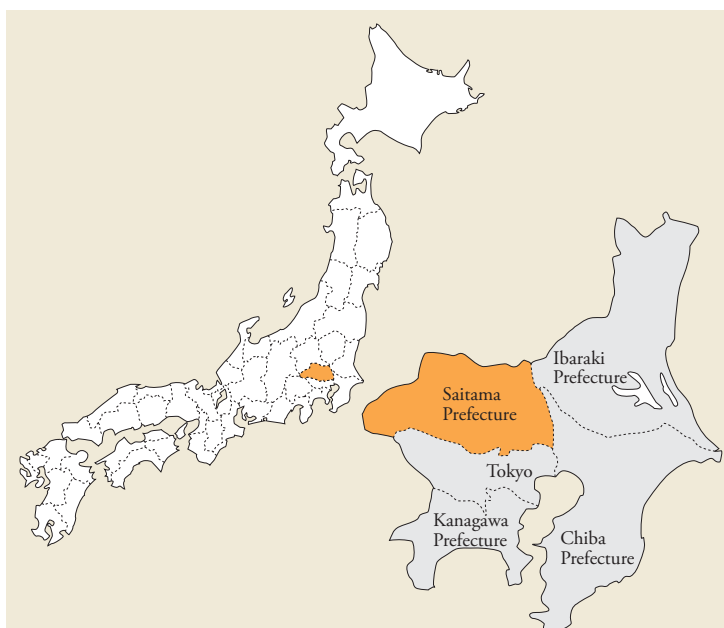
Head office:	10-8, Sakuragi-cho 1-chome, Omiya-ku, Saitama
Home page:	http://www.musashinobank.co.jp/
Established:	March 6, 1952
Networks:	Number of branches: 93 (Saitama Prefecture: 91 [of which 1 is a sub-branch], outside Saitama Prefecture: 2) Number of mortgage loan centers: 9 Number of corporate office: 1 Number of ATMs outside of branches: 119 Number of ATMs and cash dispensers (CDs) installed: 479
Employees:	2,187
Total assets:	¥3,792.3 billion
Deposits:	¥3,549.5 billion
Loans:	¥2,867.3 billion
Common stock:	¥45.7 billion
Number of correspondent arrangements:	220
Issued common stock:	34,155,456

Subsidiaries and Affiliated Companies

Name	Line of Business
The Bugin Business Service Co., Ltd.	Clerical work for Musashino Bank
The Bugin General Lease Co., Ltd.	Leasing, factoring and corporate financing
The Bugin Guarantee Co., Ltd.	Loan guarantees for individuals
The Musashino Card Co., Ltd.	Credit card business (JCB, VISA), loans and loan guarantees
The Bugin System Service Co., Ltd.	Development, sale and maintenance of computer systems
The Bugin Economic Research Institute Co., Ltd.	Research into the regional economy, consultation, information services, and holding of seminars
The Bugin Capital Co., Ltd.	Management support for venture businesses



Head Office



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Consolidated Financial Highlights

The Musashino Bank, Ltd. and Consolidated Subsidiaries Years Ended March 31, 2012 and 2011

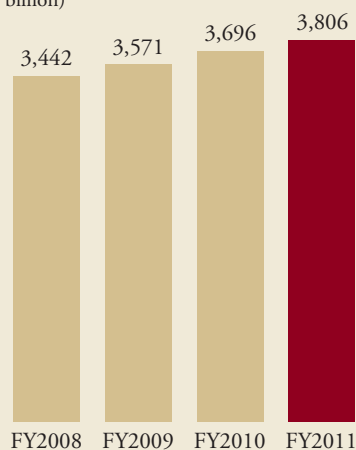
	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Notes 1 and 2)
	2012	2011	2012
At Year-end			
Total Assets	¥3,806,355	¥3,696,211	\$46,311,658
Deposits	3,539,534	3,437,747	43,065,265
Loans and Bills Discounted	2,856,298	2,785,295	34,752,386
Trading Account Securities and Investment Securities	735,057	644,854	8,943,395
Total Net Assets	177,984	160,718	2,165,522
Capital Ratio (based on domestic standards) (%)	10.88	10.79	
For the Year			
Total Income	¥ 78,968	¥ 81,938	\$ 960,807
Total Expenses	59,562	67,372	724,695
Income before Income Taxes	19,406	14,565	236,112
Net Income for Year	9,621	7,443	117,066

Notes 1. In this annual report, Japanese yen (in millions) and U.S. dollars (in thousands) are indicated with fractions omitted.

2. U.S. dollar figures have been translated at the rate ¥82.19 to U.S.\$1, the prevailing market rate as of March 31, 2012.

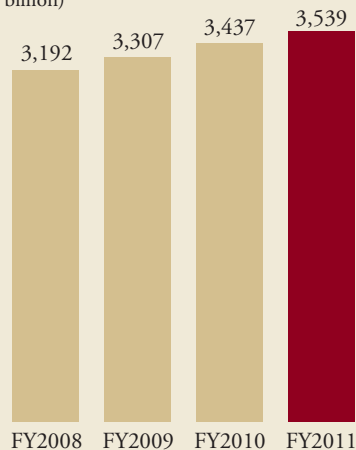
Total Assets

(¥ billion)



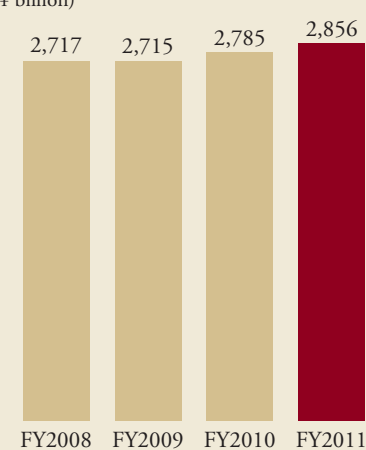
Deposits

(¥ billion)



Loans and Bills Discounted

(¥ billion)



Message from the President

Musashino Bank celebrated its 60th anniversary in April 2012. I would like to express my sincere gratitude to all stakeholders including business partners, who provided the Bank with the invaluable support necessary to achieve this milestone.

Economic Trends

Looking back over fiscal 2011, the fiscal year ended March 31, 2012, the global economy was thrown into considerable confusion due to changes in weather conditions and wide-ranging geopolitical risks including the so-called Arab Spring.

In Japan, economic conditions experienced a rapid recovery during the first half of the fiscal year under review, reflecting restoration of the supply chain following the Great East Japan Earthquake that caused a slump in production and export activity. Despite this positive turnaround, the real economy continued to stall during the second half. This was largely attributable to the debt crisis in Europe that triggered unprecedented and prolonged appreciation in the value of the yen, the slowdown in overseas economies and the impact of flood damage in Thailand.

Casting an eye over Saitama Prefecture, economic conditions were mixed. On the one hand, personal consumption was firm while, on the other hand, production activity stalled. Looking ahead, there are concerns surrounding the downside risks of such factors as high crude oil prices and issues relating to the supply of energy. As the gateway to eastern Japan, however, Saitama Prefecture is showing signs of the positive flow-on effects of full-fledged public-sector as well as housing investment in the wake of the earthquake disaster and efforts to bring about reconstruction and recovery. Taking into account the aforementioned factors, I envisage a gradual recovery in production activity and improvements in corporate-sector earnings.

Saitama Prefecture continues to enjoy population growth, particularly within its southern-most area. The entire prefecture is also experiencing ongoing development as an industrial destination due largely to its competitive advantage as a major hub that offers transportation infrastructure including advanced rail and road networks connecting the Tokyo Metropolitan area with the Tohoku and east Japan regions. In addition, the Prefecture is expected to benefit from both public- and private-sector support, development and training in the growth environment, energy, medical, nursing care and health fields.



Kikuo Kato
President

Year ended March 31, 2012

Deposits and assets in custody

Buoyed by sales and marketing activities, deposits and assets in custody in fiscal 2011 grew ¥102.3 billion compared with the previous fiscal year to ¥3,549.5 billion. Assets in custody increased ¥25.3 billion year on year to ¥565.4 billion, driven by our efforts to meet the diverse asset management needs of our customers through investment trusts, JGBs, and life insurance products.

Loans

Loans outstanding climbed ¥72.4 billion to ¥2,867.3 billion owing mainly to active efforts to respond to the needs of local businesses within the Prefecture and to individual customers.

Earnings

Amid weak demand for funds and continuing low interest rates, the Bank was able to maintain capital profits at ¥51.6 billion, roughly the same level as the previous fiscal year. This was largely attributable to successful efforts to more efficiently manage loaned money and securities investments. During the fiscal year under review, the Bank bolstered its efforts to improve the management of corporate customers. As a result, bad debt disposal expenses declined substantially. Accounting for the aforementioned factors, recurring income amounted to ¥17.9 billion and net income came in at ¥9.3 billion, representing the third consecutive fiscal year of earnings growth. On a consolidated basis, recurring income and net income totaled ¥19.5 billion and ¥9.6 billion, respectively, again reflecting year-on-year growth. This was primarily due to the profits recorded by all related subsidiaries.

Capital ratio

The Bank's capital ratios for fiscal 2011 were 10.59% and 10.88% on a non-consolidated and consolidated basis, respectively. From an overall Group perspective, the Bank is confident that current levels are an ample measure of sound financial health.

