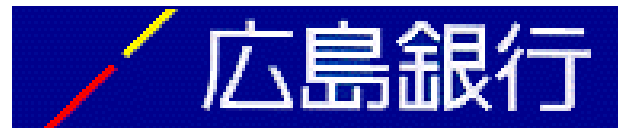


## Financial results for FY2013

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- IR presentation -

The Hiroshima Bank , Ltd.



June 10 , 2014

President Koji Ikeda



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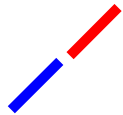
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## 1 . Summary of financial results

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## (1) Financial highlights of FY2013

- Core gross banking profit **increased by 3.2%(annualized) or JPY 1.2bn over the previous year to JPY 40.1bn** due mainly to increase in interest on securities and sales commission on investment trust and insurance.
- Net income **grew for five successive years by 34.1% (annualized) or JPY 5.8 bn year on year to JPY 22.5 bn** and the best profit was achieved due to the considerable reduction of credit expenses through active efforts of business revitalization and management improvement support.

[ Non-consolidated ]

(Hundred million yen)

	FY2013	Change from FY2012	Difference from plan
Net interest income	763	3	17
Net fees and commissions income	186	7	-3
<b>Core gross operating profit</b>	<b>949</b>	<b>10 ( 1.0% )</b>	<b>14</b>
(-) Expenses	548	-2	-6
<b>Core banking profit</b>	<b>401</b>	<b>12 ( 3.2% )</b>	<b>20</b>
Gains/Losses on securities	-7	-52	7
(-) Credit costs	20	-63	-29
<b>Ordinary Profit</b>	<b>381</b>	<b>84 ( 28.6% )</b>	<b>61</b>
<b>Net income</b>	<b>225</b>	<b>58 ( 34.1% )</b>	<b>24</b>

[ consolidated ]

<b>Ordinary Profit</b>	<b>394</b>	<b>72 ( 22.3% )</b>	<b>62</b>
<b>Net income</b>	<b>229</b>	<b>55 ( 31.5% )</b>	<b>25</b>

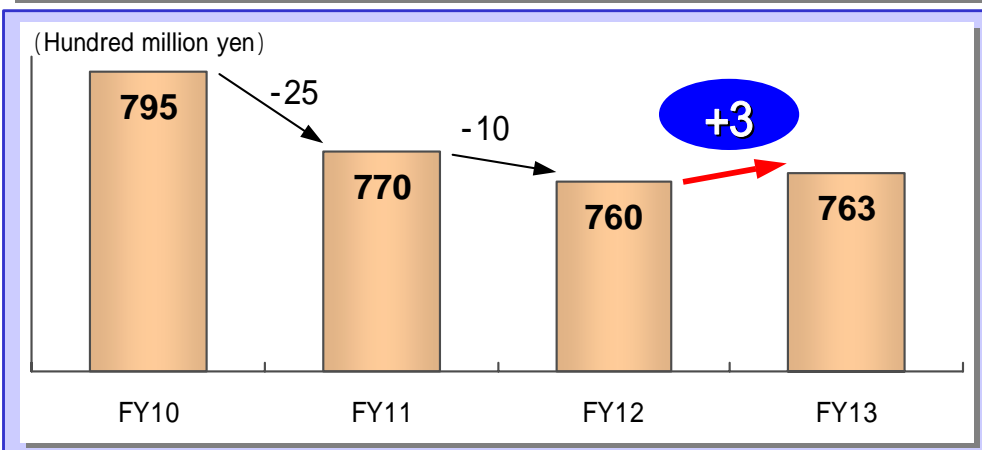
## (2) Net interest income

- Although interest on loans declined by JPY2.2bn due to stable and low market interest rates, other favorable movements including increase in interest on securities by JPY1.2bn and fall of deposits + NCD interest by JPY0.7bn partly offset the net interest income contraction to **JPY0.3bn yoy**.

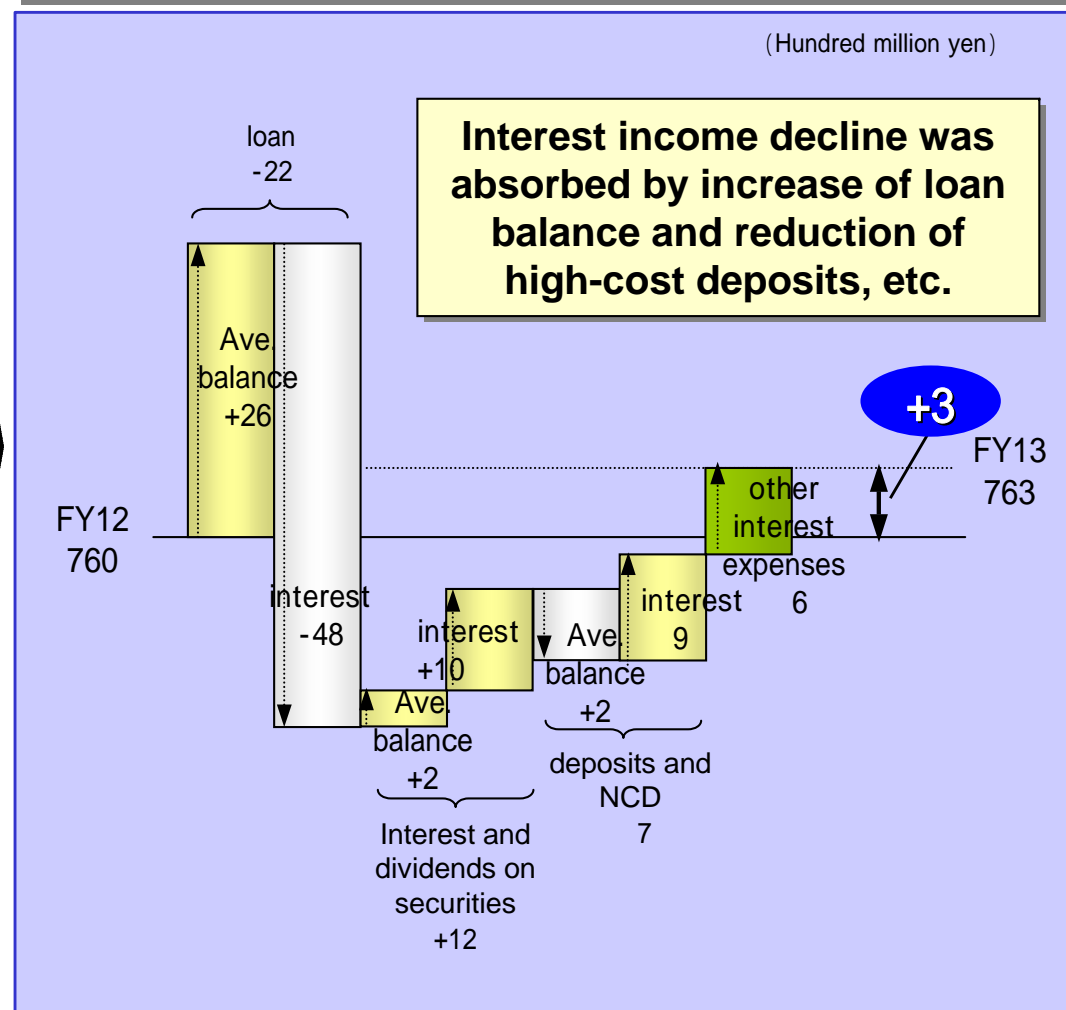
### Breakdown of net interest income

	FY2013 (Hundred million yen)	
		yoy change
Interest on loans	660	-22
Interest on securities	191	12
Profits from refund/cancellation of investment trust	0.8	2.3
Deposits + NCD interest (-)	43	-7
Other interest expenses (-)	45	-6
<b>Net interest income</b>	<b>763</b>	<b>3</b>

### Net interest income



### Movements of key factors (average balance and interest) of net interest income



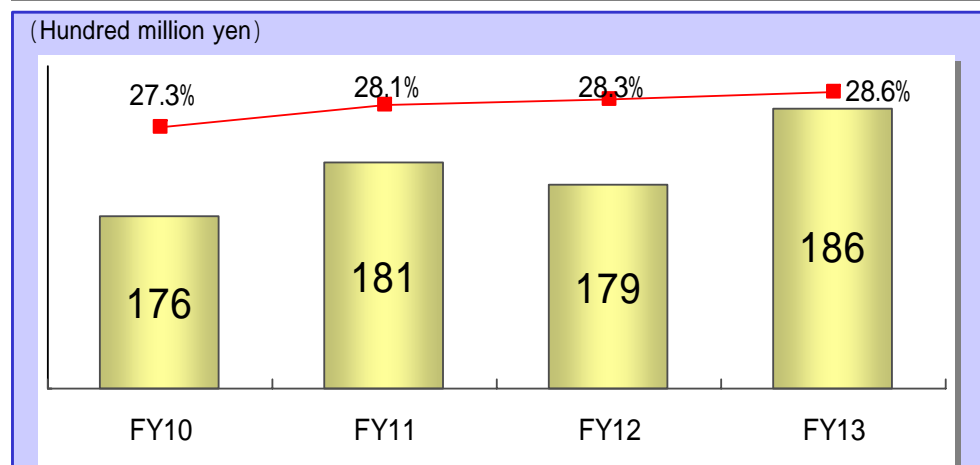
### (3) Net fees and commissions income

- Net fees and commissions income **increased by JPY 0.7bn over the previous year** due mainly to increase in sales commission on investment trust.
- The proportion of income from net fees and commissions was 28.6%; one of the highest levels among top regional banks was maintained.**

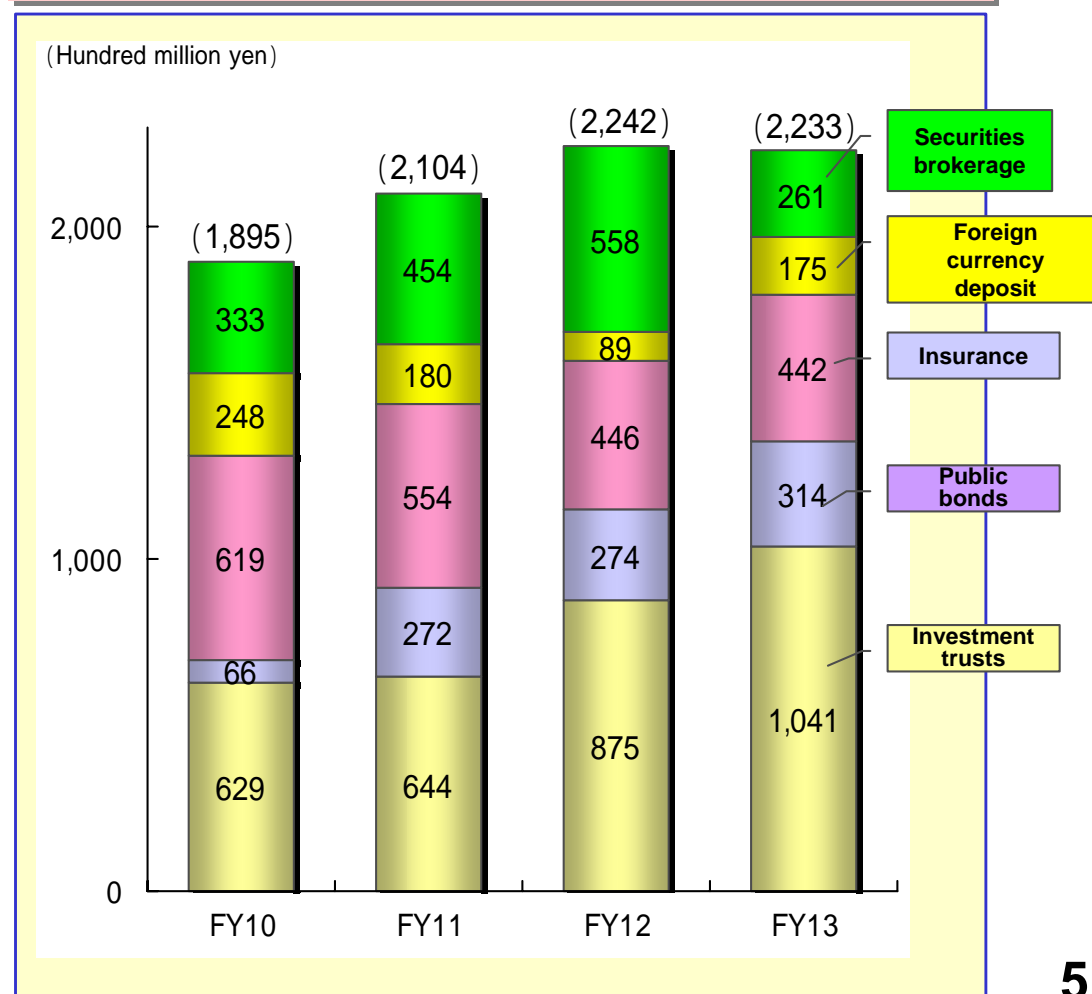
#### Breakdown of net fees and commissions income

