JOYO BANK

Annual Report 2004

PROFILE

The Joyo Bank, Ltd., was established in 1935 out of the merger of the Tokiwa Bank and Goju Bank (both founded in 1878), and celebrating its 125th year in Business.

As a leading financial institution in Ibaraki Prefecture and surrounding regions, the Bank, with the philosophy of "Practicing sound management, creation of values, and partnership with the home region," is contributing to the growth of its home region by providing stable and comprehensive financial services.

Management Philosophy

"Sound management, creation of value, and partnership with the home region"

(1) Focusing on retail banking as our core business, Joyo Bank will pursue sound management and steady banking activities.

(2) Joyo Bank will create high-value business together with our customers, regional communities, and shareholders.

(3) By providing financial services in our base territory of Ibaraki Prefecture and adjacent areas, Joyo Bank will contribute to social and economic progress in the home region.

Action Guidelines

We will

— Provide the most appropriate products and services based on a keen understanding of our customers.

— Undertake steady banking activities and grow together with our customers.

— Seek to further improve our financial skills.

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THE JOYO BANK, LTD. AND CONSOLIDATED SUBSIDIARIES

	Millions of Yen		Thousands of U.S. Dollars
Years Ended March 31	**2004**	2003	**2004**
For the Year Ended			
Total Income	**¥ 179,881**	¥ 172,475	**$ 1,701,968**
Total Expenses	**139,752**	152,459	**1,322,282**
Income before Income Taxes and Minority Interests	**40,129**	20,016	**379,685**
Net Income	**23,675**	8,305	**224,004**
At the Year End			
Total Assets	**¥7,056,646**	¥6,792,667	**$66,767,395**
Deposits	**6,160,255**	6,081,317	**58,286,063**
Loans and Bills Discounted	**4,320,503**	4,232,580	**40,879,014**
Securities	**2,255,587**	2,070,219	**21,341,536**
Shareholders' Equity	**408,131**	360,082	**3,861,585**
Capital Ratio	**11.39%**	11.33%	
For the Year Ended			
Net Cash Provided by Operating Activities	**¥ 163,061**	¥ 9,898	**$ 1,542,823**
Net Cash Used in Investing Activities	**(177,924)**	(105,199)	**(1,683,451)**
Net Cash Provided by Financing Activities	**(12,412)**	(14,478)	**(117,437)**
Net Decrease in Cash and Cash Equivalents	**(27,296)**	(109,796)	**(258,264)**
Cash and Cash Equivalents at End of Year	**144,739**	172,035	**1,369,467**

Notes: 1. Japanese yen amounts are rounded down to the nearest million yen.
2. U.S. dollar amounts represent translation of Japanese yen at the exchange rate of ¥105.69 to US$1.00 on March 31, 2004.

Non-Consolidated

THE JOYO BANK, LTD.

	Millions of Yen		Thousands of U.S. Dollars
Years Ended March 31	**2004**	2003	**2004**
For the Year Ended			
Total Income	**¥ 158,044**	¥ 154,234	**$ 1,495,354**
Total Expenses	**118,868**	136,010	**1,124,685**
Income before Income Taxes	**39,176**	18,223	**370,668**
Net Income	**22,820**	8,386	**215,914**
At the Year End			
Total Assets	**¥7,042,842**	¥6,780,242	**$66,636,786**
Deposits	**6,173,790**	6,091,865	**58,414,135**
Loans and Bills Discounted	**4,363,963**	4,274,410	**41,290,216**
Securities	**2,255,553**	2,070,023	**21,341,214**
Shareholders' Equity	**407,745**	360,655	**3,857,933**

Notes: 1. Japanese yen amounts are rounded down to the nearest million yen.
2. U.S. dollar amounts represent translation of Japanese yen at the exchange rate of ¥105.69 to US$1.00 on March 31, 2004.

MESSAGE FROM THE PRESIDENT

Isao Shibuya
President

Becoming a Comprehensive Supplier of High-Quality Financial Services

The principal social role of regional financial institutions is to facilitate the smooth supply of funds to corporations and individuals in their communities, thereby contributing to the robust development of the regional economy and the well-being of local society. In line with this corporate philosophy, under its current medium-term management plan, which runs from April 1, 2002 to March 31, 2005, Joyo Bank is working to transform itself into a comprehensive provider of financial services capable of satisfying the expectations of its customers, shareholders, and all other stakeholders in the regional community. To do this, we have set targets under the plan for improving earning power, asset soundness, and operational efficiency.

Additionally, we have drawn up a plan to strengthen our relationship banking capabilities to enable us to support local small and medium-sized enterprises and thereby help revitalize the regional economy. Initiatives in this field on which we will focus more effort include support for business start-ups, especially in new-technology fields, an enhanced management consulting service, and financing for corporate revitalization.

As part of our drive to become a comprehensive supplier of high-quality financial services, we are focusing on implementing a customer-centric business philosophy even more thoroughly. At the same time, to make ourselves into the most trustworthy financial institution in the eyes of our customers, we are working not only to ensure the soundness of our asset portfolio, and to raise our earning potential and growth potential, but to communicate these strengths to our customers and the general public through prompt and unstinting disclosure of corporate information.

Meeting Customer Needs and Helping Revitalize the Regional Economy

Everything we do in the world of financial services revolves around the customer. We always adopt the customer's viewpoint in designing our financial products and services, and we take action only after the customer has made an informed decision. We aim to offer a high-quality financial service capable of fully satisfying our customers' requirements.

For our corporate customers, we are maintaining a policy of responding actively to the loan needs of corporate customers ranging from small firms up to so-called second-tier enterprises, while expanding our menu of management consulting services. We are also taking steps to provide a varied range of fund procurement methods, including the private placement of bonds, the provision of loans secured by trade receivables, and comprehensive factoring system. We are also pursuing a number of initiatives aimed at attracting new customers, such as our active marketing of financial products that make use of the automated scoring system for credit screening, in collaboration with the Ibaraki Prefecture Credit Guarantee Association.

The Advanced Marketing Section, which we set up in October 2003, works closely with other financial institutions and organizations to provide venture capital to support business start-ups, as well as business matching services, M&A consulting, and assistance with IPOs. The Bank's Management Support Section works in close liaison with our branches to offer management consulting and assistance in the rehabilitation of ailing businesses.

As a further part of our program to assist small and medium-sized companies in Ibaraki Prefecture in their business revival efforts, we have set up a corporate revival fund in collaboration with the prefectural government and the Organization for Small & Medium Enterprises and Regional Innovation, with the aim of turning around the businesses of poorly performing companies, principally through the injection of funds by equity investment. This is just one of the steps we are taking to help revitalize the regional economy.

Turning to the retail banking business, for our individual customers we introduced a special credit screening system for mortgage loan applicants in October 2003. This is a step toward building a system capable of faster response to a wide range of retail customer needs. We also provide a wide range of loans for individuals with a sufficient level of creditworthiness. These loans are available through our ATMs, and include loans for car purchases, education loans, and various other loans to meet the particular needs of our customers at their various stages of life.

In the field of personal asset management, we offer low-risk investment trust products, personal pension insurance denominated in U.S. dollars, and time deposits denominated in Australian dollars, among others. Thanks to this expanded range of products, our outstanding balances of both personal loans and assets under custody by individuals have been rising at a steady pace. In June of this year we set up a new section that specializes in handling assets under custody, and we are well on the way to establishing a service system that will cater to the whole diverse array of customer needs.

We have also been working to expand the number of our marketing channels. Through tie-ups with E-net Co., Ltd. and IY Bank Co., Ltd., we have made our services accessible via ATM to a much larger number of customers. From August this year we opened our Loan Plazas on Sundays to provide a more convenient customer service. The number of corporate users of our Joyo Village business portal site (a 24-hours-a-day nationwide service that allows customers to access information, apply for management advice, and conduct negotiations) has now risen to approximately 3,000.

Sound Management, Creation of Value, and Partnership with the Home Region

Major changes are taking place in the business environment in which financial institutions operate. The scope of banks' business operations is expanding in line with ongoing deregulation, and April 2005 will see the complete ending of the government's unlimited guarantees on liquid deposits exceeding ¥10 million. Not only is competition among financial institutions becoming more intense, customers and shareholders alike are taking an increasingly demanding attitude toward financial institutions. Amid these difficult circumstances, we at Joyo Bank will continue to pursue our goals of sound management, creation of value, and partnership with the home region to achieve steady growth, particularly in the retail banking field.

With regard to the discovery in 2003 that a certain employee of the Bank had embezzled a large amount of funds from customers' deposits, the members of the management of the Joyo Bank wish to express their deep regret – to both the bank's customers and its shareholders – that such an event should have occurred. To prevent the recurrence of such incidents, we are taking steps to enforce a more thorough system of legal compliance and set up a satisfactory internal checking system. By these means, we are firmly resolved to create a financial service that will meet with the full satisfaction of our customers, and that will, at the same time, make a valuable contribution to the development of the economy of our home region.

In conclusion, I look forward to enjoying the continued support of our shareholders as we face the challenges of the future.

Isao Shibuya

Isao Shibuya
President

BUSINESS HIGHLIGHTS

Revenues and Earnings (Non-consolidated basis)

Business profit for the reporting term decreased ¥5.0 billion, reflecting an increase in provisions to the general reserves for possible loan losses. Business profit on core banking operations*, however, increased ¥3.9 billion, or 8.9%, over the previous term, to ¥48.0 billion. This is attributable to increases in interest income, and income from fees and commissions, as well as to a substantial reduction in general and administrative expenses. Gross business profit increased ¥17.9 billion, or 149.4%, to ¥29.8 billion, due to a reduction in credit costs and a substantial decrease in unrealized loss on equity securities in line with the recovery in the stock market.

Net income increased ¥14.4 billion, or 172.1%, to ¥22.8 billion (US$215.9 million).

*Business profit on core banking operations is calculated by adding provisions to general reserves for possible loan losses to business profit after deduction of gain (loss) on bond trading.

Deposits, Loans and Securities

Deposits stood at ¥6,173.7 billion (US$58,414.1 million) at term-end, an increase of ¥81.9 billion from the previous term-end. Although time deposits decreased by ¥90.3 billion to ¥2,739.5 billion at term-end, ordinary deposits rose ¥170.2 billion to a term-end balance of ¥2,871.2 billion.

Thanks to our active initiatives to meet the diverse asset management needs of our customers, we have achieved a steady increase in retail customers' deposits. At the same time, the balances of assets in our custody in the form of foreign currency deposits, investment trusts, and national and local government bonds, and the value of pension insurance plans handled, have also shown notable growth.

During the term under review, the balance of loans and bills discounted increased ¥89.5 billion during the term under review, to end the fiscal year at ¥4,363.9 billion (US$41,290.2 million). Of this sum, loans to individuals – consisting mainly of mortgage loans amounting to ¥892.4 billion – increased substantially by ¥99.9 billion. The balance of loans to small and medium-sized businesses, however, declined by ¥5.9 billion during the term to ¥1,926.9 billion at term-end, owing to slack demand for funds.

The balance of securities at term-end was up ¥185.5 billion year-on-year, at ¥2,255.5 billion (US$21,341.2 million).

Investment in available-for-sale other securities including foreign bonds increased by ¥147.4 billion to ¥1,269.4 billion, reflecting our policy of placing more emphasis on investment yield.

At the same time, the balance of Japanese Government Bonds increased by ¥25.4 billion during the term, to ¥688.5 billion, reflecting our desire to improve liquidity.

Capital Ratio

In the first half period of the term ended March 31, 2003, the Bank adopted domestic standards for measuring its capital ratio. Previously, the Bank had utilized the BIS standard.

On a consolidated basis, our capital ratio was 11.39%, and on a non-consolidated basis, the ratio was 11.34%, exceeding by a substantial margin the minimum capital requirement of 4% that is applied under domestic standards for banks without overseas operations.

Consolidated Accounts

The Bank currently has ten consolidated subsidiaries.

Total income for the year increased by ¥7.4 billion to ¥179.8 billion (US$1,701.9 million). Total expenses decreased by ¥12.7 billion to ¥139.7 billion (US$1,322.2 million). As a result of above, net income was ¥23.6 billion (US$224.0 million).

Net cash provided by operating activities amounted to ¥163.0 billion (US$1,542.8 million), chiefly reflecting net increases in deposit and call money. Net cash used in investing activities amounted to ¥177.9 billion (US$1,683.4 million), reflecting a decline in proceeds from securities transactions. Net cash used in financing activities came to ¥12.4 billion (US$117.4 million), reflecting the acquisition of Company shares and dividend payments. As a result of the above, cash and cash equivalents at term-end amounted to ¥144.7 billion (US$1,369.4 million), a decrease of ¥27.2 billion from the previous term-end.

MANAGEMENT PHILOSOPHY AND POLICIES

—Current management plan focuses on strengthening relationship banking capabilities—

Management Philosophy

"Sound management, creation of value, and partnership with the region"

In line with the principles expressed in the Bank's catchphrase quoted above, our primary goal is to ensure that the Bank is soundly managed and its business operations conducted in accordance with tried and tested marketing principles. In so doing, we will become a provider of high-quality financial services for customers in our local community, facilitating the smooth supply of funds and thereby helping to power the development of the regional economy and contribute to the well-being of regional society. We believe that it is precisely by fulfilling our original mission as a financial institution that we can make a truly valuable contribution to prosperity of the community of which we are members.

In line with our customer-centric policy focus, we are devoting our efforts to fully satisfying our customers' expectations through the provision of a high-quality financial service and market-leading financial products. At the same time, we are working to ensure the soundness of our asset portfolio and raise our earning potential, to realize a higher level of enterprise value. As a regional financial institution, we constantly ask ourselves what we can do for the good of the region as a whole.

Management Policies

Becoming a comprehensive supplier of high-quality financial services

The Japanese economy continues to make progress toward full-scale recovery, but the future is still fraught with danger, in view of the persistence of the underlying deflationary trend. The restructuring of the nation's financial sector is still proceeding, and competition is becoming ever fiercer, including with companies that have traditionally operated in other industries. The business environment is thus likely to become more difficult over the foreseeable future. In this situation, Joyo Bank is pushing ahead determinedly to achieve the goals it has set in its current medium-term management plan – running from April 1, 2002 to March 31, 2005 – with the ultimate objective of securely gaining the trust of its customers and shareholders.

We are also bolstering our capabilities in the field of funding support for small and medium-sized enterprises, the core of this initiative being our plan to dramatically enhance our relationship banking functions for the sake of revitalizing the regional economy. We are enthusiastically developing and marketing our support services for the creation of new companies, the diversification of existing companies into new business lines, general management consulting, and specialized support for turning around poorly performing companies.

The 8th Medium-Term Management Plan of Joyo Bank

(3-year plan from April 1, 2002 to March 31, 2005)

Joyo Bank's Goal

Becoming a comprehensive supplier of high-quality financial services

Under its 8th medium-term management plan – the current three-year plan ending March 31, 2005 – Joyo Bank aims to transform itself into a comprehensive supplier of high-quality financial services that will satisfy the various needs of its customers, shareholders, and the regional community as a whole.

Specifically, we aim to become –

- The supplier of financial services with the best reputation for trustworthiness among the public (complete focus on customer-centric service stance)
- A financial services company boasting high earnings potential and a sound financial position (raising the Bank's enterprise value)
- A company with a business culture full of vitality, offering a workplace that rewards employees' efforts (reinvention of corporate culture)

Basic Objectives

The Bank's current three-year management plan is broadly divided into two stages. In the first stage, the key goals were to sharply reduce the non-performing loan burden on our balance sheet, and to implement radical measures to inject a higher level of efficiency into the operations of the whole Joyo Bank Group. The particular focus of effort in the second stage of the plan is to build on the achievements of the first stage to realize a V-shaped recovery. Nevertheless, initiatives to strengthen our earning power are being pursued throughout the whole three-year period.

Subsidiary themes that are essential to the attainment of the basic goals include reinforcing our marketing capabilities, reinventing our corporate culture, and introducing new and far-reaching programs for the development of our human resources.

Strengthening Earning Power

While redesigning the structure of our loan portfolio to allow for an expansion of lending to local small, medium-sized companies, as well as to retail banking customers, we are strictly applying the principle of tailoring the interest rate on each loan to the level of risk carried. We are investing additional resources in marketing and attempting to expand our volume of business with regular customers. At the same time, we are expanding our lineup of financial products to serve the diverse needs of today's customers, promoting such products as investment trusts, foreign currency deposits, insurance plans, and others. In these ways, we aim to bolster our revenue from fees and commissions.

Higher Asset Quality

With the goal of achieving a sounder asset portfolio, our Management Support Section works in close liaison with our branches to offer management consulting and assistance in the rehabilitation of ailing businesses. For loans that are deemed non-recoverable, we are pushing ahead with their removal from the balance sheets through write-off and sell-off procedures.

Raising Efficiency

To achieve higher operational efficiency across the entire Joyo Bank Group, we have focused our efforts on the four areas of redistribution of human resources among our marketing divisions, streamlining our branch network, reducing the costs of computer systems and administrative operations, and restructuring of businesses operated by the Bank's subsidiaries and affiliates.