Medium-Term Management Plan

Each and every member of the Group is actively engaged in implementing the medium-term management plan, NEW PROJECT 60, which was launched in April 2010. In this regard, fiscal 2012 is positioned as the year in which the Plan will be brought to fruition. Working in unison and with a strong sense of mission, the Bank's directors and employees will strive tirelessly to implement all appropriate measures to ensure that established targets are achieved.

In order to take the first steps toward the next significant leap forward, the Bank is working to formulate the necessary long-term policies and vision with a view to the ideal scenario a decade hence.

Together with the people of Saitama

Looking both 5 and 10 years into the future, Japan and Saitama Prefecture are expected to undergo considerable structural change. In addition to the rapid aging of the population, industry is anticipated to experience a hollowing out.

Guided by its foundation corporate philosophy of "working in harmony with the local community it serves" and "maintaining a deep respect toward customers," Musashino Bank will take the initiative in providing products and services that match the needs of customers, continuously implementing a variety of appropriate support measures, and further enhancing compliance. Through these means, we will build strong relationships with customers with the aim of enhancing customer trust and satisfaction.

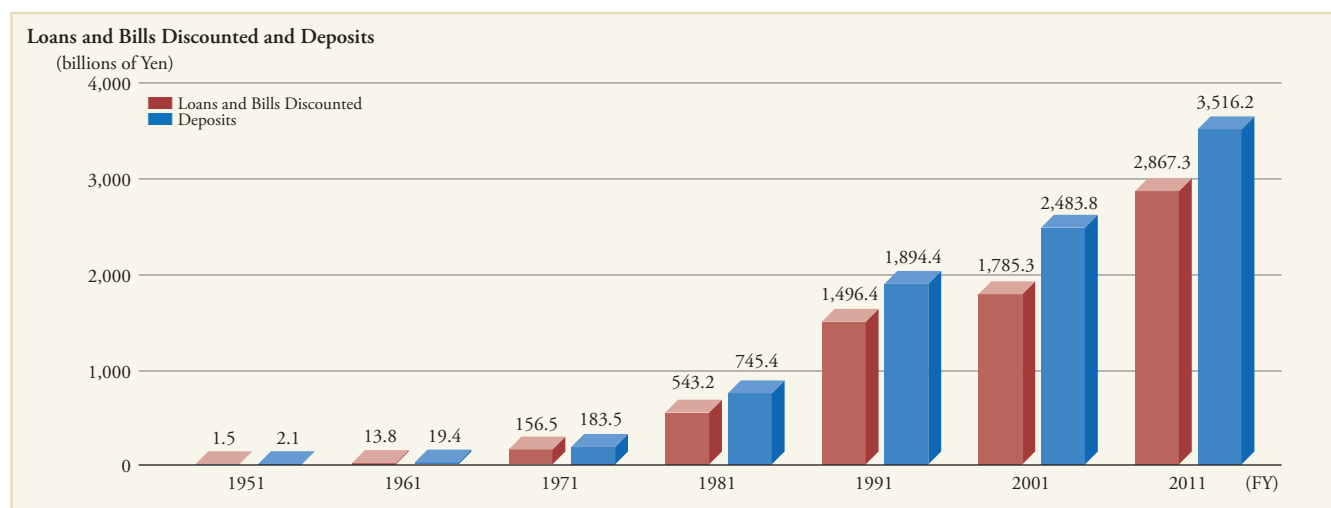
Moving forward, the Bank will continue to practice community-based finance and to become an irreplaceable part of the community. As we work toward achieving our established goals, we kindly request your continued support and understanding.

Kikuo Kato
President



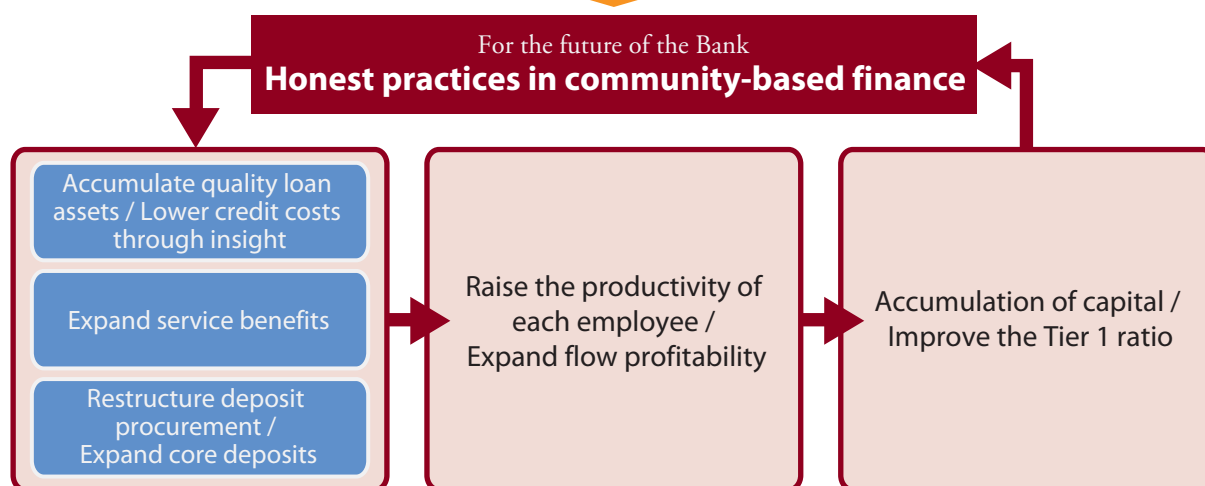
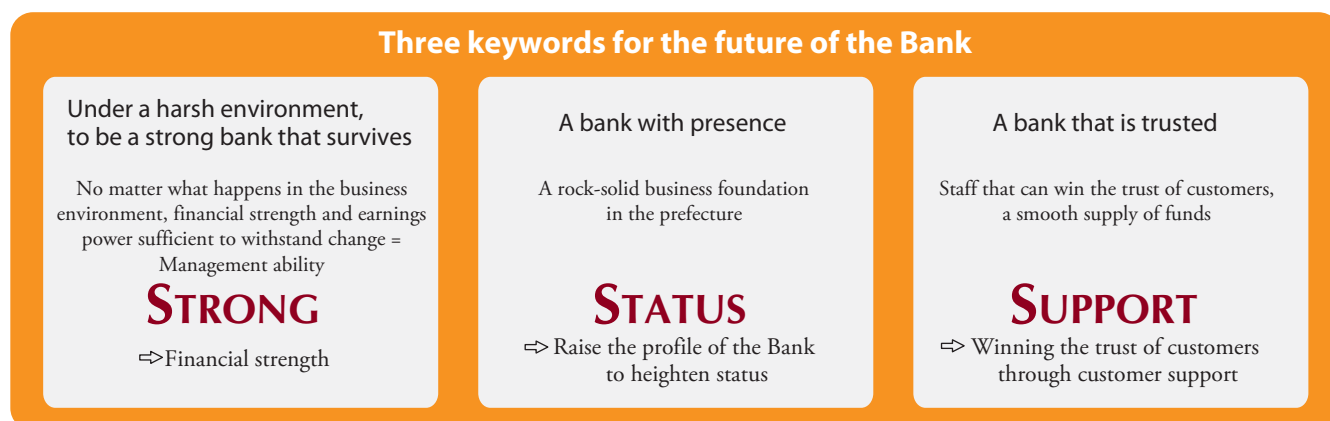
History *excerpt

Apr. 1952	Eight branches with a head office located in Omiya City (current Saitama City) opened (Number of employees: 155; Capital: ¥100 million)
Aug. 1969	Head office relocated to its current site; former head office commenced operations as the Bank's Omiya Branch
Oct. 1969	The Bank's share listed on the Second Section of the Tokyo Stock Exchange
Aug. 1970	The Bank's shares listed on the First Section of the Tokyo Stock Exchange (Securities code: 8336)
Aug. 1972	The Bank authorized to handle and exchange foreign currencies
Dec. 1978	The bank commenced foreign currency exchange services
Sep. 1980	The Bank installed its first ATM
Dec. 1980	The Bank commenced handling of Musashino US\$ fixed-term deposits
May 1981	The Bank executed its first impact loan
Oct. 1981	The Bank acquired blanket approval to newly open foreign currency exchange branches
Oct. 1983	The Bank commenced foreign currency correspondent banking operations (commenced foreign currency exchange transactions with the overseas branches of the former Bank of Tokyo and Daiwa Bank)
Aug. 1986	The Bank authorized as a comprehensive correspondent bank
Feb. 1991	The Bank commenced comprehensive online system international banking transaction operations
Oct. 1993	The Bank opened its first housing loan center
May 1997	The Bank commenced handling of the Musashino L/C Pack
Jul. 2005	The Bank officially adopted its current symbol mark and corporate color (Musashino red)
Oct. 2009	The Bank commenced handling of Musashino foreign currency web services
Apr. 2010	The Bank launched the medium-term management plan, NEW PROJECT 60
Oct. 2011	The Bank commenced handling of Chinese yuan-denominated trading and other transactions The Bank entered into a business alliance with Thailand-based KASIKORNBANK PCL with the cooperation of the Japan Bank for International Cooperation (JBIC)
Apr. 2012	The Bank celebrated its 60th anniversary



Medium-Term Management Plan “NEW PROJECT 60” (April 2010–March 2013)

● Plan course of action



● “NEW PROJECT 60” Basic Strategy



● Target figures

	Fiscal 2009	Fiscal 2012 target
Net profit on core banking operations	¥21.1 billion	¥22.0 billion
Net profit	¥4.1 billion	¥10.0 billion
Capital adequacy ratio	10.5%	Around 10.5% (Tier 1 ratio approx. 8%)
ROE	2.78%	6.0%
Non-performing loan ratio	2.53%	1% level

(Guidelines)

Balance of loans +¥200.0 billion (annual rate of 2.5%)

Balance of deposits +¥300.0 billion (annual rate of 3%)

Balance of assets in custody +¥150.0 billion (annual rate of 10%)

Corporate Governance

Basic Stance

Musashino Bank recognizes that upgrading and expanding its corporate governance capabilities are key priorities of management. In addition to adhering strictly to a policy of compliance with statutory and regulatory requirements as well as in-house rules and regulations, every effort is made to ensure that the Board of Directors and the Board of Corporate Auditors stringently monitor directors in the execution of their duties.