	FY2013 (Hundred million yen)	
		yoy change
Investment banking	34	-1
Retail asset management	67	6
Other	85	2
<b>Net fees and commissions</b>	<b>186</b>	<b>7</b>

#### Movements of net fees and commissions income



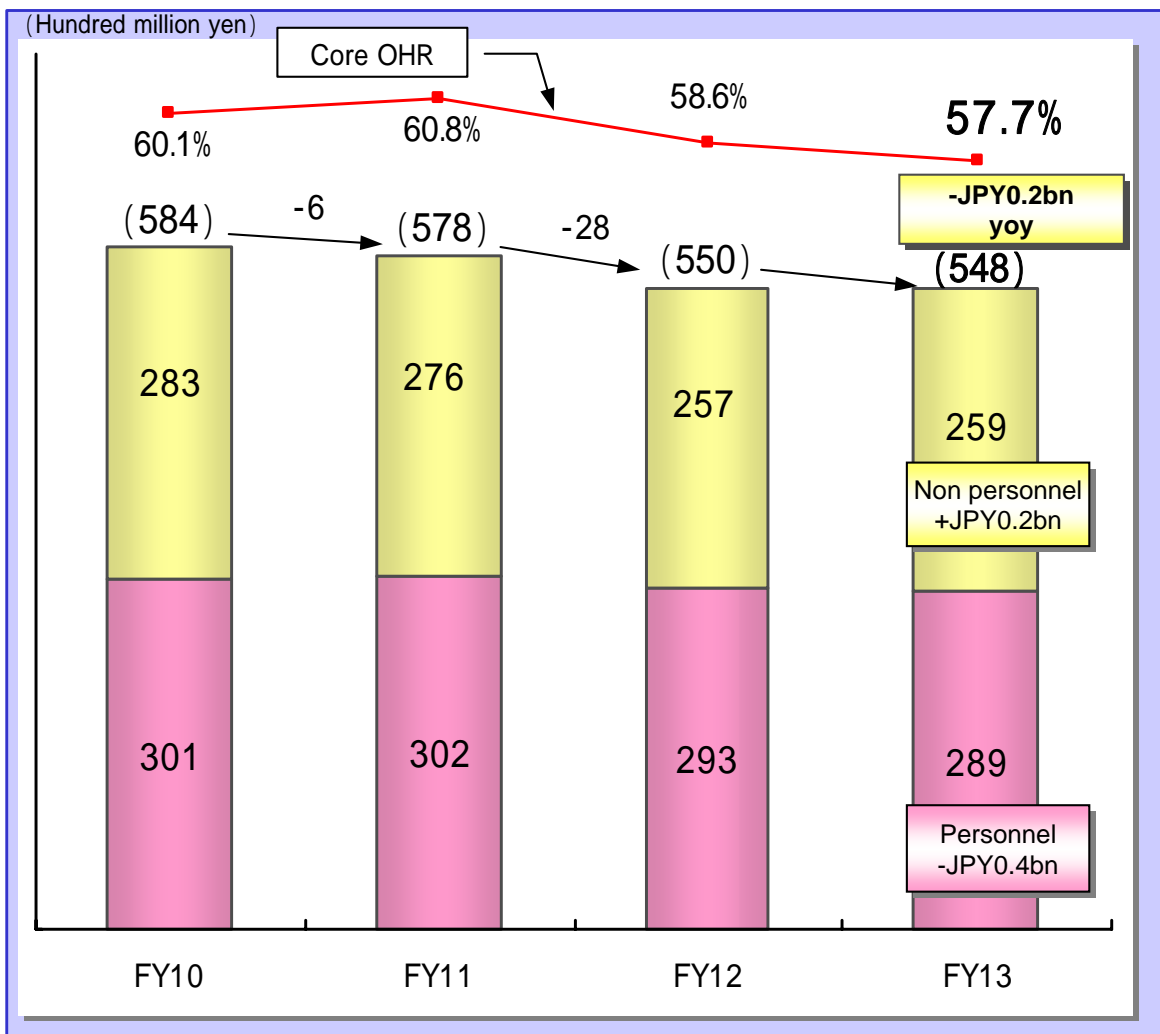
#### Movements of financial instruments sold



# (4) Expenses

The expenses declined by JPY0.2bn year on year and the core OHR dropped to the 57% level due to labor cost reduction.

## Expenses and Core OHR



## Breakdown of expenses

(Hundred million yen)

Personnel cost	
Factors	Change
Reduction in retirement benefit expenses	-5
Head count reduction	-2
Increase in bonuses	+3

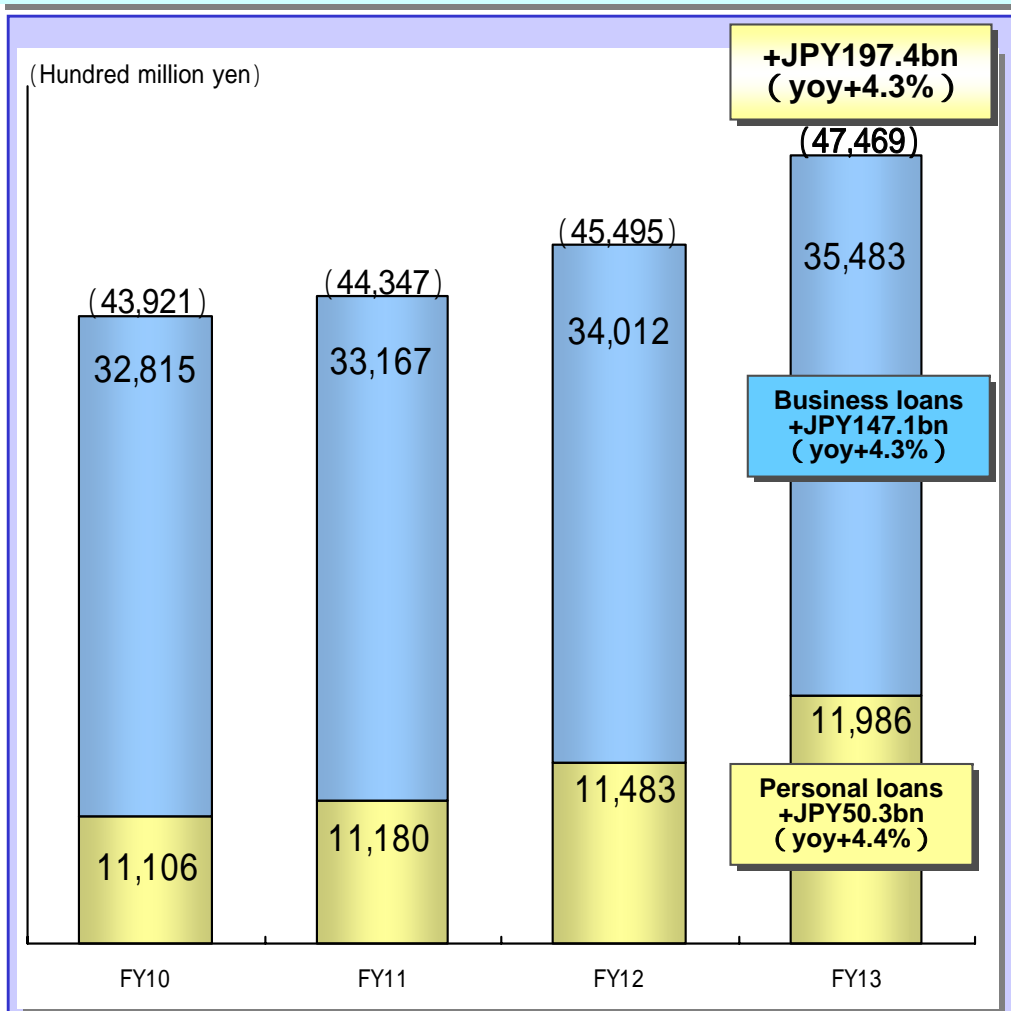
Non-personnel cost	
Factors	Change
PC renewal due to the end of support for Windows XP	+2
Increase of deposit insurance premiums	+1
Reduction in depreciation costs	-1

\*Core OHR = Expenses/Core gross profits

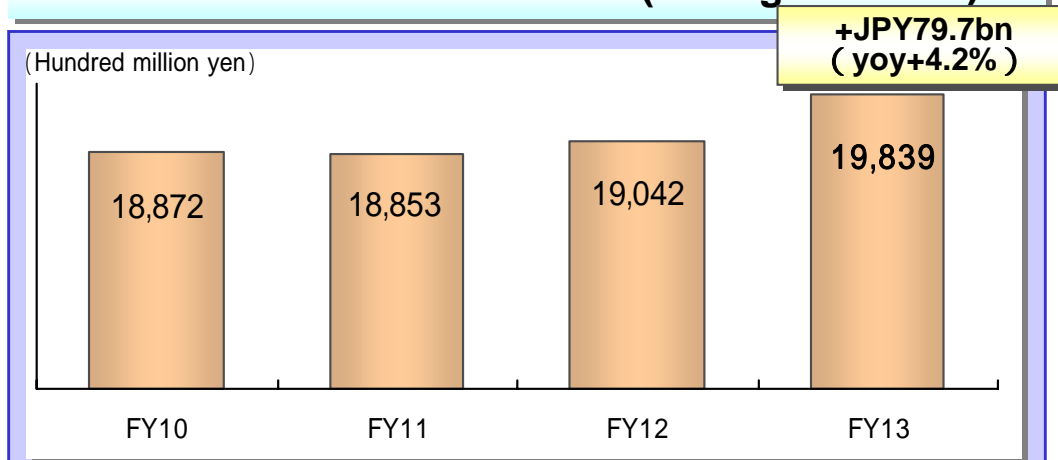
## (5) Loans (Corporate loans)

- Loan balance (average balance) grew **significantly for both Personal and Corporate customers with an increase of JPY 197.4 bn (+4.3%) from the previous year.**
- Loans to SMEs (average balance) **increased by JPY 79.7 bn (+4.2%) year-on-year** due to active efforts by the area promotion system.
- The number of business loan borrowers **steadily increased, mainly among retailers,** due to intensive sales.

