

Medium Term Business Plan
FY2005 to FY2007

THE JOYO BANK, LTD.

Targets for FY2005 ~ FY2007

Main objective Increase 'gross business profit'

Financial targets	(Y Bn)	FY04	FY07(planned)	Driving force for increasing gross business profit
Gross business profit		118.2	136.0	
Core net business income		49.0	65.0	<p>Increase market share of:</p> <ul style="list-style-type: none"> •housing loans •consumer loans •SME loans <p>Strengthen asset management businesses</p> <ul style="list-style-type: none"> •Focus on high potential customers •Strengthen sales promotions <p>Business expansion</p> <ul style="list-style-type: none"> •Expand operating areas neighboring areas along Tsukuba Express (business to commence in Aug. 2005) •Launch of new businesses Consumer finance •Broaden investment areas
Ordinary profit		41.5	53.0	
Net income after tax		26.1	32.0	
ROE		7.46%	approx.8%	
OHR ¹		56.8%	approx.52%	
Capital ratio		11.63%	approx.11%	
Operational targets				
Loans to SMEs & consumers ratio		64.2%	approx.66%	
Balance of assets under custody		675	1,100	
Fees & commissions ratio		12.6%	approx.14%	
Credit expense ratio		16 B P	approx.20 B P	
Loan share in Ibaraki(excluding public sector)		36.4 ²	approx.40%	

(1) Core net business income basis

(2) on 09/2004

Action plan (1)

Achieve sustainable growth in residential loans by increasing new housing loans in Ibaraki and cultivating new markets in neighboring areas

Increase shares of new housing loans in Ibaraki

Areas along Tsukuba Express have large potential in consumer businesses

Housing starts after the commencement of Tsukuba Express is likely to reach around 16,000.

- Allocate more resources to potential areas
 - Focus on key areas along Tsukuba Express
- Form business alliance with house builders

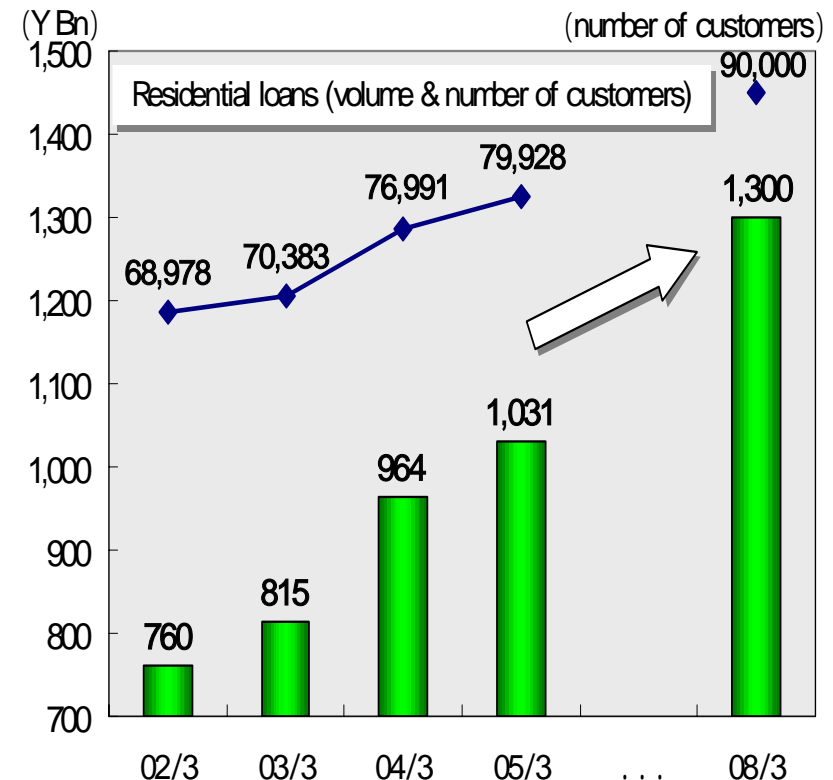
Cultivate new business opportunities outside Ibaraki

Target neighboring areas (Tochigi, Fukushima, Chiba)
Increase rebuilding loans in alliance with local house builders