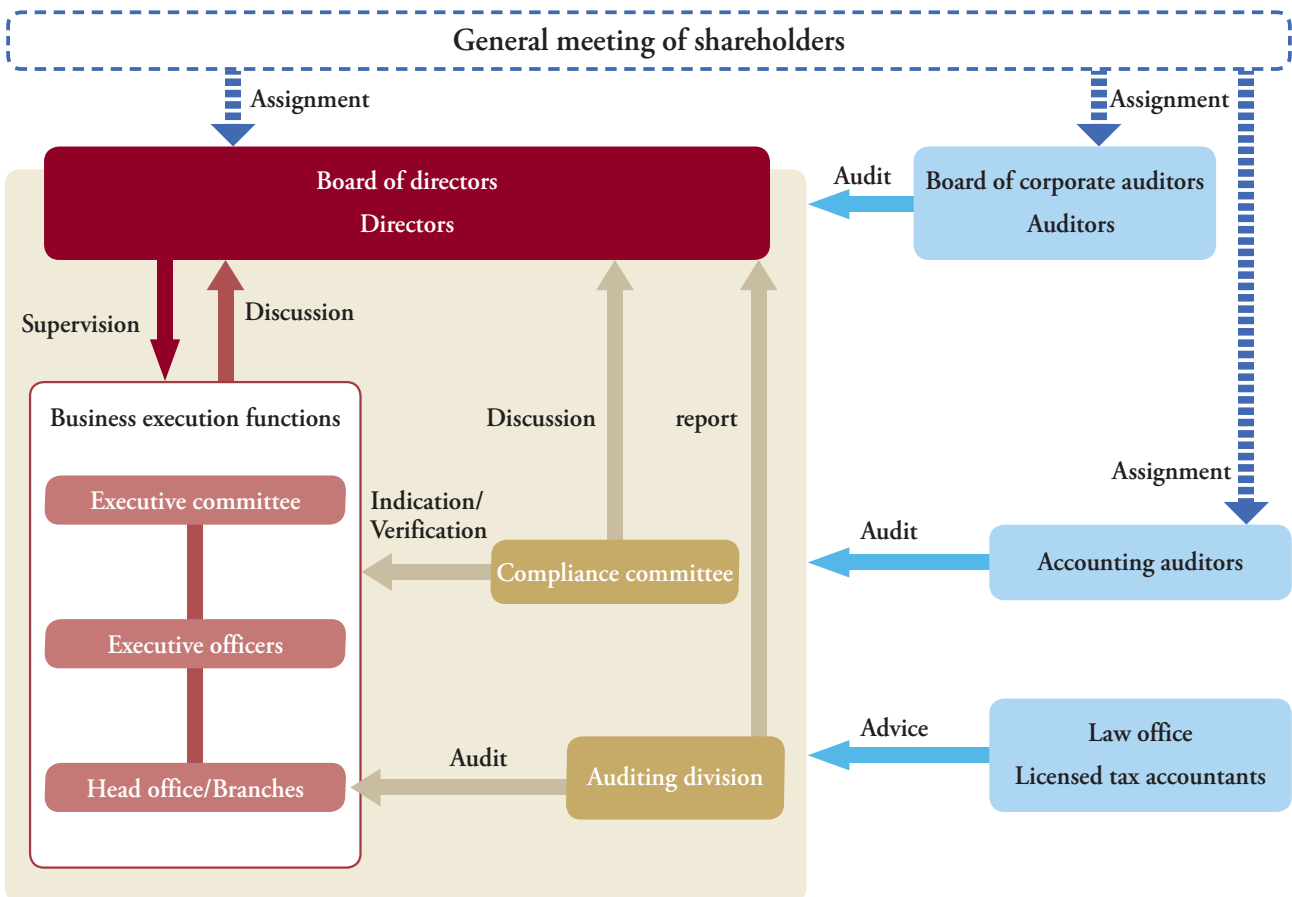
Moreover, the Bank has adopted an executive officer system in order to reduce the number of directors and to ensure a speedier decision-making process. Directors delegate authority to executive officers, who are charged with the responsibility of swiftly and efficiently carrying out their duties as leaders of the Bank's mainstay divisions.

Corporate Governance Structure

The Board of Directors is positioned as the ultimate decision-making body of the Bank. While strictly adhering to the Bank's variety of in-house rules and regulations, the introduction of an executive officer system allows the Bank to separate and clarify the management and business execution functions. A structure has therefore been put in place to allow directors and executive officers to go about their assigned duties and responsibilities.

Musashino Bank's management decision-making, business execution and oversight structure is presented as follows.

Corporate Governance Structure



Risk Management

Risk Management Policy

The risks associated with banking operations are becoming increasingly varied and complex. In order to ensure that the manner in which it manages its business is both sound and pertinent, Musashino Bank has formulated a set of internal management policies that take into consideration the Bank strategic targets. Guided by these policies, the Bank works diligently to manage risk.

In specific terms, the Bank classifies all pertinent risks according to their nature and attributes.

Classifications comprise (1) comprehensive risks; (2) credit risks; (3) market risks; (4) liquidity risks; and (5) operational risks (including administrative and system risks). These individual risks are then managed according to their particular characteristics and requirements.

Management Structure by Type of Risk

(1) Comprehensive Risk Management

In order to appropriately manage the wide variety of risks on a comprehensive basis, the Bank has established the Comprehensive Risk Management Department and is working to develop and improve its management structure. The Comprehensive Risk Management Department puts in place rules and criteria for determining the scope of comprehensive risk management, management methods, evaluation of new products and operations as well as the level of acceptable risk after taking into consideration management strategies, management capacity as well as business scale and characteristics. Based on these rules and criteria the ALM (Asset Liability Management) and other appropriate committees monitor and control risks. The results of these activities are reported to the Board of Directors and other relevant bodies on a regular basis.

(2) Credit Risk Management

Musashino Bank has historically taken steps to maintain the independence of the Credit Screening Division and to build a stringent screening and management structure in order to maintain and strengthen the soundness of its assets. At the same time, the Bank has adopted a ranking system and endeavored to upgrade and expand its credit risk management capabilities as a part of efforts to put in place objective determination and lending policies on an individual transaction counterparty basis.

(3) Market Risk Management

Musashino Bank has established the Market Risk Management Department in order to appropriately manage market risks. Relevant steps are taken to ensure the independence of the Department from the Market Management Department and Business Promotion Division and to establish and develop a structure that is capable of harnessing the checks-and-balance function. At the same time, deliberations are undertaken by the ALM and Credit Portfolio Management committees as and when required.

(4) Liquidity Risk Management

Musashino Bank has established the Liquidity Risk Management and Cash Management departments in order to appropriately manage liquidity risk. While ensuring the independence of the Liquidity Risk Management Department from the Cash Management Department, Market Management Department and Business Promotion Division, every effort is made to establish and develop a structure that is capable of harnessing the checks-and-balance function. At the same time, deliberations are undertaken by the ALM Committee as and when required.

(5) Operational Risk Management

Musashino Bank confronts broad and varied operational risks. In addition to classifying each risk, putting in place rules on an individual risk basis and promoting the management of each risk by the appropriate management department, the Bank has established the Operational Risk Management Department to undertake the management of operational risks on a comprehensive basis. The Bank also pushes forward measures aimed at establishing and developing a management structure that is capable of harnessing the checks-and-balance function with respect to each business division. Moreover, issues are deliberated by the Operational Risk Management Committee as and when required.

Compliance Frame Work

The social and public mission for banking work makes high demands for operations based on fair and transparent corporate activities in compliance with laws, regulations, and social norms and in accordance the principals of self-discipline and self-responsibility. Accordingly, the Bank considers the thorough compliance of its directors and employees in business operations to be a top priority, and to this end management is actively involved in the fulfillment of the Bank's social and public mission as the Bank works to strengthen its compliance framework through steps such as system improvements and the establishment of teaching methods.

However, with the liberalization, globalization, and deregulation of finance accompanying financial system reform, society expects Banks to be even more publicly and socially responsible. With a full awareness of these issues, in the future the Bank will further strengthen its corporate activities based on a strong sense of ethics and integrity and its management approach in accordance with principles of self-responsibility as it further strengthens the compliance framework so that the Bank's daily business activities and actions ensure compliance with laws, regulations, and social norms.

Basic compliance policy

Musashino Bank's basic compliance policy entails that directors and employees go about their daily duties in accordance with the Bank's two fundamental management guidelines, namely its corporate philosophy and Code of Behavior.

Under its unwavering corporate philosophy, the Bank strives to work in harmony with the local community it serves while maintaining a deep respect toward customers. This corporate philosophy is complemented by the Code of Behavior which emphasizes the Bank's sense of public mission toward society. Aspiring to address a variety of needs including the provision of high-quality financial services and strict compliance with statutory and regulatory requirements, directors and employees go about their daily duties guided by these basic policies.

