

Financial Results for FY 2004
& Projections for FY 2005

THE JOYO BANK, LTD.

June 2005

Performance Highlights

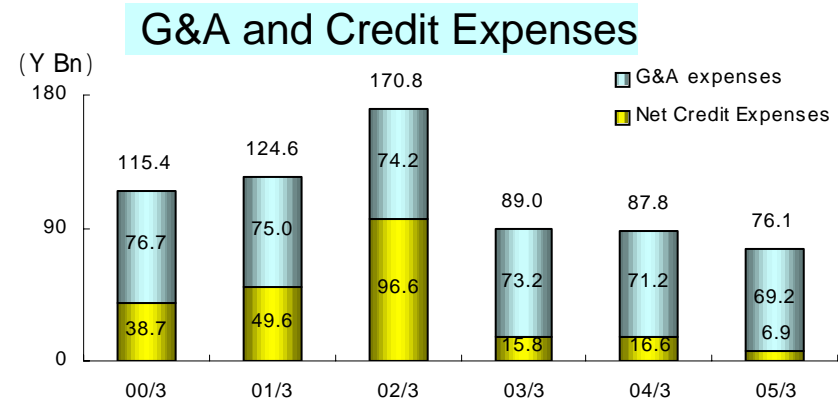
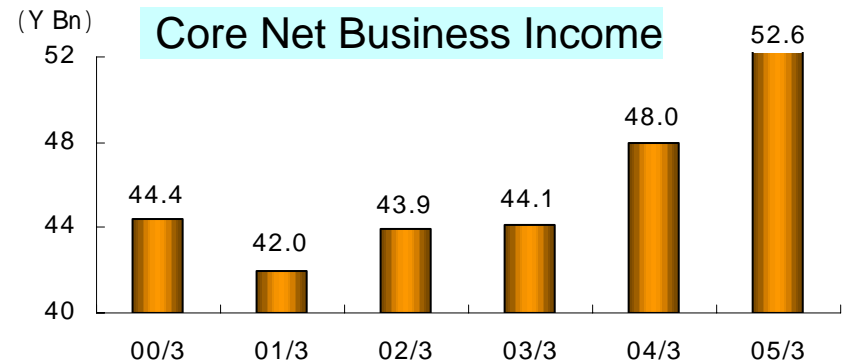
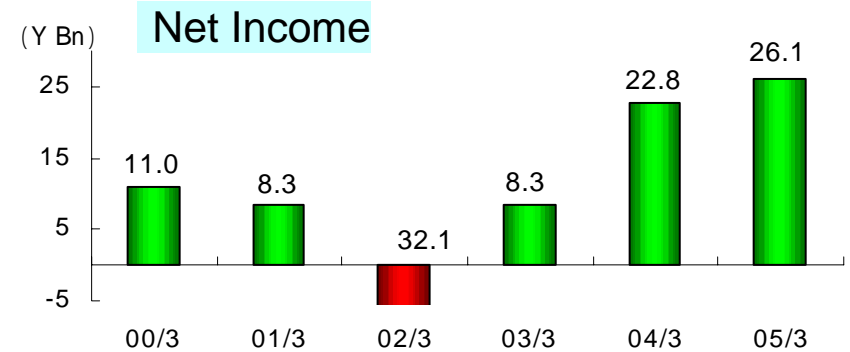
Result for FY2004, Joyo Bank attained a record high of Y26.1billion net income (rose by 14.4% compared with FY2003) as a result of a significant decrease in G&A and credit expenses.

Core net business income increased by 9.6% from FY2003 to Y52.6billion 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. By a cycle of a system investment, the G&A expenses decreased.

The 9th Mid-term Business Plan has launched in FY2005 when the bank focuses more on increase of gross business profit.

In FY2005 net income of Y24billion is projected.



