



It's time to go to the 'NEXT STAGE'.

Financial Results for Six Months Ended September 30,2004
& Projections for FY2004

THE JOYO BANK, LTD.

December 2004

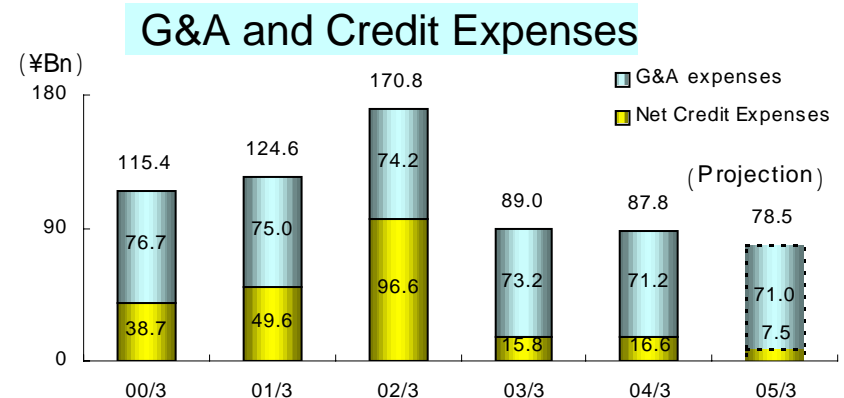
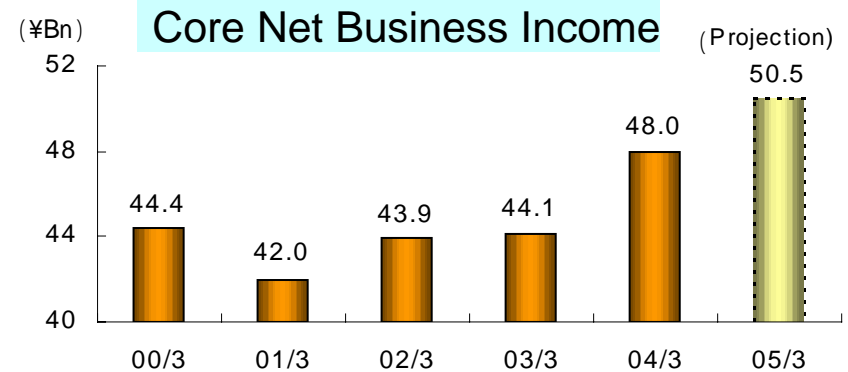
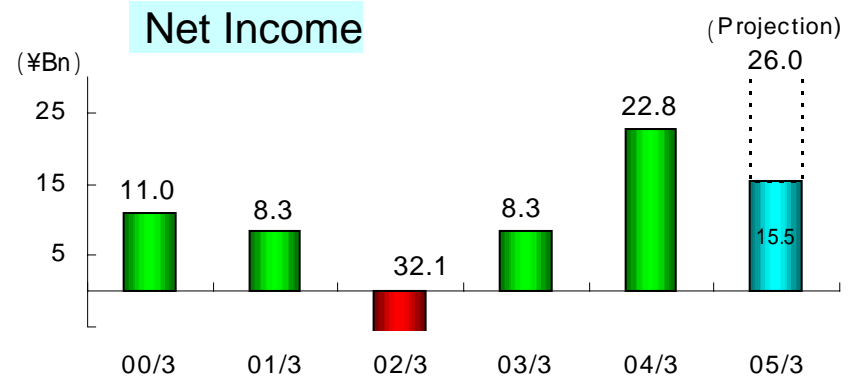
Performance Highlights

In the first half of FY2004, Joyo Bank attained a record high of ¥15.5billion net income (rose by 64.2% compared with 1H FY2003) as a result of an increase in gross business profit and a significant decrease in credit expenses.

Core net business income increased by 15.4% from 1H FY2003 to ¥25.5billion as a result of an increase in fee income and a decrease in G&A expenses in addition to an increase in interest income.

Net credit expenses decreased significantly, and reached a sustainable level. It became clear that the Bank has made a V-shaped recovery on profitability. A net income of ¥26billion for FY2004 is projected to exceed the FY2003 profit record.

Going forward, the key factor for our further growth is the increase in top line (i.e., gross business profit). Let us explain the financial results for FY2004, a wrap-up period for our 8th Mid-term Business Plan.



Financial Results for 1H FY2004
Ended September 30, 2004

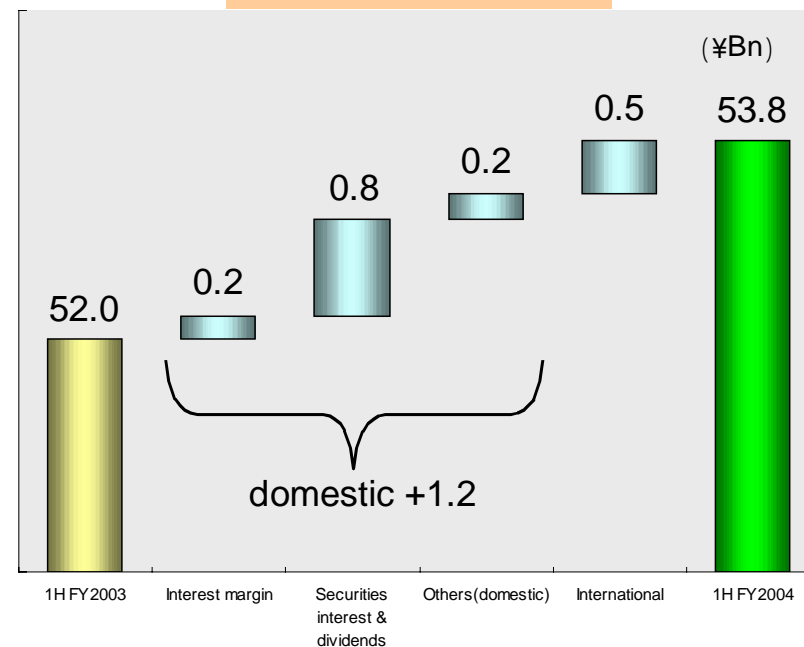
Financial Results for 1H FY2004 Ended September 30, 2004 (Summary)

Substantially increased net business profit, ordinary profit and net income

(¥Bn)	1H FY2004	1H FY2003	change
Net business income	27.0	21.5	5.4
Core net business income	25.5	22.1	3.4
Gross business profit	61.0	60.6	0.3
Net interest income	53.8	52.0	1.7
Fees and commissions	6.6	6.0	0.5
G&A expenses	35.5	36.4	-0.9
Net transfer to general reserve for possible loan losses	-1.5	2.6	-4.1
Net non-recurring gains(losses)	-5.0	-7.6	2.5
Disposals of non-performing loans	8.1	8.1	0.0
Net gains(losses) on equity securities	2.7	1.2	1.4
Ordinary profit	21.9	13.9	8.0
Net special gains(losses)	3.9	2.0	1.8
Gains on loan charged-offs	1.2	2.3	-1.0
Reversal of allowance for loan losses	3.2	0.0	3.2
Net income before tax	25.8	16.0	9.8
Net income after tax	15.5	9.4	6.1