Response to Plan for Strengthening of Relationship Banking Functions

Regional economies are the environments in which regional banks have their existence: their social mission is to assist the economic development of the whole region through the smooth provision of funds and other financial services to local companies and individuals. Because of this, Joyo Bank is making the utmost efforts to act in line with the government's policy for strengthening relationship banking functions, by providing more support for the establishment of new companies, and for the entry of existing companies into new business fields, as well as general management consulting and assistance in reviving enterprises in danger of falling into bankruptcy. By strengthening the local base of small and medium-sized businesses in these ways, we aim to inject greater vigor into the whole regional economy.

Support for Creation of New Companies and Entry into New Business Fields

We are currently upgrading our own surveys of trends at the industry level and analysis of individual companies' growth potential. In addition, we are making efforts to reinforce networking for information sharing with other industries, academia and government institutions with the aim of successfully identifying newly established companies with good growth potential, as well as promising new business lines. These will become short-list candidates for our financial support. In addition, we plan to utilize venture capital funds to provide an integrated system of financial support through both direct loans and equity investment.

Ensuring Smooth Supply of Funds and Enhancing Management Consulting Capabilities

Joyo Bank intends to further deepen its relationships with its corporate customers, not only by promptly meeting their various funding needs, but also by offering the optimal financial and solutions-design support – utilizing the specialized expertise of all Group members – to address our customers' management issues, including business portfolio restructuring. We are also putting efforts into nurturing new business skills in the field of database-centered marketing services, such as management consulting and business matching. These initiatives are being pursued on a Group wide basis.

Aiming at Even Faster Business Turnaround Solutions

The activities of our Management Support Section are supplemented by utilizing a public loan program for corporate rehabilitation and a business revitalization fund. In addition, we are strengthening our collaboration with outside experts.

New Loan Programs for SMEs

To adopt a markedly proactive approach to customers' potential funding needs, together with a swifter response when such needs are actualized, we have been actively marketing financial products that make use of the automated scoring system for credit screening, in collaboration with the Ibaraki Prefecture Credit Guarantee Association.

We also work to provide a diverse array of fund procurement methods, including the private placement of bonds, the provision of loans secured by trade receivables, and factoring in lump-sum payments. Thus, the range of our total lineup of products and services covers almost all the probable financing needs of our corporate customers.

Note: "Relationship banking" refers to the forming of close and long-term relationship between a financial institution and its corporate borrowers. This allows the institution to amass an extensive database on each customer, which is used as a tool to enable the provision of the optimal financing service.

Improving Asset Quality

Achievements in Fiscal 2003

In line with the results of self-assessment of loan assets, and based on in-house rules for write-offs and provisions for possible loans losses, the Bank made provisions and wrote off nonperforming loans in an appropriate manner. Total credit costs, expenses for write-offs of non-performing loans and provisions to reserves for possible loan losses combined, amounted to ¥19.1 billion for fiscal 2003. Details are shown in the table.

We made ample provisions for possible loan losses corresponding to the deterioration of borrowers' business performance and declines in the value of real estate serving as collateral, reflecting an overall land price decline. On the other hand, we strengthened support activities for corporate restructuring, enabling some borrowers to improve their borrower categorization, so that total credit costs decreased year-on-year.

	Millions of Yen		
March 31	**2004**	2003	Change
Write Off of Claims	**10,824**	17,100	(6,275)
Net Provision for Specific Reserve	**7,601**	3,763	3,837
Provision for Specific Foreign Borrowers	**—**	—	—
Losses on Sale of Loans to the Cooperative Credit Purchasing Co., Ltd.	**—**	1,398	(1,398)
Losses on Bulk Sale of Loans	**610**	2,534	(1,924)
Provision for Possible Losses on Sale of Loans	**—**	354	(354)
Provision for Other Contingent Losses	**86**	81	5
Other	**22**	563	(540)
Total	**19,144**	25,795	(6,650)

Reserve for Possible Loan Losses

We have provided reserves covering 100% of loans to borrowers deemed legally or substantially bankrupt and therefore uncollectible (after deduction of the portion covered by collateral or guarantees), under our asset self-assessment. Regarding loans to borrowers threatened with bankruptcy, on the basis of historical default rates, we have provided specific reserves covering 81.15% of the loans of which the collectibility is deemed to be at risk. We have thus provided specific reserves of ¥31.8 billion against ¥39.1 billion in loans of which the collectibility is deemed to be at risk. Our reserve ratio was 81.29%.

An amount of ¥62.5 billion under claims that were judged, through asset self-assessment, to be uncollectible or valueless, has been written down in the balance sheets through partial direct charge-offs.

The Bank's reserve for possible loan losses (excluding specific reserves) has been provided in line with the recommendations of the Financial Inspection Manual issued by the Financial Services Agency. Borrowers requiring caution have been subdivided into three categories including "borrowers requiring supervision." In each case, reserves have been provided based on past default rates.

We will continue to develop our credit risk management systems, and bolster our loan portfolio by writing off, and providing reserves against, bad debt.

Reserve Based on Self-Assessment

	Billions of Yen			
March 31, 2004	Potentially Bankrupt Borrowers	Substantially Bankrupt Borrowers	Legally Bankrupt Borrowers	Total
Claims of balance (i)	90.8	19.4	7.7	118.0
Claims Secured by Collateral (ii)	52.0	19.1	7.7	78.9
Claims with Uncertain Collectibility (A) = (i)-(ii)	38.8	0.2	0	39.1
Specific Reserve (B)	31.4	0.2	0	31.8
Reserve Ratio (B)/(A)	81.15%	100.00%	100.00%	81.29%

Reserve for Possible Loan Losses

	Billions of Yen		
March 31	**2004**	2003	Change
General Loan Loss Reserve	**30.9**	29.2	1.6
Specific Reserve	**31.8**	37.8	(5.9)
Reserve for Specific Foreign Borrowers	**—**	—	—
Reserve for Possible Loan Losses	**62.7**	67.0	(4.2)
Reserve for Assistance to Specific Borrowers	**—**	—	—
Reserve for Possible Losses on Sale of Loans	**—**	—	—
Reserve for Other Contingent Losses	**0.1**	0.1	0

Helping Local Companies Rebuild Their Performance and Financial Position

To assure the soundness of our loan portfolio, it is necessary not only to aggressively tackle the bad debt issue, but at the same time work from the borrowers' side to resolve their problems and help them deal with poor performance due to deterioration in business circumstances and industrial structure, as well as financial weakness from falling land and other asset values. Therefore, the Bank is making its best efforts to play an important role in the reinvigoration and development of the regional economy, which the Bank recognizes as a vital issue.

Specifically, our Customer Management Support Office supports corporate recovery and management reform through business analysis, advising on measures for improvement and supporting the compilation of business restructuring plans. This office is working hard to conduct its duties with close collaboration with branch staff, and, if necessary, with outside experts belonging to semi-government organizations.

As a result of such activities to date, we have improved the borrower status (a creditworthiness rating based on financial position and similar factors) of approximately 400 customers. The Bank is committed to deepening this support for local business and the region in line with in-house plans for enhancing relationship banking.

Disclosure of the Bank's Assets

The Bank has set a goal of improving asset portfolio under the current medium-term management plan. While the Bank is accelerating bad debt disposal, is also working hard to improving its disclosure system.

Risk-Monitored Loans under the Banking Law

Regarding loans subject to mandatory disclosure under the Banking Law, the Bank classified non-performing loans into the four categories of "loans in bankruptcy and dishonored bills," "delinquent loans," "loans past due with respect to interest payments for more than 3 months," and "restructured loans," based on asset self-assessment. Loans to legally bankrupt borrowers fall into the first category, and those to substantially bankrupt borrowers and to potentially bankrupt borrowers fall into the second category.

Sell-offs and recovery of bad debt as well as (partial) direct charge-offs and improved performance at borrowers have enabled us to greatly reduce our risk-managed loan balance by ¥63.4 billion to ¥199.7 billion (US$xx million). At 77.82%, our coverage ratio (collateral and guarantees as a percentage of bad debt) is also high.

Risk-Monitored Assets under the Banking Law

(Non-consolidated) Billions of Yen

March 31	2004	2003	Change
Loans in Bankruptcy and Dishonored Bills	7.6	17.3	(9.6)
Delinquent Loans	110.1	128.1	(18.0)
Loans Past Due with Respect to Interest Payments for More than Three Months	1.1	2.1	(0.9)
Restructured Loans	80.7	115.6	(34.8)
Total (a)	199.7	263.2	(63.4)
Loans and Bills Discounted (b)	4,363.9	4,274.4	89.5
Ratio of Risk-Monitored Assets to Loans Outstanding (a)/(b)	4.57%	6.15%	(1.58%)
Portion Covered by Collateral and Guarantees (c)	155.4	201.1	(45.6)
Coverage Ratio (c)/(a)	77.82%	76.40%	1.42%

(Consolidated) Billions of Yen

March 31	2004	2003	Change
Loans in Bankruptcy and Dishonored Bills	7.8	11.4	(3.6)
Delinquent Loans	112.4	131.7	(19.3)
Loans Past Due with Respect to Interest Payments for More than Three Months	1.5	2.5	(0.9)
Restructured Loans	81.1	117.4	(36.3)
Total	202.9	263.2	(60.2)

Assets Subject to Mandatory Disclosure under the Financial Revitalization Law

Financial institutions are obligated under the stipulations of the Financial Revitalization Law to disclose the results of their asset self-assessment.

Based on asset self-assessment, the Bank has classified assets subject to mandatory disclosure into the three categories of (a) “bankrupt and quasi-bankrupt assets,” (b) “doubtful assets,” and (c) “substandard loans.”

The claims on legally or substantially bankrupt borrowers fall into category (a); those to potentially bankrupt borrowers fall into category (b); and loans past due with respect to interest payments for a period of more than three months, as well as restructured loans, fall into category (c).

In fiscal 2003, we reduced assets subject to mandatory disclosure (excluding “normal” assets) by ¥63.8 billion to ¥200.0 billion, reflecting category upgrading of some borrowers through support of corporate management as well as removal of bad debt from the balance sheet. This brings the ratio of assets subject to mandatory disclosure (excluding “normal” assets) to the relevant total assets down to 4.52%, a decrease of 1.56 percentage points.

Claims meeting disclosure requirements other than claims on normal obligors for the business term ended March 2004 (a + b + c) amounted to ¥200.0 billion. The difference of ¥0.3 billion from the amount of ¥199.7 billion required to be disclosed under the Banking Law consists of assets other than loans including claims on customers’ liabilities for acceptances and guarantees, accrued interest, foreign exchange, and suspense payments.

Problem Assets under the Financial Revitalization Law

Billions of Yen

March 31	2004	2003	Change
Bankrupt and Quasi-Bankrupt Assets (a)	**27.2**	41.9	(14.7)
Doubtful Assets (b)	**90.9**	104.2	(13.3)
Substandard Loans (c)	**81.9**	117.7	(35.8)
Problem Assets (A) = (a) + (b) + (c)	**200.0**	263.8	(63.8)
Normal Assets (d)	**4,220.1**	4,074.1	146.0
Total (B) = (A) + (d)	**4,420.1**	4,337.9	82.2
Ratio of Problem Assets (A)/(B)	**4.52%**	6.08%	(1.56%)

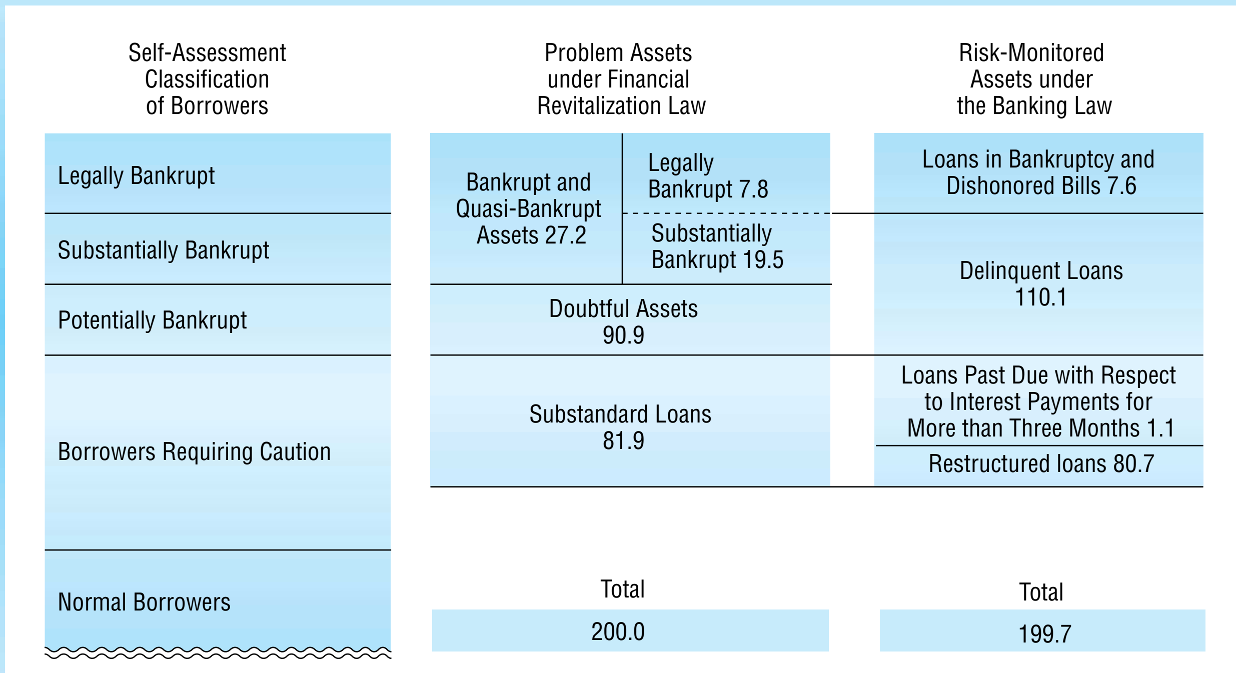
Coverage Status at Fiscal 2003 Year-End

Billions of Yen

March 31, 2004	Bankrupt and Quasi-Bankrupt Assets	Doubtful Assets	Substandard Loans	Total
Problem Assets (a)	27.2	90.9	81.9	200.0
Assets Secured by Collateral and Guarantees (b)	26.9	52.0	28.3	107.3
Reserve for Possible Loan Losses (c)	0.3	31.5	16.7	48.5
Coverage Ratio {(b) + (c)}/(a)	100.00%	91.94%	54.91%	77.87%

The disclosure-based assets for each borrower classification of self-assessment are summarized below.

Self-Assessment: Classification of Borrowers and Disclosure-Based Assets (Billions of Yen)



Note: Assets covered by disclosure standards

Financial Revitalization Law:
Loans, securities lending, foreign exchange, interest receivable, suspense payments, and customers' liabilities for acceptance and guarantees

Banking Law:
Loans and bills discounted

Note: Categorization of Disclosure Standards

Financial Revitalization Law:
Categorized by borrower basis, in accordance with self-assessment results. (As an exception, Substandard Loans are categorized on individual loan basis.)

Banking Law:
Loans to Legally Bankrupt Borrowers, Substantially Bankrupt Borrowers, and Potentially Bankrupt Borrowers are categorized on an individual borrower basis, in accordance with self-assessment results. Loans to Borrowers Requiring Caution are disclosed on an individual loan basis.

Risk Management

Risk Management System

Risk management is one of the most crucial tasks in bank management. It is an essential component in meeting the highly sophisticated and diversified needs of customers while improving the soundness of management. These issues are particularly important in an environment marked by ongoing deregulation and the continuous development of financial technology.