Financial Results for FY2004
Ended March 31, 2005

Financial Results for FY2004

Ended March 31, 2005 (Summary)

Substantially increased net business income, ordinary profit and net income

(Y Bn)	FY2004	FY2003	change
Net business income	49.0	47.3	1.7
Core net business income	52.6	48.0	4.6
Gross business profit	118.2	120.2	-1.9
Net interest income	106.5	105.6	0.9
Fees and commissions	13.3	12.2	1.1
G&A expenses	69.2	71.2	-2.0
Net transfer to general reserve for possible loan losses (A)	-	1.6	-1.6
Net non-recurring gains(losses)	-7.5	-17.4	9.9
Disposals of non-performing loans (B)	10.1	19.1	-8.9
Net gains(losses) on equity securities	2.5	3.5	-1.0
Ordinary profit	41.5	29.8	11.6
Net special gains(losses)	2.2	9.2	-7.0
Gains on loan charged-offs (C)	2.3	4.1	-1.7
Reversal of allowance for loan losses (D)	0.9	-	0.9
Retirement benefit expenses	-	6.0	-6.0
Net income before tax	43.7	39.1	4.5
Net income after tax	26.1	22.8	3.3

**Net interest income
&
Fees and commissions
increased steadily**

Projections for FY2005 (Summary)

Projected net business income of Y50Bn(+1.0Bn), ordinary profit of Y40Bn(-1.5Bn), and net income after tax of Y24Bn(-2.1Bn)

(Y Bn)	FY2005 projection	FY2004	change
Net business income	50.0	49.0	1.0
Core net business income	50.0	52.6	-2.6
Gross business profit	121.7	118.2	3.5
G&A expenses	71.5	69.2	2.3
Net transfer to general reserve for possible loan losses (A)	0.0	-	-
Disposals of non-performing loans (B)	10.8	10.1	0.7
Ordinary profit	40.0	41.5	-1.5
Gains on loan charged-offs (C)	2.0	2.3	-0.3
Net income before tax	40.6	43.7	-3.1
Net income after tax	24.0	26.1	-2.1

Net credit expenses(A)+(B)-(C)	8.8	6.9	1.9
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1H FY2005 projection	1H FY2004	change
24.0	27.0	-3.0
24.0	25.5	-1.5
60.7	61.0	-0.3
36.7	35.5	1.2
0.0	-1.5	1.5
4.5	8.1	-3.6
20.0	21.9	-1.9
1.0	1.2	-0.2
20.1	25.8	-5.7
12.0	15.5	-3.5

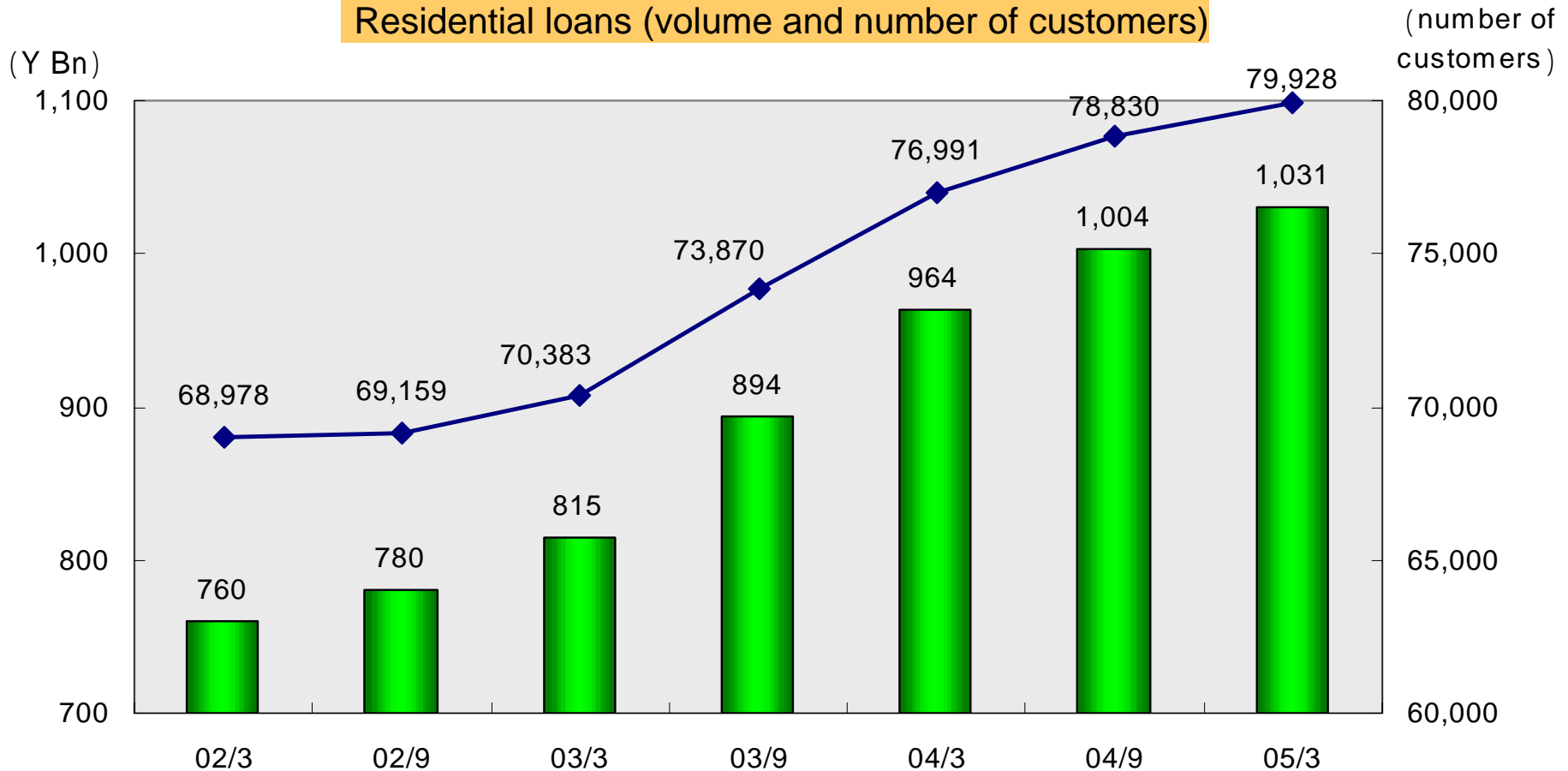
3.5	2.0	1.5
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Enhancement of Profitability