Net interest income increased steadily

Contributors to change



Projections for FY2004 (Summary)

Projected net business income of ¥52Bn(+4.7Bn), ordinary profit of ¥40Bn(+10.2Bn), and net income after tax of ¥26(+3.2Bn)

(¥Bn)	FY2004 projection	FY2003	change
Net business income	52.0	47.3	4.7
Core net business income	50.5	48.0	2.5
Gross business profit	121.4	120.2	1.2
Net interest income	106.0	105.6	0.4
Fees and commissions	14.0	12.2	1.8
G&A expenses	71.0	71.2	-0.2
Net transfer to general reserve for possible loan losses (A)	-1.5	1.6	-3.1
Net non-recurring gains(losses)	-11.9	-17.4	5.5
Disposals of non-performing loans (B)	15.1	19.1	-4.0
Net gains(losses) on equity securities	2.7	3.5	-0.8
Ordinary profit	40.0	29.8	10.2
Net special gains(losses)	4.2	9.2	-5.0
Gains on loan charged-offs (C)	2.7	4.1	-1.4
Reversal of allowance for loan losses (D)	3.2	0.0	3.2
Retirement benefit expenses	0.0	6.0	-6.0
Net income before tax	44.2	39.1	5.1
Net income after tax	26.0	22.8	3.2
Net credit expenses(A)+(B)-(C)-(D)	7.5	16.6	-9.1

	1H FY2004	1H FY2003	change
Net business income	27.0	21.5	5.4
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Net transfer to general reserve for possible loan losses (A)	-1.5	2.6	-4.1
Net non-recurring gains(losses)	-5.0	-7.6	2.5
Disposals of non-performing loans (B)	8.1	8.1	0.0
Net gains(losses) on equity securities	2.7	1.2	1.4
Ordinary profit	21.9	13.9	8.0
Net special gains(losses)	3.9	2.0	1.8
Gains on loan charged-offs (C)	1.2	2.3	-1.0
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Retirement benefit expenses	0.0	0.0	0.0
Net income before tax	25.8	16.0	9.8
Net income after tax	15.5	9.4	6.0
Net credit expenses(A)+(B)-(C)-(D)	2.0	8.4	-6.3

Enhancement of Profitability

Steady Increase in Housing loans

Residential loan businesses have grown steadily with the balance of residential loans reaching to the 1 trillion yen-mark

Residential loans (volume and number of customers)

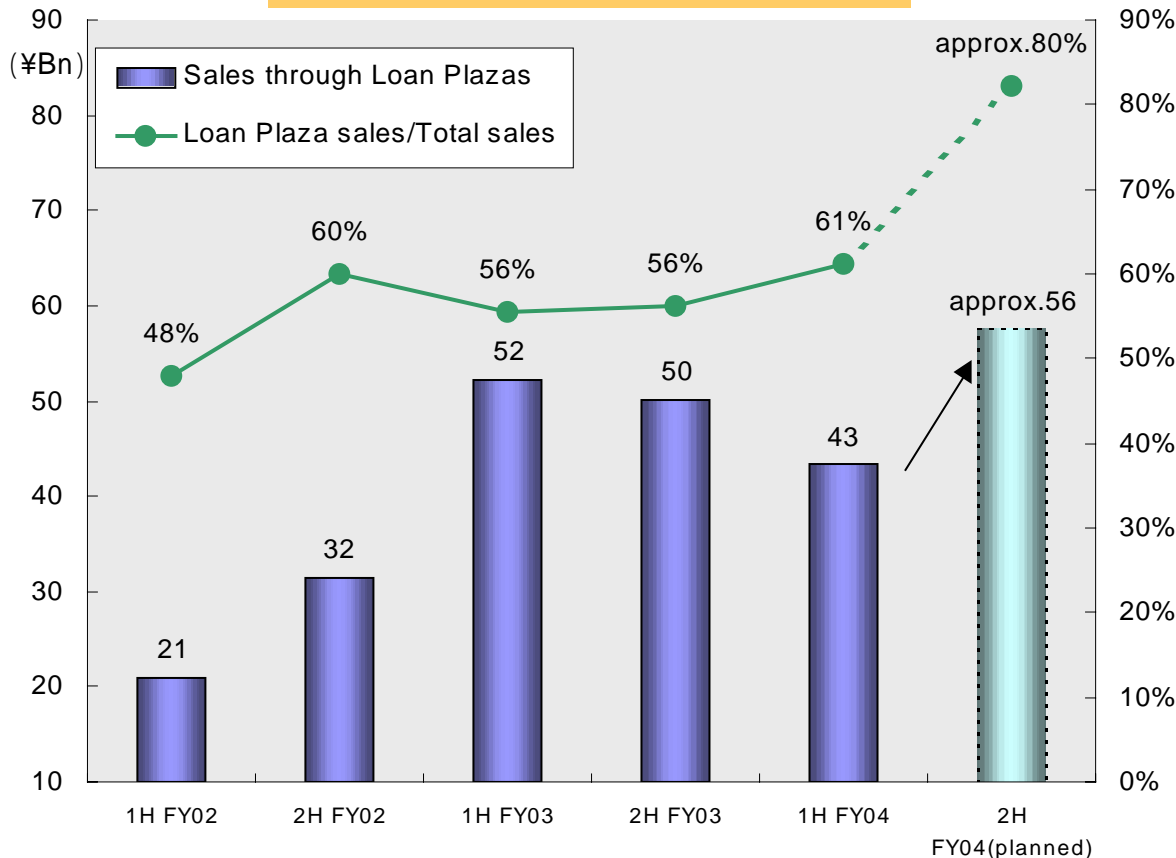


Residential loans = Housing loans + Apartment loans

Strengthen Promotion for New Housing Loans Satisfying Customers' Needs

Focused on new housing loans vs. diminishing refinance loans
(currently having approx. 50% share of the residential loan market in Ibaraki)

Sales results of the 'Loan Plazas'