Compliance management structure

The Legal Affairs Office of the Risk Management Division serves as the compliance management department for the Bank. This Office undertakes the uniform management of all legal issues relating to compliance while providing instructions based on investigation and research. At the same time, the Office coordinates with officers responsible for legal compliance appointed to all branches while working to strengthen the compliance structure. Regular meetings are held with the officers responsible for legal compliance appointed to each branch. These meetings serve as a forum to deliberate on compliance issues and to share information.

In addition to the aforementioned, periodic compliance checks are undertaken at each branch by the officers responsible for legal compliance. In this manner, the Bank has put in place a mechanism that is capable of grasping the status of daily compliance management. Furthermore, Musashino Bank has established the Compliance Committee, which serves as the organization that checks the status of compliance on a Bank-wide basis while considering any and all other important matters through regularly held meetings.

Compliance manual

To ensure the compliance of its directors and employees, the Bank has distributed a compliance manual that has been approved by the board of directors to all of its directors and employees and is working to ensure that all staff members are fully aware of its contents.

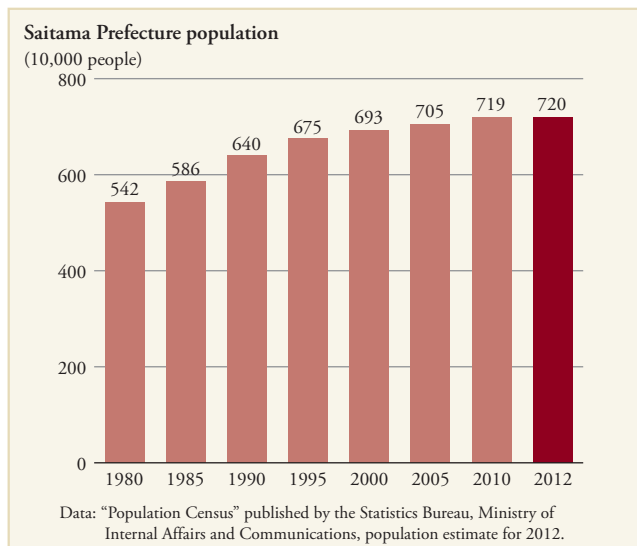
The compliance manual contains sections on the Bank's corporate philosophy, code of behavior, and basic policies. It contains a section on compliance standards that stipulates the matters directors and employees should comply with, a section on the compliance framework that provides an explanation on various structures at the Bank including education and verification structures, a section on laws and regulations that require directors and employees compliance which contains an explanation on the laws and regulations that bank employees are required to be knowledgeable of, and a pick-up compliance section that provides a more detailed explanation on matters that should be prioritized in the conduct of daily work. The compliance manual serves as a standard for making decisions and taking actions in everyday business activities.

Appealing Business Foundation (Saitama Prefecture)

1. The Huge Tokyo Area Market and Continuing Population Growth

Saitama Prefecture, which is Musashino Bank's main area of operations, borders Tokyo and six prefectures. The Prefecture is located in the heart of the huge market comprising the Tokyo metropolitan area, in which lives one-third of the population of Japan (approximately 40 million people). While urbanization and industrialization are progressing in Saitama Prefecture due to the great convenience gained from being next to Tokyo, the population has grown consistently thanks to an abundance of nature and a comfortable living environment.

(An estimated population of 7.2 million as of April 2012)



2. Advanced Traffic Network

1) Advanced Road Traffic Network

With the Kan'etsu, Tohoku, and Joban expressways traversing north to south and the Tokyo Gaikan Expressway traversing east to west, traffic in Saitama is strategically positioned.

2) A High-Quality Railway Network

With our head office based in Omiya, the Bank is directly connected to major cities via the Tohoku, Akita, Yamagata, Joetsu, and Nagano Shinkansen (bullet train) network.

3. Collection of diverse manufacturing industries

1) Diverse Manufacturing Industries

Saitama has a diversity of local industries with the automotive-related industry at its core. (e.g., molds and castings in Kawaguchi City, optical equipment in Saitama City, etc.)

2) Aggressive Development by Attracting Companies to Saitama Prefecture

From April 2007 through March 2009, Saitama rolled out the "Chancemaker Saitama Strategy" with the goal of attracting 120 companies into Saitama Prefecture, but wound up attracting 192 companies (72 more than our goal). Moreover, with the goal of attracting an additional 100 companies to Saitama, we initiated Chancemaker Saitama Strategy II, which covered the period from April 2010 through March 2013. As a result of this second initiative, we attracted 122 companies (22 more than our goal).

4. Concentration of Universities and Research Institutes

More than 250 research institutes and 59 college campuses are located in Saitama Prefecture. The Bank has formed alliances with seven universities as part of its commitment to meeting customer needs in areas such as research and development and management issue resolution through cooperation with industry and academia.

Economic and financial position of Saitama Prefecture

- Number of companies (2009)
262,000 companies (5th among the 47 prefectures)
- Total prefecture production (nominal) (2008)
¥20,796.1 billion (5th among the 47 prefectures)
- Value of product shipments (2009)
¥11,891.5 billion (7th among the 47 prefectures)

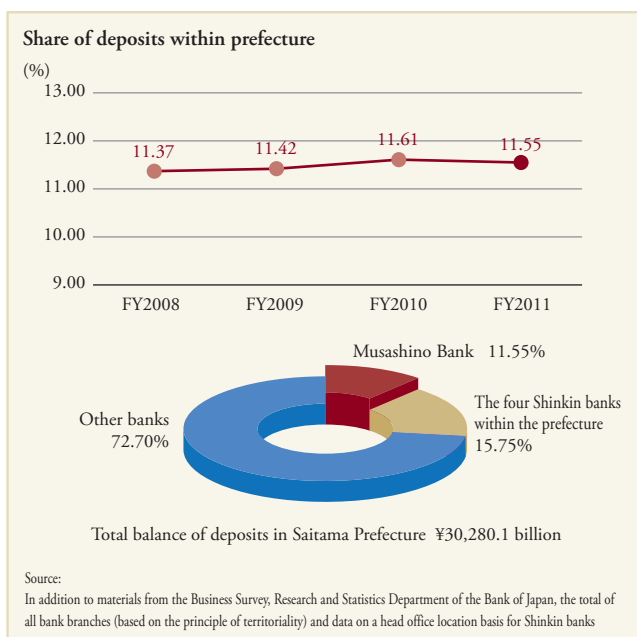
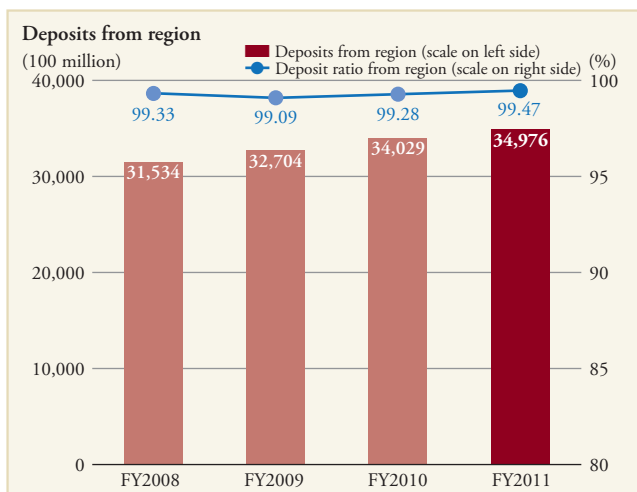
Corporate Social Responsibility (Main Initiatives)

Contributing to the Local Economy

Deposits from region

In response to the lifestyles of our regions' customers, the Bank is enhancing its products and services so that customers can use them with peace of mind.

As a result of these efforts, deposits from the region as of March 31, 2012 climbed ¥94.7 billion, to ¥3,497.6 billion. Moreover, the ratio of deposits from region rose 0.19 percentage points, to 99.47%, continuing to maintain its level at 99%. Despite the steady increase in deposits from the region, the Bank's share of deposits within the prefecture as of March 31, 2012, contracted 0.06 of a percentage point to 11.55%.



Loans to region

In response to the lifestyles of our regions' customers, the Bank has prepared a variety of individual loans in order to support a wide range of financial planning.

Further, in all of Japan, Saitama Prefecture is most favorably situated with the best transportation access, has the most new housing starts, and a home-buyer segment comprised mainly of the 35 to 40-year old children of baby-boomer generation. At the same time, with convenient access to Tokyo, an accumulation of office facilities and other factors, demand for rental housing is high. For these reasons, we have enhanced our individual loan products and upgraded our promotion system so that customers can use them with greater convenience.