Steady Increase in Housing Loans

Residential loans have increased steadily .

Residential loans (volume and number of customers)

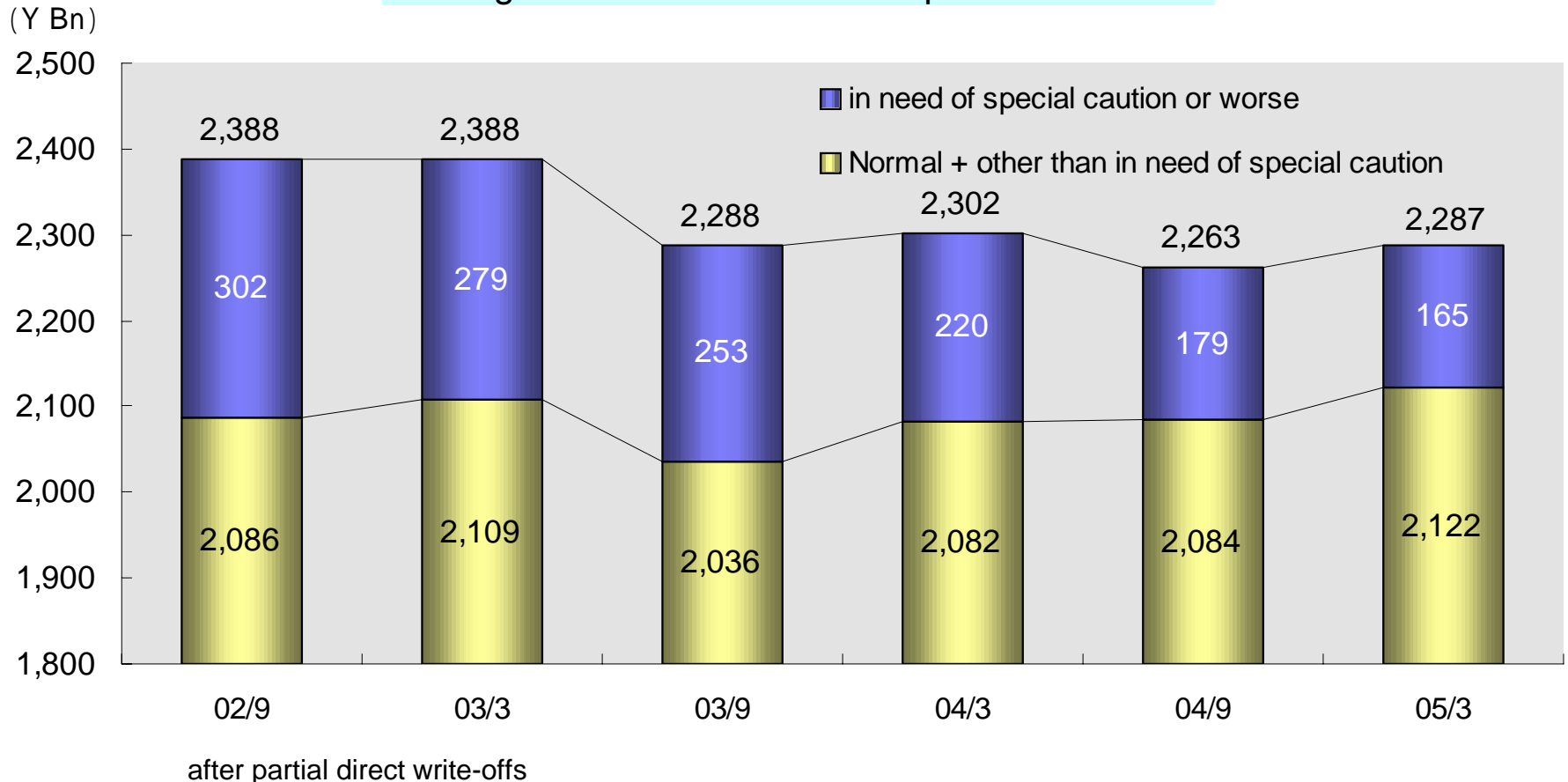


Residential loans = Housing loans + Apartment loans