Cross-selling

Increase cross-selling to 80,000 households with housing loans outstanding

- Offer products best suited for each borrower's life stage
- Launch new product specially developed for cross-selling



Action plan (2)

Start full-scale consumer finance service to meet potential needs of young generation

Credit card issuance

Issue private label credit cards from 12/2005 with two brands (DC, JCB)

DC (Diamond Credit)

- 250,000 cardholders through Joyo Credit (Joyo's subsidiary)

JCB (Japan Credit Bureau)

- 80,000 cardholders through Ibaraki JCB (JCB's subsidiary)



Target in 2009/3

of card holders : 500,000

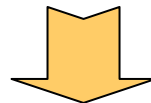
- Outstanding loans : Y 13Bn
- Annual card shopping : Y 40Bn

Card loans through partnership with consumer finance company

Improve effectiveness of consumer finance operation

< Conditions >

- Interest rate : 15 ~ 18%
- Limit : Y 2million
- Application : 24hours a day through Telephone & web site
- Launch : 09/2005 (planned)



Target in 2008/3

- Outstanding loans : Y 7Bn

Promote auto loans

- Currently 5% share in Ibaraki, which has 100 billion yen of potential car owners
- Strategic alliance with local dealers and car insurance companies
- Use of 'Bank agency system'

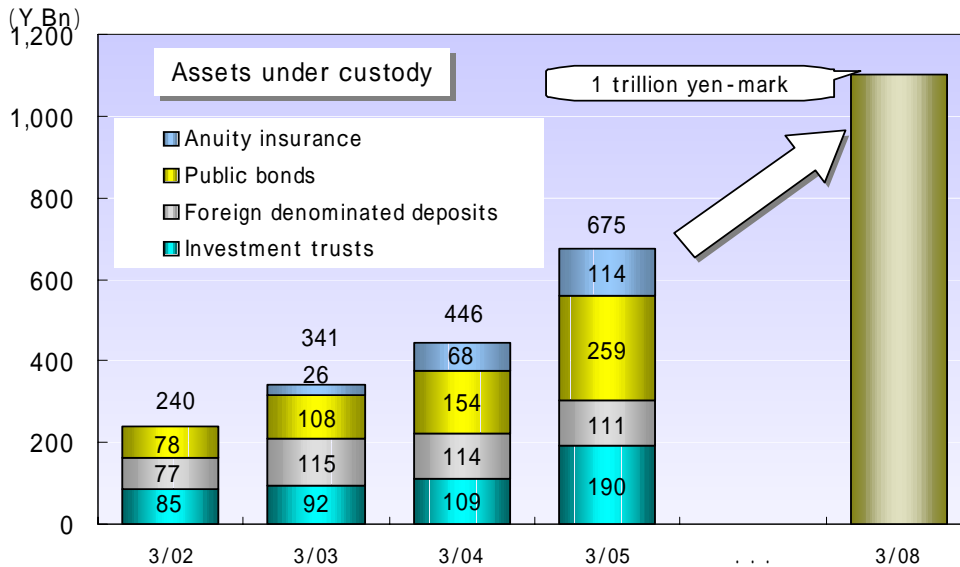


Target in 2008/3

- Outstanding loans : Y 30Bn
- Market share in Ibaraki : 30%

Action plan (3)

Enhance asset management service to attract potential wealthy customers



Achieve more than 1.1 trillion yen of assets under custody in FY07 (approx. 1.7 times of FY04 figures)