FY2004 strategies

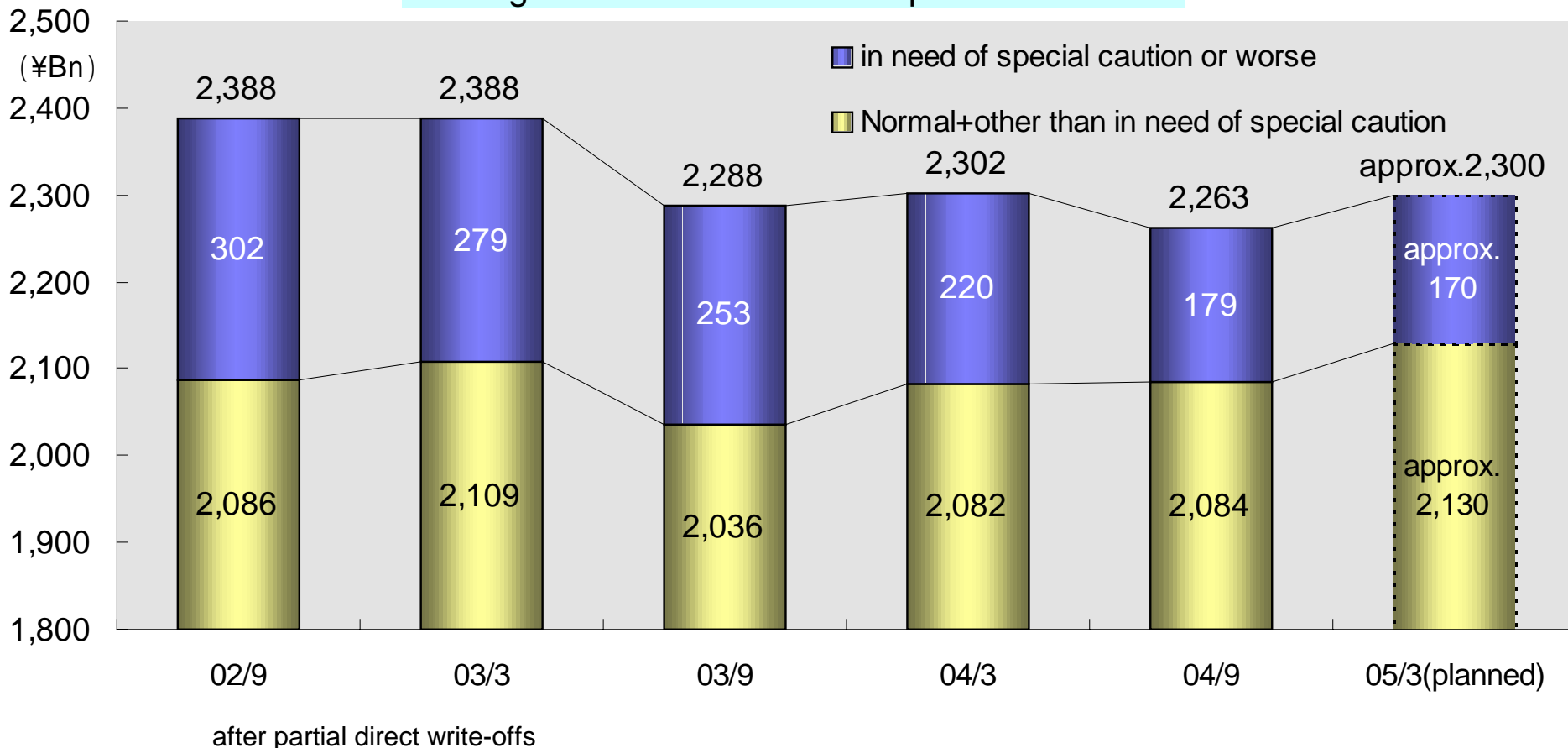
- Establish new 'Loan plazas'
- Expand business days
- Strengthen partnership with house builders
- Increase sales promotions at corporate customers' offices
- New attractive products to customers

**Further enhancement of
'Loan Plazas'**

Loans to Corporate Customers

Increased loans to normal and in need of caution borrowers, while focused on the restructuring advisory to the borrowers in need of special cautions or worse

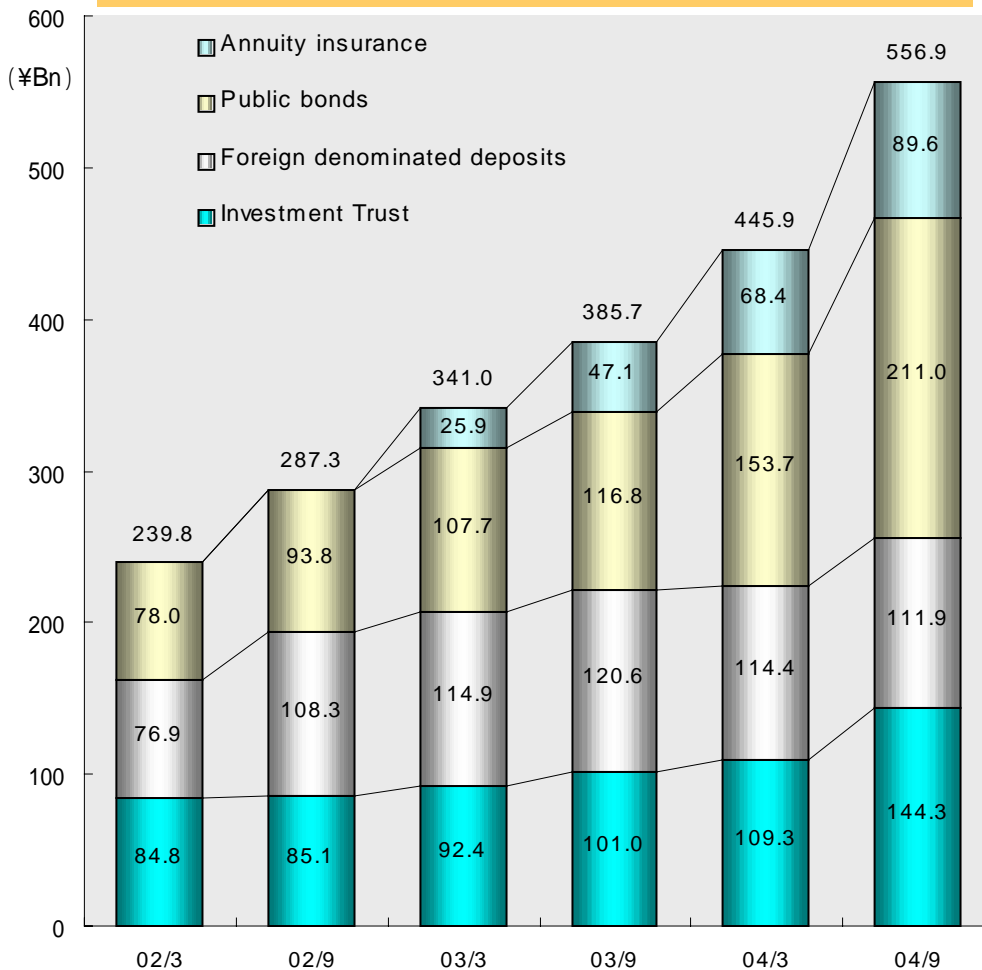
Average volume of loans to corporate customers