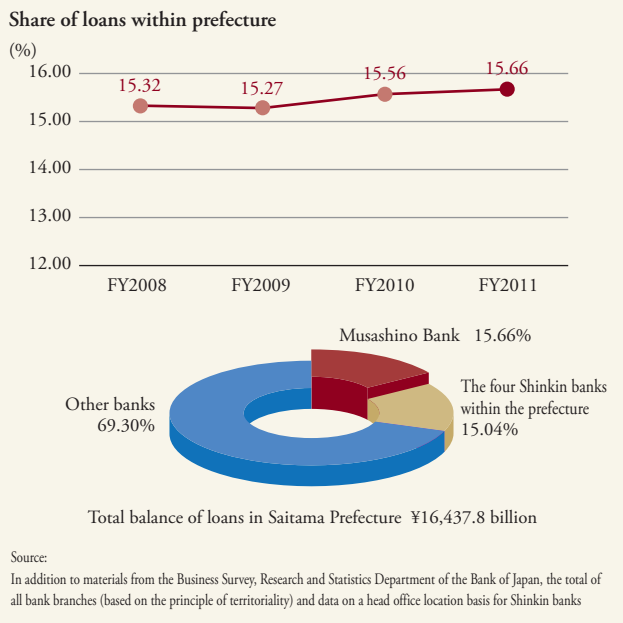
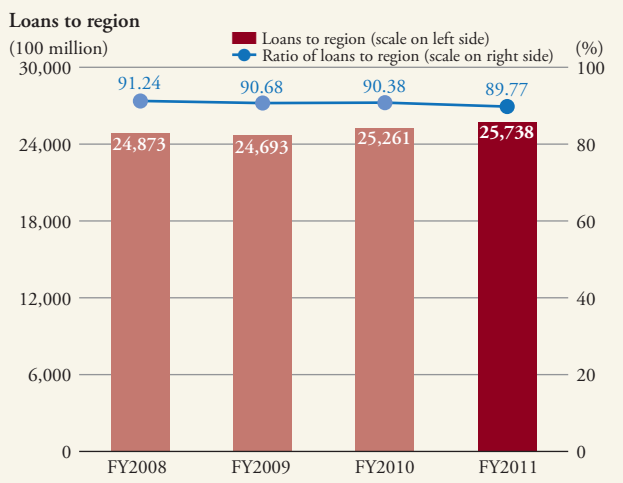
As a result, the balance of individual loans as of March 31, 2012 increased ¥37.9 billion, to ¥1,227.9 billion.

In addition, we are contributing to the sustainable development of the region by implementing a variety of initiatives. This includes providing a stable flow of funds to SMEs and individual business owners, the pillars of Saitama Prefecture's regional economy.

Specifically, corporate managers and sales managers are aggressively pursuing solution-based sales and marketing so that customers only use those products of the Bank that meet their needs.

In our head office, we have assigned specialists to be in charge of the medical, public welfare and agricultural fields, new growth fields in Saitama Prefecture, and we are aggressively supporting these fields which remain our traditional strengths.

In addition, we are actively promoting collaboration with outside professional agencies in various areas of work, such as leveraging local information including business matching services that provide financial services tailored to companies' life-cycles, assisting companies enter overseas markets and helping companies go public, and forging deeper business relations with local public agencies. As a result, loans to the region as of March 31, 2012 increased ¥47.7 billion, to ¥2,573.8 billion, for a loan to region ratio of 89.77%. The Bank's share of loans in the prefecture rose 0.10 of a percentage point to 15.66%.



Initiatives for New Growth Fields

1) Activities in the Agricultural Field

Total agricultural output for Saitama Prefecture amounted to ¥200.4 billion in 2010. On this basis, the Prefecture ranked 17th in terms of produce among all prefectures in Japan. Agriculture in suburban areas is widespread, with produce being shipped to 34 million people in the Tokyo metropolitan area.

Established by the Bank within its head office in April 2008, the agriculture team takes the lead in supporting agriculture-related businesses.

Proactive efforts are made to expand sales channels for farmers and to promote farm management innovation.



A seminar held by the Bank

2) Activities in the Medical and Welfare Fields

Saitama Prefecture ranks in the top echelons of prefectures in Japan in terms of the number of hospitals and doctors. In contrast, it ranks last among prefectures for the number of doctors per capita. Accordingly, there is a substantial gap between demand and supply.

In April 2005, the Bank established a medical and welfare team. As of March 31, 2012, the balance of loans to medical institutions within the Prefecture with an annual turnover of ¥500 million or more stood at ¥62.8 billion, an increase of 6.8% compared with the previous fiscal year. The Bank's share of the number of borrowers has also risen to 50%.

3) Strengthening the Growth Platform of the Regional Economy

The Bank is supporting sustainable development of the regional economy through measures aimed at strengthening the growth platform.

Products designed to strengthen the growth platform

- Saitama Growth Platform Fund
Taking steps to bolster measures in industries and fields where future growth is expected; providing comprehensive financial services including funding assistance that addresses customers' needs; contributing to the revitalization of the region
- ABL Fund
Helping to promote growth and energizing the regional economy by providing finance with assets and receivables as collateral to small and medium-sized enterprises

Industrial Research Office Established

The Industrial Research Office was established within the Credit Division in April 2012. Information on business partner companies, information on an individual industry basis as well as other information including development information within the region held by the Musashino Bank Group is collated and managed in this central location. This information is provided and used to deliver sophisticated solutions sales and marketing.

Strengthen the Consulting System

1) Inheritance and Business Succession Initiatives

With expectations that Saitama Prefecture will experience a rapid decline in its birthrates and an aging population in the future, head office staff with specialized knowledge are collaborating with such business partners as trust banks, trust companies, tax accounting firms

and other outside professional institutions while putting forward a variety of initiatives. Moreover, the Bank has formed business alliances with Mitsubishi UFJ Trust and Banking Corporation and Asahi Trust Co., Ltd. as a part of efforts to strengthen its inheritance and business succession operations including trusts under wills.

2) Assisting Companies Enter Overseas Markets

As companies within the Prefecture increasingly expand their business overseas including Southeast Asia, the Bank established the International Investment Supporting Office within its head office. In this manner, the Bank is taking steps to put in place a structure that is capable of addressing customers' needs.

As a specific measure, the Bank is bolstering its alliances with other banks and companies that maintain bases overseas. For example, the Bank is cooperating with the KASIKOMBANK PCL in Thailand utilizing the JBIC scheme. Every effort is being made to offer a wide range of solutions including the provision of local information and financial services. The Bank also works diligently to hold a variety of seminars as well as conduct study workshops.

3) Meeting M&A Needs

While responding to the various merger and acquisition needs including business succession (absence of a successor), business expansion, and diversification of SMEs in Saitama Prefecture, we are contributing to the survival and growth of SMEs in the region and developing the regional economy.

4) Other

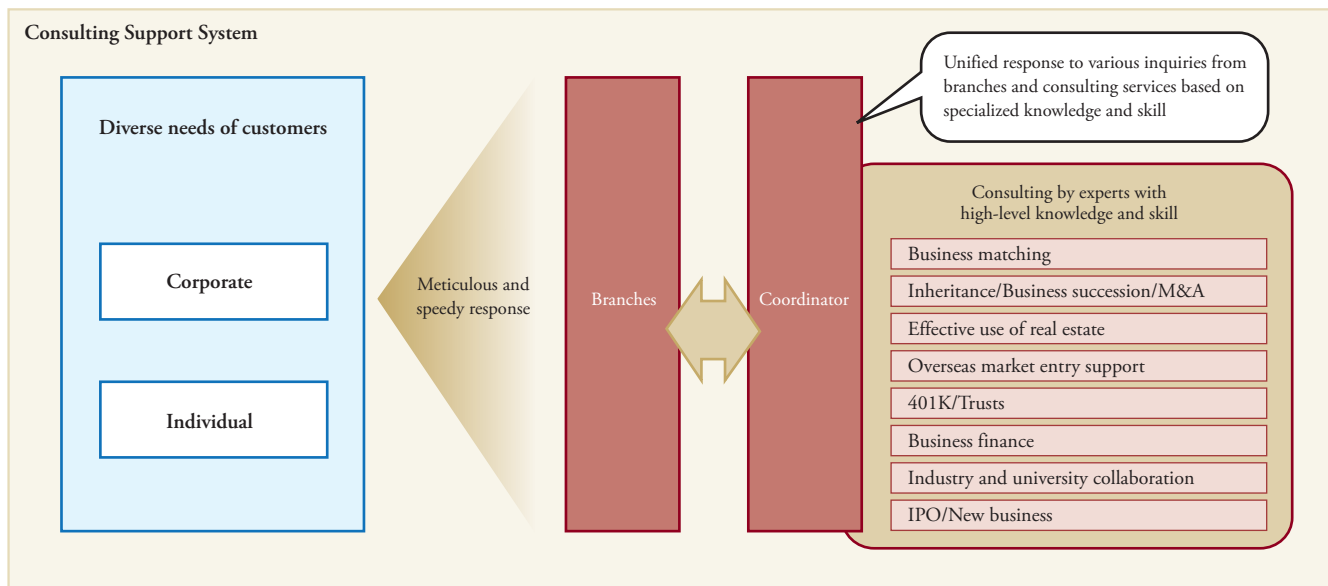
The Bank responds to requests for consultations involving such business problems as the listing of shares and expansion of sales channels while leveraging the know-how of outside institutions that our head office staff and branch staff, which have specialized knowledge, are partnered with.

Support for Corporate Rehabilitation

To provide specialized support to client companies that seek corporate rehabilitation, we established the Corporate Management Support Office in the Credit Division, which offers help with advice on management analytics and improvement policies and support for compiling business improvement plans. Further, we assist in corporate rehabilitation and management improvement based on the circumstances of each individual client company in collaboration with the Saitama SME Support Council and outside consulting companies.

In light of the "Act Concerning Temporary Measures to Facilitate Financing for SMEs, etc." we actively supported the management improvement of client companies that have changed their borrowing conditions. We are working closely with clients by helping them formulate management improvement plans using our proprietary Management Plan Formulation Support System, providing them with counseling and reviewing their management improvement plans and continuously monitoring the progress of those plans.