Loans to Corporate Customers

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

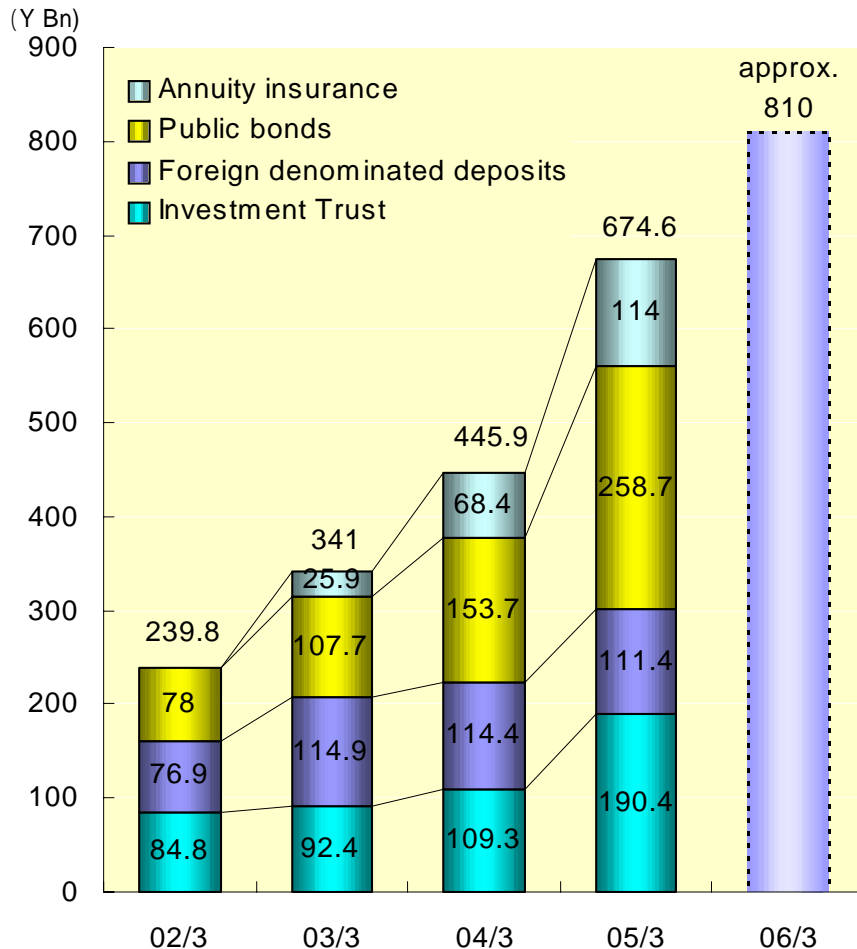
Average balance of loans to corporate customers