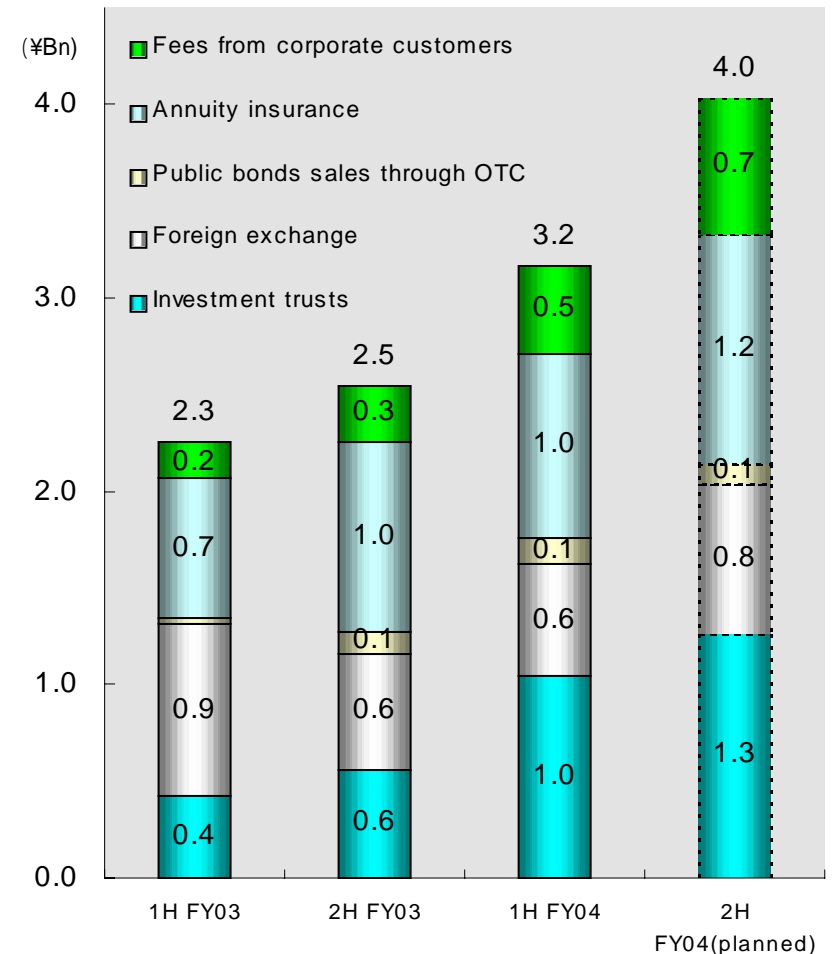
Increase in Fee-Based Businesses

Strengthening advisory businesses to corporate customers as well as asset management services to individual customers

Balance of investment trusts & annuity insurance



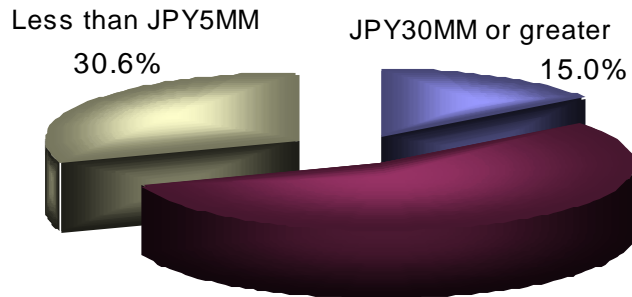
Fees from asset under custody & fee income from corporate customers



Steady Increase in Asset Management Business

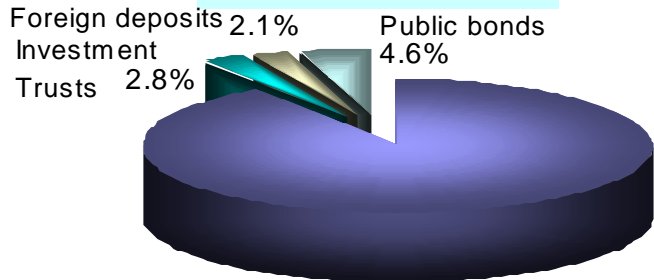
Significantly increased Over-the-counter sales of investment products

Domestic deposits & assets under custody by volume bracket



JPY5MM - 30MM
54.3%

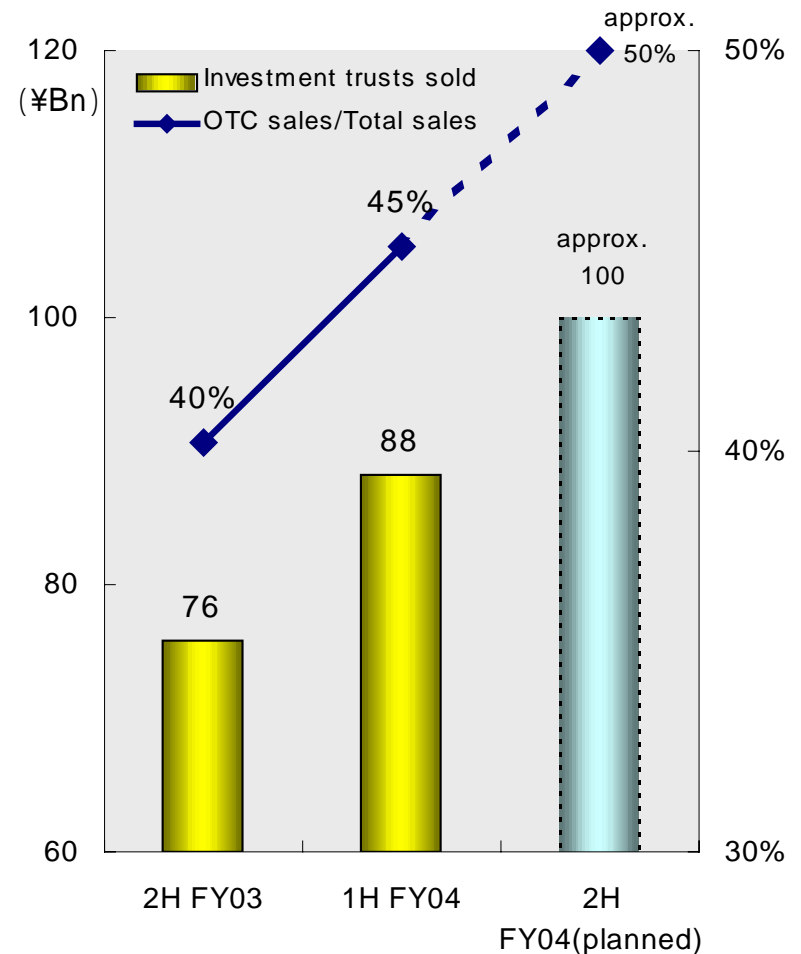
Product Composition in the JPY5MM - 30MM bracket