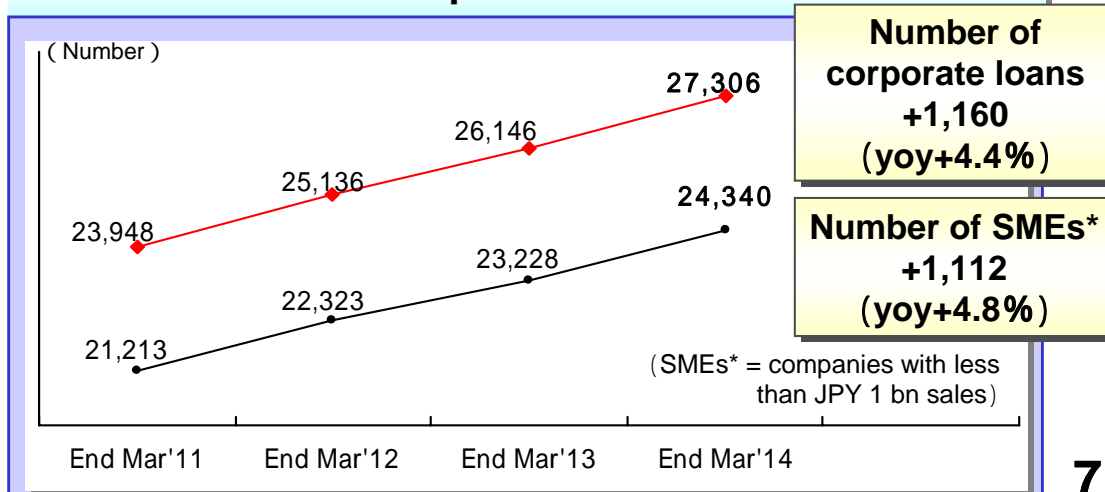
### Average balance of total loans



### Movements of loans to SMEs (average balance)



### Number of corporate loan customers

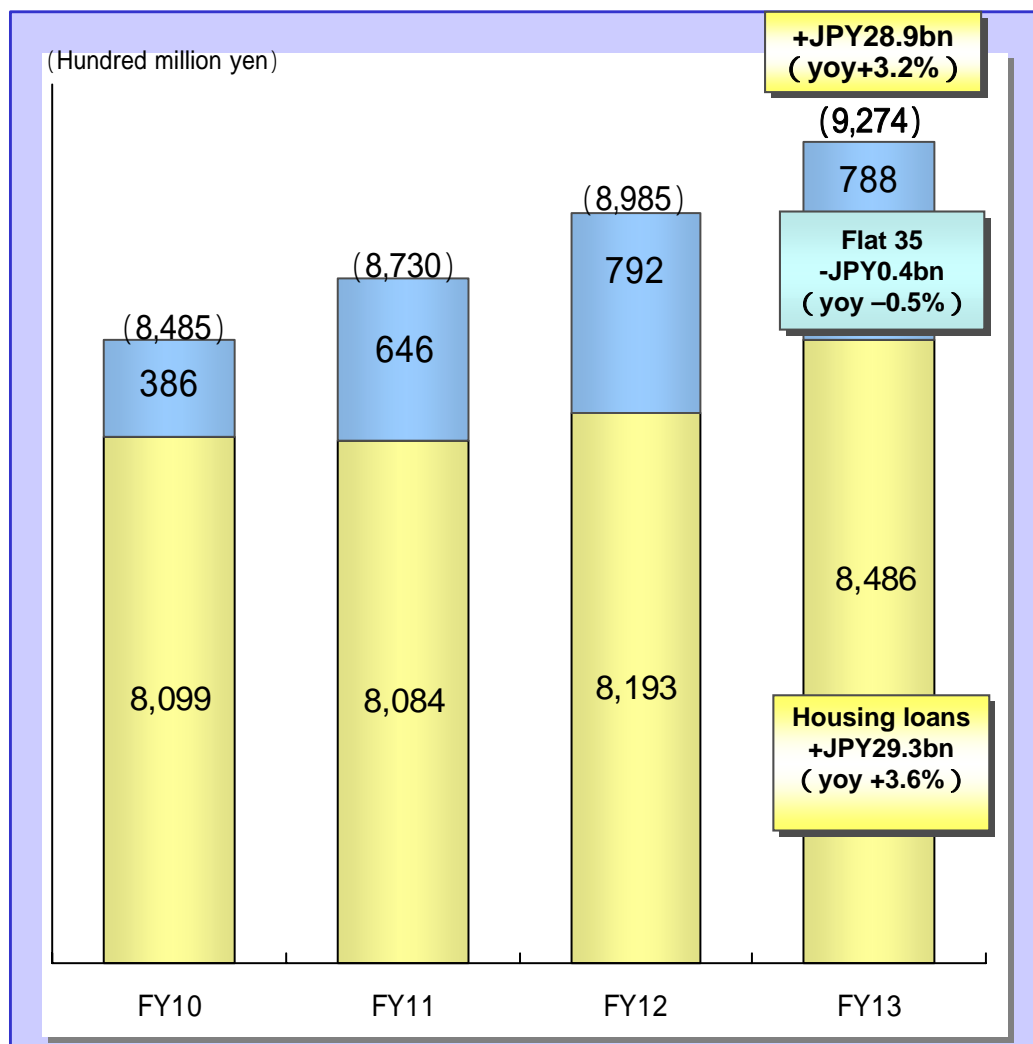




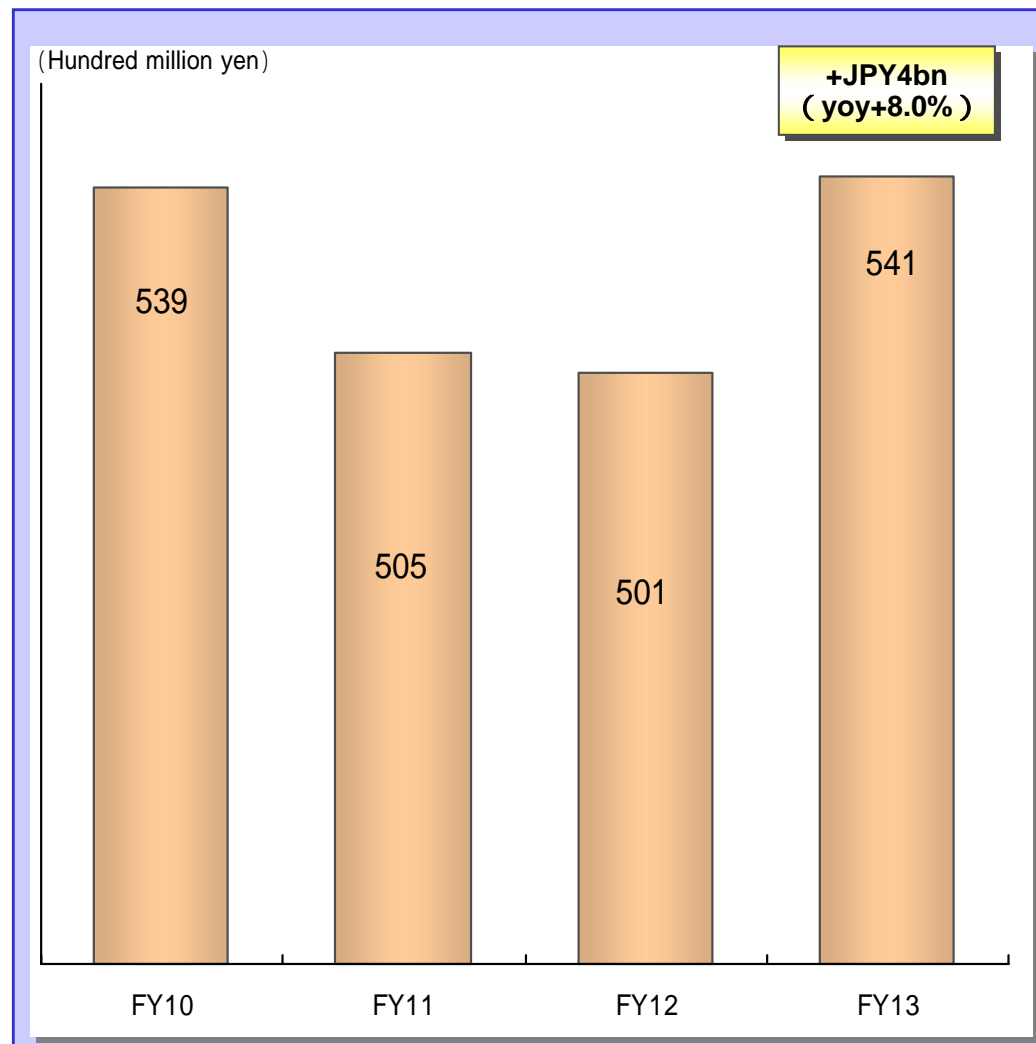
## (6) Loans (Personal loans)

- Housing loan balance (average balance) **increased smoothly** due to sales system enhancement of the Housing Loan Center.
- Consumer loan balance (average balance) **increased drastically** as a result of strengthening cross-selling.

Movements of housing loan balance (including Flat 35, average)



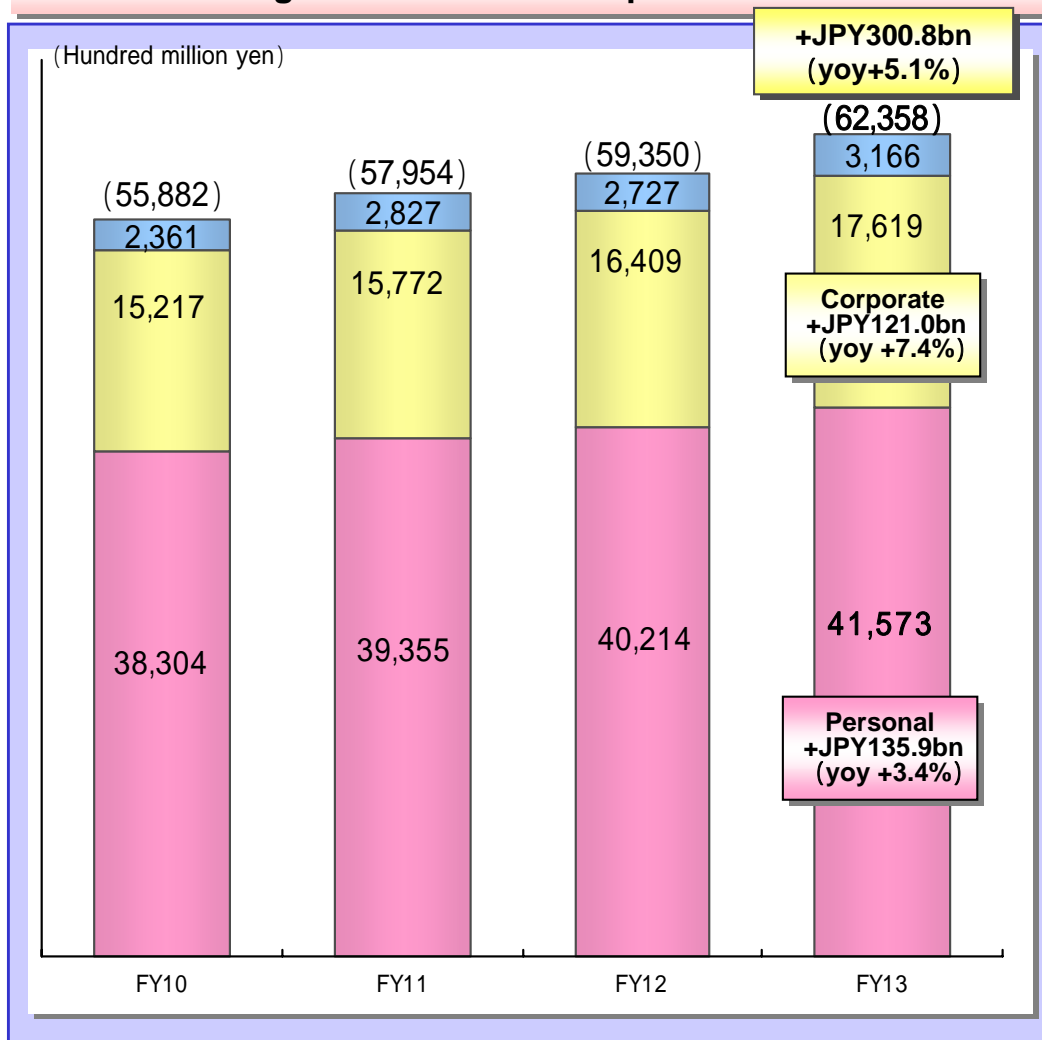
Movements of consumer (unsecured) loan balance (average)