• Attract affluent customers is the key



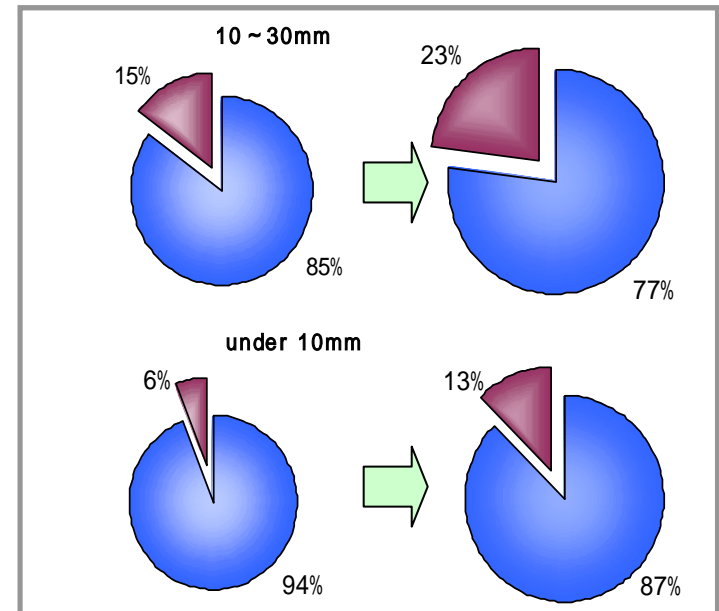
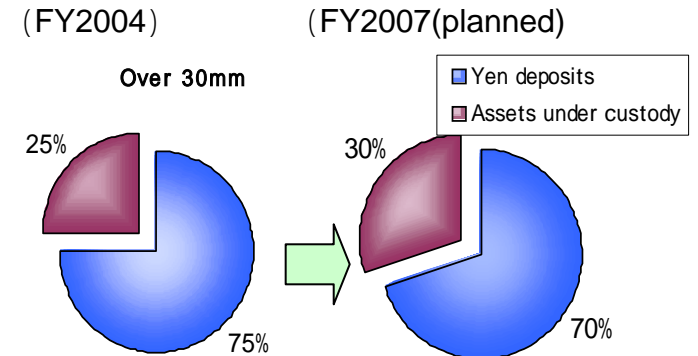
Sale force shift to over-the-counter sales (90 employees)

Improve CRM and call centers

Launch securities intermediary business (05/2005 ~)

Financial Assets = Yen deposits + Investment trusts + Foreign deposits + Government bonds + Annuity insurance

Deposits & assets under custody



Action plan (4)

Strategic allocation of resources to meet various financial needs

Shift some 20 employees to southern part of Tochigi Area with considerable business potentials

Ibaraki area

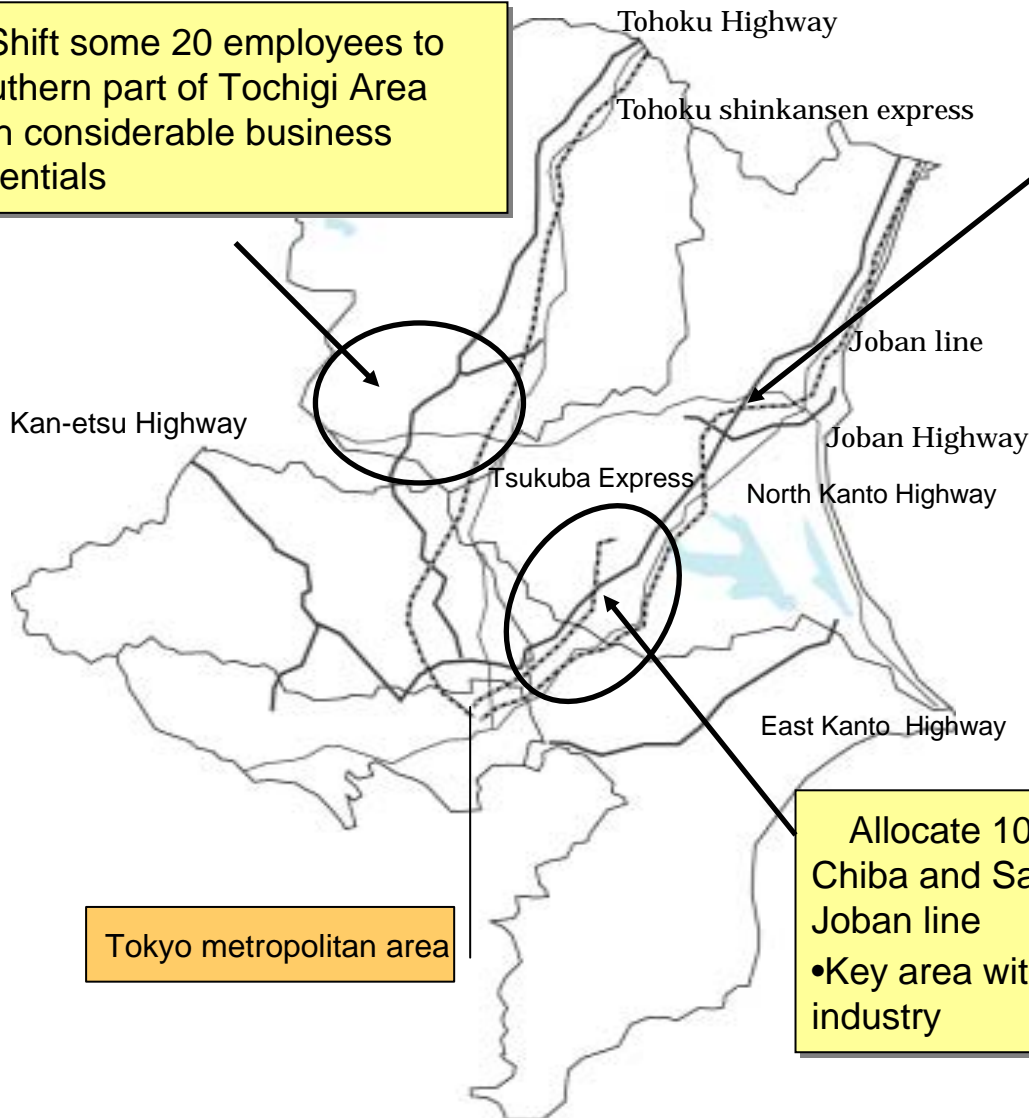
- Increase staffing to achieve 40% market share (excluding public sector)
- Increase recruitment, allocate HQ staff as new sales force for potential borrowers
- Assign retired seniors to potential small business owners