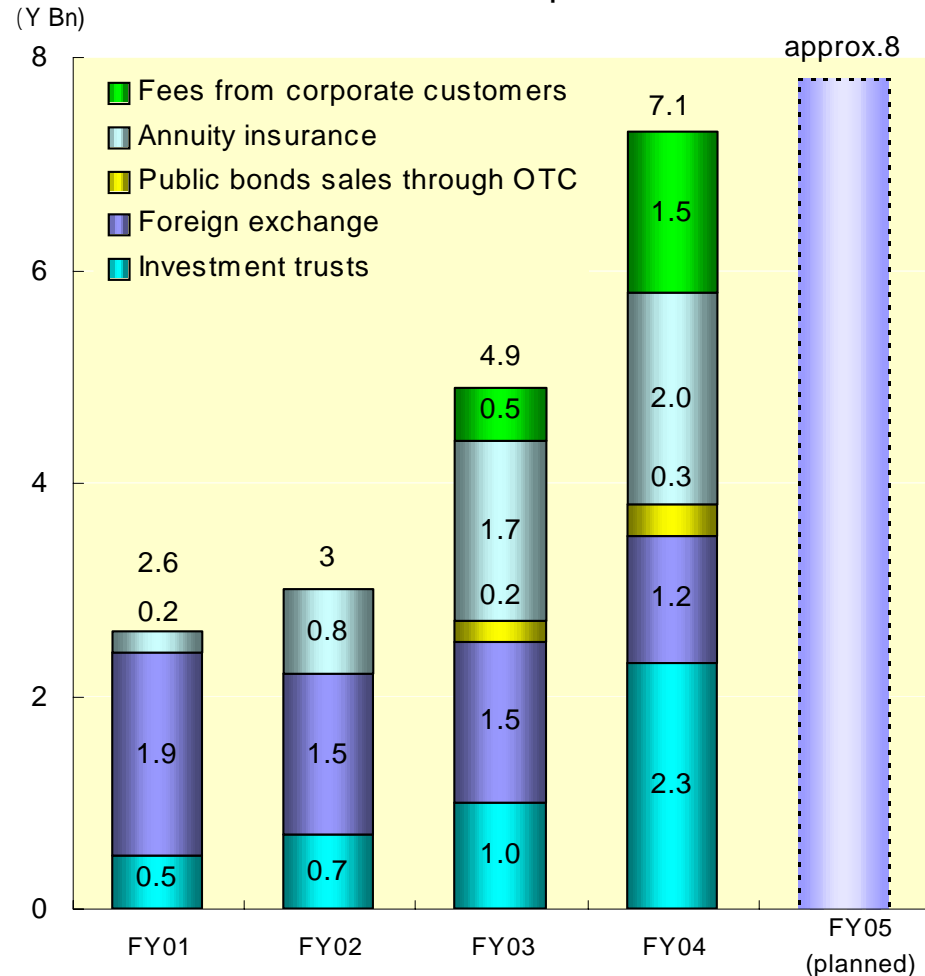
Increase in Fee-Based Businesses

Balance of investment trusts & annuity insurance has increased 2.8 times of FY2002. The fee income has also increased 2.7 times.

Balance of investment trusts & annuity insurance



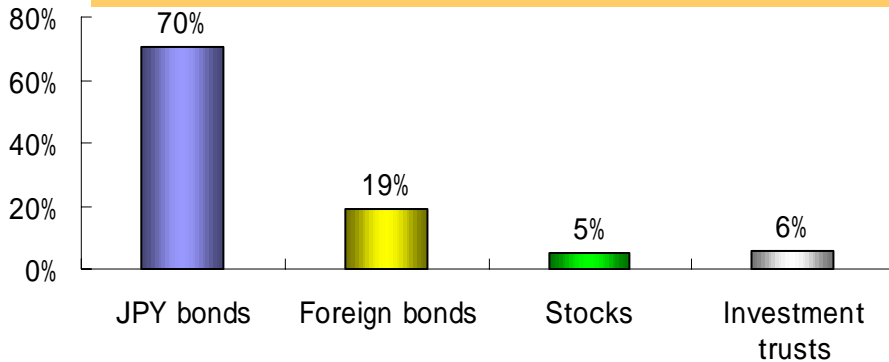
Fees from asset under custody & fee income from corporate