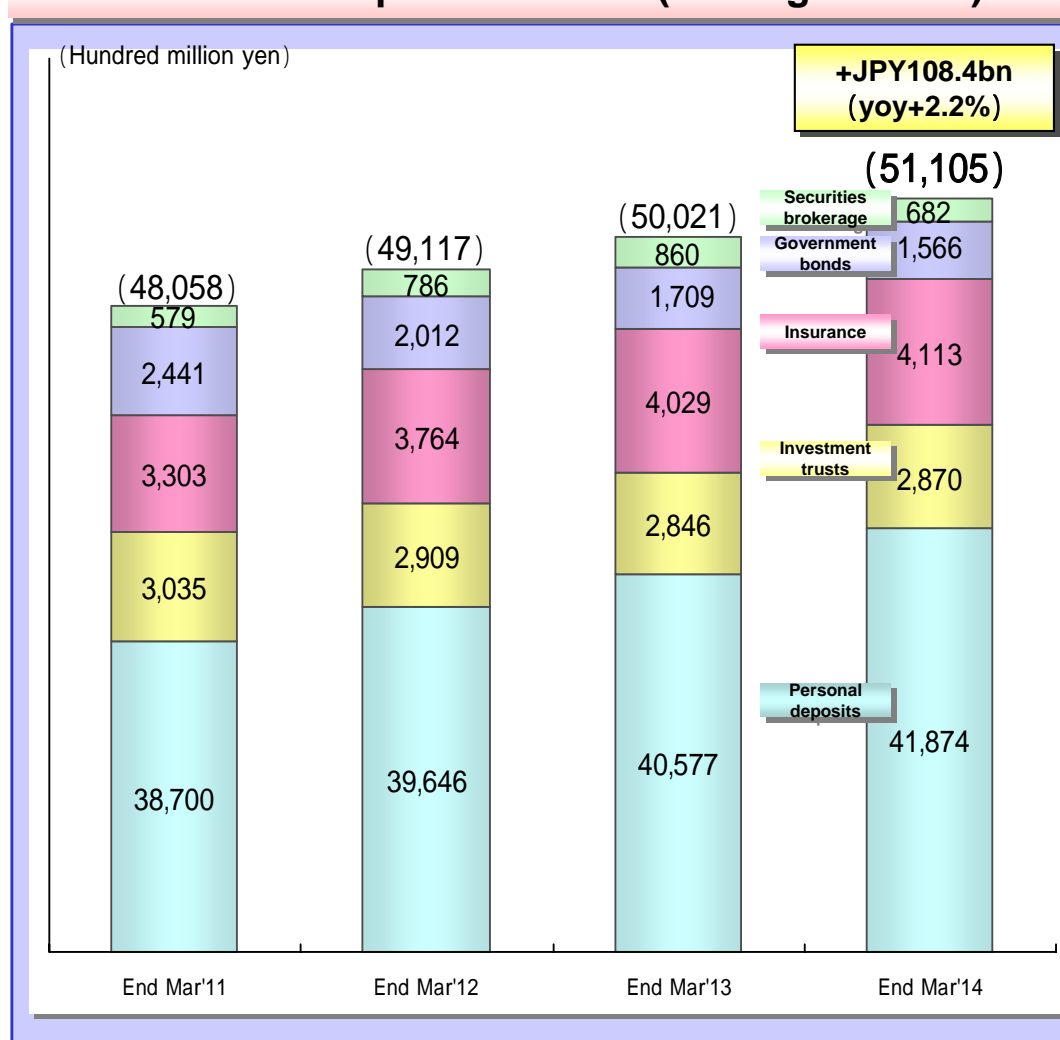
# (7) Deposits (Deposits + NCD)

- Enhancement of the sales strength over the counter through the area promotion system and introduction of new office terminals contributed to a significant increase in both personal and corporate deposits, and the total deposit balance for the reporting period **increased by JPY 300.8 bn yoy of 5.1% (annualized)**.
- **Personal AUM also grew steadily by JPY108.4 bn or 2.2% (annualized) from the previous year.**

### Average balance of total deposits and NCD



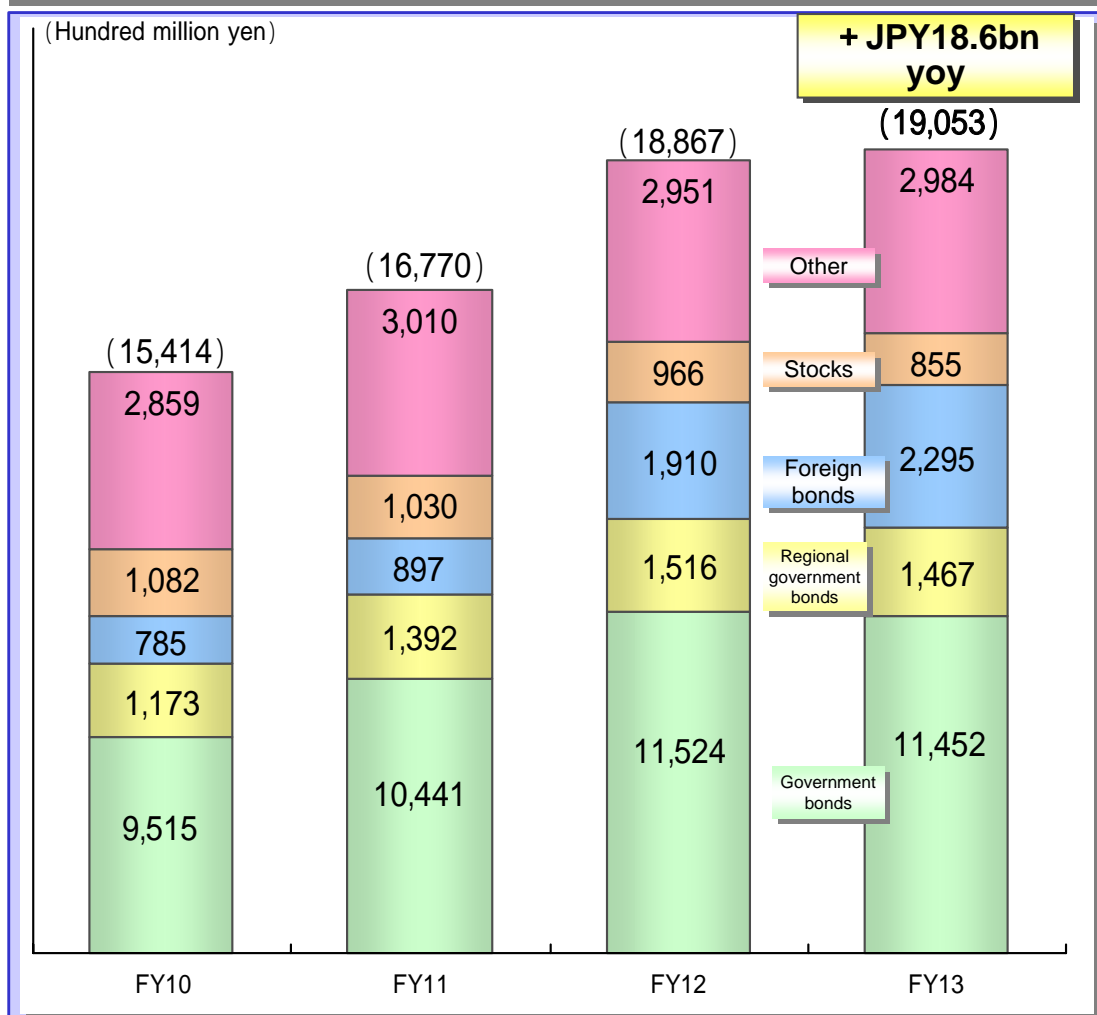
### Movements of personal AUM (closing balance)



## (8) Securities

- Unrealized profit of securities **secured the level nearly unchanged from the previous year.**
- Duration of **claims in yen shortened by 0.40 year** and that of claims in foreign currencies shortened by **0.50 year yoy** with consideration for interest rate risk.
- As for foreign bonds, **mid-term U.S. Treasury securities were mainly increased**, and Ginnie Mae, whose price fluctuations are big, was sold.

### Movements of balance of securities (average)



\*Trading securities are excluded.

### Unrealized profit of securities

	End Mar '13	End Mar '14	(Hundred million yen) yoy change
Stocks	126	276	150
Bonds	201	92	-109
Other	76	30	-46
Total	403	398	-5

### Interest risk metrics

	End Mar '13	End Mar '14	(year) yoy change
Yen durations	3.90	3.50	-0.40
Foreign currency durations	4.06	3.56	-0.50

### Policy investment stocks (at historical cost)

	End Mar '13	End Mar '14	(Hundred million yen) yoy change
Policy investment stocks	826	786	-40

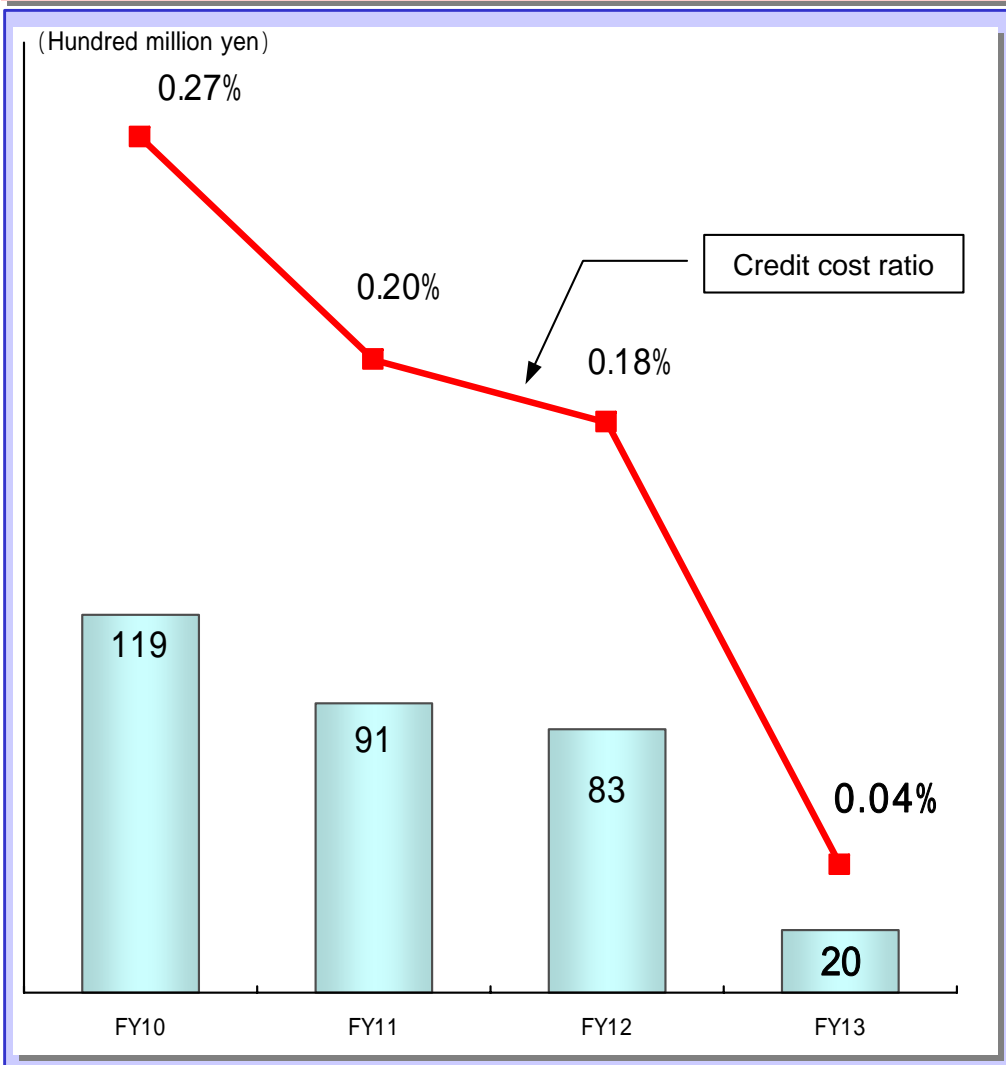
### Breakdown foreign securities

	End Mar '13	End Mar '14	(Hundred million yen) yoy change
United States Treasury security	755	2,216	1,461
Ginnie Mae	996	0	-996
Corporate bonds,etc	534	534	0
Total	2,285	2,750	465