The Bank continues to demonstrate its consulting capabilities and support client companies in order to facilitate their business rehabilitation.



Human Resource Development Initiatives

The Bank promotes the creation of a corporate culture that values the development of human resources by focusing on the education of its employees in order to make sustainable contributions to the development of the regional economy.

The Bank aims to fully develop young employees at an early stage through a rich program of business training, specialized training based on the rank of employees, and on-the-job training. At the same time, the Bank actively supports career building through the adoption of a human resources development policy that clarifies skills development targets for each and every employee.

As one project commemorating the Bank's 60th anniversary in fiscal 2012, the Bank plans to conduct overseas training for its employees for the purpose of developing global human resources so the Bank can better support the various needs of its customers in the future.

Commemorative Events of the Bank's 60th Anniversary

1) Cash Dividend Commemorating the Bank's 60th Anniversary

Musashino Bank declared a period-end cash dividend of ¥40 per share, which included an additional cash dividend of ¥10 per share to commemorate the Bank's 60th anniversary, for the fiscal year ended March 31, 2012. This brought the annual cash dividend to ¥70 per share.

2) A First for the Prefecture! Handling Money in Trust

As one of several initiatives implemented to commemorate the Bank's 60th anniversary, Musashino Bank called for participants in a jointly-managed money trust referred to as Musashino Funds.

The Bank's call was met with overwhelming support with 873 parties contracted. After only one business day from when calls were first made, the Bank achieved its goal of ¥10 billion.

This trust is a jointly-managed money trust designed mainly for asset management purposes with specific emphasis on the Bank's subordinated loans. Musashino Bank is the second financial institution in Japan to handle this type of financial instrument and the first in Saitama Prefecture.

3) A New Operations Center Established

Among a host of initiatives to celebrate its 60th anniversary, Musashino Bank constructed a new five-story operations center next to its existing operations center in Chuo-ku, Saitama City. By consolidating administrative operations, the Bank is seeking to increase the time spent directly attending to customers while enhancing customer service. Construction is scheduled to be completed in October 2012.

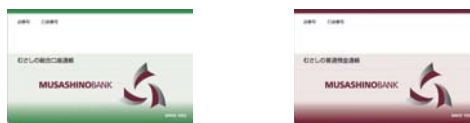


4) Commenced the Handling of a New Passbook and Cash Card

Among a host of initiatives aimed at celebrating the Bank's 60th anniversary, Musashino Bank launched a new design for its ordinary and multi-purpose bank account passbook.

Focusing on the Bank's symbol mark, steps have been taken to accentuate the Bank's founding in 1952. The design is intended to capture the history of the Bank since its foundation while shining a light on its future growth and development.

Working in collaboration with the soccer J-league club OMIYA ARDIJA and as a part of efforts to support the advancement of local sports, the Bank also put forward a new design for its passbook and cash card in July 2012.



Contributing to the Local Community

Measures to Prevent Financial Crime

Damage caused by bank transfer fraud, cash card forgery and theft, illicit internet access and other financial crimes is increasing. With a designated unit, the Bank is working to prevent damage caused by financial crime by assigning two individuals to work in the General Affairs Division as security officers.

Developing an Operating Continuity System

Recognizing the considerable public nature of banking operations, it is imperative that banks ensure continuous operations in order to fulfill their corporate social responsibility.

Musashino Bank implements a wide range of countermeasures to ensure operating continuity in the event of a large-scale earthquake, system failure, or any other forecast contingency that may have a major impact on its operations. In specific terms, the Bank has formulated an operating continuity plan within its overall plans in the event of an earthquake disaster, put in place a variety of manuals with respect to specific action criteria and countermeasures and taken steps to ensure that all employees are fully aware of them.

Responding to the Needs of Foreign Customers

Musashino Bank has put in place a communication board in the English, Chinese and Korean languages to assist foreign nationals when calling into the Bank to open a new bank account. This initiative is aimed at providing non-Japanese customers with increased peace of mind with respect to procedural requirements.



Commemorative Events of the Bank's 60th Anniversary

1) Supporting the Development of Global Human Resources

Musashino Bank began handling scholarship loans for students and working persons from Saitama seeking to study abroad in collaboration with Saitama Prefecture from April 2011.

As one of several initiatives aimed at celebrating the Bank's 60th anniversary, Musashino Bank was the first private-sector enterprise to participate in the Saitama Global Human Resources Development Fund donating ¥20 million in July 2011.

2) Donating to Saitama Prefecture's Four Funds

Among a number of initiatives aimed at commemorating the Bank's 60th anniversary, Musashino Bank donated a total of ¥30 million to four funds established by Saitama Prefecture in July 2011. These funds and the Bank's contribution are designed to assist the region across a wide range of fields.

3) Executed a Top Partner Agreement with OMIYA ARDIJA

As one of many initiatives undertaken to celebrate the Bank's 60th anniversary, Musashino Bank executed a top partner agreement with the soccer J-League (a Japanese soccer league) Club OMIYA ARDIJA in January 2012 for the 2012 season to further promote sport deeply rooted in the region.

4) Soccer Classes

In June 2012, the Bank organized a soccer class for 100 elementary school students as one of several initiatives undertaken to celebrate the Bank's 60th anniversary.



5) Concert to Celebrate the Bank's 60th Anniversary

With the cooperation of master musicians, Musashino Bank held a concert at the Sai-no-Kuni Saitama Arts Theater to celebrate its 60th anniversary in March 2012. The concert coincided with the first anniversary of the Great East Japan Earthquake. The Bank also took steps to collect donations for the victims of the disaster in the theater lobby. A total of ¥73,145 was collected. On the day after the concert, these funds were presented to the Saitama Office of the Red Cross Society of Japan.



6) The Musashino Volunteer Club Established

Musashino Bank established the Musashino Volunteer Club in May 2012 as one of several initiatives undertaken to celebrate the Bank's 60th anniversary. This club is designed to provide directors and employees of the Bank with a forum to put their interest and enthusiasm to practical use and to further contribute to the regional society.



Concern for the Environment

Received the 13th Saitama Environment Award

Musashino Bank received the 13th Saitama Environment Award in March 2012.

The Saitama Environment Award recognizes contributions toward raising awareness among Saitama Prefecture residents with respect to environmental protection concerns and the promotion of various related activities. This award was presented in appreciation of the Bank's ongoing efforts toward environmental protection.



Major ongoing activities undertaken by the Bank:

- Donations through the Musashino Green Fund Charitable Trust Fund (a fund that over the 20 years since its foundation has totaled 151 organizations and donations amounting to approximately ¥51,958,796)
- Coordination with Saitama Prefecture in environmental fields
- Development of branches that take into consideration environmental protection concerns
- Promotion of employee environmental education (the Bugin Environmental College)
- Implementation of environmental protection activities through the Bank's business endeavors (purchase of green bonds; handling of environment-related products such as water and greenery fixed deposits, etc.)

Implementation of Environmental Protection Activities through the Bank's Business Endeavors

- Cooperating in global warming prevention businesses in developing countries

In April 2011, Musashino Bank purchased US\$10 million in Green Bonds issued by the World Bank for the purpose of investing in businesses that work to prevent global warming in developing countries.



- Protecting and nurturing the water resources and greenery of Saitama Prefecture
Musashino Bank has handled limited-period Musashino Water and Greenery Fixed Deposits since fiscal 2008.

This product forms part of the Bank's efforts to support the Prefecture's endeavors to revitalize the natural greenery and rivers of the area and to help protect and nurture the water resources and greenery of Saitama Prefecture. Under the Musashino Water and Greenery Fixed Deposits scheme, the Bank donates an amount equivalent to 0.01% of the amount deposited by each customer in this product (maximum amount stipulated separately) to the Prefecture's Sai-no-Kuni Green Fund.

In fiscal 2011, the Bank donated ¥3 million. The aggregate total of donations to date is ¥10 million.

Environmental Education for Employees

With the support of the Ecosystem Conservation Society – Saitama, Musashino Bank opened a College in fiscal 2008. The College provides an educational forum that strives to enhance natural environment conservation and ecosystem protection knowledge.



Signatory to the Principles for Financial Action towards a Sustainable Society

Musashino Bank signed the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century).

These principles are a set of action guidelines formulated by a drafting committee made up of a wide range of financial institutions. Based on the recommendations of the Central Environment Council of Japan's Ministry of the Environment, these principles are designed to expand the breadth and depth of environmental finance activities. In order to enhance the perspectives and quality of Japan's environmental finance, plans are being made to fulfill the essential responsibilities and roles required to form a sustainable society.