Additional plans

Strong support from HQs, on-site sales at the office space of potential clients, alliance with outside expert organizations such as organizations of tax advisors

Allocate 100 employees to southern part of Ibaraki, Chiba and Saitama along Tsukuba Express and Joban line

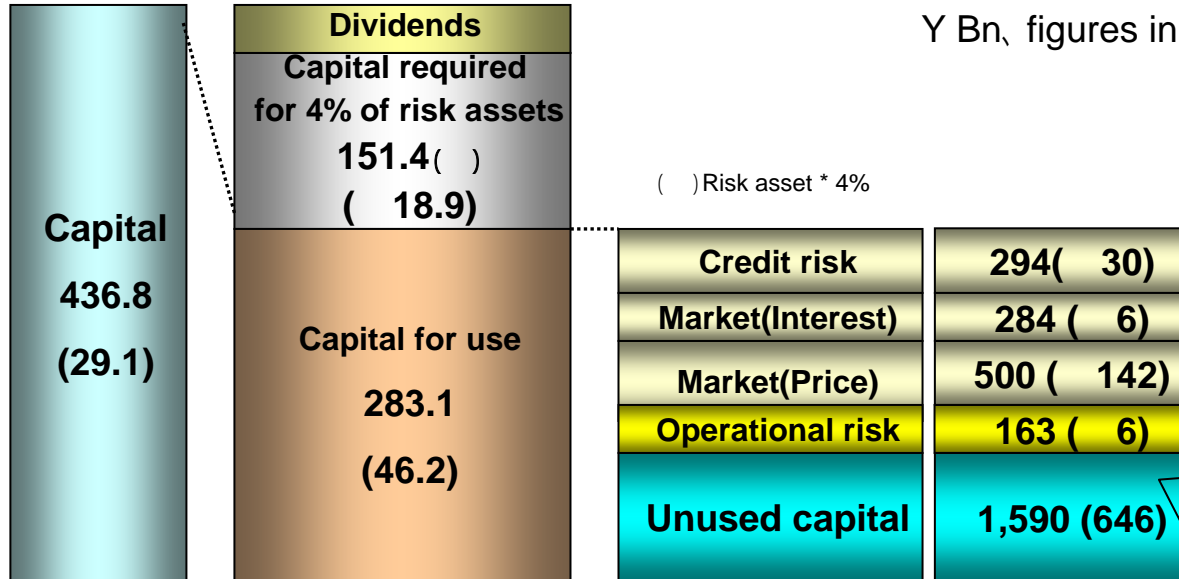
- Key area with high business potential in housing industry