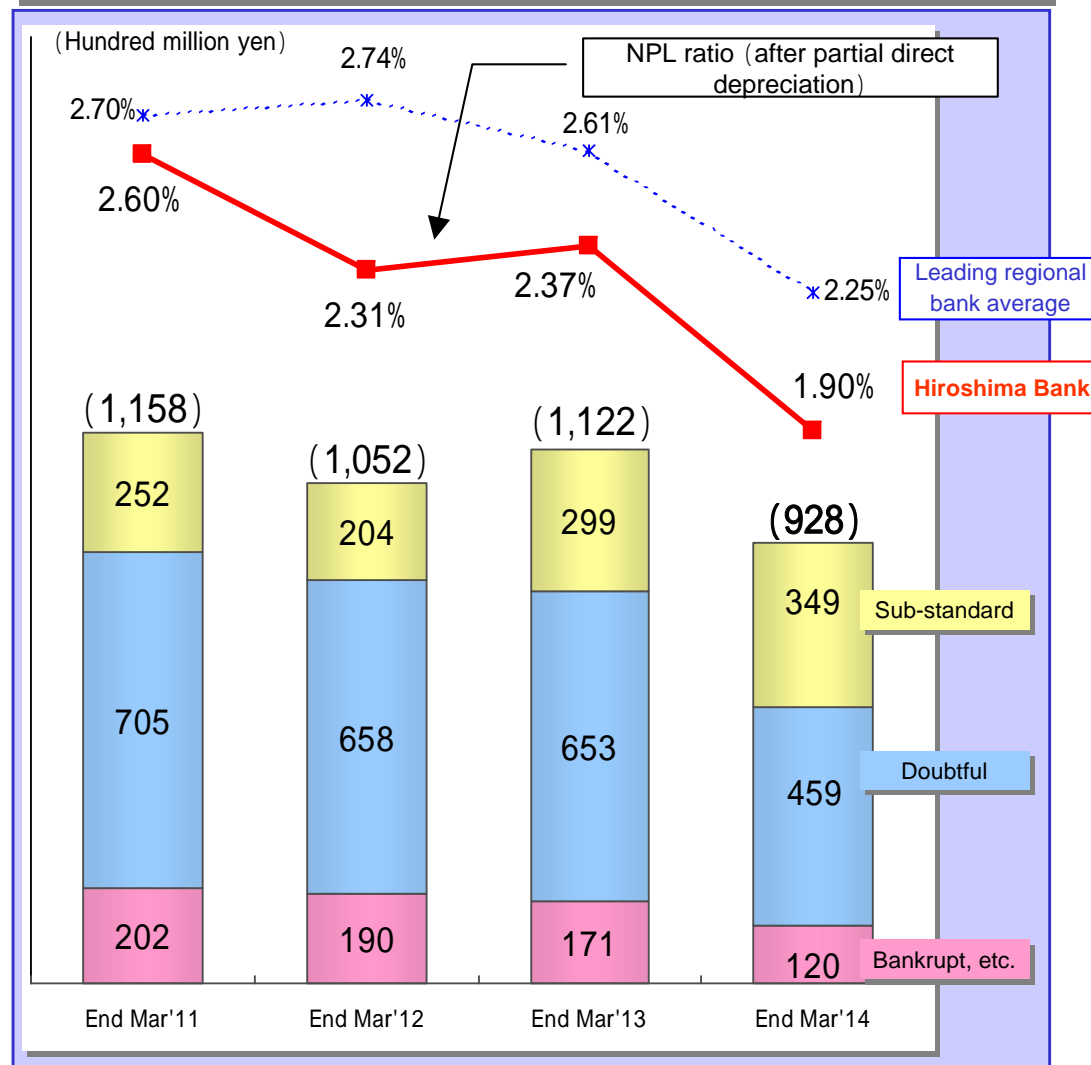
# (9) Credit costs and nonperforming loans

- Credit costs have **steadily declined** due to bank's support actively extended to customers for their business turnaround efforts.
- NPL ratio was **maintained at a healthy level lower than the average NPL ratio of leading regional banks.**

### Credit costs and credit cost ratio



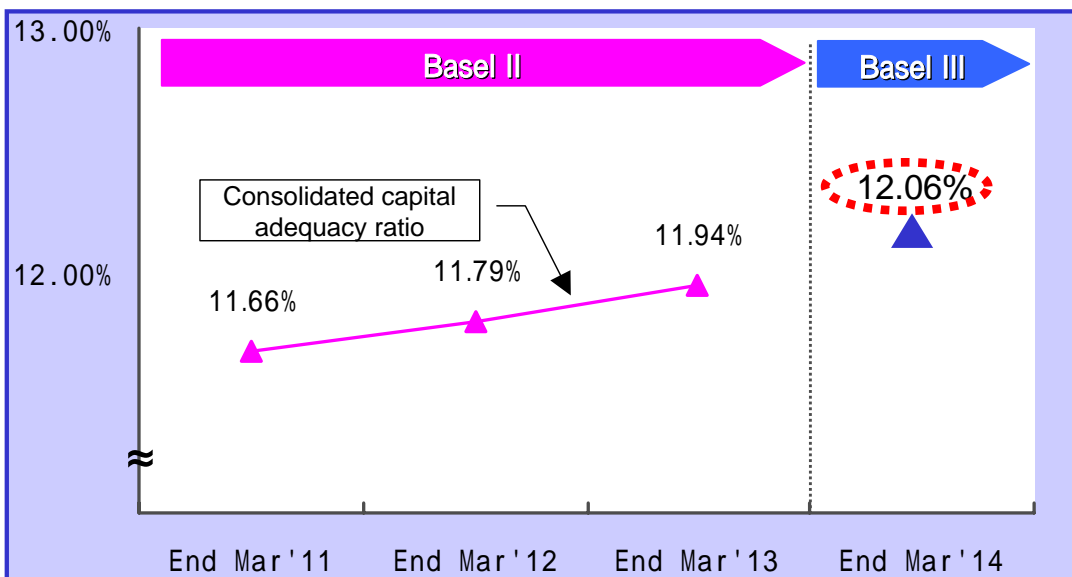
### NPLs (term-end balance) and NPL ratio



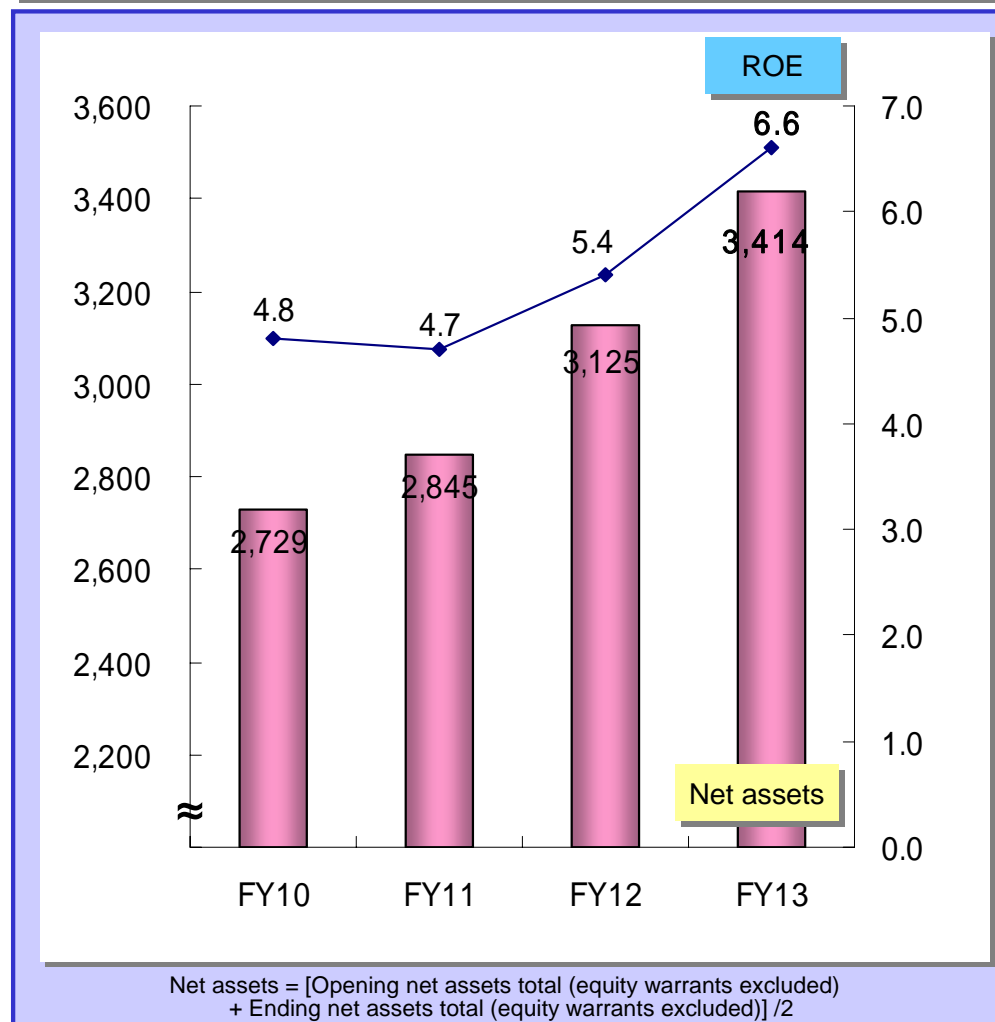
# (10) Capital adequacy and ROE

- Consolidated capital adequacy ratio (based on Basel ) was **12.06%**, securing an adequate level as a result of ensuring both buildup of internal reserves and improvement of capital quality.
- ROE became **6.6%**, increasing 1.2 points year on year while net assets increased.

## Consolidated capital adequacy ratio



## ROE



## Breakdown of consolidated capital adequacy ratio

(Hundred million yen)

Basel	End Mar'13
Base items (Tier 1)	3,142
Preferred equity securities	300
Supplementary items (Tier 2)	1,339
Subordinated loan/debt	920
Deductions (-)	102
Equity capital	4,379
Risk assets	36,655

(Hundred million yen)

Basel	End Mar'14
Amount of base items on core capital	3,847
Eligible old capital instruments	630
Reducing subordinate supply by JPY59bn	
Amount of adjustment items on core capital	49
Equity capital	3,797
Risk assets	31,476



**2. Overview of the mid-term plan 2012 ‘Challenge for Innovation’ and the sales strategy of FY2014**

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# (1) Overview of the mid-term plan 2012 'Challenge for Innovation' and FY2014 plan

Business targets of MTP		Progress on the FY2013		FY2014 plan	
	FY2014 forecast	FY2013		FY2014 plan	
Core banking profit	Above JPY 40 bn	<b>JPY 40.1 bn</b>	<b>Achieved</b>	JPY 39.0 bn	
Consolidated Net Income	Above JPY 20 bn	<b>JPY 22.9 bn</b>	<b>Achieved</b>	<b>JPY 23.8 bn</b>	
Consolidated Tier 1 ratio	9.0% or more	Consolidated core capital ratio <b>12.06%</b>	<b>Change in standards</b>	Consolidated core capital ratio <b>10% or more</b>	
Credit cost ratio	0.15% or less	<b>0.04%</b>	<b>Achieved</b>	0.06%	
Core OHR	58.5% or less	<b>57.7%</b>	<b>Achieved</b>	58.5%	
ROE	6.0% or more	<b>6.6%</b>	<b>Achieved</b>	6.5%	
Average balance of total deposits and NCD	JPY 6,143.4 bn	<b>JPY 6,235.8 bn</b>	<b>Achieved</b>	<b>JPY 6,453.5 bn</b>	
Average balance of total loans	JPY 4,764.3 bn	JPY 4,746.9 bn	progress rate 99.6%	<b>JPY 4,956.9 bn</b>	
Number of corporate loan customers	+3,000 customers (Total for 3 years)	+2,170 customers (Total for 2 years)	progress rate 72.3%	<b>+3,170 customers (Total for 3 years)</b>	
Loan market share in Hiroshima pref.	34.5% 38%	35.5%	-2.5%	<b>36.6%</b>	
Lending share to 3 neighboring prefectures	5% 6%	5.9%	-0.1%	<b>6.1%</b>	

Ending the final year of the mid-term plan with a high level

\* Consolidated core capital ratio refers to the consolidated capital adequacy ratio based on Basel III.