90.5%
Domestic deposits

For more Sales of customer satisfying products

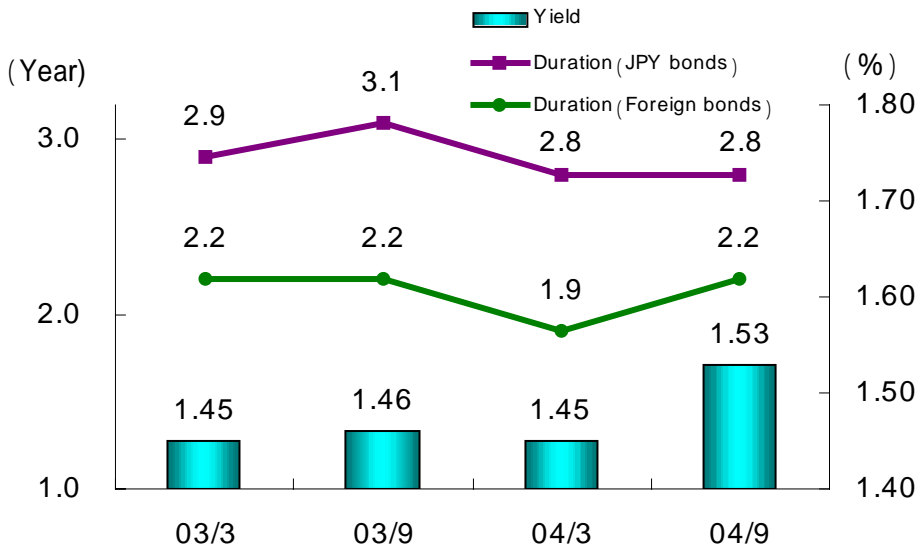
Over-the-counter sales



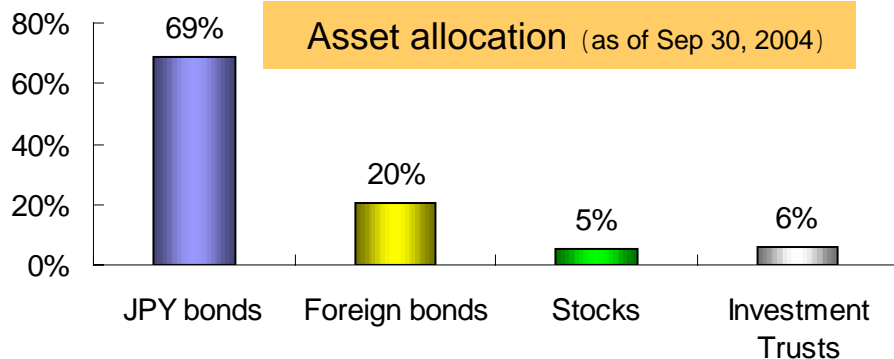
Improved Performance of Securities Portfolio

Increase in foreign currency deposits improved interest margins
 Improved the yield of securities portfolio through optimized asset allocation

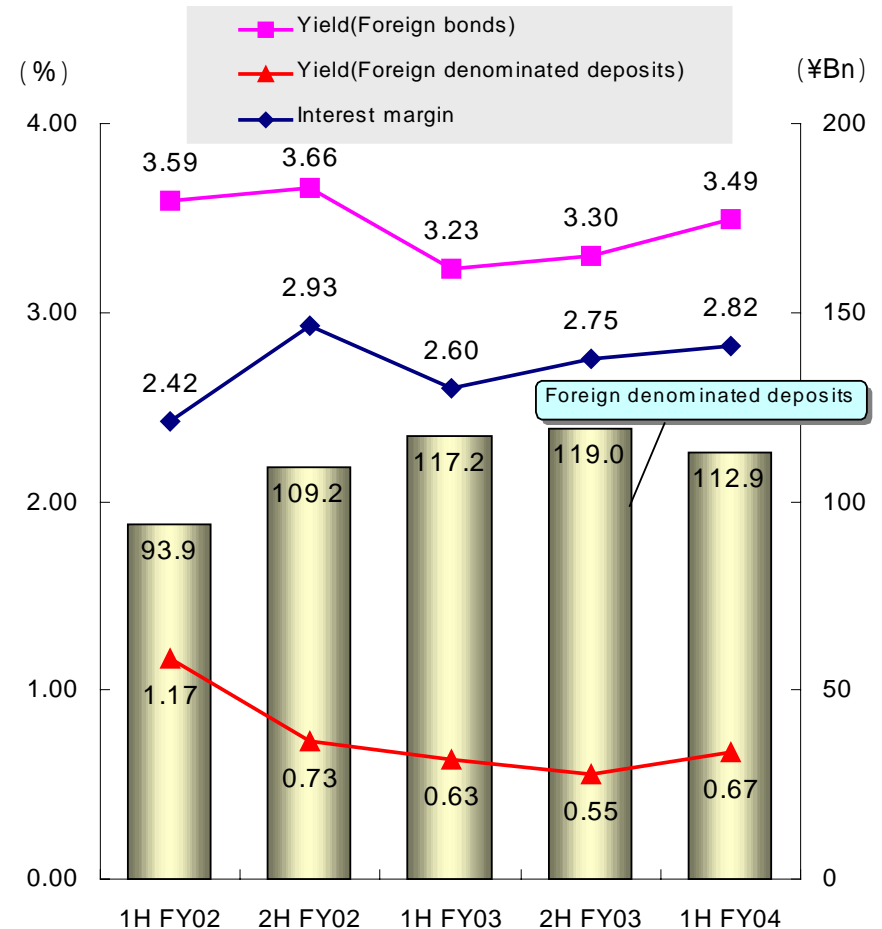
Yield of securities and the durations of bond portfolio



Asset allocation (as of Sep 30, 2004)