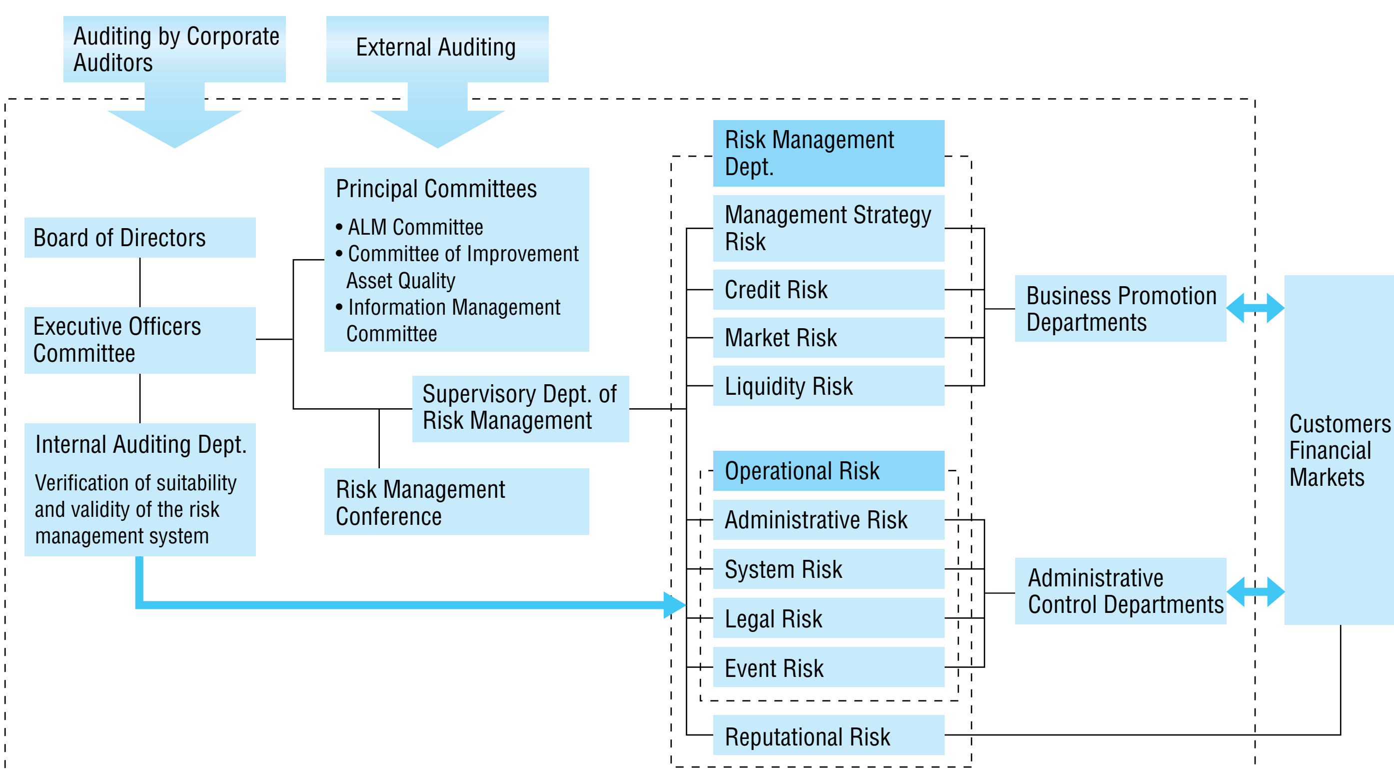
The Bank has been establishing systems to respond to the many changes taking place in the operating environment. These systems enable the Bank to continuously monitor and control risks properly, according to their magnitude and nature, as well as.

The Bank has appointed a director who is responsible for risk management and has endeavored to establish systems that clearly emphasize risk management. The Bank has made distinction between the departments in charge of conducting transactions (business promotion departments) and the departments in charge of internal controls over the results of transactions (administrative control departments). In our opinion, these organizational systems provide a sufficient mutual checking function, by clarifying the system responsible for risk management.

Each department in charge of risk management controls the risks that arise from the banking business, based on that department's operations. In addition, the Bank has established a Risk Management Division, which is responsible for overall risks. The Risk Management Division has set up a Risk Management Committee (whose members are drawn from all Bank sections involved in risk management), at which risks are discussed in detail. The Committee periodically submits a report on the status of overall risks directly to the Board of Directors.

In addition, the divisions in charge of internal auditing inspect activities of the divisions engaged in risk management to check whether the risk management system is functioning properly and effectively.

Risk Management System



Comprehensive Risk Management

We have recognized the necessity of obtaining an accurate picture of the overall risk to which the Bank is exposed, and of addressing the said risk from a Bank-wide perspective, in order to raise our earnings potential while maintaining a sound asset portfolio.

By quantifying different types of risk using statistical techniques, we have created an integrated risk management system that enables us to judge whether or not the overall risk is excessive in comparison with our capital adequacy, as well as how efficiently our managerial resources are being utilized.

Credit Risk Management

Credit risk is one of the most important categories of risk the Banks must face, by which principal and interest may become uncollectible due to deterioration in the creditworthiness of borrowers.

The Bank is making its utmost efforts to effectively manage credit risk in order to prevent the emergence of new nonperforming loans, and to improve the quality of its loan portfolio.

- **Credit Risk Management Structure**

  The Bank is working to ensure effective credit screening by clearly separating the credit risk management group from the business promotion sections. At the same time, the Bank is preventing deterioration of its loan portfolio through continuous monitoring of borrowers' creditworthiness. The self-assessment of assets is first conducted at the branch level (initial assessment), and then verified by the head office division in charge of credit screening (secondary assessment). Finally, the Corporate Audit Department audits the results. The Bank provides appropriate reserves and writes down problem loans based on the assessments.

  In April 2004, we began operating a basic credit screening procedure to speed up the process up to loan approval/refusal and ensure the implementation of stricter standards of risk management. At the same time, we are building an asset self-assessment system capable of responding effectively to each change in the borrower's business performance or in the fair-market value of the collateral.

  The Customer Management Support office works in close liaison with our branches to provide support for the business revival of borrower companies in need of management improvement. Bad debt is dealt with by dedicated teams of specialists in recovery of debt, thus contributing to the improved soundness of the Bank's asset portfolio.

  In addition, the Bank has introduced an automated credit scoring system for small loans to unify credit screening standards and improve efficiency. Using its branch PC network, the Bank also shares and upgrades credit-related information to further raise the efficiency of screening processes.

- **Quantification of Credit Risk Amounts**

  The Bank quantifies credit risk on the basis of the borrowers' "corporate rating" which reflects the financial conditions and qualitative evaluation of each borrower as well as the degree of coverage by collateral or guarantees.

  The size of the credit risk is recognized in terms of both normal credit risk – based on the average default ratios in the past – and additional credit risk, caused by external factors such as a substantial deterioration in Japan's economy as a whole.

- **Loan Portfolio Management**

  The Bank carries out credit risk management regarding the entire loan assets as a portfolio. Based on quantitative data, the Bank regularly monitors its overall credit risk exposure to avoid over-concentration of credit risk on specific industries or corporations.

  We will strive to improve our profitability and risk-taking capabilities by reducing the amount of credit risk through appropriate diversification of credit provisions.

Market Risk Management

Market risk refers to fluctuations in revenue caused by changes in interest rates, foreign exchange rates, and supply-demand conditions of funds, which always affect such assets and liabilities as loans, securities, and deposits.

- **Market Risk Management System**
  To address market risk, the Bank has separated front and back office departments and established a middle office risk management department, thus creating an effective system of mutual checks and balances.
- **Market risk control**
  The Bank controls market risk through comprehensive Asset Liability Management (ALM) of all assets and liabilities, including deposits, loans and securities. The Bank allocates capital and implements risk control measures effectively and efficiently by analyzing and accurately assessing the scale of risks involved in assets and liabilities from multifarious aspects such as gap analysis, interest rate sensitivity analysis utilizing basis point value (BPV), simulation of interest rate fluctuations, and Value at Risk (VaR).

  The Bank engages in derivative transactions to meet the diversified needs of customers and hedge the Bank's own risks arising from interest rate fluctuations and other sources. The Bank properly controls the risks involved in derivative transactions by obtaining an accurate grasp of the magnitude and nature of risk through daily revaluation and interest rate sensitivity analysis, etc., and by establishing limits according to objectives.

Administrative Risk Management

The Bank has established a system for fast and accurate administrative procedures, and has fine-tuned the system to avoid problems with customers caused by improper administration in the process of carrying out transactions such as deposits, loans and exchange. The Bank has firmly instilled administrative risk management through guidance and training and has endeavored to revise its administrative procedures and reinforce its internal audits.

System Risk Management

In recent years, the online systems operated by banks have come to constitute an increasingly important part of the overall social infrastructure. Moreover, the constant advance of information technology has led to a rapid growth in the popularity of Internet banking among customers.

We have drawn up a security policy that lays down basic guidelines regarding information security. These guidelines clearly identify priority information requiring protection, prescribe standards of conduct that promote tight security, and provide an implementation plan, while identifying staff roles and responsibilities.

- **Administration Structure for Information Security**
  The Bank maintains a Comprehensive Security Management Department that is headed by the high-ranking officer in charge of information security. Additionally, information administrators and information security officers have been appointed for all workplaces, while data handling is regulated by explicit guidelines. This security structure provides protection against external threats and prevents unauthorized actions by employees.
- **Backup Systems**
  To prepare for large-scale disasters and other emergency situations, we have built backup computer centers in locations remote from the main centers, thus minimizing the possibility of the same disaster (such as an earthquake) incapacitating both facilities, and have drawn up detailed contingency plans specifying the procedures to be followed for emergency contact and so on in the event of a major disaster.

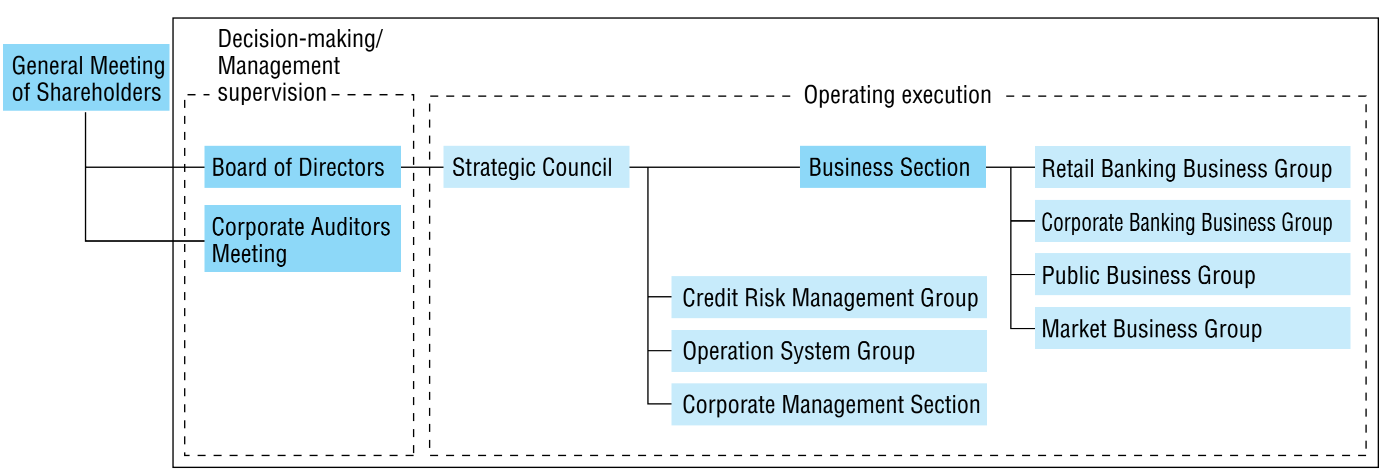
Corporate Governance and the Bank's Compliance System

Corporate Governance

The Bank places a high priority on transparent, effective and sound management to ensure that it has the trust of customers, shareholders and local communities.

To achieve this, the Bank has taken steps to facilitate rapid decision-making, bolster compliance, and improve information disclosure. It has also made efforts to improve its management systems to enable monitoring and control of its operations by stakeholders both inside and outside the Bank. Last June, the Bank separated the management decision-making function (decisions on strategy) and the management supervision function (governance) from the day-to-day business execution function (enactment and implementation of measures) as far as was practicable. It also revised its management control system to strengthen these functions.

- The Bank employs the traditional corporate auditor system. While no outside director is included in the existing eleven directors, three outside corporate auditors are included in the five existing corporate auditors.
- With respect to the functions of decision-making and supervision by the management, the Bank's Board of Directors meets twice a month. In addition, the Bank has established an Executive Officer Committee as an organization to deliberate and decide on important operational matters, other than those that are resolved exclusively by the Board of Directors. The Executive Officer Committee meets almost weekly.
- After a careful examination, the Bank identifies important management issues and sets up a special committee to address each issue. Specifically, the Bank has set up a Compliance Committee (responsible for comprehensive compliance and monitoring), an ALM Committee (responsible for monitoring risks and controlling market and liquidity risks), and a Sound Asset Committee (responsible for comprehensive credit risk management). Each committee makes a detailed report of its examinations and decisions, as well as of the status of risks, to the Board of Directors and other managerial organizations.
- The Board of Directors controls the fulfillment of duties by directors, and the Board of Corporate Auditors (which meets once a month, in principle) audits the fulfillment of duties by directors. The Corporate Audit Division, which is independent from operating divisions, conducts internal audits such as audits of head office departments, and on-site audits of branch offices. The results of its audits are then reported to the Board of Directors.



Compliance System

The Bank places a high priority on strengthening its compliance system to ensure sound banking operations, fulfill its social responsibility and public mission, and maintaining the trust of customers, shareholders and other stakeholders.

Each year we formulate a practical Compliance Program, on the basis of which employees enforce compliance in their respective jurisdictions.

With the hope of ensuring that there is no repeat of the sort of criminal activity that came to light in 2003, we will push ahead with efforts to improve our compliance system, in line with the measures laid out below.

- We have put in place a Compliance System, whose ultimate supervisory organ is the Bank's Board of Directors.
- Dedicated Compliance Officers have been assigned to each major division to undertake a broad variety of checks to determine how divisions are addressing legal issues.
- Internal compliance activities should be supplemented by outside audits to inject the required professional knowledge and objectivity. Accordingly, the Bank set up a Compliance Auditing Committee, consisting of outside professionals including a lawyer and a CPA. The committee fairly evaluates and audits the Bank's compliance activities. The Bank is striving to further strengthen and improve its compliance activities.

Consolidated Balance Sheets

THE JOYO BANK, LTD. AND CONSOLIDATED SUBSIDIARIES

	Millions of Yen		Thousands of U.S. Dollars (Note 2)	
March 31,	**2004**	2003	**2004**	2003
Assets				
Cash and Due from Banks (Note 3)	**¥ 184,550**	¥ 204,796	**$ 1,746,144**	$ 1,937,704
Call Loans and Bills Purchased	**9,555**	—	**90,405**	—
Commercial Paper and Other Debt Purchased	**42,421**	10,042	**401,371**	95,013
Trading Assets (Note 4)	**14,714**	11,431	**139,218**	108,155
Securities (Notes 5, 7 and 22)	**2,255,587**	2,070,219	**21,341,536**	19,587,652
Loans and Bills Discounted (Notes 6, 8 and 10)	**4,320,503**	4,232,580	**40,879,014**	40,047,118
Foreign Exchange	**1,561**	2,706	**14,769**	25,603
Other Assets	**62,691**	52,804	**593,159**	499,612
Premises and Equipment (Notes 3 and 19)	**128,131**	129,161	**1,212,328**	1,222,073
Deferred Tax Assets (Note 12)	**52,003**	92,640	**492,033**	876,525
Customers' Liabilities for Acceptances and Guarantees	**51,612**	57,700	**488,333**	545,936
Reserve for Possible Loan Losses	**(66,420)**	(71,125)	**(628,441)**	(672,958)
Reserve for Devaluation of Investment Securities	**(266)**	(290)	**(2,516)**	(2,743)
Total Assets	**¥7,056,646**	¥6,792,667	**$66,767,395**	$64,269,722
Liabilities, Minority Interests and Shareholders' Equity				
Liabilities:				
Deposits (Notes 7 and 13)	**¥6,160,255**	¥6,081,317	**$58,286,063**	$57,539,190
Call Money and Bills Sold (Note 7)	**107,795**	29,788	**1,019,916**	281,843
Payables under Securities Lending Transactions	**153,381**	81,661	**1,451,234**	772,646
Trading Liabilities (Note 14)	**3**	1	**28**	9
Borrowed Money (Note 9)	**93,601**	93,317	**885,618**	882,931
Foreign Exchange	**197**	252	**1,863**	2,384
Corporate Bonds	**15,000**	15,000	**141,924**	141,924
Due to Trust Account	**14**	30	**132**	283
Other Liabilities	**45,747**	51,672	**432,841**	488,901
Reserve for Employees' Retirement Benefits (Note 11)	**6,964**	8,584	**65,890**	81,218
Reserve for Other Contingent Losses	**143**	117	**1,353**	1,107
Deferred Tax Liabilities for Land Revaluation (Notes 3 and 12)	**10,013**	10,295	**94,739**	97,407
Acceptances and Guarantees	**51,612**	57,700	**488,333**	545,936
Total Liabilities	**6,644,728**	6,429,739	**62,869,978**	60,835,831
Minority Interests	**3,786**	2,844	**35,821**	26,908
Shareholders' Equity (Note 15)**:**				
Common Stock:				
Authorized — 2,180,515 thousand shares				
Issued — 865,231 thousand shares	**85,113**	85,113	**805,307**	805,307
Capital Surplus	**58,574**	58,574	**554,205**	554,205
Retained Earnings	**205,464**	185,514	**1,944,024**	1,755,265
Land Revaluation Reserve, Net of Taxes (Notes 3 and 12)	**14,821**	15,245	**140,230**	144,242
Unrealized Gain on Available-for-Sale Securities	**54,770**	18,066	**518,213**	170,933
Less, Treasury Stock at cost	**(10,611)**	(2,430)	**(100,397)**	(22,991)
Total Shareholders' Equity	**408,131**	360,082	**3,861,585**	3,406,963
Total Liabilities, Minority Interests and Shareholders' Equity	**¥7,056,646**	¥6,792,667	**$66,767,395**	$64,269,722

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

THE JOYO BANK, LTD. AND CONSOLIDATED SUBSIDIARIES

	Millions of Yen		Thousands of U.S. Dollars (Note 2)	
Years Ended March 31,	**2004**	2003	**2004**	2003
Income				
Interest Income:				
Interest on Loans and Discounts	**¥ 85,062**	¥ 88,296	**$ 804,825**	$ 835,424
Interest and Dividends on Securities	**31,376**	29,835	**296,868**	282,287
Other Interest Income	**523**	510	**4,948**	4,825
Fees and Commissions	**21,460**	18,896	**203,046**	178,787
Trading Revenue (Note 16)	**181**	210	**1,712**	1,986
Other Operating Income	**4,727**	7,607	**44,725**	71,974
Other Income	**36,546**	27,118	**345,784**	256,580
Total Income	**179,881**	172,475	**1,701,968**	1,631,895
Expenses				
Interest Expenses:				
Interest on Deposits	**2,764**	3,817	**26,151**	36,115
Interest on Borrowings and Rediscounts (Note 17)	**3,457**	3,412	**32,708**	32,283
Other Interest Expenses	**5,346**	7,076	**50,581**	66,950
Fees and Commissions	**5,639**	4,640	**53,354**	43,901
Other Operating Expenses	**2,550**	1,695	**24,127**	16,037
General and Administrative Expenses	**74,358**	75,307	**703,548**	712,527
Other Expenses (Note 18)	**45,633**	56,509	**431,762**	534,667
Total Expenses	**139,752**	152,459	**1,322,282**	1,442,511
Income before Income Taxes and Minority Interests	**40,129**	20,016	**379,685**	189,384
Income Taxes:				
Current	**454**	1,878	**4,295**	17,768
Deferred (Note 12)	**15,589**	9,118	**147,497**	86,271
Minority Interests in Net Income of Consolidated Subsidiaries	**409**	713	**3,869**	6,746
Net Income	**¥ 23,675**	¥ 8,305	**$ 224,004**	$ 78,578

	Yen		U.S. Dollars (Note 2)	
Per Share				
Net Income	**¥28.08**	¥9.62	**$0.265**	$0.091

See accompanying notes to consolidated financial statements.