Consolidated Balance Sheets

The Musashino Bank, Ltd. and Consolidated Subsidiaries As of March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars*
	2012	2011	2012
Assets			
Cash and due from banks.....	¥ 105,269	¥ 132,046	\$ 1,280,808
Call loans	30,000	40,602	365,007
Commercial paper and other debt purchased	2,327	10,704	28,313
Trading account securities.....	203	501	2,476
Money held in trust.....	1,500	1,489	18,250
Investment securities	734,854	644,353	8,940,919
Loans and bills discounted	2,856,298	2,785,295	34,752,386
Foreign exchanges	2,292	2,407	27,896
Lease receivables and lease investment assets.....	14,940	14,901	181,782
Other assets.....	22,126	21,757	269,211
Tangible fixed assets.....	35,680	35,077	434,116
Intangible fixed assets.....	2,967	2,672	36,105
Deferred income taxes assets.....	8,812	18,068	107,223
Customers' liabilities for acceptances and guarantees.....	9,674	10,659	117,706
Reserve for possible loan losses	(20,592)	(24,326)	(250,546)
Total assets.....	¥3,806,355	¥3,696,211	\$46,311,658
Liabilities			
Deposits.....	¥3,539,534	¥3,437,747	\$43,065,265
Call money and bills sold	2,652	—	32,277
Borrowed money.....	28,919	26,726	351,861
Foreign exchanges	134	81	1,642
Bonds.....	10,000	18,000	121,669
Other liabilities	24,545	27,980	298,646
Reserve for employees' bonuses	1,226	1,276	14,928
Reserve for directors' bonuses.....	15	15	183
Reserve for employees' retirement benefits	5,549	5,688	67,522
Reserve for directors' retirement benefits.....	—	281	—
Reserve for loss on interest refunded.....	81	100	992
Reserve for reimbursement of dormant deposits.....	236	329	2,873
Reserve for point loyalty programs	70	58	861
Reserve for contingent losses	791	908	9,624
Deferred income taxes liability on land revaluation	4,937	5,639	60,078
Acceptances and guarantees.....	9,674	10,659	117,706
Total liabilities.....	¥3,628,370	¥3,535,493	\$44,146,135
Net assets			
Common stock	¥ 45,743	¥ 45,743	\$ 556,563
Capital surplus	38,351	38,351	466,616
Retained earnings.....	73,996	66,407	900,311
Treasury stock.....	(905)	(900)	(11,012)
Total shareholders' equity.....	157,186	149,602	1,912,478
Unrealized gain on available-for-sale securities.....	9,683	1,381	117,814
Deferred loss under hedge accounting	(1,408)	(1,477)	(17,139)
Land revaluation excess	7,653	6,951	93,113
Total accumulated other comprehensive income	15,927	6,855	193,788
Share warrant	19	—	240
Minority interests.....	4,850	4,260	59,015
Total net assets	177,984	160,718	2,165,522
Total liabilities and net assets	¥3,806,355	¥3,696,211	\$46,311,658

* U.S. dollar figures have been translated at the rate ¥82.19 to U.S.\$1, the prevailing market rate as of March 31, 2012.

Consolidated Statements of Income and Comprehensive Income

The Musashino Bank, Ltd. and Consolidated Subsidiaries For the Years Ended March 31, 2012 and 2011

Consolidated Statements of Income	Millions of Yen		Thousands of U.S. Dollars*
	2012	2011	2012
Income			
Interest income:			
Interest on loans and discounts	¥48,516	¥50,517	\$590,299
Interest and dividends on securities.....	7,724	7,303	93,977
Other interest income.....	153	260	1,871
Fees and commissions	9,676	9,760	117,732
Other operating income	1,780	3,163	21,661
Other income.....	11,117	10,933	135,264
Total income	78,968	81,938	960,807
Expenses			
Interest expenses:			
Interest on deposits.....	2,692	3,680	32,765
Interest on borrowings and rediscounts.....	347	373	4,232
Other interest expenses	1,685	2,281	20,502
Fees and commissions	4,276	4,055	52,033
Other operating expenses	1,412	2,180	17,184
General and administrative expenses	37,392	37,137	454,953
Other expenses.....	11,755	17,663	143,023
Total expenses	59,562	67,372	724,695
Income before income taxes	19,406	14,565	236,112
Income taxes			
Current	4,510	2,673	54,881
Deferred.....	4,701	3,972	57,205
	9,212	6,646	112,087
Minority interests	571	476	6,958
Net income for year	¥ 9,621	¥ 7,443	\$117,066
Net income per share (yen and dollars)	¥284.01	¥219.44	\$ 3.46

* U.S. dollar figures have been translated at the rate ¥82.19 to U.S.\$1, the prevailing market rate as of March 31, 2012.

Consolidated Statements of Comprehensive Income	Millions of Yen		Thousands of U.S. Dollars*
	2012	2011	2012
Income before minority interests	¥10,193	¥7,919	\$124,024
Other comprehensive income:			
Net unrealized losses on securities.....	8,323	(1,774)	101,275
Unrealized gains on hedging derivatives.....	69	162	839
Reversal of revaluation reserve for land	701	—	8,532
Total other comprehensive income	9,094	(1,612)	110,647
Comprehensive income	¥19,287	¥6,306	\$234,672
Comprehensive income attributable to:			
Shareholders of the Company.....	¥18,693	¥5,843	\$227,443
Minority interests	594	463	7,229

* U.S. dollar figures have been translated at the rate ¥82.19 to U.S.\$1, the prevailing market rate as of March 31, 2012

Consolidated Statements of Changes in Net Assets

The Musashino Bank, Ltd. and Consolidated Subsidiaries For the Years Ended March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars*
	2012	2011	2012
Shareholders' equity			
Common stock			
Balance at end of previous year.....	¥ 45,743	¥ 45,743	\$ 556,563
Changes during the accounting period	—	—	—
Balance at end of year.....	¥ 45,743	¥ 45,743	\$ 556,563
Capital surplus			
Balance at end of previous year.....	¥ 38,351	¥ 39,438	\$ 466,616
Changes during the accounting period:			
Disposition of treasury stock.....	—	(412)	—
Cancellation of shares	—	(674)	—
Total changes during the accounting period	—	(1,087)	—
Balance at end of year.....	¥ 38,351	¥ 38,351	\$ 466,616
Retained earnings			
Balance at end of previous year.....	¥ 66,407	¥ 61,296	\$ 807,976
Changes during the accounting period:			
Cash dividends	(2,032)	(2,034)	(24,731)
Net income.....	9,621	7,443	117,066
Cancellation of shares	—	(301)	—
Reversal of revaluation reserve for land	—	3	—
Total changes during the accounting period	7,588	5,110	92,334
Balance at end of year.....	¥ 73,996	¥ 66,407	\$ 900,311
Treasury stock			
Balance at end of previous year.....	¥ (900)	¥ (2,050)	\$ (10,953)
Changes during the accounting period:			
Purchase of treasury stock.....	(4)	(841)	(59)
Disposition of treasury stock.....	—	1,016	—
Cancellation of shares	—	975	—
Total changes during the accounting period	(4)	1,150	(59)
Balance at end of year.....	¥ (905)	¥ (900)	\$ (11,012)
Total shareholders' equity			
Balance at end of previous year.....	¥149,602	¥144,428	\$1,820,203
Changes during the accounting period:			
Cash dividends	(2,032)	(2,034)	(24,731)
Net income.....	9,621	7,443	117,066
Purchase of treasury stock.....	(4)	(841)	(59)
Disposition of treasury stock.....	—	603	—
Cancellation of shares	—	—	—
Reversal of revaluation reserve for land	—	3	—
Total changes during the accounting period	7,584	5,173	92,275
Balance at end of year.....	¥157,186	¥149,602	\$1,912,478

* U.S. dollar figures have been translated at the rate ¥82.19 to U.S.\$1, the prevailing market rate as of March 31, 2012.

	Millions of Yen		Thousands of U.S. Dollars*
	2012	2011	2012
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities			
Balance at end of previous year.....	¥ 1,381	¥ 3,143	\$ 16,809
Changes during the accounting period:			
Net change in items other than shareholders' equity	8,301	(1,761)	101,004
Total changes during the accounting period	8,301	(1,761)	101,004
Balance at end of year.....	¥ 9,683	¥ 1,381	\$ 117,814
Deferred loss under hedge accounting			
Balance at end of previous year.....	¥ (1,477)	¥ (1,639)	\$ (17,979)
Changes during the accounting period:			
Net change in items other than shareholders' equity	69	162	839
Total changes during the accounting period	69	162	839
Balance at end of year.....	¥ (1,408)	¥ (1,477)	\$ (17,139)
Land revaluation excess			
Balance at end of previous year.....	¥6,951	¥ 6,955	\$ 84,581
Changes during the accounting period:			
Net change in items other than shareholders' equity	701	(3)	8,532
Total changes during the accounting period	701	(3)	8,532
Balance at end of year.....	¥7,653	¥ 6,951	\$ 93,113
Accumulated other comprehensive income			
Balance at end of previous year.....	¥ 6,855	¥ 8,458	\$ 83,411
Changes during the accounting period:			
Net change in items other than shareholders' equity	9,071	(1,603)	110,376
Total changes during the accounting period	9,071	(1,603)	110,376
Balance at end of year.....	¥ 15,927	¥ 6,855	\$ 193,788
Share warrant			
Balance at end of previous year.....	¥ —	—	\$ —
Changes during the accounting period:			
Net change in items other than shareholders' equity	19	—	240
Total changes during the accounting period	19	—	240
Balance at end of year.....	¥ 19	—	\$ 240
Minority interests			
Balance at end of previous year.....	¥ 4,260	¥ 3,800	\$ 51,831
Changes during the accounting period:			
Net change in items other than shareholders' equity	590	459	7,184
Total changes during the accounting period	590	459	7,184
Balance at end of year.....	¥ 4,850	¥ 4,260	\$ 59,015
Total net assets			
Balance at end of previous year.....	¥160,718	¥156,687	\$1,955,446
Changes during the accounting period:			
Cash dividends	(2,032)	(2,034)	(24,731)
Net income.....	9,621	7,443	117,066
Purchase of treasury stock.....	(4)	(841)	(59)
Disposition of treasury stock.....	—	603	—
Reversal of revaluation reserve for land	—	3	—
Net change in items other than shareholders' equity	9,682	(1,143)	117,801
Total changes during the accounting period	17,266	4,030	210,076
Balance at end of year.....	¥177,984	¥160,718	\$2,165,522

* U.S. dollar figures have been translated at the rate ¥82.19 to U.S.\$1, the prevailing market rate as of March 31, 2012.