## (2) Key sales strategic pillars of FY2013 plan

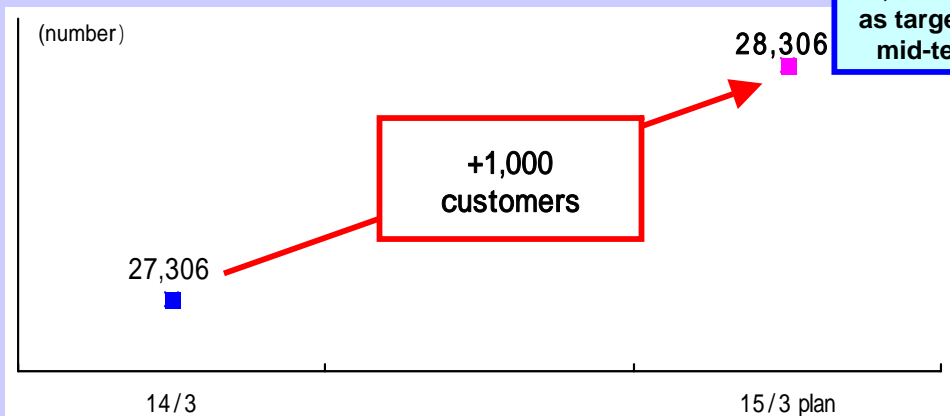
Strategy pillars	Priority measures	Major approaches
<b>Grow the steady stream of earnings (stock business)</b>	Promoting corporate loans	<ul style="list-style-type: none"> <li>➤ <i>Actively incorporating new loan needs</i></li> <li>➤ <i>Reinforcing loans for SMEs, mainly among retailers</i></li> <li>➤ <i>Aggressively promoting loans through improving assessment of the actual conditions of enterprises</i></li> </ul>
	Promoting personal loans	<ul style="list-style-type: none"> <li>➤ <i>Building up consumer loans as a pillar of the revenue base for the future</i></li> <li>➤ <i>Incorporating loan needs related to housing, without fail</i></li> </ul>
	Promoting AUM	<ul style="list-style-type: none"> <li>➤ <i>Reinforcing individual deposits</i></li> <li>➤ <i>Promoting investment trust by utilizing NISA accounts</i></li> </ul>
<b>Enhance the consultation-based sales</b>	Approach to growth areas	<ul style="list-style-type: none"> <li>➤ <i>Active efforts on medical/nursing care and environment/energy fields, etc. leading way for other banks</i></li> </ul>
	Promotion of the business targeting the wealthy and senior citizens	<ul style="list-style-type: none"> <li>➤ <i>Active approach to the needs for inheritance-related business, etc.</i></li> </ul>
	support for clients' overseas expansion	<ul style="list-style-type: none"> <li>➤ <i>Enhancing the efforts on support for clients' overseas expansion and foreign exchange-related business</i></li> </ul>
<b>Contribution to local economy through better alliance with government sector</b>	<b>Approach to large-scale development projects and local revitalization support in Hiroshima</b>	<ul style="list-style-type: none"> <li>➤ <i>Approach to large-scale development projects in Hiroshima, including the Hiroshima Station vicinities improvement project and extensive sites utilization project</i></li> <li>➤ <i>Approach to local revitalization support measures by strengthening collaboration with the government</i></li> </ul>
<b>Channel restructuring</b>	<b>Promotion of Internet channels</b>	<ul style="list-style-type: none"> <li>➤ <i>Increasing the members of and promoting the use of individual/corporate Internet banking</i></li> </ul>
	<b>Aggressive branch strategies</b>	<ul style="list-style-type: none"> <li>➤ <i>Opening new branches in growing markets</i></li> <li>➤ <i>Actively rebuilding or relocating offices</i></li> </ul>



### (3) Growing the steady stream of earnings (stock business) – (Promoting corporate loans)

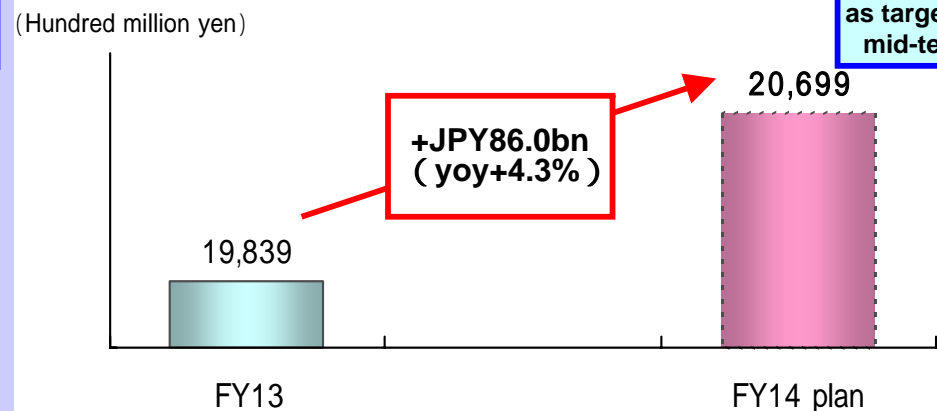
- Actively working on new loans as well as **reinforcing loans to retailers having relatively high yield.**
- Aggressively promoting loans through assessment of the actual conditions of enterprises **by utilizing the Enterprise Investigation Division established in the headquarters in April 2014.**

#### Number of corporate loan customers



Plan to exceed 28,000 customers as targeted in the mid-term plan

#### Loans to SMEs (average balance)



Plan to exceed JPY2,015.5 bn as targeted in the mid-term plan

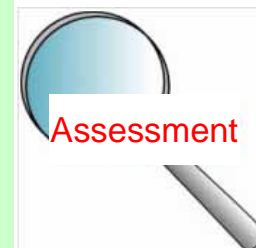
#### Comparison of main banks share by sales volume and yield on loans

	Main banks share by sales volume					Comparison of yield on loans	
	<JPY50M	JPY50M - JPY0.5bn	JPY0.5bn - JPY1bn	JPY1bn - JPY5bn	Over JPY 5bn	FY12	
Hiroshima Bank	36%	34%	36%	43%	46%	Hiroshima Bank	1.49%
Bank A	19%	19%	19%	17%	9%	Bank A	1.65%
Shinkin B	13%	13%	11%	6%	2%	Shinkin B	2.13%
Credit Union C	3%	3%	2%	0%	0%	Credit Union C	3.27%
Credit Union D	2%	2%	0%	0%	0%	Credit Union D	2.86%
Others	27%	29%	32%	34%	43%		
Total	100%	100%	100%	100%	100%		

Strengthening the sales to retailers

#### Establishment of the Enterprise Investigation Division (April 2014)

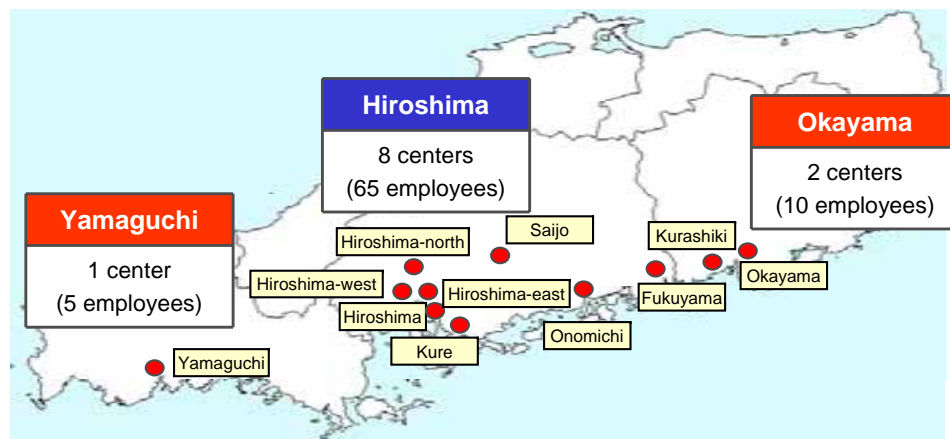
- Improving the capability to understand the actual conditions of client companies
- Human resource development for promoting loans for SMEs (further improvement of the "assessment functions")
- Enhancing the management system for loan portfolio by industry, etc.



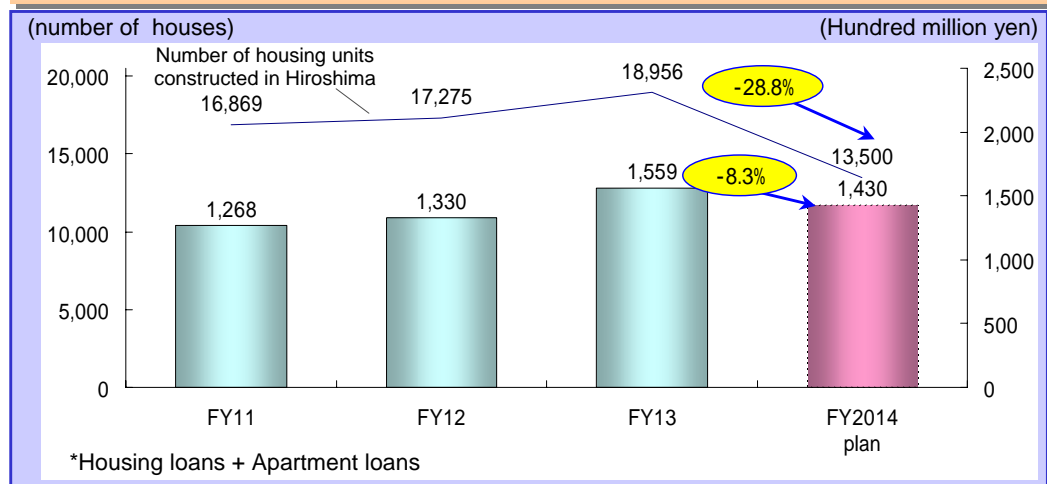
# (4) Growing the steady stream of earnings (stock business) – (Promoting personal loans)

- The “One-stop center for personal loans” was established in all the bank offices and Housing Loan Centers in April 2014, and the name of the “Housing Loan Center” was changed to the “Personal Loan Center,” to enhance the sales system of consumer loans as well as housing loans.
- Minimizing the decrease of the housing loan amount due to the backlash of consumer tax increase by introducing products differentiating from other banks and enhancing the approaches to secondhand housing loans, etc.

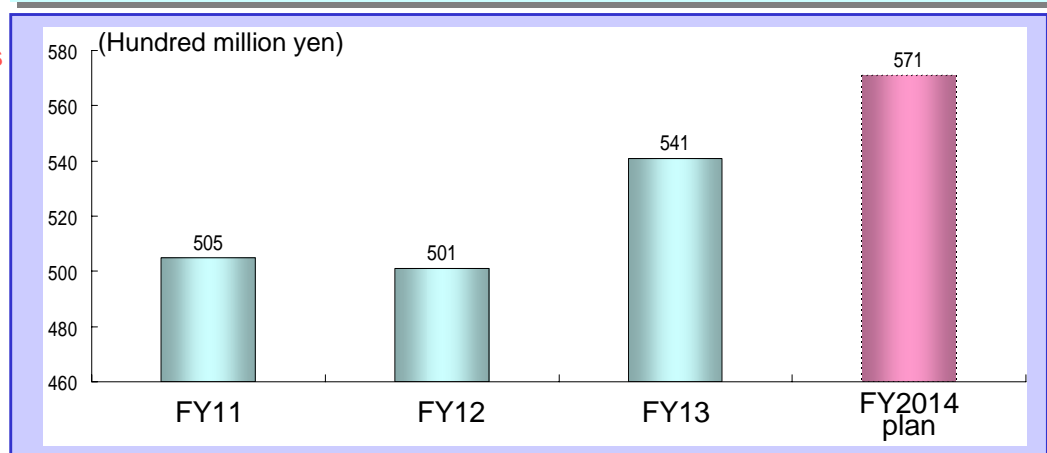
## Personal Loan Center network (11centers)



## Trend of amount of Housing-related loans\*



## Consumer (unsecured) loan (average)



### ➤ Hiroshima personal loan center

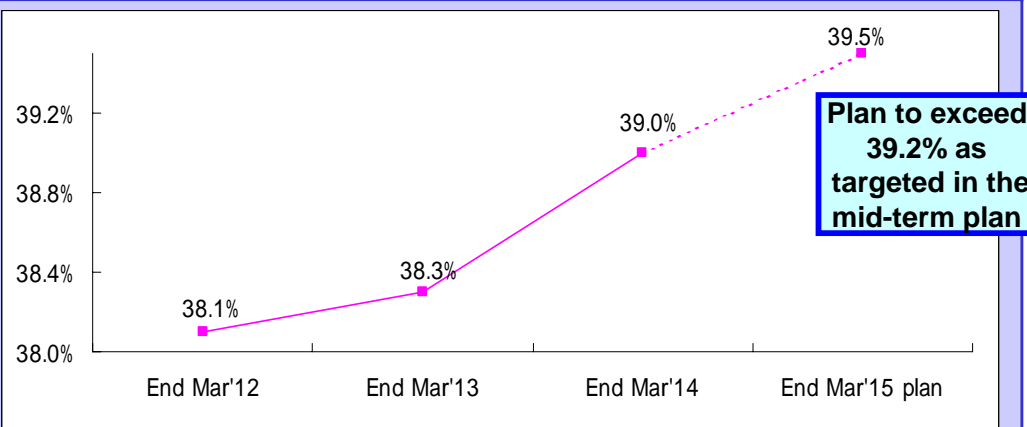


- Actively advertising on TV and installing banners to spread the image, “One-stop center for personal loans”=“Hiroshima Bank”
- Open on Sundays in all Personal Loan Centers

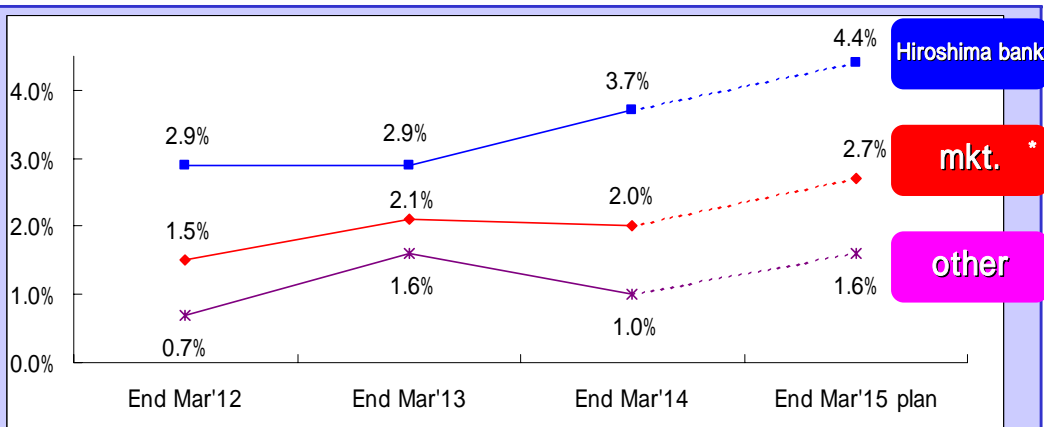
# (5) Growing the steady stream of earnings (stock business) – (Promoting AUM)

- Promoting personal deposits based on fixed deposits to expand the share in Hiroshima by various channels such as bank branches, Internet banking, and area public relations.
- Expanding the customer base by utilizing NISA accounts.