Consolidated Statements of Capital Surplus and Retained Earnings

THE JOYO BANK, LTD. AND CONSOLIDATED SUBSIDIARIES

	Millions of Yen		Thousands of U.S. Dollars (Note 2)	
Years Ended March 31,	**2004**	2003	**2004**	2003
Capital Surplus				
Balance at Beginning of Year	**¥ 58,574**	¥ 58,574	**$ 554,205**	$ 554,205
Balance at End of Year	**58,574**	58,574	**554,205**	554,205
Retained Earnings				
Balance at Beginning of Year	**¥185,514**	¥180,390	**$1,755,265**	$1,706,783
Net Income	**23,675**	8,305	**224,004**	78,578
Increase in Retained Earnings Due to Decrease in Consolidated Subsidiary	**90**	—	**851**	—
Reversal of Land Revaluation Reserve	**421**	1,138	**3,983**	10,767
Appropriation:				
Cash Dividends	**(4,237)**	(4,320)	**(40,088)**	(40,874)
Balance at End of Year	**¥205,464**	¥185,514	**$1,944,024**	$1,755,265

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

THE JOYO BANK, LTD. AND CONSOLIDATED SUBSIDIARIES

	Millions of Yen		Thousands of U.S. Dollars (Note 2)	
Years Ended March 31,	**2004**	2003	**2004**	2003
Cash Flows from Operating Activities:				
Income before Income Taxes and Minority Interests	**¥ 40,129**	¥ 20,016	**$ 379,685**	$ 189,384
Depreciation	**15,865**	15,461	**150,108**	146,286
Amortization of Goodwill	**(14)**	18	**(132)**	170
Net Decrease in Reserve for Possible Loan Losses	**(4,705)**	(23,478)	**(44,516)**	(222,140)
Net Decrease in Reserve for Devaluation of Investment Securities	**(23)**	(26)	**(217)**	(246)
Net Decrease in Reserve for Possible Losses on Sales of Loans	**—**	(6,492)	**—**	(61,424)
Net Increase (Decrease) in Reserve for Other Contingent Losses	**25**	(4,070)	**236**	(38,508)
Net Decrease in Reserve for Employees' Retirement Benefits	**(1,743)**	(11,003)	**(16,491)**	(104,106)
Interest and Dividend Income	**(124,295)**	(124,246)	**(1,176,033)**	(1,175,570)
Interest Expenses	**11,570**	14,306	**109,471**	135,358
Net Losses Related to Securities Transactions	**3,224**	15,456	**30,504**	146,239
Foreign Exchange Losses, Net	**38,336**	14,377	**362,721**	136,029
Losses on Disposal of Premises and Equipment	**960**	159	**9,083**	1,504
Net Increase in Trading Assets	**(3,282)**	(851)	**(31,053)**	(8,051)
Net Increase (Decrease) in Trading Liabilities	**1**	(49)	**9**	(463)
Net (Increase) Decrease in Loans and Bills Discounted	**(87,923)**	19,361	**(831,895)**	183,186
Net Increase (Decrease) in Deposits	**79,030**	(27,617)	**747,752**	(261,301)
Net Decrease in Negotiable Certificates of Deposit	**(93)**	(5,480)	**(879)**	(51,849)
Net Increase (Decrease) in Borrowed Money Excluding Subordinated Borrowings	**283**	(10,646)	**2,677**	(100,728)
Net Increase in Due from Banks Excluding Cash Equivalents	**(7,049)**	(1,924)	**(66,695)**	(18,204)
Net (Increase) Decrease in Call Loans and Others	**(41,933)**	3,240	**(396,754)**	30,655
Net Increase (Decrease) in Call Money and Bills Sold	**78,006**	(147)	**738,064**	(1,390)
Net Increase in Payables under Securities Lending Transactions	**71,719**	8,623	**678,578**	81,587
Net Decrease (Increase) in Foreign Exchange (Assets)	**1,145**	(572)	**10,833**	(5,412)
Net (Decrease) Increase in Foreign Exchange (Liabilities)	**(55)**	62	**(520)**	586
Net (Decrease) Increase in Due to Trust Account	**(15)**	16	**(141)**	151
Interest and Dividends Received	**123,694**	128,640	**1,170,347**	1,217,144
Interest Paid	**(13,246)**	(16,393)	**(125,328)**	(155,104)
Other, Net	**(14,499)**	1,553	**(137,184)**	14,693
Subtotal	**165,110**	8,293	**1,562,210**	78,465
Income Taxes (Refunded) Paid	**(2,049)**	1,604	**(19,386)**	15,176
Net Cash Provided by Operating Activities	**163,061**	9,898	**1,542,823**	93,651
Cash Flows from Investing Activities:				
Purchases of Securities	**(839,005)**	(920,157)	**(7,938,357)**	(8,706,187)
Proceeds from Sales of Securities	**360,567**	607,524	**3,411,552**	5,748,169
Proceeds from Redemption of Securities	**315,962**	221,810	**2,989,516**	2,098,684
Purchases of Premises and Equipment	**(16,698)**	(17,509)	**(157,990)**	(165,663)
Proceeds from Sales of Premises and Equipment	**1,250**	3,063	**11,827**	28,980
Proceeds from Sales of Consolidated Subsidiary	**—**	69	**—**	652
Net Cash Used in Investing Activities	**(177,924)**	(105,199)	**(1,683,451)**	(995,354)
Cash Flows from Financing Activities:				
Proceeds from Issuance of Subordinary Debt	**—**	7,000	**—**	66,231
Repayment of Subordinary Debt	**—**	(15,000)	**—**	(141,924)
Cash Dividends Paid	**(4,237)**	(4,317)	**(40,088)**	(40,845)
Cash Dividends Paid to Minority Interests	**(0)**	(2)	**(0)**	(18)
Purchases for Retirement of Treasury Stock	**(8,185)**	(2,157)	**(77,443)**	(20,408)
Proceeds from Sales of Treasury Stock	**10**	—	**94**	—
Net Cash Used in Financing Activities	**(12,412)**	(14,478)	**(117,437)**	(136,985)
Translation Adjustment for Cash and Cash Equivalents	**(22)**	(16)	**(208)**	(151)
Net Decrease in Cash and Cash Equivalents	**(27,296)**	(109,796)	**(258,264)**	(1,038,849)
Cash and Cash Equivalents at Beginning of Year	**172,035**	281,831	**1,627,732**	2,666,581
Net Increase in Cash and Cash Equivalents Due to Increase in Consolidated Subsidiaries	**1**	0	**9**	0
Net Decrease in Cash and Cash Equivalents Due to Decrease in Consolidated Subsidiaries	**—**	(0)	**—**	(0)
Cash and Cash Equivalents at End of Year (Note 3)	**¥144,739**	¥172,035	**$1,369,467**	$1,627,732

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

THE JOYO BANK, LTD. AND CONSOLIDATED SUBSIDIARIES

1. Basis of Presentation of Consolidated Financial Statements

The Joyo Bank, Ltd. (the "Bank") maintains its accounting records and prepares its consolidated financial statements in accordance with accounting principles and practices generally accepted and applied in Japan, the Commercial Code of Japan and the Banking Law of Japan, which are different in material respects as to the application and disclosure requirements of International Financial Reporting Standards. The accompanying consolidated financial statements have been compiled from the consolidated financial statements filed with the Prime Minister as required by the Securities and Exchange Law of Japan.

For the convenience of readers outside Japan, certain items presented in the original consolidated financial statements have been reclassified and rearranged to conform to the current year's presentation.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

2. Japanese Yen and U.S. Dollar Amounts

As permitted by the Securities and Exchange Law, amounts of less than one million yen have been rounded off. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sums of the individual amounts. Solely for the convenience of the reader, the U.S. dollar amounts represent a translation of the Japanese yen amounts at ¥105.69 = US$1.00, the exchange rate prevailing on March 31, 2004.

3. Significant Accounting Policies

(a) Consolidation

The accompanying consolidated financial statements include the accounts of the Bank and 10 significant subsidiaries.

In addition, The Joyo Computer Service Co., Ltd. and The Joyo Industrial Research Institute, Ltd. were included in the range of consolidation.

The Joyo Financial Services Co., Ltd. has excepted from consolidation by having finished liquidation.

All significant intercompany transactions have been eliminated in consolidation. The difference between the cost of investments and the equity in their net assets has been fully charged to income in the year of acquisition.

(b) Translation of foreign currencies

Foreign currency-denominated assets and liabilities are translated into Japanese yen at the rates prevailing at the balance sheet date.

As for the accounting method of foreign currency transactions, in the fiscal year ended March 31, 2003, the Bank applied the temporary treatment stipulated in JICPA Industry Audit Committee Report No. 25 to currency swaps and foreign exchange swaps for the purpose of lending or borrowing funds in different currencies. Effective April 1, 2003, they apply the hedge accounting pursuant to the basic provisions of JICPA Industry Audit Committee Report No. 25. The summary of this hedge accounting is described in the following (m) "Hedging." Consequently, for the fiscal year ended March 31, 2004, such foreign exchange swaps, whose profits or losses were formerly charged to income by periodical allocation, are valuated at fair value as assets and liabilities on the consolidated balance sheet.

As a result, "Other assets" and "Other liabilities" increased by ¥732 million. However, this accounting change had no impact on profits or losses.

Forward foreign exchange transactions were formerly accounted for as "Other assets" or "Other liabilities" on a net basis, but effective April 1, 2003, they are accounted for as "Other assets" or "Other liabilities" on a gross basis pursuant to JICPA Industry Audit Committee Report No. 25. Consequently, "Other assets" and "Other liabilities" increased by ¥29 million each.

No foreign currency-denominated assets and liabilities were held by the consolidated subsidiaries.

(c) Transactions for trading purposes

Transactions for "trading purposes" (seeking to capture gains arising from short-term changes in interest rates, currency exchange rates or market prices of securities and other market-related indices or from arbitrage between markets) are valued at market or fair value, and have been included in trading assets and trading liabilities on a trade date basis. Gain or loss on such trading transactions are reflected as trading revenue or trading expenses in the consolidated balance sheets.

Among the trading assets and liabilities, securities and monetary claims are carried at market value as of the balance sheet date. Derivatives including swaps, futures, and options are valued assuming settlement on the balance sheet date.

No consolidated subsidiaries have engaged in trading activities or other transactions in order to generate profit from short-term price fluctuations.

(d) Securities

Securities have been accounted for by the following methods:

Marketable debt securities held to maturity are stated at amortized cost by the moving-average cost method. Other available-for-sale securities of which market prices are available are stated at fair value based on the market prices, etc. at the fiscal year end, whereas, those of which fair value is not available, are stated at cost or amortized cost by the moving-average cost method.

Unrealized gain or loss on available-for-sale securities (net of the related tax effect) have been reported as a component of shareholders' equity.

(e) Derivatives

Derivatives positions held by the Bank (not including transactions for trading purposes) are stated at fair value.

(f) Depreciation of premises and equipment
Depreciation of premises and equipment held by the Bank is calculated by the declining-balance method, except for buildings acquired on or after April 1, 1998 of which depreciation is calculated by the straight-line method. The estimated useful lives are as follows:

Buildings: 6~50 years
Equipment: 3~20 years

Depreciation of premises and equipment held by the consolidated subsidiaries is calculated principally by the declining-balance method, based on the respective estimated useful lives of the assets.

Depreciation of the leased assets of a consolidated subsidiary is calculated by the straight-line method over the lease terms.

(g) Reserve for possible loan losses
The reserve for possible loan losses of the Bank is provided as detailed below, in accordance with the internal rules for providing reserves for possible loan losses:

For claims to debtors who are legally bankrupt (as a result of bankruptcy, special liquidation, etc.) or who are substantially bankrupt, a reserve is provided based on the amount of the claims, net of the amounts expected to be collected by the disposal of collateral or as a result of the execution of guarantees.

For claims to debtors who are not currently bankrupt, but are likely to become bankrupt, a reserve is provided based on the amount considered necessary based on an overall solvency assessment of the amount of claims net of the amounts expected to be collected by the disposal of collateral or as a result of the execution of guarantees.

For other claims, a reserve is provided based on the Bank's historical loan-loss experience.

All claims are assessed by the Business Section (at the branches and the related head office divisions) based on the Bank's internal rules for the self-assessment of asset quality. The Corporate Audit Department, which is independent of the Business Section, subsequently conducts audits of such assessments, and a reserve is provided based on the audit results.

The reserves of the consolidated subsidiaries are provided for general claims at an amount based on the actual historical rate of loan losses and for specific claims (from potentially bankrupt customers, etc.) at an estimate of the amounts deemed uncollectible based on the respective assessments.

For collateralized or guaranteed claims from debtors who are legally or substantially bankrupt, the amounts of the claims deemed uncollectible in excess of the estimated value of the collateral or guarantees have been written off in aggregate amounts of ¥66,542 million and ¥120,119 million as of March 31, 2004 and 2003, respectively.

(h) Reserve for devaluation of investment securities
A reserve for the devaluation of investment securities is provided at the amount deemed necessary to cover estimated possible losses on investments which the Bank and its consolidated subsidiaries may incur in the future.

(i) Reserve for employees' retirement benefits
Reserve for Employees' Retirement Benefits of the Bank and it's subsidiaries is provided for the amount deemed necessary, based on estimated pension benefits obligations and pension plan assets at the fiscal year end, to cover required retirement benefits for eligible employees.

Prior service cost are deferred and amortized using the straight-line method over certain years (10 years) within the average remaining service period of the eligible employees.

Unrealized actuarial losses are deferred and amortized using the straight-line method over certain years (10 years) within the average remaining service period of the eligible employees.

On December 19, 2003, the Bank received the approval from the Minister of Health, Labor and Welfare for exemption from future retirement benefit obligations with respect to the entrusted portion of the employee pension fund, in accordance with the implementation of the "Defined benefit enterprise pension plan law." As a result, the Bank applied the temporary treatment stipulated in Article 47-2 "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)" (JICPA's Accounting Committee Report No. 13), and derecognized retirement benefit liabilities on the entrusted portion and plan assets equivalent to the amount be returned on the day of approval. Consequently, other income increased ¥6,085 million. The amount of expected return of plan assets (minimum legal reserves) was ¥25,201 million at March 31, 2004.

(j) Reserve for other contingent losses
The Bank makes provisions for contingent liabilities not covered by other reserves in an amount deemed necessary based on estimated losses in the future.

(k) Land revaluation reserve
In accordance with the Law concerning the Revaluation of Land, the Bank revalued the land held for its operations on March 31, 1998. The net unrealized gain is presented in shareholders' equity net of the applicable income taxes as land revaluation reserve, net of taxes.