Tokyo metropolitan area

Effective utilization of capital

Capital

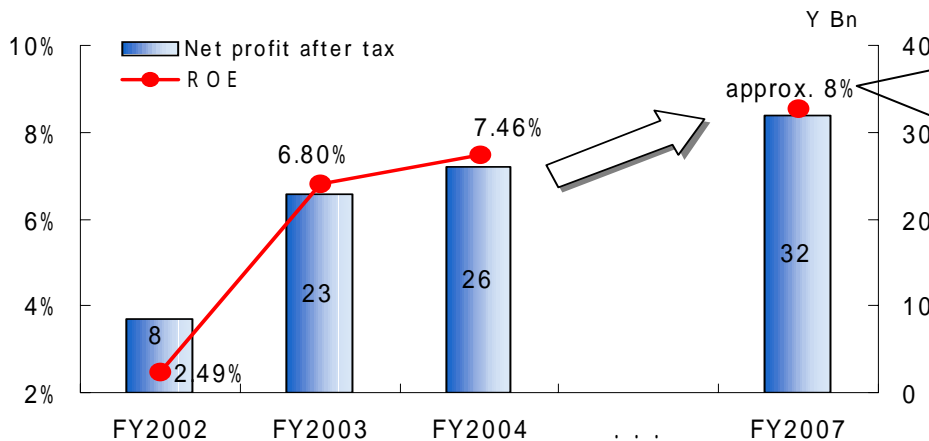


Y Bn, figures in () shows changes from 03/2004

‘Effective Use of capital’
 Expand investment areas
 & optimize asset allocation
 Enhance profitability

* as of 03/2005

Return on equity



Deploy capital to increase return to shareholders

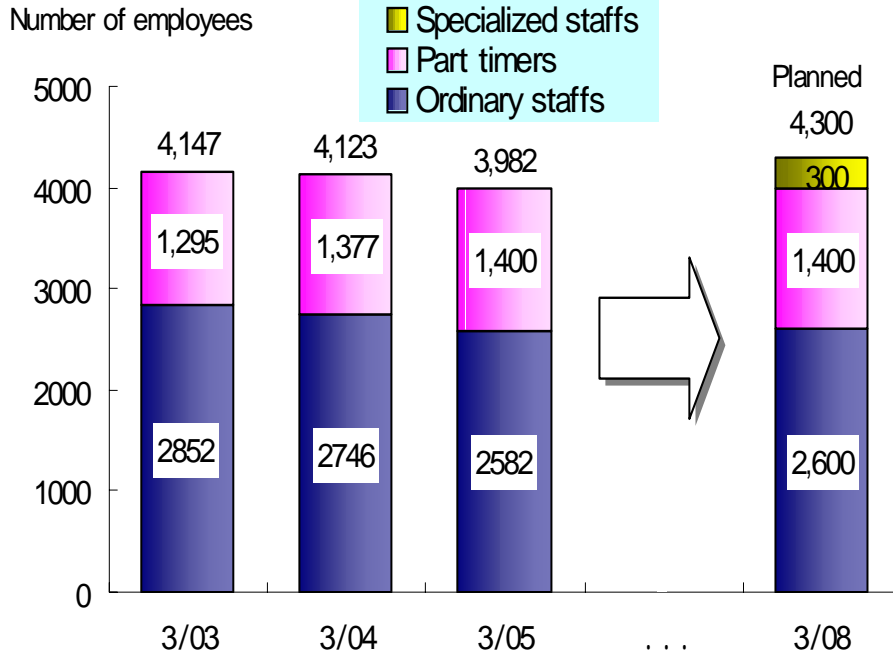
Improve capital efficiency
 (approx.11% of capital adequacy ratio)

Realize solid organizational strength

Strategic allocation of human resources to the areas with substantial business opportunities

Number of employees

excluding head office



Increase sales force by approx. 300 (estimate)

- Increase recruitments
- Utilize the retired
- Shift skilled staff from HQs to the key areas



Enhance sales promotion in Ibaraki

- New housing loans along Tsukuba Express
- New SME loans
- Consumer finance business etc.

Cultivate new customer base outside Ibaraki

- Increase financial specialists at branch offices and establish new business base 'Loan plaza'

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