Yields of foreign bonds and foreign deposits



Improvement of Asset Quality
and Efficiency

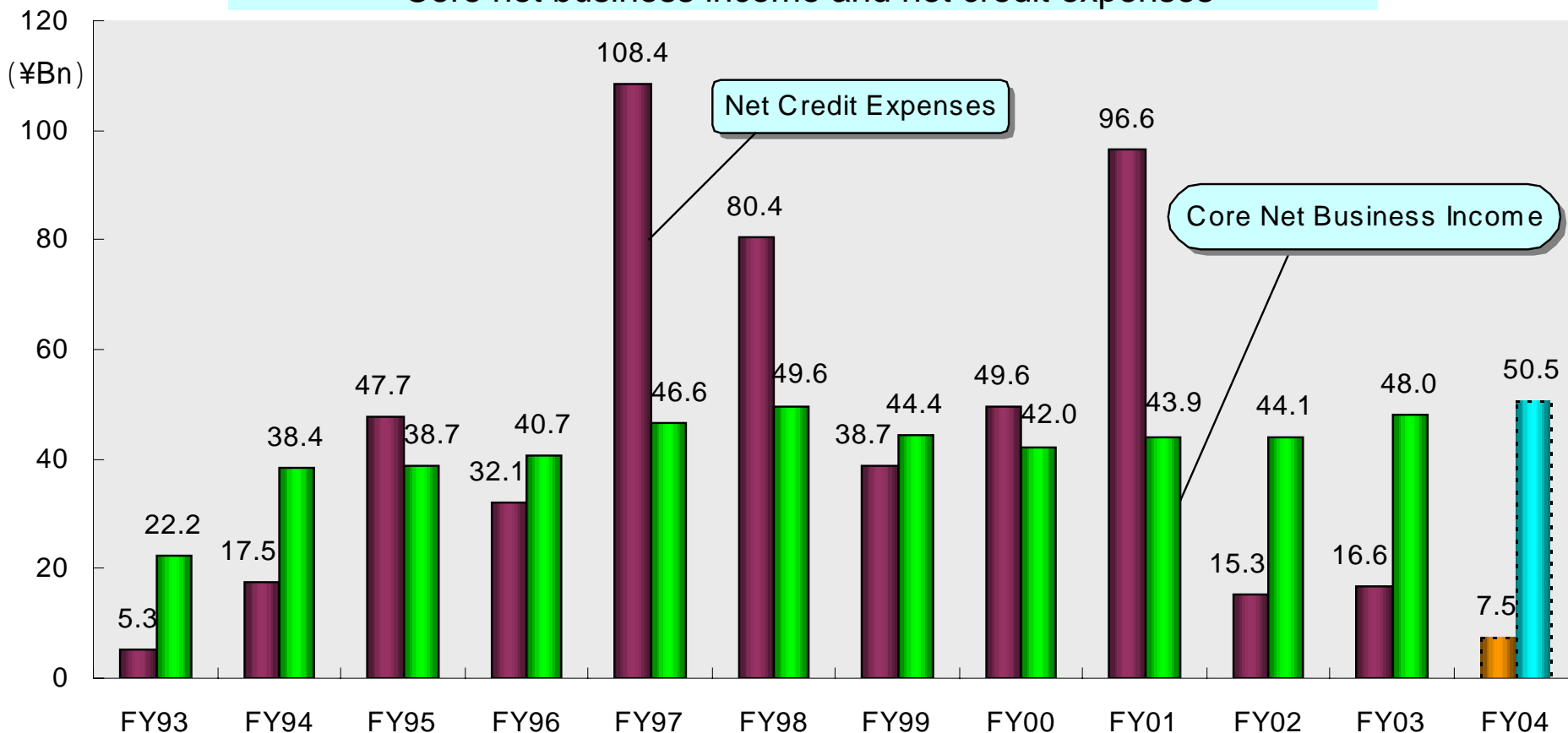
Credit Expenses Significantly Smaller than Core Net Business Income

Net credit expenses have remained significantly below the level of core net business income since FY2002.

Credit expense ratio : FY2003 38bp FY2004 (projection) approx. 20bp

Net credit expenses = Net transfer to general reserve for possible loan losses + Disposal of loans - gains on loan charged-offs - reversal of allowance of loan losses

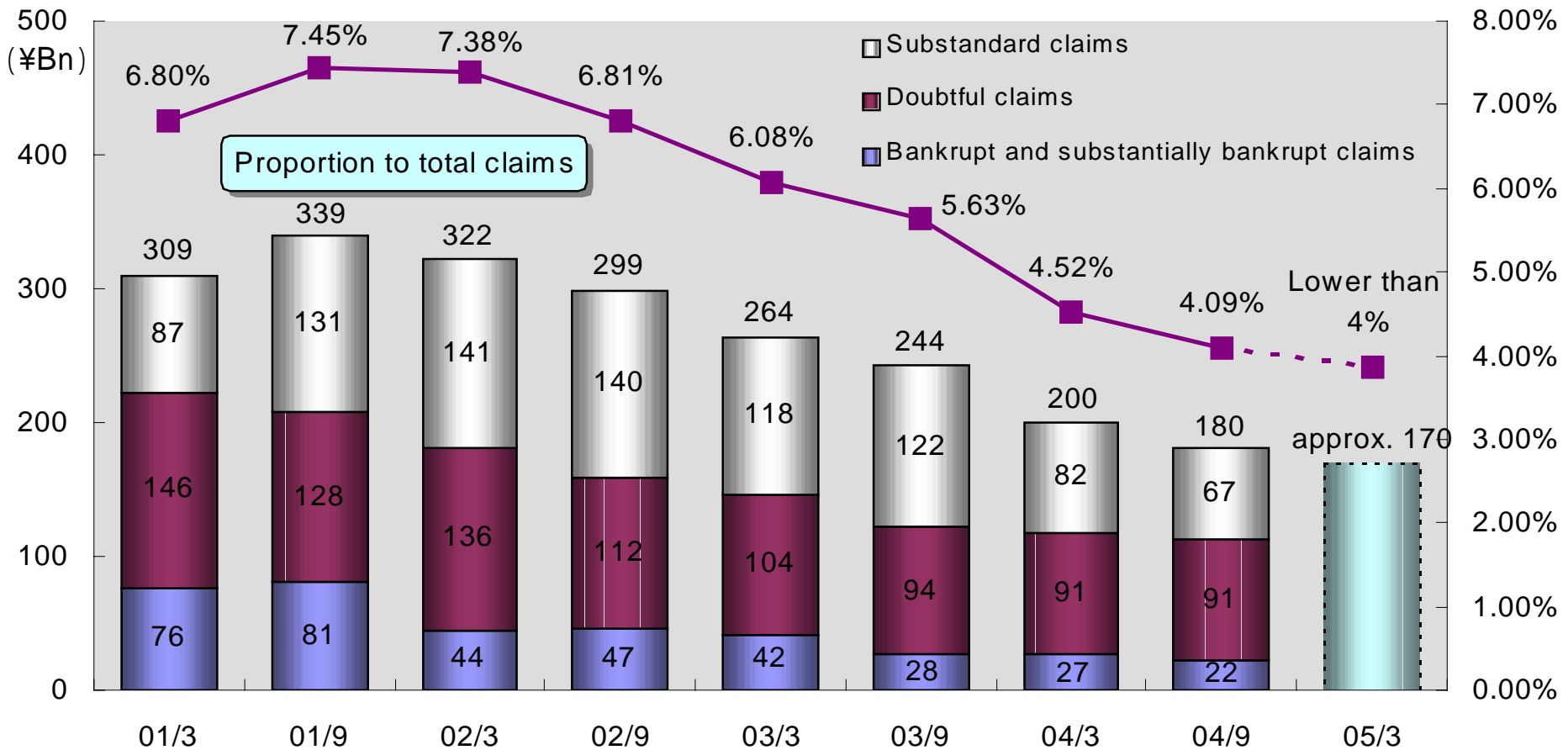
Core net business income and net credit expenses