(l) Leases
Finance leases other than those which transfer the ownership of the leased property to the Bank and its consolidated subsidiaries are accounted for as operating leases.

(m) Hedging

(a) Hedging against interest rate changes

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the Bank applies deferred hedge accounting.

In the fiscal year ended March 31, 2003, the Bank applied the temporary treatment stipulated in the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24) to the "macro hedge," which is the management of interest rate risk arising from large-volume transactions in loans, deposits and other interest earning assets and interest-bearing liabilities as a whole using derivatives.

A portion of deferred hedge losses, which was previously under the macro hedge, is no longer subject to hedge accounting. The deferred hedge losses and gains related to hedging instruments to which the Bank discontinued the application of hedge accounting or applied fair value hedge accounting as a result of the change mentioned above are recognized as "Interest income" or "Interest expenses" from the fiscal year ended March 31, 2004 according to their maturity. Gross amounts of deferred hedge losses on "macro hedge" at March 31, 2004 was ¥6,324 million.

(b) Hedging against currency fluctuations

The Bank applies deferred hedge accounting stipulated in the basic provisions of JICPA Industry Audit Committee Report No. 25 to currency swap and foreign exchange swap transactions executed for the purpose of lending or borrowing funds in different currencies. Pursuant to JICPA Industry Audit Committee Report No. 25, the Bank assesses the effectiveness of currency swap and foreign exchange swap transactions executed for the purpose of offsetting the risk of changes in currency exchange rates by verifying that there are foreign currency monetary claims and debts corresponding to the foreign-currency positions.

Some of the assets and liabilities are applied exceptional treatment for interest rate swaps. Some of the liabilities of consolidated subsidiaries are applied exceptional treatment for interest rate swaps.

(n) Consumption tax

Consumption tax is excluded from transactions reported by the Bank and its consolidated subsidiaries. However, non-deductible consumption tax on premises and equipment is included in the expenses for the term of its occurrence.

(o) Net income per share

The computation of net income per share of common stock is based on the weighted average number of shares outstanding during each year.

(p) Statements of cash flows

Cash and cash equivalents in the statements of cash flows represent cash and due from banks in the consolidated balance sheets, excluding deposits with banks other than the Bank of Japan as well as the time deposits of certain consolidated subsidiaries.

	Millions of Yen	
March 31,	**2004**	2003
Cash and Due from Banks	**¥184,550**	¥204,796
Deposits with Banks Other than the Bank of Japan	**(39,761)**	(32,691)
Time Deposits of the Consolidated Subsidiaries	**(50)**	(70)
Cash and Cash Equivalents	**¥144,739**	¥172,035

4. Trading Assets

	Millions of Yen	
March 31,	**2004**	2003
Trading Securities	**¥ 4,684**	¥ 2,925
Trading Securities-Related Financial Derivatives	**6**	—
Trading-Related Financial Derivatives	**24**	7
Other Trading Assets	**9,999**	8,499
Total	**¥14,714**	¥11,431

5. Securities

	Millions of Yen	
March 31,	**2004**	2003
Japanese Government Bonds	**¥ 688,533**	¥ 663,045
Japanese Local Government Bonds	**297,564**	284,950
Corporate Bonds	**318,946**	275,707
Corporate Stocks	**188,289**	127,086
Other Securities	**762,253**	719,428
Total	**¥2,255,587**	¥2,070,219

Note: Securities as of March 31, 2003 include investments in unconsolidated subsidiaries of ¥122 million.

6. Bills Discounted

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. The Bank has rights to sell or pledge bank acceptances bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. The face value at March 31, 2004 and 2003 totaled ¥59,063 million and ¥65,916 million, respectively.

7. Pledged Assets

Assets pledged as collateral at March 31, 2004 and 2003 were as follows:

	Millions of Yen	
March 31,	**2004**	2003
Pledged Assets:		
Securities	**¥293,516**	¥221,965
Liabilities Covered by Pledged Assets:		
Deposits	**22,165**	43,120
Payables under Securities Lending Transactions	**153,381**	81,661

In addition to the above, securities amounting to ¥58,107 million and ¥57,976 million at book value were pledged as collateral in connection with exchange settlements and futures transactions as of March 31, 2004 and 2003, respectively.

One consolidated subsidiary had pledged its lease receivables amounting to ¥4,850 million and ¥5,436 million as collateral for borrowed money of ¥3,981 million and ¥4,196 million as of March 31, 2004 and 2003, respectively.

Lease deposits as of March 31, 2004 and 2003 of ¥4,376 million and ¥5,063 million, respectively, have been included in premises and equipment. Initial margins of futures transactions as of March 31, 2004 and 2003 of ¥160 million and ¥150 million, respectively, have been included in other assets.

8. Commitments and Contingent Liabilities

Overdraft facilities and line-of-credit contracts are agreements which, subject to compliance with the contractual conditions, pledge to provide clients with funds up to a fixed limit upon submission of a loan application to the Bank. The unused amount related to such facilities/contracts stood at ¥1,351,491 million and ¥1,185,160 million at March 31, 2004 and 2003, respectively. Of this amount, facilities/contracts which expires within one year or which are unconditionally cancelable at any time, totaled ¥1,180,478 million and ¥1,141,403 million at March 31, 2004 and 2003, respectively.

Most of these agreements will expire without the clients' having utilized the financial resources available to them, and the amount of the nonexecuted financing will not necessarily impact on the Bank or its consolidated subsidiaries' future cash flows. Most of these facilities/contracts contain a clause which allows the Bank or its consolidated subsidiaries to reject a loan application or to reduce the upper limit requested in view of changing financial conditions, credit maintenance and other reasonable concerns.

When necessary, the Bank will demand collateral such as real estate or marketable securities at the date on which an agreement is entered into. In addition, after facilities/contracts are set forth the Bank will regularly assess the business status of the clients, based on predetermined internal procedures and, when prudent, will revise the agreements or reformulate their policies to maintain creditworthiness.

9. Borrowed Money

Borrowed money at March 31, 2004 and 2003 included subordinated borrowings of ¥57,000 million and ¥57,000 million, respectively.

10. Non-Performing Loans

In accordance with the disclosure requirements under the Rules for Bank Accounting in Japan, the balance of loans and bills discounted at March 31, 2004 and 2003 included the following non-performing loans:

	Millions of Yen	
March 31,	**2004**	2003
Loans in Bankruptcy and Dishonored Bills	**¥ 7,877**	¥ 11,492
Delinquent Loans	**112,437**	131,763
Loans Past Due with Respect to Interest Payments for More than Three Months	**1,513**	2,500
Restructured Loans	**81,131**	117,490
Total	**¥202,959**	¥263,246

Note: The above amounts are stated before the deduction of the reserve for possible loan losses.

11. Employees' Retirement Benefits

(a) Outline of current retirement benefit system

The Bank and its consolidated subsidiaries have adopted defined employees' retirement benefit plans, i.e., the employees' welfare pension fund supplemented by the employees' public pension system and lump-sum retirement benefits. In addition, extra benefits may be paid on a case-by-case basis. The Bank has established a employees' retirement benefit trust. As of the end of the year under audit, the Bank and 10 consolidated subsidiaries had adopted a lump-sum retirement benefit system. In addition, a union pension fund for the above-mentioned employees' welfare pension system was established by the Bank and its consolidated subsidiaries.

The Bank received approval from the Minister of Health, Labor and Welfare for exemption from future retirement benefit obligations with respect to entrusted portion of employees pension fund at December 19, 2003.

(b) The following tables set forth the changes in the net retirement benefit obligation, the plan assets and the funded status of the Bank and its consolidated subsidiaries at March 31, 2004 and 2003:

	Millions of Yen	
	2004	2003
Retirement Benefit Obligation	**¥(57,047)**	¥(93,461)
Fair Value of Plan Assets	**44,831**	53,521
Unfunded Retirement Benefit Obligation	**(12,216)**	(39,939)
Unrecognized Net Retirement Benefit Obligation at Transition	**—**	—
Unrealized Actuarial Loss	**7,754**	33,161
Unrecognized Prior Service Cost	**—**	(1,806)
Net Retirement Benefit Obligation	**(4,461)**	(8,584)
Prepaid Pension Cost	**2,503**	—
Reserve for Employees' Retirement Benefits	**¥ (6,964)**	¥ (8,584)

Notes: 1. The government-sponsored portion of the benefits under the welfare pension plans has been included in the amounts of March 31, 2003.

2. The Bank applied the temporary treatments stipulated in Article 47-2 of "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)" (JICPA's Accounting Committee Report No. 13), and derecognized retirement benefit liabilities on the entrusted portion and plan assets equivalent to the amount be returned on the day of approval. The amount of expected return of plan assets (minimum legal reserve) was ¥25,201 million at March 31, 2004.

3. The above amounts do not include any extra benefits.

4. The consolidated subsidiaries have adopted a simplified method for the calculation of their retirement benefit obligation.

(c) Expenses for retirement benefits of the Bank and its consolidated subsidiaries included the following components for the years ended March 31, 2004 and 2003:

	Millions of Yen	
	2004	2003
Service Cost	**¥2,316**	¥2,552
Interest Cost	**1,721**	1,923
Expected Return on Plan Assets	**(774)**	(1,439)
Amortization:		
Amortization of Prior Service Cost	**(135)**	(202)
Amortization of Unrealized Actuarial Loss	**3,022**	2,063
Total Retirement Benefits Expenses	**6,150**	4,896
Gains on Return of the Entrusted Portion of Employee Pension Fund	**(6,085)**	—
Total	**¥ 64**	¥4,896

Note: Retirement benefit expenses of consolidated subsidiaries which are calculated by simplified method have been included in "service cost" referred to above.

(d) The assumptions used in accounting for the defined benefit plans for the years ended March 31, 2004 and 2003 were as follows:

	2004	2003
Discount Rate	**2.0%**	2.5%
Expected Rate of Return on Plan Assets	**3.5%**	4.5%
Periodical Allocation of Estimated Retirement Amount	Straight-Line Method	
Amortization Period of Prior Service Cost	**10 years**	10 years
Amortization Period of Actuarial Difference	**10 years**	10 years

12. Deferred Tax Assets

March 31,	Millions of Yen **2004**	2003
Deferred Tax Assets:		
Reserve for Possible Loan Losses	**¥ 40,320**	¥ 62,963
Net Operating Loss Carry Forwards	**26,333**	14,624
Devaluation of Securities	**5,541**	12,613
Reserve for Employees' Retirement Benefits	**10,424**	11,341
Other	**17,243**	15,790
Valuation Allowance	**(1,318)**	(2,167)
Total	**¥ 98,545**	¥115,165
Deferred Tax Liabilities:		
Unrealized Gain on Available-for-Sale Securities	**¥(37,016)**	¥(12,197)
Retirement Benefit Trust	**(9,495)**	(9,493)
Reversal of Reserve for Possible Loan Losses after Elimination of Debt and Credit	**(22)**	(28)
Other	**(7)**	(806)
Total	**(46,542)**	(22,525)
Net Deferred Tax Assets	**¥ 52,003**	¥ 92,640

13. Deposits

March 31,	Millions of Yen **2004**	2003
Current Deposits	**¥3,101,361**	¥2,924,635
Time Deposits	**2,733,813**	2,824,600
Negotiable Certificates of Deposit	**98,301**	98,395
Other	**226,777**	233,687
Total	**¥6,160,255**	¥6,081,317

14. Trading Liabilities

March 31,	Millions of Yen **2004**	2003
Trading-Related Financial Derivatives	**¥3**	¥1

15. Shareholders' Equity

In accordance with the Banking Law of Japan, the Bank has provided a legal reserve by appropriation of retained earnings, which is included in retained earnings. The Banking Law of Japan provides that an amount equivalent to at least 20% of the amount to be disbursed as distributions of earnings be appropriated to the legal reserve until the total of such reserve and the capital surplus equals 100% of the common stock.

The Code provides that neither additional paid-in capital nor the legal reserve had been available for dividends, but both might be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. On October 1, 2001, an amendment (the "Amendment") to the Code became effective. The Amendment provides that if the total amount of capital surplus and the legal reserve exceeds 100% of the common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders. In addition, the Amendment eliminates the stated par value of the Bank's outstanding shares, which resulted in all outstanding shares having no par value as of October 1, 2001. The Amendment also provides that all share issuances after September 30, 2001 will be of shares with no par value. Prior to the date on which the Amendment came into effect, the Bank's shares had a par value of ¥50.

16. Trading Revenue

	Millions of Yen	
March 31,	**2004**	2003
Revenue from Trading Securities	**¥159**	¥173
Revenue from Trading-Related Financial Derivatives	**3**	9
Other Trading Revenue	**18**	27
Total	**¥181**	¥210

17. Interest on Borrowings and Rediscounts

	Millions of Yen	
March 31,	**2004**	2003
Call Money and Bills Sold	**¥ 588**	¥ 569
Securities Lending Transactions	**1,499**	1,240
Borrowings	**1,370**	1,603
Total	**¥3,457**	¥3,412

18. Other Expenses

	Millions of Yen	
March 31,	**2004**	2003
Provision for Possible Loan Losses	**¥ 9,957**	¥ 337
Losses on Disposal of Premises and Equipment	**1,249**	601
Other	**34,426**	55,570
Total	**¥45,633**	¥56,509

Note: For the year ended March 31, 2004 and 2003, "Other Expenses – Other" included write off claims of ¥12,372 million and ¥16,707 million, and write off stocks of ¥521 million and ¥13,035 million, respectively.

19. Accumulated Depreciation of Premises and Equipment

Accumulated depreciation of premises and equipment at March 31, 2004 and 2003 amounted to ¥144,481 million and ¥143,439 million, respectively.

20. Segment Information

(a) Segment information by type of business

Segment information by type of business for the years ended March 31, 2004 and 2003 are summarized as follows:

	Millions of Yen					
March 31, 2004	Banking Operations	Leasing	Other	Total	Eliminations	Consolidated
Ordinary Income:						
Ordinary Income from External Customers	**¥ 147,127**	**¥16,620**	**¥ 5,429**	**¥ 169,176**	**¥ —**	**¥ 169,176**
Ordinary Income from Internal Transactions	**429**	**2,214**	**5,218**	**7,862**	**(7,862)**	**—**
Total	**147,556**	**18,834**	**10,648**	**177,039**	**(7,862)**	**169,176**
Ordinary Expenses	**117,658**	**18,183**	**10,612**	**146,453**	**(7,950)**	**138,503**
Ordinary Income (Loss), Net	**¥ 29,898**	**¥ 651**	**¥ 36**	**¥ 30,586**	**¥ (87)**	**¥ 30,673**
Assets	**¥7,045,794**	**¥51,253**	**¥29,269**	**¥7,126,316**	**¥(69,670)**	**¥7,056,646**
Depreciation	**2,621**	**13,132**	**112**	**15,865**	**(0)**	**15,865**
Capital Expenditures	**3,118**	**14,660**	**76**	**17,854**	**—**	**17,854**

	Millions of Yen					
March 31, 2003	Banking Operations	Leasing	Other	Total	Eliminations	Consolidated
Ordinary Income:						
Ordinary Income from External Customers	¥ 146,381	¥15,914	¥ 3,384	¥ 165,681	¥ —	¥ 165,681
Ordinary Income from Internal Transactions	699	2,202	4,217	7,118	(7,118)	—
Total	147,080	18,117	7,602	172,800	(7,118)	165,681
Ordinary Expenses	135,092	17,168	8,748	161,010	(9,468)	151,541
Ordinary Income (Loss), Net	¥ 11,987	¥ 948	¥ (1,146)	¥ 11,789	¥ (2,349)	¥ 14,139
Assets	¥6,784,263	¥49,897	¥31,937	¥6,866,098	¥(73,431)	¥6,792,667
Depreciation	2,776	12,680	5	15,462	(0)	15,461
Capital Expenditures	2,623	15,788	1	18,412	—	18,412

Notes: 1. Operating classification is classified according to the contents of an enterprise of consolidated subsidiaries. In addition; "other" is guarantee business etc.

2. It replaced with the net sales and the operating income of a non-financial company, and ordinary income and ordinary expenses are indicated, respectively.

(b) Geographic segment information

Segment information by geographic area has not been disclosed since over 90% of the total consolidated assets of the Bank and consolidated subsidiaries are in Japan.

(c) Ordinary income from foreign operations

Segment information related to the Bank's foreign operations for the year ended March 31, 2004 are as follows:

	Millions of Yen
	2004
Ordinary Income from Foreign Operations (A)	**¥ 20,030**
Ordinary Income (B)	**169,176**
(A)/(B)	**11.84%**

Segment information related to the Bank's foreign operations for the year ended March 31, 2003 has not been disclosed since the income generated from foreign operations is considered immaterial to the Bank's total consolidated income.