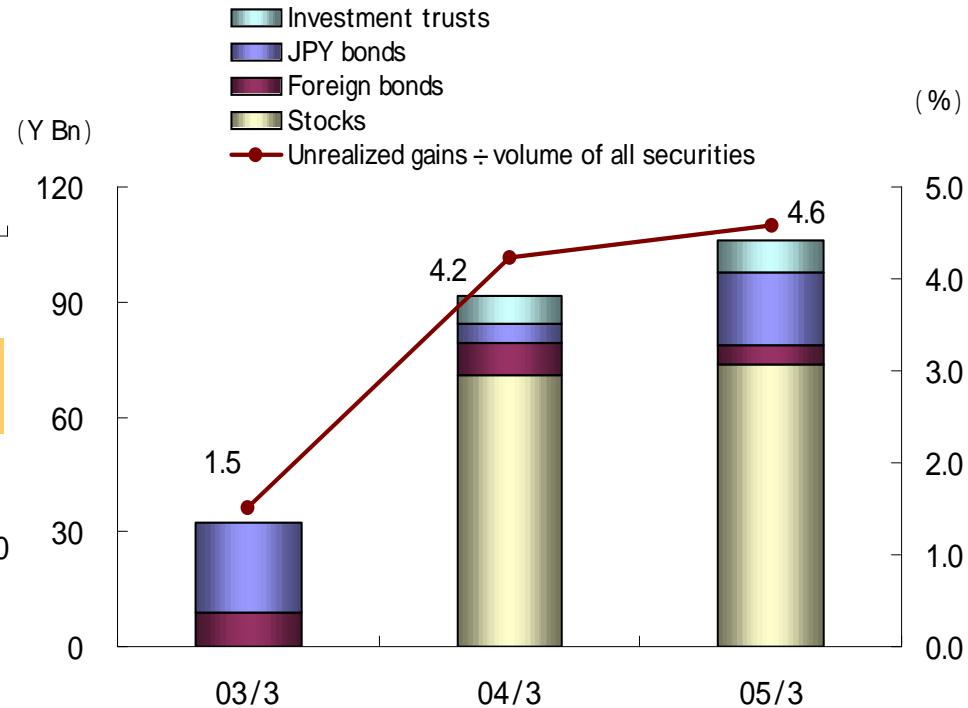
Improved Performance of Securities Portfolio

Optimized asset allocation pushed up yield of securities and unrealized gains.

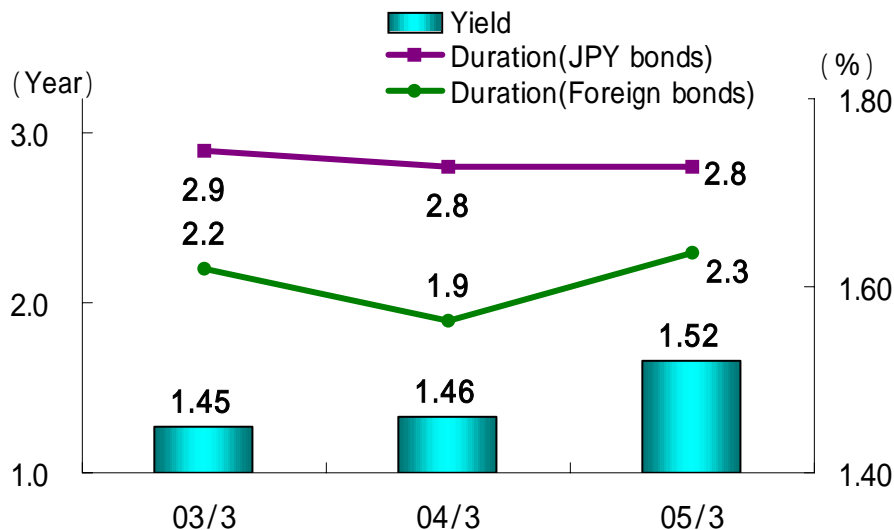
Asset allocation (as of March 31, 2005)