Remarkably Reduced NPLs

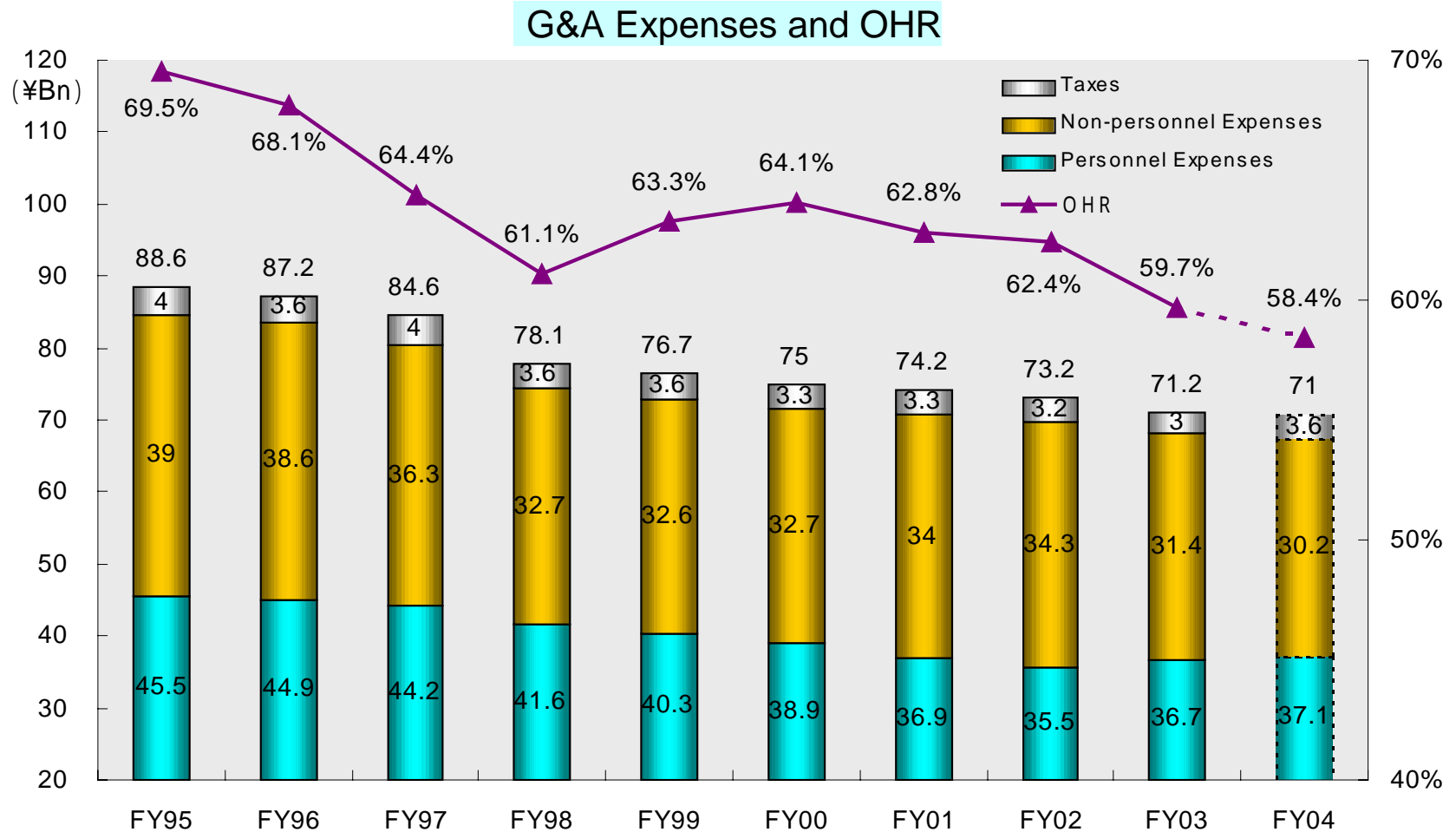
Projected a further decrease in NPLs to approx. ¥170 billion at March 31, 2005, and reduce NPL ratio to lower than 4%

Disclosed Problem Claims under FRL (Financial Revitalization Law)



Further Improvement in Operating Efficiency

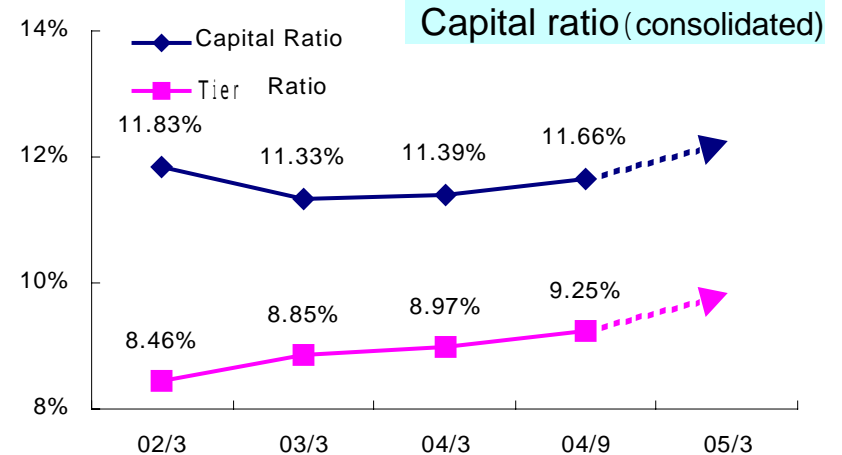
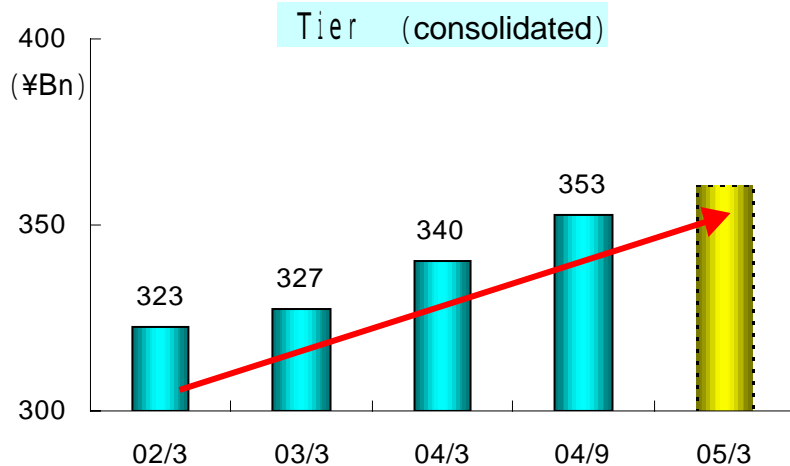
Improve OHR through further expense reduction
and increase in gross business profit