21. Leases

(a) Finance leases

Finance leases, as lessee, at March 31, 2004 and 2003 are summarized as follows:

	Millions of Yen	
March 31,	**2004**	2003
Equipment	**¥9**	¥20
Accumulated Depreciation	**(4)**	(12)
Total	**¥4**	¥ 7
Lease Payments Receivable for Finance Leases:		
Within One Year	**¥1**	¥ 3
Over One Year	**2**	4
Total	**¥4**	¥ 7

Total lease payments received and depreciation under finance leases for the year ended March 31, 2004 were ¥3 million and ¥3 million, respectively.

Finance leases, as lessor, at March 31, 2004 and 2003 are summarized as follows:

	Millions of Yen	
March 31,	**2004**	2003
Equipment	**¥62,201**	¥60,823
Other	**5,047**	5,222
Accumulated Depreciation	**(31,101)**	(30,646)
Total	**¥36,148**	¥35,399
Lease Payments Receivable for Finance Leases:		
Within One Year	**¥12,549**	¥12,270
Over One Year	**29,581**	29,110
Total	**¥42,130**	¥41,381

Total lease payments received and depreciation under finance leases for the year ended March 31, 2004 were ¥13,571 million and ¥11,600 million, respectively.

(b) Operating leases

Future minimum lease payments for operating leases at March 31, 2004 were ¥123 million, of which ¥36 million was due within one year.

22. Securities Information

The information includes trading account securities and commercial paper in trading assets; trust beneficiary rights in commercial paper and other debt purchased and investments in other assets in addition to securities.

(a) Securities held for trading purposes

	Millions of Yen	
	2004	2003
Carrying Value	**¥14,683**	¥11,424
Holding Gains Charged to Income	**7**	8

(b) Marketable debt securities held to maturity

	Millions of Yen				
March 31, 2004	Book Value	Market Value	Unrealized Gain (Net)	Unrealized Gain (Gross)	Unrealized Loss (Gross)
Japanese Government Bonds	**¥ —**	**¥ —**	**¥ —**	**¥ —**	**¥—**
Japanese Local Government Bonds	**11,822**	**13,092**	**1,270**	**1,270**	**—**
Corporate Bonds	**11,649**	**11,749**	**99**	**128**	**28**
Other	**12,300**	**12,752**	**452**	**452**	**—**
Total	**¥35,771**	**¥37,594**	**¥1,822**	**¥1,850**	**¥28**

	Millions of Yen				
March 31, 2003	Book Value	Market Value	Unrealized Gain (Net)	Unrealized Gain (Gross)	Unrealized Loss (Gross)
Japanese Government Bonds	¥ —	¥ —	¥ —	¥ —	¥—
Japanese Local Government Bonds	18,489	20,756	2,267	2,267	—
Corporate Bonds	8,418	8,471	53	112	59
Other	27,149	28,145	995	995	—
Total	¥54,057	¥57,373	¥3,316	¥3,375	¥59

(c) Marketable available-for-sale securities

	Millions of Yen				
March 31, 2004	Cost	Book Value	Unrealized Gain (Net)	Unrealized Gain (Gross)	Unrealized Loss (Gross)
Equity Securities	**¥ 113,114**	**¥ 184,131**	**¥71,016**	**¥ 72,695**	**¥ 1,678**
Debt Securities:					
Japanese Government Bonds	**693,048**	**688,533**	**(4,515)**	**2,194**	**6,710**
Japanese Local Government Bonds	**276,982**	**285,742**	**8,760**	**9,733**	**973**
Corporate Bonds	**306,728**	**307,297**	**568**	**2,505**	**1,936**
Other	**735,177**	**751,152**	**15,975**	**16,712**	**737**
Total	**¥2,125,052**	**¥2,216,857**	**¥91,805**	**¥103,841**	**¥12,036**

	Millions of Yen				
March 31, 2003	Cost	Book Value	Unrealized Gain (Net)	Unrealized Gain (Gross)	Unrealized Loss (Gross)
Equity Securities	¥ 122,824	¥ 122,389	¥ (434)	¥15,590	¥16,024
Debt Securities:					
Japanese Government Bonds	658,996	663,045	4,049	7,344	3,295
Japanese Local Government Bonds	251,202	266,461	15,258	15,258	—
Corporate Bonds	262,924	267,288	4,364	4,430	66
Other	685,457	692,478	7,021	9,810	2,789
Total	¥1,981,405	¥2,011,663	¥30,258	¥52,434	¥22,176

Notes: 1. Market value is based on the market prices at the fiscal year end.

2. Pursuant to "Practical Guidelines for Accounting for Financial Instruments" (JICPA Accounting Committee Report No. 14, amended on July 3, 2001), the Bank consider that the market price of the securities at the fiscal year end, decline 30% or lower than original cost a significant decline, considering the recoverability, devaluate the securities and recognize the loss. As of March 31, 2004 and 2003, the Bank devaluated the available-for-sale securities which have market price, recognized as a loss of ¥349 million and ¥12,817 million, respectively.

(d) Total sales of marketable available-for-sale securities

	Millions of Yen	
	2004	2003
Total Marketable Available-for-Sale Securities Sold	**¥336,457**	¥566,389
Gains	**7,242**	7,861
Losses	**2,313**	2,350

(e) Major components and balance sheet amounts of non-marketable securities

	Millions of Yen	
	Book Value	
March 31,	**2004**	2003
Non-Marketable Debt Securities Held to Maturity:		
Trust Beneficiary Rights	**¥41,453**	¥10,000
Non-Marketable Available-for-Sale Securities:		
Unlisted Equity Securities	**4,158**	4,574

(f) Projected redemption amounts of marketable available-for-sale securities with maturity dates and marketable debt securities being held to maturity

	Millions of Yen			
March 31, 2004	One Year or Less	One to Five Years	Five to Ten Years	More than Ten Years
Debt Securities:				
Japanese				
Government Bonds	**¥ 66,648**	**¥ 313,277**	**¥157,473**	**¥151,133**
Japanese Local				
Government Bonds	**10,889**	**220,203**	**66,471**	**—**
Corporate Bonds	**31,099**	**165,396**	**104,276**	**18,173**
Others	**99,012**	**393,421**	**118,163**	**150,291**
Total	**¥207,650**	**¥1,092,298**	**¥446,386**	**¥319,598**

	Millions of Yen			
March 31, 2003	One Year or Less	One to Five Years	Five to Ten Years	More than Ten Years
Debt Securities:				
Japanese				
Government Bonds	¥ 78,446	¥298,091	¥135,373	¥151,135
Japanese Local				
Government Bonds	839	128,826	155,285	—
Corporate Bonds	33,316	160,109	62,143	20,138
Others	96,589	367,873	118,537	114,501
Total	¥209,190	¥954,900	¥471,339	¥285,774

(g) Unrealized gain on available-for-sale securities

	Millions of Yen	
March 31,	**2004**	2003
Unrealized Gain:		
Available-for-Sale Securities	**¥91,805**	¥30,258
Other Money Held in Trust	**—**	—
Deferred Tax Liabilities	**37,016**	12,197
Net Unrealized Gains on Available-for-Sale Securities	**54,789**	18,061
Minority Interests	**19**	(4)
Unrealized Gains on Available-for-Sale Securities	**¥54,770**	¥18,066

23. Derivatives

(1) Transactions

[1] The Bank conducts derivative transactions related to fluctuations in interest rates, currency exchanges and bond prices, which are classified into hedging and non-hedging purposes.

One of the Bank's consolidated subsidiaries engages in interest-related derivative transactions.

[2] Policies: The Bank enters into derivative transactions to: (1) meet customer needs for the hedging of risks involved in fluctuations in foreign exchanges and interest rates; (2) mitigate risks involved in the Bank's operations in the context of efficiently managing its overall assets and liabilities, and; (3) hedge individual transactions of the Bank. For trading in derivatives for the purpose of increasing earnings over a short-term period, the Bank has set certain position limits and loss-cut rules.

The above mentioned consolidated subsidiary follows trading policies similar to those of the Bank.

[3] Purposes: The Bank conducts derivatives transactions in accordance with the above-mentioned policies. The Bank employs hedge accounting in some of its derivatives transactions.

a. Methods of hedge accounting

The Bank has adopted ordinary treatment for deferred hedges and extraordinary treatment for interest-rate swaps.

b. Policies and implementation of hedging transactions

The Bank uses hedging transactions to mitigate its exposure to interest rate risk, risk involving fluctuations in foreign exchange rates and stock prices, and credit risk, in accordance with its internal rules (Rules on Transactions under Hedge Accounting) based on the Preliminary Practical Guidelines on Accounting for Financial Instruments.

During the reporting term, hedge accounting has been applied to the following financial instruments and assets and liabilities hedged:

Hedging instruments: Interest-rate swaps, currency swaps and foreign exchange swaps

Assets and liabilities hedged:

(Yen-denominated) Loans and bills discounted, deposits, and borrowed money

(Foreign-currency denominated) Bonds and deposits

c. Assessment of hedging effectiveness

The effectiveness of hedging was assessed in accordance with the Regulations on Hedge Accounting. As for hedging against interest rate changes by means of offsetting fluctuations in fair value arising from changes in interest rates, the Bank assesses the hedge effectiveness by correlating a group of hedged items (i.e. loans) with hedging instruments (such as interest rate swaps) classified by remaining maturity bucket. As for cash flow hedges, the Bank assesses the effectiveness of such hedges in fixing cash flows by verifying the correlation between the hedged items and hedging instruments. As for hedging foreign exchange fluctuations, the Bank assesses the effectiveness of utilizing currency and exchange swap transactions as hedging instruments through confirmation of the fact that there exists a sufficient balance of hedging instruments in the form of foreign exchanges, corresponding to the hedged items in the form of monetary claims and obligations denominated in foreign currencies.

In addition, the Bank confirmed that its hedging methods for its special treatment of interest-rate swaps met the required criteria.

[4] Nature of Risks: Derivative transactions involve market risk and credit risk. Market risk refers to the risk of losses from fluctuations in interest rates and currency exchanges, etc. Credit risk is the risk that a position cannot be settled according to the original contract terms due to the bankruptcy or insolvency of the counterparty.

[5] Risk Management System: The Board of Directors is responsible for determining policies on the basis of in-house regulations on risk management, taking due account of the maximum transaction volumes, the maximum allowable loss amounts, and loss-cutting rules on derivative transactions, which are reported to the Board on a regular basis. For credit risk management, the current exposure method is applied for risk control, by setting credit lines by counterparty.

Regarding the organizational structure, the Bank clearly segregates back-office work from front-office work. Furthermore, the Bank has established middle-office sections to ensure that the system of checks and balances works effectively.

[6] Supplementary Explanation of Quantitative Information: The contract amounts presented are the notional contract amounts or the principal for calculation purpose. Accordingly, they do not represent the actual market risk exposure relating to all derivative positions.

(2) Interest-Rate Derivatives

	Millions of Yen			
	Contract Amounts		Market	Unrealized
At March 31, 2004	Total	Over 1 Year	Value	Gain (Loss)
Transactions Listed on Exchanges:				
Interest-Rate Futures:				
Sold	**¥ —**	**¥ —**	**¥—**	**¥—**
Bought	**—**	**—**	**—**	**—**
Interest-Rate Options:				
Sold	**—**	**—**	**—**	**—**
Bought	**—**	**—**	**—**	**—**
Over-the-Counter Transactions:				
Forward Rate Agreements:				
Sold	**—**	**—**	**—**	**—**
Bought	**—**	**—**	**—**	**—**
Interest-Rate Swaps:				
Receivable Fixed/ Payable Floating	**1,550**	**1,460**	**20**	**20**
Receivable Floating/ Payable Fixed	**1,550**	**1,460**	**(0)**	**(0)**
Receivable Floating/ Payable Floating	**—**	**—**	**—**	**—**
Interest-Rate Options:				
Sold	**—**	**—**	**—**	**—**
Bought	**—**	**—**	**—**	**—**
Other:				
Sold	**200**	**200**	**(1)**	**1**
Bought	**200**	**200**	**1**	**(0)**
Total	**—**	**—**	**¥20**	**¥21**

At March 31, 2003	Millions of Yen Contract Amounts Total	 Over 1 Year	 Market Value	 Unrealized Gain (Loss)
Transactions Listed on Exchanges:				
Interest-Rate Futures:				
Sold	¥ —	¥ —	¥—	¥—
Bought	—	—	—	—
Interest-Rate Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-Counter Transactions:				
Forward Rate Agreements:				
Sold	—	—	—	—
Bought	—	—	—	—
Interest-Rate Swaps:				
Receivable Fixed/ Payable Floating	300	300	7	7
Receivable Floating/ Payable Fixed	300	300	(1)	(1)
Receivable Floating/ Payable Floating	—	—	—	—
Interest-Rate Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Other:				
Sold	170	—	(0)	(0)
Bought	—	—	—	—
Total	—	—	¥ 5	¥ 5

Notes: 1. The above derivatives are valued at market and unrealized gain (loss) is accounted for in the consolidated statements of income. Derivatives to which hedge accounting is applied have not been included in the above table.

2. Calculation of market value
The market value of transactions listed on exchanges has been calculated on the basis of the closing prices on the Tokyo International Financial Futures Exchange, etc. The market value of over-the-counter transactions has been calculated at their discounted current value or by utilizing calculation models for options prices.

(3) Currency Derivatives

At March 31, 2004	Millions of Yen Contract Amounts Total	 Over 1 Year	 Market Value	 Unrealized Gain (Loss)
Listed:				
Currency Futures:				
Sold	**¥ —**	**¥ —**	**¥ —**	**¥ —**
Bought	**—**	**—**	**—**	**—**
Currency Swaps:				
Sold	**—**	**—**	**—**	**—**
Bought	**—**	**—**	**—**	**—**
Over-the-Counter Transactions:				
Currency Swaps	**18,244**	**18,244**	**37**	**37**
Forward Foreign Exchange Contracts:				
Sold	**1,467**	**—**	**23**	**23**
Bought	**1,751**	**—**	**(26)**	**(26)**
Currency Options:				
Sold	**34,325**	**—**	**(429)**	**148**
Bought	**34,325**	**—**	**433**	**(44)**
Others:				
Sold	**—**	**—**	**—**	**—**
Bought	**—**	**—**	**—**	**—**
Total	**¥ —**	**¥ —**	**¥ 40**	**¥139**

At March 31, 2003	Millions of Yen Contract Amounts Total	 Over 1 Year	 Market Value	 Unrealized Gain (Loss)
Over-the-Counter Transactions:				
Currency Swaps	¥—	¥—	¥—	¥—
Forward Foreign Exchange Contracts	—	—	—	—
Currency Options	—	—	—	—
Others	—	—		—
Total	¥—	¥—	¥—	¥—

Notes: 1. The transactions in this table have been revalued at the market rate prevailing on the balance sheet date, and have been accounted for in the consolidated statements of income. Derivatives which qualify as hedges have been excluded from this table.

2. Calculation of market value
Market value is calculated at discount present value, etc.

3. Based on the notification (issued on April 10, 2000 by the Japanese Institute of Certified Public Accountants) entitled "Provisional Accounting Procedures for Banks Continuing to Apply the New Foreign Currency Accounting Standards," currency swaps accounted for on an accrual basis have been excluded from this table. The contract amounts of the currency swaps accounted for on an accrued basis as of March 31, 2003 are presented as follows:

At March 31, 2003	Millions of Yen Contract Amounts	 Market Value	 Unrealized Gain (Loss)
Currency Swaps	¥197,081	¥337	¥337

Similarly, the above schedule excludes those transactions related to foreign currencies, such as forward foreign exchange contracts and currency options, which have been revalued at the market rates prevailing at the closing date of the year, and for which gain (loss) after revaluation has been credited (or debited) to income in the consolidated statements of income.

The schedule also excludes transactions pertaining to those foreign currency monetary assets and liabilities reflected in the consolidated balance sheets and certain assets and liabilities which have been eliminated in consolidation.

The contract value or notional principal amounts of foreign currency-related derivatives which have been revalued as of March 31, 2003 are presented as follows:

	Millions of Yen
March 31, 2003	Contract Amounts
Listed:	
Currency Futures	¥ —
Currency Options	—
Unlisted:	
Forward Foreign Exchange Contracts:	
Sold	1,544
Bought	1,473
Currency Options:	
Sold	68,436
Bought	68,436
Others	—

(4) Stock Derivatives

Not applicable as of March 31, 2004 and 2003.

(5) Bond Derivatives

	Millions of Yen			
	Contract Amounts		Market	Unrealized
At March 31, 2004	Total	Over 1 Year	Value	Gain (Loss)
Listed:				
Bond Futures:				
Sold	¥500	¥—	¥ 6	¥ 6
Bought	—	—	—	—
Bond Future Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over-the-Counter Transactions:				
Bond Option:				
Sold	—	—	—	—
Bought	—	—	—	—
Others:				
Sold	—	—	—	—
Bought	—	—	—	—
Total	—	—	¥ 6	¥ 6

Not applicable as of March 31, 2003.

(6) Commodity Derivatives

Not applicable as of March 31, 2004 and 2003.

(7) Credit Derivatives

Not applicable as of March 31, 2004 and 2003.