Unrealized gains (as of March 31, 2005)



Yield of securities and the durations of bond portfolio



Improvement of Asset Quality
and Efficiency

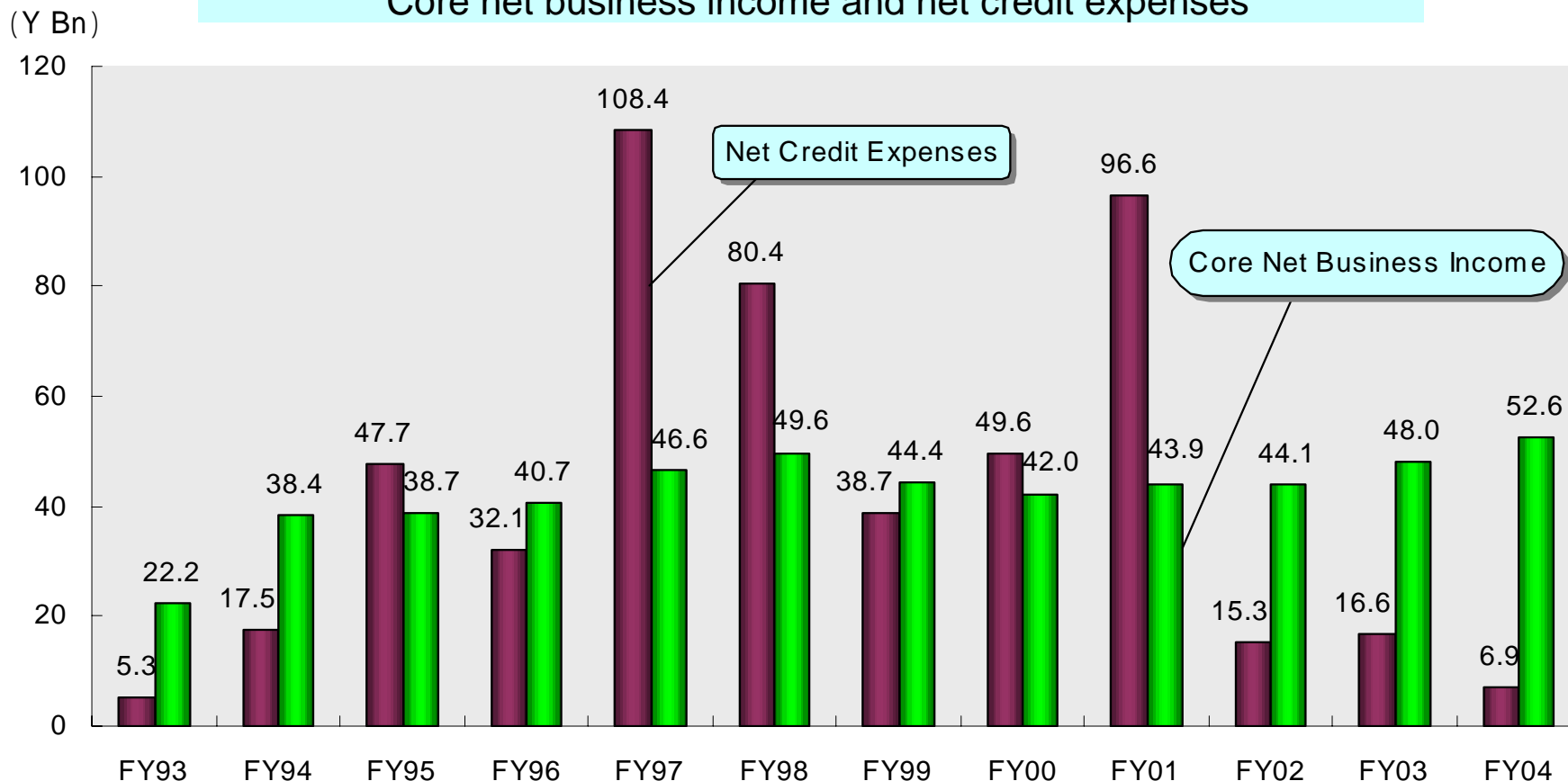
Credit Expenses Significantly Smaller than Core Net Business Income