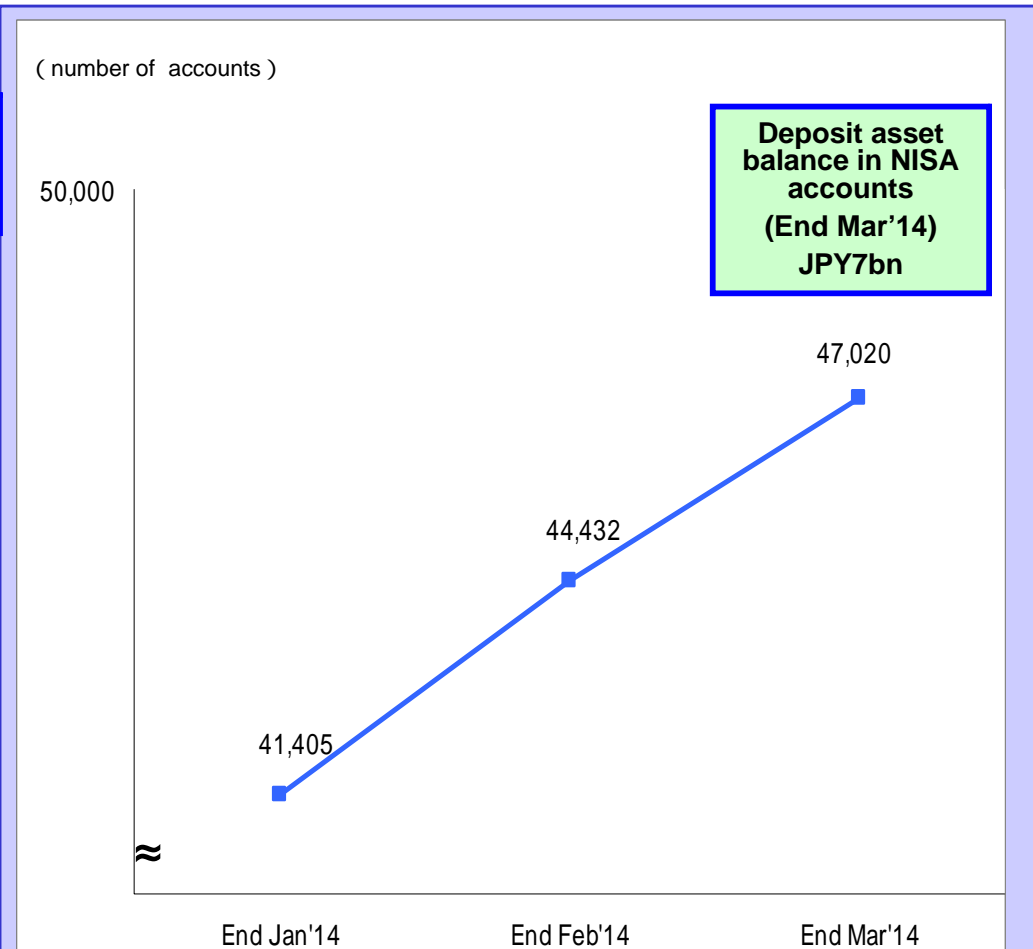
**Movements of share by personal deposits (closing balance) in Hiroshima pref.**



**Movements of annual ratio by personal deposits (closing balance) in Hiroshima pref.**



**Trend of numbers of NISA accounts (group total)**

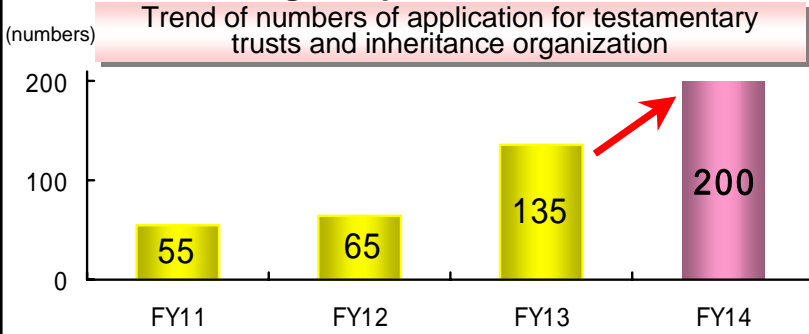



# (6) Enhancement of consulting sales (Approach to growth areas and business targeting the elderly segment)

Promoting the differentiation from other banks by improving approaches to growing industries and business for senior citizens.

Consulting sales	Major approaches																													
<p>Approach to growth areas</p>	<ul style="list-style-type: none"> <li>Environment and energy                             <ul style="list-style-type: none"> <li>Actively approaching solar power business including mega solar</li> </ul> </li> <li>Medical and nursing business                             <ul style="list-style-type: none"> <li>Involvement in Hiroshima medical industry cluster formation (Collaboration between medical institutions and manufacturing businesses) Participating as the only member from financial institutions for the “Hiroshima Medical Industry Cluster Promotion Conference” and currently supporting commercialization of 11 companies (12 businesses)</li> </ul> </li> </ul> <div style="text-align: right;"> <p>Financing to business firms: (Jul 12-Mar 14) (billion yen)</p> <table border="1"> <thead> <tr> <th>Cases</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">152</td> <td style="text-align: center;">13.9</td> </tr> </tbody> </table> <p>30 cases/11.4 billion yen at end Mar. 2014</p> <p>Financing for healthcare/nursing: (billion yen)</p> <table border="1"> <thead> <tr> <th></th> <th>1H of FY12</th> <th>2H of FY12</th> <th>1H of FY13</th> <th>2H of FY13</th> </tr> </thead> <tbody> <tr> <td>Hospital</td> <td style="text-align: center;">62.6</td> <td style="text-align: center;">59.6</td> <td style="text-align: center;">59.2</td> <td style="text-align: center;">59.3</td> </tr> <tr> <td>Clinic</td> <td style="text-align: center;">24.4</td> <td style="text-align: center;">23.8</td> <td style="text-align: center;">23.2</td> <td style="text-align: center;">23.2</td> </tr> <tr> <td>Nursing etc.</td> <td style="text-align: center;">46.7</td> <td style="text-align: center;">49.7</td> <td style="text-align: center;">52.9</td> <td style="text-align: center;">56.2</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">133.7</td> <td style="text-align: center;">133.1</td> <td style="text-align: center;">135.3</td> <td style="text-align: center;">138.7</td> </tr> </tbody> </table> <p>*Except for dental clinic</p> </div>	Cases	Amount	152	13.9		1H of FY12	2H of FY12	1H of FY13	2H of FY13	Hospital	62.6	59.6	59.2	59.3	Clinic	24.4	23.8	23.2	23.2	Nursing etc.	46.7	49.7	52.9	56.2	Total	133.7	133.1	135.3	138.7
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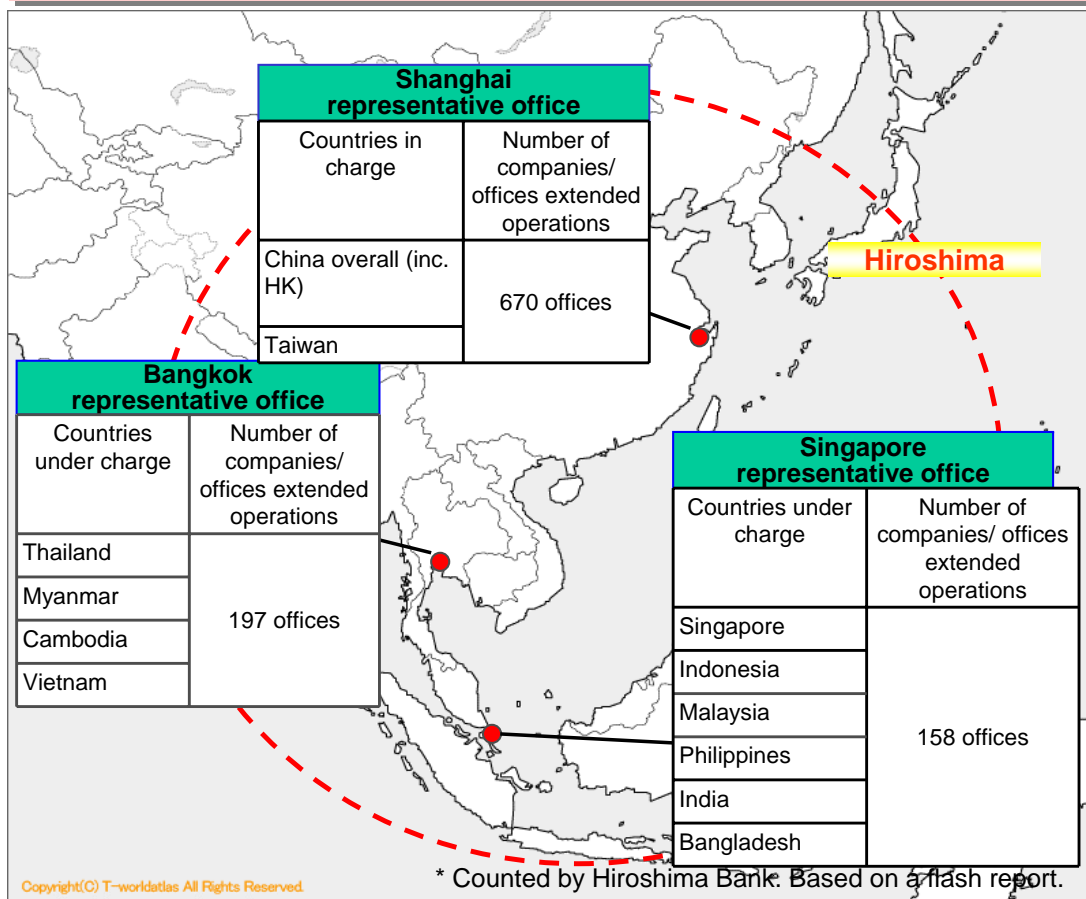


<p>Promotion of the business targeting the wealthy and senior citizens</p>	<ul style="list-style-type: none"> <li>Smooth expansion of inheritance-related business by promoting collaboration with external institutions and introducing new products</li> </ul> <div style="display: flex; align-items: flex-start;"> <div style="flex: 1;"> <p>(numbers) Trend of numbers of application for testamentary trusts and inheritance organization</p>  </div> <div style="flex: 1; border: 1px solid black; padding: 5px; margin-left: 10px;"> <p>[FY2013 Results of products for living donation needs]</p> <p>Deposit for educational funding (from June 2013) ..... <b>674 cases / 5 billion yen acquired</b></p> <p>Living donation plan (insurance) (from August 2013) ..... <b>258 cases / 103 million yen income</b></p> </div> </div> <ul style="list-style-type: none"> <li>Establishment of the “Money trust as testament: &lt;Hirogin&gt; Asset Trust,” the first local bank product</li> <li>Increasing long-lasting deposit asset balance and revenues by the product design to meet the needs of an elderly, wealthy class</li> </ul> <div style="text-align: right; margin-top: 20px;">  <p>&lt;Hirogin&gt; Asset Trust</p> </div>
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# (7) Enhancement of consulting sales (support for clients' overseas expansion)

- customers have expanded their business to Asia (1,025 locations) where stable growth is expected -> expanded business opportunities.
- Enhance support to these internationally expanding companies to help grow bank's business globally -> grasp a share of their growth as part of our profit.