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Report of Independent Auditors

The Board of Directors
The Joyo Bank, Ltd.

We have audited the accompanying consolidated balance sheets of The Joyo Bank, Ltd. and consolidated subsidiaries as of March 31, 2004 and 2003, and the related consolidated statements of income, retained earnings and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Joyo Bank, Ltd. and consolidated subsidiaries at March 31, 2004 and 2003, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2004 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 .

Ernst & Young ShinNihon

June 29, 2004

Non-Consolidated Balance Sheets

THE JOYO BANK, LTD.

	Millions of Yen		Thousands of U.S. Dollars (Note 2)	
March 31,	**2004**	2003	**2004**	2003
Assets				
Cash and Due from Banks	**¥ 184,160**	¥ 204,327	**$ 1,742,454**	$ 1,933,267
Call Loans and Bills Purchased	**9,555**	—	**90,405**	—
Commercial Paper and Other Debt Purchased	**42,421**	10,042	**401,371**	95,013
Trading Assets (Note 4)	**14,714**	11,431	**139,218**	108,155
Securities (Notes 5 and 6)	**2,255,553**	2,070,023	**21,341,214**	19,585,798
Loans and Bills Discounted (Notes 7, 8 and 9)	**4,363,963**	4,274,410	**41,290,216**	40,442,899
Foreign Exchange (Note 10)	**1,561**	2,706	**14,769**	25,603
Other Assets (Note 11)	**48,975**	40,083	**463,383**	379,250
Premises and Equipment (Note 12)	**85,640**	87,807	**810,294**	830,797
Deferred Tax Assets (Note 13)	**47,652**	88,992	**450,865**	842,009
Customers' Liabilities for Acceptances and Guarantees	**51,612**	57,700	**488,333**	545,936
Reserve for Possible Loan Losses	**(62,788)**	(67,077)	**(594,077)**	(634,657)
Reserve for Devaluation of Investment Securities	**(180)**	(205)	**(1,703)**	(1,939)
Total Assets	**¥7,042,842**	¥6,780,242	**$66,636,786**	$64,152,161
Liabilities and Shareholders' Equity				
Liabilities:				
Deposits (Note 14)	**¥6,173,790**	¥6,091,865	**$58,414,135**	$57,638,991
Call Money and Bills Sold	**107,795**	29,788	**1,019,916**	281,843
Payables under Securities Lending Transactions	**153,381**	81,661	**1,451,234**	772,646
Trading Liabilities (Note 15)	**3**	1	**28**	9
Borrowed Money	**86,000**	86,051	**813,700**	814,182
Foreign Exchange (Note 10)	**197**	252	**1,863**	2,384
Corporate Bonds	**15,000**	15,000	**141,924**	141,924
Due to Trust Account	**14**	30	**132**	283
Other Liabilities (Note 16)	**31,662**	39,591	**299,574**	374,595
Reserve for Employees' Retirement Benefits	**6,672**	8,421	**63,128**	79,676
Reserve for Other Contingent Losses	**143**	117	**1,353**	1,107
Deferred Tax Liabilities for Land Revaluation (Note 13)	**8,822**	9,105	**83,470**	86,148
Acceptances and Guarantees	**51,612**	57,700	**488,333**	545,936
Total Liabilities	**6,635,096**	6,419,587	**62,778,843**	60,739,776
Shareholders' Equity:				
Common Stock (Note 26):				
Authorized — 2,180,515 thousand shares				
Issued — 865,231 thousand shares	**85,113**	85,113	**805,307**	805,307
Capital Surplus	**58,574**	58,574	**554,205**	554,205
Legal Reserve	**55,317**	55,317	**523,389**	523,389
Voluntary Reserve	**123,432**	120,432	**1,167,868**	1,139,483
Retained Earnings	**28,018**	12,031	**265,096**	113,832
Land Revaluation Reserve, Net of Taxes	**13,059**	13,483	**123,559**	127,571
Unrealized Gain on Available-for-Sale Securities	**54,768**	18,066	**518,194**	170,933
Less, Treasury Stock at Cost	**(10,536)**	(2,361)	**(99,687)**	(22,338)
Total Shareholders' Equity	**407,745**	360,655	**3,857,933**	3,412,385
Total Liabilities and Shareholders' Equity	**¥7,042,842**	¥6,780,242	**$66,636,786**	$64,152,161

See accompanying notes to non-consolidated financial statements.

Non-Consolidated Statements of Income

THE JOYO BANK, LTD.

	Millions of Yen		Thousands of U.S. Dollars (Note 2)	
Years Ended March 31,	**2004**	2003	**2004**	2003
Income				
Interest Income:				
Interest on Loans and Discounts	**¥ 84,930**	¥ 88,330	**$ 803,576**	$ 835,746
Interest and Dividends on Securities	**31,365**	29,815	**296,764**	282,098
Other Interest Income	**567**	541	**5,364**	5,118
Fees and Commissions (Note 17)	**18,594**	16,463	**175,929**	155,766
Trading Revenue (Note 18)	**181**	210	**1,712**	1,986
Other Operating Income (Note 19)	**4,727**	7,607	**44,725**	71,974
Other Income (Note 20)	**17,676**	11,264	**167,243**	106,575
Total Income	**158,044**	154,234	**1,495,354**	1,459,305
Expenses				
Interest Expenses:				
Interest on Deposits	**2,766**	3,819	**26,170**	36,133
Interest on Borrowings and Rediscounts (Note 21)	**3,456**	3,412	**32,699**	32,283
Other Interest Expenses	**4,993**	6,874	**47,241**	65,039
Fees and Commissions (Note 22)	**6,343**	5,312	**60,015**	50,260
Other Operating Expenses (Note 23)	**2,550**	1,695	**24,127**	16,037
General and Administrative Expenses	**74,511**	75,139	**704,995**	710,937
Other Expenses (Note 25)	**24,242**	39,755	**229,368**	376,147
Total Expenses	**118,868**	136,010	**1,124,685**	1,286,876
Income before Income Taxes	**39,176**	18,223	**370,668**	172,419
Income Taxes:				
Current	**102**	1,673	**965**	15,829
Deferred (Note 13)	**16,254**	8,163	**153,789**	77,235
Net Income	**¥ 22,820**	¥ 8,386	**$ 215,914**	$ 79,345

	Yen		U.S. Dollars (Note 2)	
Per Share				
Net Income	**¥27.05**	¥9.71	**$0.255**	$0.091
Cash Dividends Applicable to the Year	**5.00**	5.00	**0.047**	0.047

See accompanying notes to non-consolidated financial statements.

Non-Consolidated Statements of Retained Earnings

THE JOYO BANK, LTD.

	Millions of Yen		Thousands of U.S. Dollars (Note 2)	
Years Ended March 31,	**2004**	2003	**2004**	2003
Retained Earnings				
Balance at Beginning of Year	**¥12,031**	¥(27,809)	**$113,832**	$(263,118)
Net Income	**22,820**	8,386	**215,914**	79,345
Reversal of Reserve for Losses by the Calamity	**—**	40	**—**	378
Reversal of Reserve for Employees' Retirement Bonuses	**—**	175	**—**	1,655
Reversal of Reserve for Retirement of Treasury Stock	**—**	4,424	**—**	41,858
Reversal of Land Revaluation Reserve	**421**	1,138	**3,983**	10,767
Reversal of Voluntary Reserve	**—**	30,000	**—**	283,848
Appropriations:				
Cash Dividends (Note 27)	**(4,254)**	(4,322)	**(40,249)**	(40,893)
Transfer to Voluntary Reserve	**(3,000)**	—	**(28,384)**	—
Balance at End of Year	**¥28,018**	¥ 12,031	**$265,096**	$ 113,832

See accompanying notes to non-consolidated financial statements.

Notes to Non-Consolidated Financial Statements

THE JOYO BANK, LTD.

1. Basis of Presentation

The Joyo Bank Ltd. (the "Bank") maintains its accounting records and prepares its non-consolidated financial statements in accordance with accounting principles and practices generally accepted and applied in Japan, the Commercial Code of Japan and the Banking Law of Japan and the Rules for Bank Accounting issued by the Ministry of Finance, which are different in material respects as to the application and disclosure requirements of International Financial Reporting Standards. The accompanying non-consolidated financial statements have been compiled from the non-consolidated financial statements filed with the Prime Minister as required by the Banking Law and the Securities and Exchange Law of Japan.

For the convenience of readers outside Japan, certain items presented in the original non-consolidated financial statements have been reclassified and rearranged to conform to the current year's presentation.

2. Japanese Yen and U.S. Dollar Amounts

As permitted by the Securities and Exchange Law, amounts of less than one million yen have been rounded off. As a result, the totals shown in the accompanying financial statements (both in yen and U.S. dollars) do not necessarily agree with the sums of the individual amounts. Solely for the convenience of the reader, the U.S. dollar amounts represent a translation of Japanese yen amounts at ¥105.69 = US$1.00, the exchange rate prevailing on March 31, 2004.

3. Significant Accounting Policies

(a) Securities

Securities have been accounted for by the following methods:

Marketable debt securities held to maturity are stated at amortized cost by the moving-average cost method. Stocks in subsidiaries are stated at cost by the moving-average cost method.

Other available-for-sale securities of which market prices are available are stated at fair value based on their market prices, etc. at the fiscal year-end, whereas those of which fair value is not available are stated at cost or amortized cost by the moving-average cost method.

Unrealized gain or loss on available-for-sale securities (net of the related tax effect) have been reported as a component of shareholders' equity.

(b) Reserve for possible loan losses

The reserve for possible loan losses of the Bank is provided, as detailed below, in accordance with the internal rules for providing reserves for possible loan losses:

For claims to debtors who are legally bankrupt (as a result of bankruptcy, special liquidation, etc.) or who are substantially bankrupt, a reserve is provided based on the amount of the claims, net of the amounts expected to be collected by the disposal of collateral or as a result of the execution of guarantees.

For claims to debtors who are not currently bankrupt, but are likely to become bankrupt, a reserve is provided based on the amount considered necessary based on an overall solvency assessment of the amount of claims net of the amounts expected to be collected by the disposal of collateral or as a result of the execution of guarantees.

For other claims, a reserve is provided based on the Bank's historical loan-loss experience.

All claims are assessed by the Business Section (at the branches and the related head office divisions) based on the Bank's internal rules for the self-assessment of asset quality. The Corporate Audit Department, which is independent of the Business Section, subsequently conducts audits of such assessments, and a reserve is provided based on the audit results.

For collateralized or guaranteed claims from debtors who are legally or substantially bankrupt, the amounts of the claims deemed uncollectible in excess of the estimated value of the collateral or guarantees have been written off in aggregate amounts of ¥62,731 million and ¥117,888 million as of March 31, 2004 and 2003, respectively.

4. Trading Assets

	Millions of Yen	
March 31,	**2004**	2003
Trading Securities	**¥ 4,684**	¥ 2,925
Trading Securities-Related Financial Derivatives	**6**	—
Trading-Related Financial Derivatives	**24**	7
Other Trading Assets	**9,999**	8,499
Total	**¥14,714**	¥11,431

5. Securities

	Millions of Yen	
March 31,	**2004**	2003
Japanese Government Bonds	**¥ 688,533**	¥ 663,045
Japanese Local Government Bonds	**297,564**	284,950
Corporate Bonds	**318,946**	275,707
Corporate Stocks	**188,255**	126,891
Other Securities	**762,253**	719,428
Total	**¥2,255,553**	¥2,070,023

6. Pledged Assets

Assets pledged as collateral at March 31, 2004 and 2003 were as follows:

	Millions of Yen	
March 31,	**2004**	2003
Pledged Assets:		
Securities	**¥293,516**	¥221,965
Liabilities Covered by Pledged Assets:		
Deposits	**22,165**	43,120
Payables under Securities Lending Transactions	**153,381**	81,661

In addition to the above, securities amounting to ¥58,107 million and ¥57,976 million at book value were pledged as collateral in connection with exchange settlements and futures transactions as of March 31, 2004 and 2003, respectively.

7. Commitments and Contingent Liabilities

Overdraft facilities and line-of-credit contracts are agreements which, subject to compliance with the contractual conditions, pledge to provide clients with funds up to a fixed limit upon submission of a loan application to the Bank.

The unused amount related to such facilities/contracts stood at ¥1,181,118 million and ¥1,139,170 million at March 31, 2004 and 2003, respectively. Of this amount, facilities/contracts which expires within one year or which are unconditionally cancelable at any time totaled ¥1,176,706 million and ¥1,135,082 million at March 31, 2004 and 2003, respectively.

Most of these agreements will expire without the clients' having utilized the financial resources available to them, and the amount of the nonexecuted financing will not necessarily impact on the Bank's future cash flows. Most of these facilities/contracts contain a clause which allows the Bank to reject a loan application or to reduce the upper limit requested in view of changing financial conditions, credit maintenance and other reasonable concerns.

When necessary, the Bank may demand collateral such as real estate or marketable securities at the date an agreement is entered into. In addition, after facilities/contracts are set forth, the Bank will regularly assess the business status of the clients based on predetermined internal procedures and, when prudent, will revise the agreements and reformulate new policies to maintain creditworthiness.

8. Loans and Bills Discounted

	Millions of Yen	
March 31,	**2004**	2003
Loans on Notes	**¥ 626,720**	¥ 673,395
Loans on Deeds	**3,167,240**	2,992,908
Overdrafts	**510,764**	541,872
Bills Discounted	**59,237**	66,233
Total	**¥4,363,963**	¥4,274,410

9. Non-Performing Loans

In accordance with the disclosure requirements under the Rules for Bank Accounting in Japan, the balance of loans and bills discounted at March 31, 2004 and 2003 included the following non-performing loans:

	Millions of Yen	
March 31,	**2004**	2003
Loans in Bankruptcy and Dishonored Bills	**¥ 7,685**	¥ 17,318
Delinquent Loans	**110,125**	128,184
Loans Past Due with Respect to Interest Payments for More than Three Months	**1,184**	2,110
Restructured Loans	**80,764**	115,616
Total	**¥199,759**	¥263,230

Note: The above amounts are stated before the deduction of the reserve for possible loan losses.

10. Foreign Exchange

	Millions of Yen	
March 31,	**2004**	2003
Assets:		
Due from Foreign Banks	**¥ 576**	¥ 808
Foreign Exchange Bills Bought	**107**	186
Foreign Exchange Bills Receivable	**876**	1,711
Total	**¥1,561**	¥2,706
Liabilities:		
Foreign Exchange Bills Sold	**¥ 177**	¥ 252
Foreign Exchange Bills Payable	**20**	—
Total	**¥ 197**	¥ 252

11. Other Assets

March 31,	Millions of Yen 2004	2003
Domestic Exchange Settlement Account—Debit	**¥ 119**	¥ 2,522
Prepaid Expenses	**204**	236
Accrued Income	**12,417**	12,051
Connection with Future Transactions	**160**	150
Derivatives	**11,541**	4
Loss on Deferred Hedge Accounting	**6,412**	7,787
Other	**18,120**	17,331
Total	**¥48,975**	¥40,083

12. Premises and Equipment

March 31,	Millions of Yen 2004	2003
Land, Buildings and Equipment	**¥156,608**	¥158,034
Construction in Progress	**105**	1,153
Leasehold Guarantees and Deposits	**6,067**	6,800
Total	**162,781**	165,987
Less Accumulated Depreciation	**77,141**	78,180
Net Book Value	**¥ 85,640**	¥ 87,807

13. Deferred Tax Assets

March 31,	Millions of Yen 2004	2003
Deferred Tax Assets:		
Excess Reserve for Possible Loss on Loans	**¥ 37,834**	¥ 60,914
Accumulated Deficit	**25,455**	12,824
Reserve for Employees' Retirement Benefits	**10,336**	11,292
Devaluation of Securities	**5,474**	12,544
Other	**15,347**	13,894
Valuation Allowance	**(291)**	—
Total	**¥ 94,157**	¥111,470
Deferred Tax Liabilities:		
Unrealized Gain on Available-for-Sale Securities	**¥(37,001)**	¥(12,200)
Retirement Benefit Trust	**(9,495)**	(9,493)
Other	**(7)**	(784)
Total	**(46,504)**	(22,478)
Net Deferred Tax Assets	**¥ 47,652**	¥ 88,992

14. Deposits

March 31,	Millions of Yen 2004	2003
Current Deposits	**¥ 126,670**	¥ 124,257
Ordinary Deposits	**2,871,208**	2,700,969
Savings Deposits	**73,687**	76,990
Deposits at Notice	**33,541**	25,126
Time Deposits	**2,739,503**	2,829,835
Installment Savings	**20**	24
Negotiable Certificates of Deposit	**102,381**	100,975
Other	**226,777**	233,687
Total	**¥6,173,790**	¥6,091,865

15. Trading Liabilities

March 31,	Millions of Yen 2004	2003
Trading-Related Financial Derivatives	**¥3**	¥1