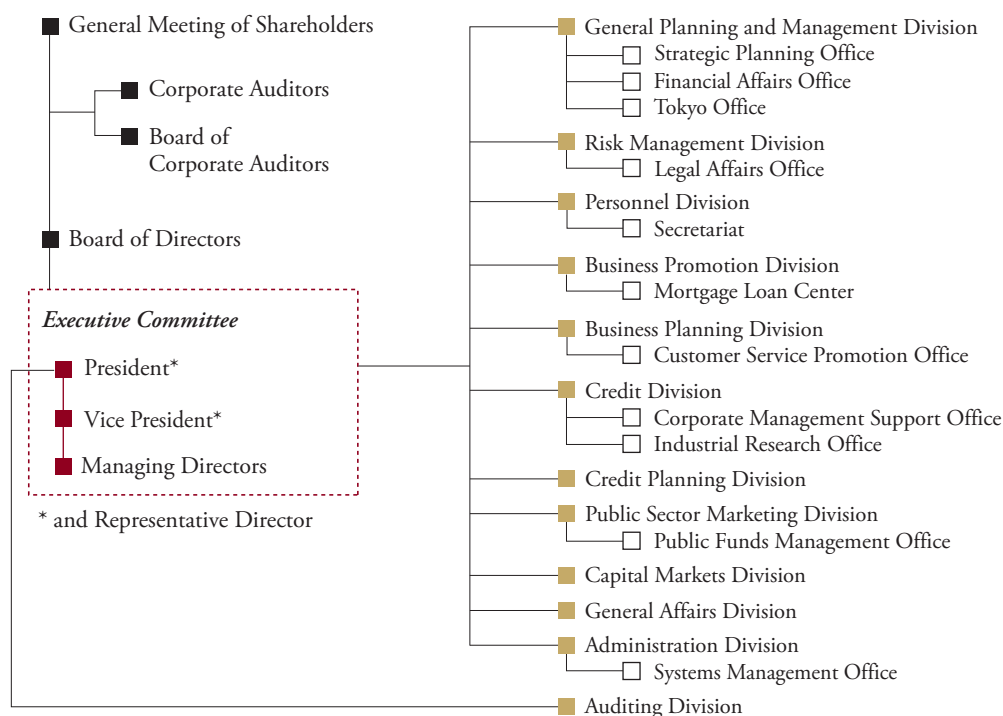
Consolidated Statements of Cash Flows

The Musashino Bank, Ltd. and Consolidated Subsidiaries For the Years Ended March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars*
	2012	2011	2012
Cash flows from operating activities			
Income before income taxes	¥ 19,406	¥ 14,565	\$ 236,112
Depreciation	2,376	2,488	28,908
Impairment losses.....	106	16	1,292
Amortization of negative goodwill.....	18	18	219
Decrease in reserve for possible loan losses.....	(3,733)	(780)	(45,428)
Increase (decrease) in reserve for employees' bonuses.....	(49)	3	(607)
Increase (decrease) in reserve for directors' bonuses	0	(6)	(8)
Decrease in reserve for employees' retirement benefits.....	(138)	(18)	(1,686)
Decrease in reserve for directors' retirement benefits	(281)	(43)	(3,430)
Increase (decrease) in reserve for loss on interest refunded	(18)	11	(224)
Decrease in reserve for reimbursement of dormant deposits.....	(93)	(53)	(1,139)
Increase (decrease) in reserve for point loyalty programs.....	12	(2)	153
Increase (decrease) in reserve for contingent losses.....	(117)	908	(1,430)
Interest income	(56,394)	(58,080)	(686,149)
Interest expenses.....	4,725	6,335	57,500
Gain on investment securities.....	4,614	2,976	56,148
Loss (gain) on money held in trust	(6)	8	(78)
Foreign exchanges loss (gain).....	(339)	405	(4,130)
Loss on disposition of fixed assets.....	31	48	387
Net decrease (increase) in trading account securities.....	298	(72)	3,626
Net increase in loans and bills discounted	(71,003)	(70,187)	(863,888)
Net increase in deposits.....	87,949	126,999	1,070,070
Net decrease in negotiable certificate of deposits	13,838	3,390	168,365
Net decrease in borrowed money (excluding subordinated loans).....	(2,806)	(1,491)	(34,147)
Net increase in due from banks (excluding due from the Bank of Japan) ...	615	444	7,483
Net increase in call loans and others.....	18,979	93,945	230,927
Net increase in call money.....	2,652	—	32,277
Net increase (decrease) in foreign exchange, assets.....	114	(302)	1,395
Net increase (decrease) in foreign exchange, liabilities	53	(90)	648
Interest received	57,478	59,003	699,339
Interest paid	(5,558)	(7,300)	(67,633)
Other, net	(4,335)	3,875	(52,754)
Subtotal.....	68,391	177,013	832,120
Income taxes paid.....	(1,566)	(7,464)	(19,054)
Net cash provided by operating activities	66,825	169,548	813,065
Cash flows from investing activities			
Purchases of securities	(258,923)	(395,803)	(3,150,309)
Proceeds from sales of securities.....	119,914	239,547	1,458,987
Proceeds from maturities of securities.....	54,520	76,232	663,345
Increase in money held in trust.....	(10)	—	(127)
Purchases of tangible fixed assets	(2,495)	(1,136)	(30,363)
Proceeds from tangible fixed assets	0	19	1
Purchases of intangible fixed assets	(941)	(1,703)	(11,453)
Payments for execution of asset retirement obligations	(9)	(6)	(118)
Net cash used in investing activities	(87,946)	(82,850)	(1,070,036)
Cash flows from financing activities			
Borrowing of subordinated loans.....	14,000	—	170,337
Repayment of subordinated loans.....	(9,000)	—	(109,502)
Issuance of subordinated bonds.....	10,000	—	121,669
Redemption of subordinated bonds.....	(18,000)	—	(219,004)
Cash dividends paid	(2,032)	(2,034)	(24,731)
Cash dividends paid to minority shareholders	(3)	(3)	(45)
Purchase of treasury stock.....	(4)	(841)	(59)
Proceeds from sales of treasury stock	—	603	—
Net cash used in financing activities.....	(5,041)	(2,276)	(61,337)
Net (decrease) increase in cash and cash equivalents	(26,161)	84,421	(318,308)
Cash and cash equivalents at beginning of year	130,923	46,502	1,592,939
Cash and cash equivalents at end of year	¥104,762	¥130,923	\$1,274,631

* U.S. dollar figures have been translated at the rate ¥82.19 to U.S.\$1, the prevailing market rate as of March 31, 2012.

Organization Chart (as of July 1, 2012)



Board of Directors, Corporate Auditors and Executive Officers (as of July 1, 2012)

President	Managing Directors	Corporate Auditors	Managing Executive Officer	
Kikuo Kato	Masaaki Okano	Nobuhiro Fukazawa (standing)	Soe Iijima	Hiromasa Miyazaki
	Makoto Ishikawa	Hidemi Shimizu (standing)		Yuichi Tanaka
Vice President	Motonobu Nakamura	Shozo Nishijima	Executive Officers	Yoshiro Kenmochi
Masami Kurihara	Kenichiro Inaba	Emi Yano	Teiji Komoriya	Kazumasa Nagahori
	Koichi Akagi	Atsumu Kuroishi	Takeshi Sekiya	Hiroshi Akimoto
			Minoru Watanabe	Masahiro Saito
			Kazuya Koyama	Takafumi Hoshina

Investor Information (as of March 31, 2012)

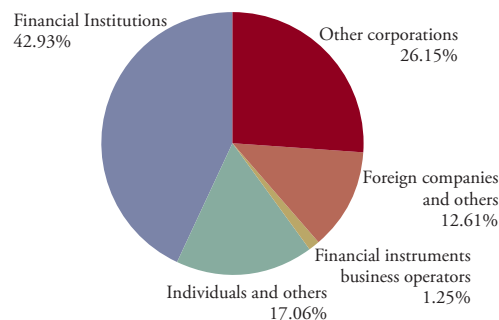
Common Stock

Authorized:	80,000 thousand shares
Issued:	34,155 thousand shares
Number of shareholders:	13,880

Major Shareholders

Name	Number of shares	Shares held as a percentage of total outstanding shares (%)
Japan Trustee Services Bank, Ltd. (trust account)	2,485,700	7.27
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,218,987	3.56
Japan Trustee Services Bank, Ltd. (trust account 4)	1,213,900	3.55
The Master Trust Bank of Japan, Ltd. (trust account)	851,500	2.49
Musashino Bank Industries Employees' Stockholding Association	806,275	2.36
Meiji Yasuda Life Insurance Company	735,858	2.15
Sumitomo Life Insurance Company	702,900	2.05
Nippon Life Insurance Company	540,222	1.58
The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account (Standing proxy: Mizuho Corporate Bank, Ltd. Custody & Proxy Dept.)	526,442	1.54
MAEDA GLASS CO., LTD.	507,300	1.48

Number of Shares Held by Type of Shareholders



Notes: 1. Some treasury stock is contained in "Individuals and others".
2. "Other corporations" includes a unit of 14 shares under the name of Japan Securities Depository Center, Inc.

*The above figures have been rounded to the second decimal place.



The Musashino Bank, Ltd.

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