Capital Ratio and Capital Strategy

Capital ratio improved steadily due to profit increase

Expand our risk taking capacities



PAST

FUTURE

Improve capital efficiency through stock repurchases

- Stock repurchases (1H 2004)
3.82 million shares (¥1.7billion)
- Treasury stocks held 35.19 million shares (¥12.2billion)

More focused on shareholder value

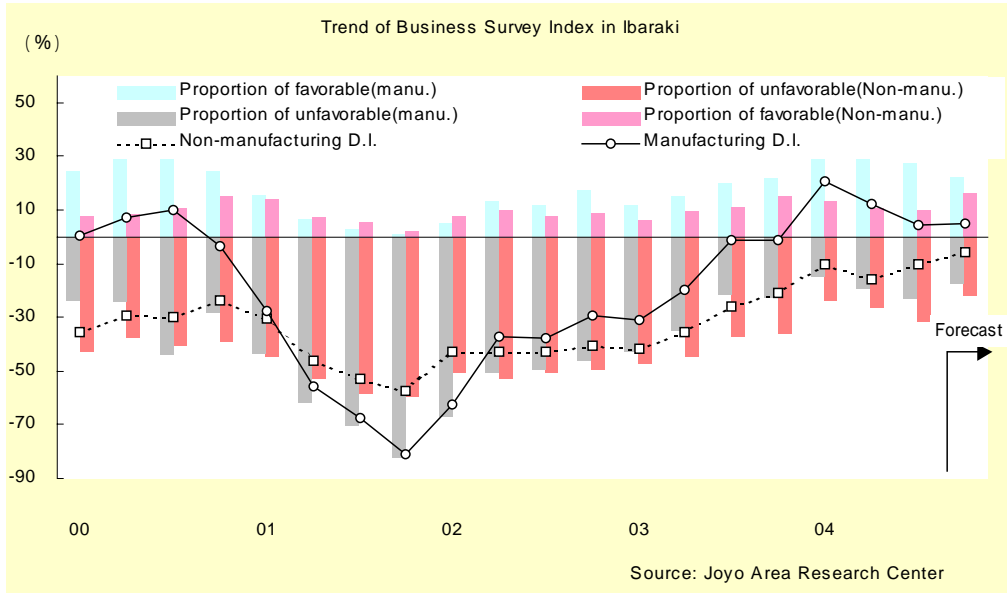
- **Continuous stock repurchases**
- **70ths-anniversary dividends**

Economic Indicators for Ibaraki Prefecture (1)

	Contents	Unit	Ibaraki	Japan	Rank	Date
Land area	Total land area	km ²	6,096	372,851	24	Oct 1,2002
	Liveable land area	km ²	3,976	121,357	4	Oct 1,2002
Population	Population	thousands	2,990	127,440	11	2002
	Proportion of aged population	%	17.6	18.5	39	2002
Economy	Prefectural GDP	JPY Bn	11,032	499,724	11	2001
	Prefectural income (per person)	JPY MM	2.95	2.97	9	2001
Industry	Farm output	JPY Bn	416	8,926	3	2002
	Value of manufactured goods shipment	JPY Bn	9,961	269,362	9	2001
	Annual sales of merchandizing goods(wholesale)	JPY Bn	3,592	413,355	16	2001
	Annual sales of merchandizing goods(retail)	JPY Bn	2,982	135,109	13	2001
	Number of establishments	-	135,383	6,350,101	14	Oct 1,2001
	Number of factories located	number/ha	23 / 44	600 / 626	9 / 1	Jan 04 ~ Jun 04

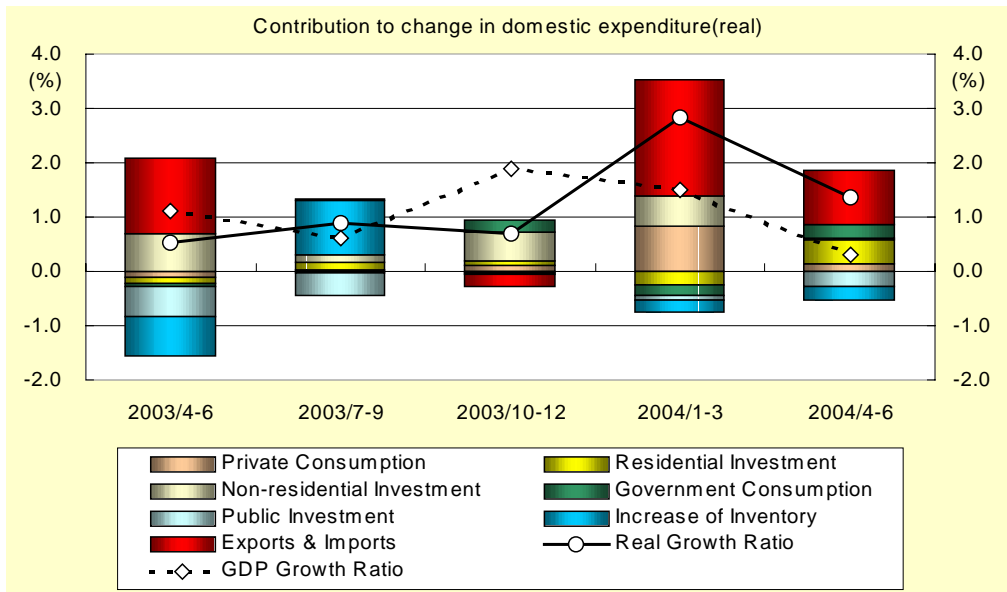
Source:Statistics Div of Ibaraki Pref, Kanto Bureau of Economy, Trade and Industry

Economic Indicators for Ibaraki Prefecture (2)



Company executives in Ibaraki Pref. feeling recovery in their businesses.

- Manufacturing : Favorable exceeds unfavorable
- Non manufacturing: Improving although unfavorable exceeds favorable



Real economic growth of 1.4%

- Ibaraki posted a real economic growth of 1.4% for April-June 2004, resulting in a positive growth for 9 consecutive quarters.
- Surpassed GDP in the most recent two quarters.

Inquiries related to this presentation should be addressed to

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