16. Other Liabilities

March 31,	Millions of Yen 2004	2003
Domestic Exchange Settlement Account—Credit	**¥ 2,020**	¥ 616
Accrued Taxes	**137**	1,787
Accrued Expenses	**7,245**	7,718
Unearned Income	**3,580**	3,810
Employees' Deposits	**1,635**	1,654
Allowance for Supplement to Benefits	**0**	0
Margins of Futures Transactions	**7**	—
Derivatives	**6,118**	13,292
Deferred Hedge Accounting Liabilities	**1,731**	—
Other	**9,185**	10,710
Total	**¥31,662**	¥39,591

17. Fees and Commissions (Income)

	Millions of Yen	
March 31,	**2004**	2003
Exchange Settlement	**¥ 7,665**	¥ 7,744
Other Fees and Commissions	**10,898**	8,688
Trust Fees	**31**	31
Total	**¥18,594**	¥16,463

18. Trading Revenue

	Millions of Yen	
March 31,	**2004**	2003
Revenue from Trading Securities	**¥159**	¥173
Revenue from Trading-Related Financial Derivatives	**3**	9
Other Trading Revenue	**18**	27
Total	**¥181**	¥210

19. Other Operating Income

	Millions of Yen	
March 31,	**2004**	2003
Gain on Foreign Exchange Transactions	**¥1,803**	¥1,419
Gain on Sales of Bonds	**2,862**	6,185
Gain on Financial Derivatives	**60**	—
Other	**1**	2
Total	**¥4,727**	¥7,607

20. Other Income

	Millions of Yen	
March 31,	**2004**	2003
Gain on Sales of Stocks and Other Securities	**¥ 4,379**	¥ 1,680
Other Current Revenues	**2,809**	2,430
Other	**10,488**	7,154
Total	**¥17,676**	¥11,264

21. Interest on Borrowings

	Millions of Yen	
March 31,	**2004**	2003
Call Money	**¥ 588**	¥ 569
Borrowings	**1,369**	1,603
Total	**¥1,957**	¥2,172

22. Fees and Commissions (Expenses)

	Millions of Yen	
March 31,	**2004**	2003
Exchange Settlement	**¥1,488**	¥1,555
Other Fees and Commissions	**4,854**	3,756
Total	**¥6,343**	¥5,312

23. Other Operating Expenses

	Millions of Yen	
March 31,	**2004**	2003
Loss on Sales of Bonds	**¥1,906**	¥1,666
Amortization Bond Issuance Expenses	**—**	28
Financial Derivative Expenses	**644**	—
Total	**¥2,550**	¥1,695

24. Leases

(a) Finance Leases

Finance leases at March 31, 2004 and 2003 were as follows:

	Millions of Yen	
March 31,	**2004**	2003
Equipment	**¥7,371**	¥6,391
Other	**1,115**	1,124
Accumulated Depreciation	**(4,479)**	(3,859)
Total	**¥4,007**	¥3,656
Lease Payments Receivable for Finance Leases:		
Within One Year	**¥1,499**	¥1,371
Over One Year	**2,507**	2,285
Total	**¥4,007**	¥3,656

Total lease payments received and depreciation under finance leases for the year ended March 31, 2004 were ¥1,558 million and ¥1,558 million, respectively.

(b) Operating Leases

Future minimum lease payments for operating leases at March 31, 2004 were ¥123 million, of which ¥36 million was due within one year.

25. Other Expenses

	Millions of Yen	
March 31,	**2004**	2003
Provision for Possible Loss on Loans	**¥ 9,318**	¥ —
Provision for Loss on Sales of Loans and Other	**86**	435
Write-offs of Claims	**10,824**	17,100
Loss on Devaluation of Stocks and Other Securities	**431**	13,027
Loss on Sales of Stocks	**357**	754
Loss on Disposal of Premises and Equipment	**1,210**	601
Other	**2,013**	7,837
Total	**¥24,242**	¥39,755

26. Shareholders' Equity

In accordance with the Banking Law of Japan, the Bank has provided a legal reserve by appropriation of retained earnings, which is included in retained earnings. The Banking Law of Japan provides that an amount equivalent to at least 20% of the amount to be disbursed as distributions of earnings be appropriated to the legal reserve until the total of such reserve and the capital surplus equals 100% of the common stock.

The Code provides that neither additional paid-in capital nor the legal reserve had been available for dividends, but both might be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. On October 1, 2001, an amendment (the "Amendment") to the Code became effective. The Amendment provides that if the total amount of capital surplus and the legal reserve exceeds 100% of the common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders. In addition, the Amendment eliminates the stated par value of the Bank's outstanding shares, which resulted in all outstanding shares having no par value as of October 1, 2001. The Amendment also provides that all share issuances after September 30, 2001 will be of shares with no par value. Prior to the date on which the Amendment came into effect, the Bank's shares had a par value of ¥50.

There were no changes in the common stock and capital surplus accounts for the two years ended March 31, 2004 and 2003.

27. Dividends and Interim Dividends

The Bank may pay dividends twice a year. Annual dividends may be paid to shareholders of record as of March 31 and are reflected in the non-consolidated statements of operations and retained earnings when duly approved and paid. In addition, the Bank may pay interim dividends to shareholders of record as of September 30.

28. Subsequent Event

Appropriation of Retained Earnings

The following appropriations of retained earnings were approved at a general shareholders' meeting held on June 29, 2004:

	Millions of Yen
Retained Earnings at March 31, 2004	¥28,018
Appropriations:	
Cash Dividends	2,084
Transfer to Voluntary Reserves	20,000
Retained Earnings Carried Forward	¥ 5,933

ERNST & YOUNG

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Tel: 03 3503 1100
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Report of Independent Auditors

The Board of Directors
The Joyo Bank, Ltd.

We have audited the accompanying non-consolidated balance sheets of The Joyo Bank, Ltd. as of March 31, 2004 and 2003, and the non-consolidated statements of income and retained earnings for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of The Joyo Bank, Ltd. at March 31, 2004 and 2003, and the non-consolidated results of their operations for the years then ended in conformity with accounting principles generally accepted in Japan.

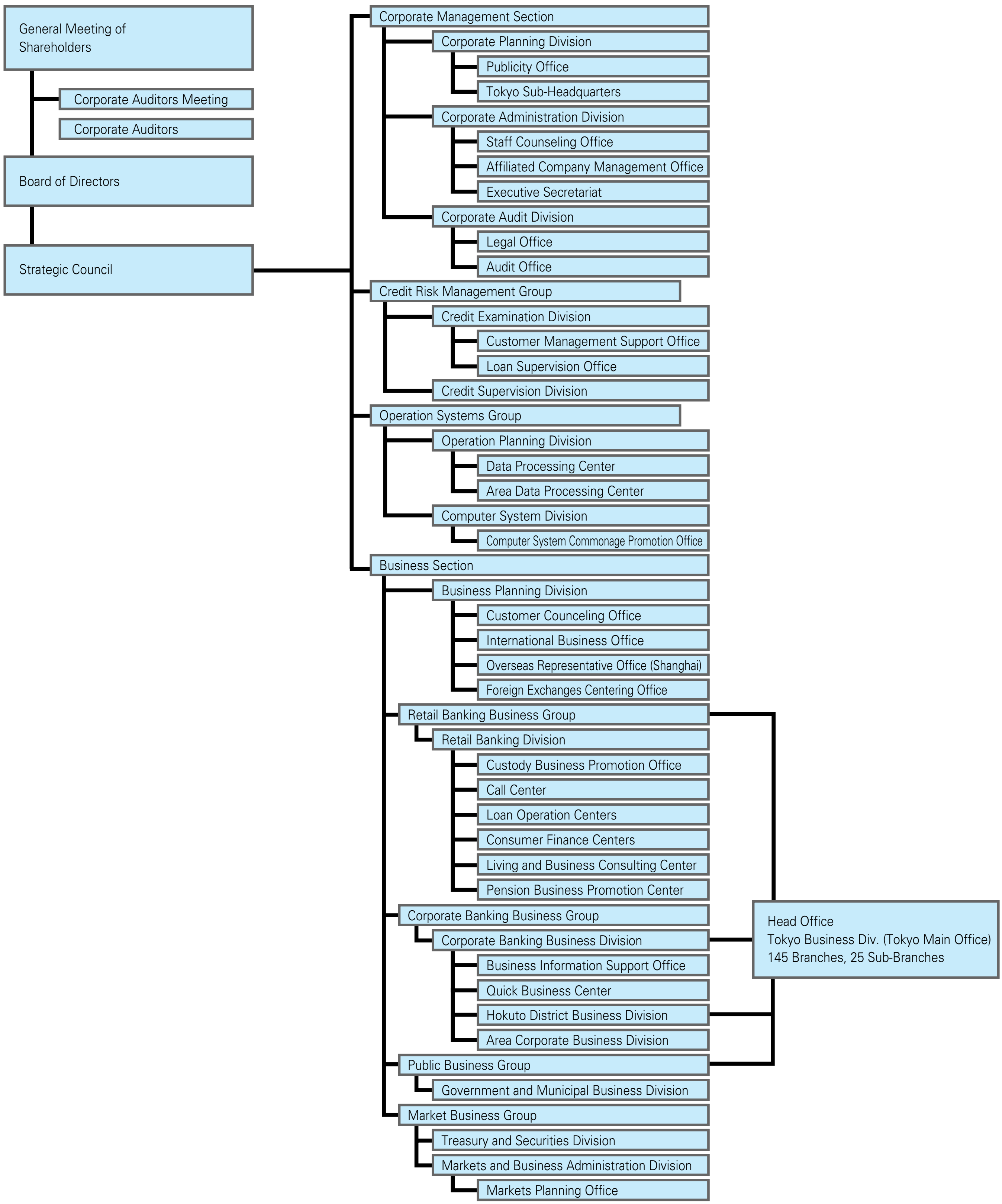
The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2004 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Ernst & Young ShinNihon

June 29, 2004

Organization

THE JOYO BANK, LTD.



As of June 29, 2004

Board of Directors and Corporate Auditors

Chairman
Toranosuke Nishino

Vice Chairman
Shinichi Yamada

President
Isao Shibuya

Deputy President
Kunio Onizawa

Senior Managing Director
Yuto Kawahara

Managing Directors
Noboru Ehashi
Shinichi Inaba
Kunio Kurosaki
Itsuo Koibuchi
Tsutomu Toyama
Takenori Hotate

Standing Corporate Auditors
Takashi Iwakami
Kyohei Tomita

Corporate Auditors
Toru Yasu
Toshihiko Kawamura
Eiichi Nemoto

As of June 29, 2004

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5-5, Minami-machi 2-chome, Mito,
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Managing Director
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Sotaro Yamada

• Operations Group (Tokyo)
Senior Manager
Osato Aizawa

• Operations Group (Mito)
Senior Manager
Hideo Kashimura

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Deputy General Manager
Osamu Midorikawa

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Senior Manager
Noboru Araki

• Business Promotion Group
Senior Manager
Norihisa Nakamura

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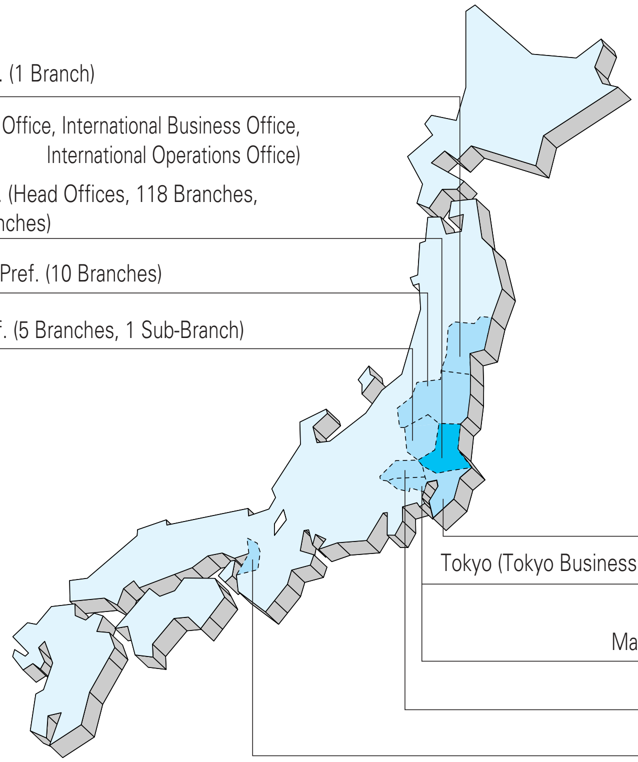
Telefax: 86-21-6209-0508
Chief Representative
Tetsuya Kuroha
Deputy Chief Representative
Kenji Kikuchi

Service Network



Overseas:
Shanghai Representative Office

As of March 31, 2004

Affiliated Companies

■ The Joyo Computer Service Co., Ltd.

16-25, Nishihara 2-chome, Mito, Ibaraki
Established 1973, Capital Stock: ¥47.5 million
Share of Voting Rights: 5%
Sale of software and contract of calculation businesses

■ The Joyo Lease Co., Ltd.

4-12, Minami-machi 3-chome, Mito, Ibaraki
Established 1974, Capital Stock: ¥100 million
Share of Voting Rights: 5%
Leasing of machinery and equipment, claim acquisition

■ The Joyo Credit Guarantee Co., Ltd.

4-12, Minami-machi 3-chome, Mito, Ibaraki
Established 1978, Capital Stock: ¥30 million
Share of Voting Rights: 5%
Credit guarantee of a housing loans from the Bank

■ The Joyo Credit Co., Ltd.

4-12, Minami-machi 3-chome, Mito, Ibaraki
Established 1982, Capital Stock: ¥100 million
Share of Voting Rights: 5%
Credit card services

■ The Joyo Business Service Co., Ltd.

8-1, Sasano-machi 1-chome, Hitachinaka, Ibaraki
Established 1984, Capital Stock: ¥100 million
Share of Voting Rights: 100%
Agent in charge of administrative work for the Bank

■ The Joyo Staff Service Co., Ltd.

4-12, Minami-machi 3-chome, Mito, Ibaraki
Established 1991, Capital Stock: ¥30 million
Share of Voting Rights: 100%
Temporary staffing business for the Bank

■ The Joyo Industrial Research Institute, Ltd.

5-18, Sannomaru 1-chome, Mito, Ibaraki
Established 1995, Capital Stock: ¥100 million
Share of Voting Rights: 5%
Consulting, investigation and research

■ The Joyo Equipment Management Co., Ltd.

5-5, Minami-machi 2-chome, Mito, Ibaraki
Established 1999, Capital Stock: ¥100 million
Share of Voting Rights: 5%
Maintenance and management of operational properties and equipment of the Bank

■ The Joyo Cash Service Co., Ltd.

3-3, Jonan 1-chome, Mito, Ibaraki
Established 1999, Capital Stock: 50 million
Share of Voting Rights: 100%
Management and maintenance of ATMs and CDs

■ The Joyo Total Maintenance Co., Ltd.

5-5, Minami-machi 2-chome, Mito, Ibaraki
Established 2000, Capital Stock: ¥200 million
Share of Voting Rights: 100%
Liquidation of real estate collateralized in relation to the loans made by the Joyo Bank

As of March 31, 2004

Corporate Data

■ **Date of Establishment**	July 30, 1935
■ **Head Office**	5-5, Minami-machi 2-chome, Mito, Ibaraki 310-0021, Japan Phone: 029-231-2151 Telefax: 029-231-2193 URL: http://www.joyobank.co.jp/ http://www.joyobank.co.jp/joyobank/eng/ (English Page)
■ **Domestic Network**	Head Office, Tokyo Business Division (Tokyo Main Office), and 145 Branches, 25 Sub-branches
■ **Overseas Network**	1 Representative Office: Shanghai
■ **Number of Employees**	3,680
■ **Stock Exchange Listing**	Tokyo Stock Exchange
■ **Paid-in Capital**	¥85,113 million
■ **Number of Share Trading Units** (as of March 31, 2004)	Authorized 2,180,515 thousand Issued and Outstanding 865,231 thousand
■ **Number of Shareholders** (1 trading unit = 1,000 shares)	25,805
■ **Principal Shareholders**	The 10 largest shareholders of the Bank and their respective shareholdings at March 31, 2004 were as follows:

	Number of Shares Held (Thousands)	Percentage of Total Shares Outstanding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	51,013	5.89 %
The Bank of Tokyo-Mitsubishi, Ltd.	40,992	4.73
NIPPONKOA Insurance Company, Limited	40,973	4.73
Nippon Life Insurance Company	28,529	3.29
The Master Trust Bank of Japan, Ltd. (Trust Account)	27,329	3.15
The Dai-ichi Mutual Life Insurance Company	17,049	1.97
Sumitomo Life Insurance Company	16,448	1.90
The Meiji Yasuda Mutual Life Insurance Co	12,287	1.42
The Gunma Bank, Ltd.	10,465	1.20
Trust & Custody Services Bank, Ltd. (Trust Account A)	8,202	0.94
Total	253,289	29.27 %

As of March 31, 2004

For further information, please write to:
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