## Hiroshima Bank customers' presence in Asia (as of the end of Mar 2014)



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**Our extensive network covers nearly everywhere in East and Southeast Asia**

Strengthening support system

**Singapore representative office newly opened (July,2013)**

**International Business Division newly organized (October,2013)**

**Develop personnel with deep knowledge in business in Asia**

**Trainee dispatch: Dispatch of clerks in FY2014**

Country · City	Bank/Number of clerks	Period
Thailand · Bangkok	Bangkok Bank 1	January,2014
Vietnam · Ho Chi Minh city	Mizuho Bank 1	January,2014
Indonesia · Jakarta	Bank Negara Indonesia 1	May,2014

\* Singapore MBA dispatch (September 2013)

**SBLC balance** (billion yen)

	End Mar'14		
	Cases	Amount	yoy change
Thailand	23	5.0	1.0
China	4	1.6	0
Other	6	1.6	-0.1
<b>Total</b>	<b>35</b>	<b>8.4</b>	<b>1.0</b>

**Cross-border loan balance** (billion yen)

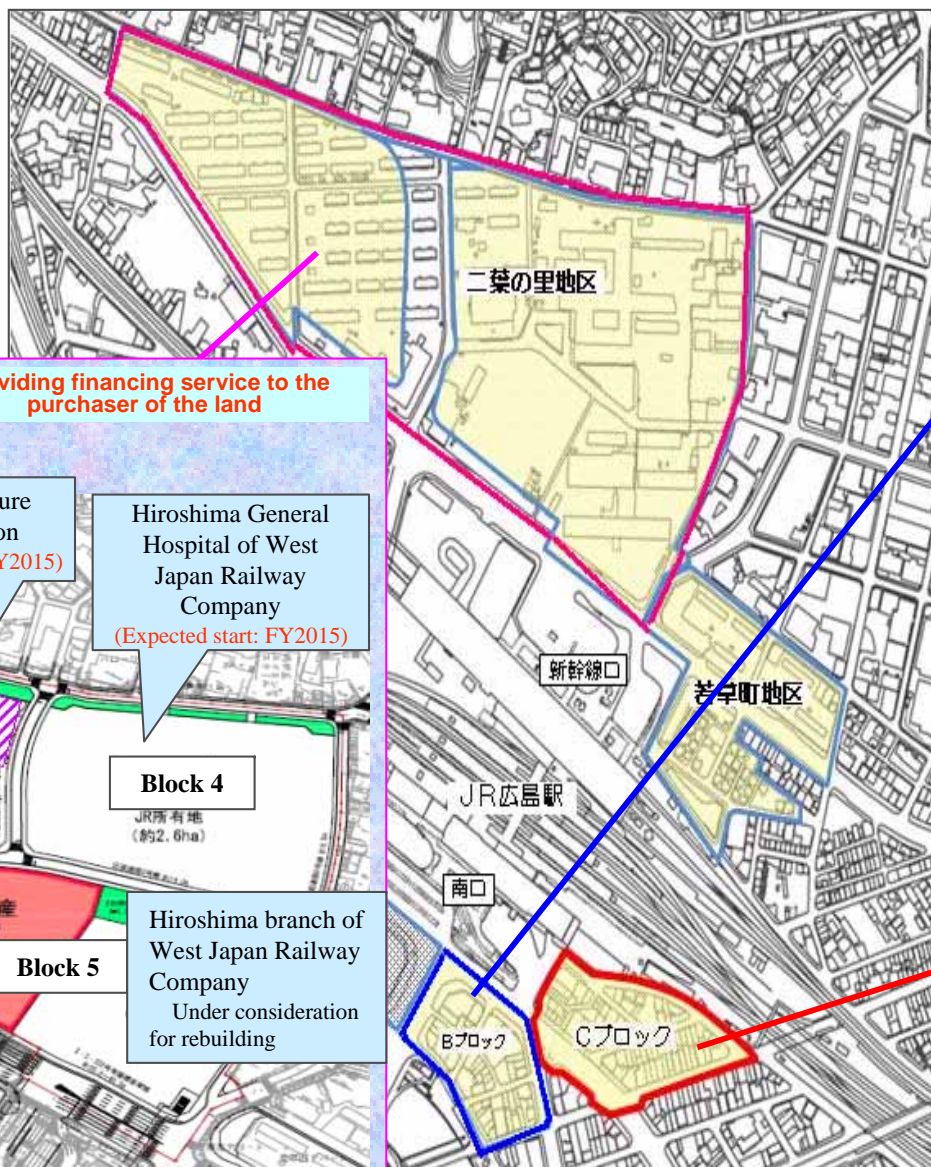

End Mar'14		
Cases	Amount	yoy change
<b>18</b>	<b>11.6</b>	<b>9.6</b>

Bringing in overseas lending

# (8) Contribution to the local economy through enhanced collaborations with the local government

Proactively provided our network and solutions at the very beginning of re-development projects.

## Re-development project around Hiroshima Station

**[Block B]**  
**Total project costs: JPY35.3bn**  
 52 stories above and 2 stories below the ground  
 Store [biccamera etc.]  
 Hotel [Hotel kawashima.]  
 Condo [number of houses :514]  
 (Scheduled to be delivered in June 2016)

Participating in the syndicated loan

**[Block C]**  
**Total project costs:JPY30.0bn**  
 (The houses wing)  
 46 stories above and one story below the ground  
 Condo [ number of houses :370]  
 Rental housing [ number of houses :110]  
 (Scheduled to be delivered in December 2016)

Designated as an arranger of the syndicated loan



**(The commercial wing)**  
 11 stories above and one story below the ground  
 EDION and Sport facility Etc.  
 (Scheduled to be completed in December 2016)

**【 Hutaba no Sato redevelopment project 】 Area: 14 ha**  
 Providing financing service to the purchaser of the land

**Block 1**  
 Hiroshima Prefecture (Hiroshima east police station) (Expected start:FY2018)

**Block 2**  
 Japan Icom Condominium (Expected delivery: Dec. 2015)

**Block 3**  
 Izumi (Completed)

**Block 4**  
 Hiroshima Prefecture Dental Association (Expected relocation: FY2015)  
 Hiroshima General Hospital of West Japan Railway Company (Expected start: FY2015)

**Block 5**  
 Daiwa House Industry, Hiroshima Telecasting, and Subsidiary of Chugoku Electric Power (TBD)  
 Hiroshima branch of West Japan Railway Company Under consideration for rebuilding

**Legend:**  
 土地区画整理事業施行地区界  
 二段階一般競争入札対象財産  
 公園、緑地整備予定地

## (9) Channel restructuring

- Review branch strategy/ facilities and further strengthen the internet channel to enhance convenience for customers differentiate from other banks.

Okayama Nishi Branch; 26,May 2014 to be newly opened

- Open in Okayama where the expected population decrease in the mid and long term is slow—a promising future market. ⇒ 10 branches to be established in Okayama

**Total deposits JPY2.6 bn**

**Loan balance Start from JPY10.6 bn**

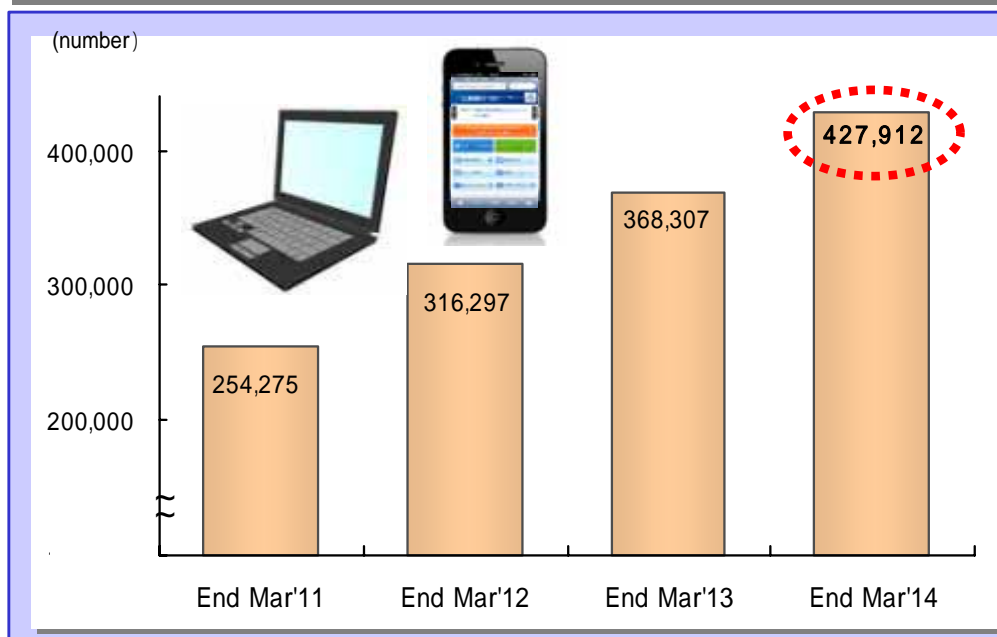


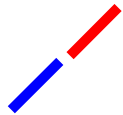
- Land area 358.76 tsubo\* • ATM 2 units
- Floor area 150.08 tsubo\* • Safe-deposit box (fully-automatic) 158 boxes
- No. of floors Two stories above ground
- Parking lot capacity (for customers) 17 cars \*One tsubo is about 3.3 square meters.

### Review of the branch strategy/ facilities

- Lower teller counters at branches ( 31 Branches : as of the end of Mar 2014)
- Identify and provide financial services most relevant to customers' needs by using new branch terminals
- Relocation and new construction of the Itsukaichi Chuo Branch for improving customer convenience and enhancing sales strength (scheduled in October 2014)

### Trend of the number of individual Internet banking members





### **3. Earnings estimate for FY2014**

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# (1) Performance outlook and dividends for FY2014

- Six successive years of consolidated net income growth is expected for FY2014
- Annual dividends for FY2014 will be 8 yen per share to be paid according to the Payout Table.

## Earning Estimate for FY14

	FY13 (Actual)	FY14 (Plan)	(Hundred million yen)	
			Change	
Net interest income	763	744	-19	-
Net fees and commissions income	186	196	10	-
<b>Core gross operating profit</b>	<b>949</b>	<b>940</b>	-9	- 0.9%
(-) Expenses	548	550	2	-
<b>Core banking profit</b>	<b>401</b>	<b>390</b>	-11	- 2.7%
Gains/Losses on securities	-7	0	7	-
(-) Credit costs	20	30	10	-
<b>Ordinary Profit</b>	<b>381</b>	<b>363</b>	-18	- 4.7%
<b>Net income</b>	<b>225</b>	<b>235</b>	10	4.4%
<b>Consolidated net income</b>	<b>229</b>	<b>238</b>	9	3.9%

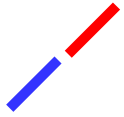
## Dividend Policy and Payout Table

Stable dividend	Annual dividend of 6 yen per share
Performance-based dividend	Dividend will be paid according to the consolidated net income as shown in the table below

Consolidated net income	Dividend per share			Consolidated payout ratio
	(A) Stable	(B) Performance-based	(A) + (B)	
under 18 billion	6 yen	0 yen	6 yen	20.8% and over
18 - 21 billion	6 yen	1 yen	7 yen	20.8% and over and less than 24.3%
21 - 24 billion	6 yen	2 yen	8 yen	20.8% and over and less than 23.8%
24 - 27 billion	6 yen	3 yen	9 yen	20.8% and over and less than 23.4%

## Dividend forecast for FY14

	Dividend per share (annual) FY14		
	Interim(plan)	Year end(plan)	
Dividend	4.0 Yen	4.0 Yen	8.0 Yen



## Reference for this material

This material contains statements about future business performance.

These statements do not guarantee future business performance and are subject to uncertainties.

Please note that actual future business performance may differ from our goals depending on changes in the business environment and other factors.

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