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

Credit expense ratio : FY2003 38bp FY2004 16bp

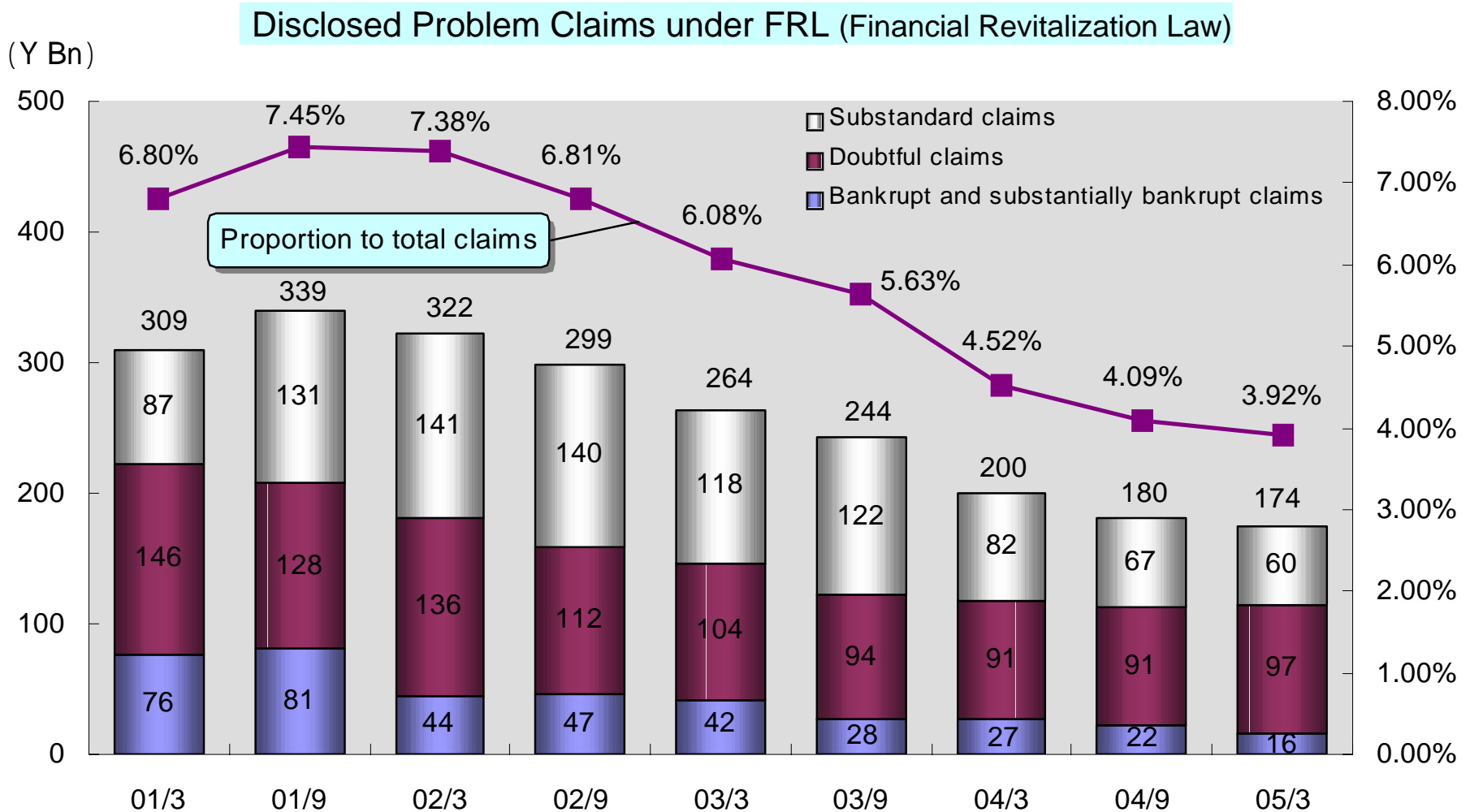
Net credit expenses = Net transfer to general reserve for possible loan losses + Disposal of loans - gains on loan charged-offs - reversal of allowance of loan losses

Core net business income and net credit expenses



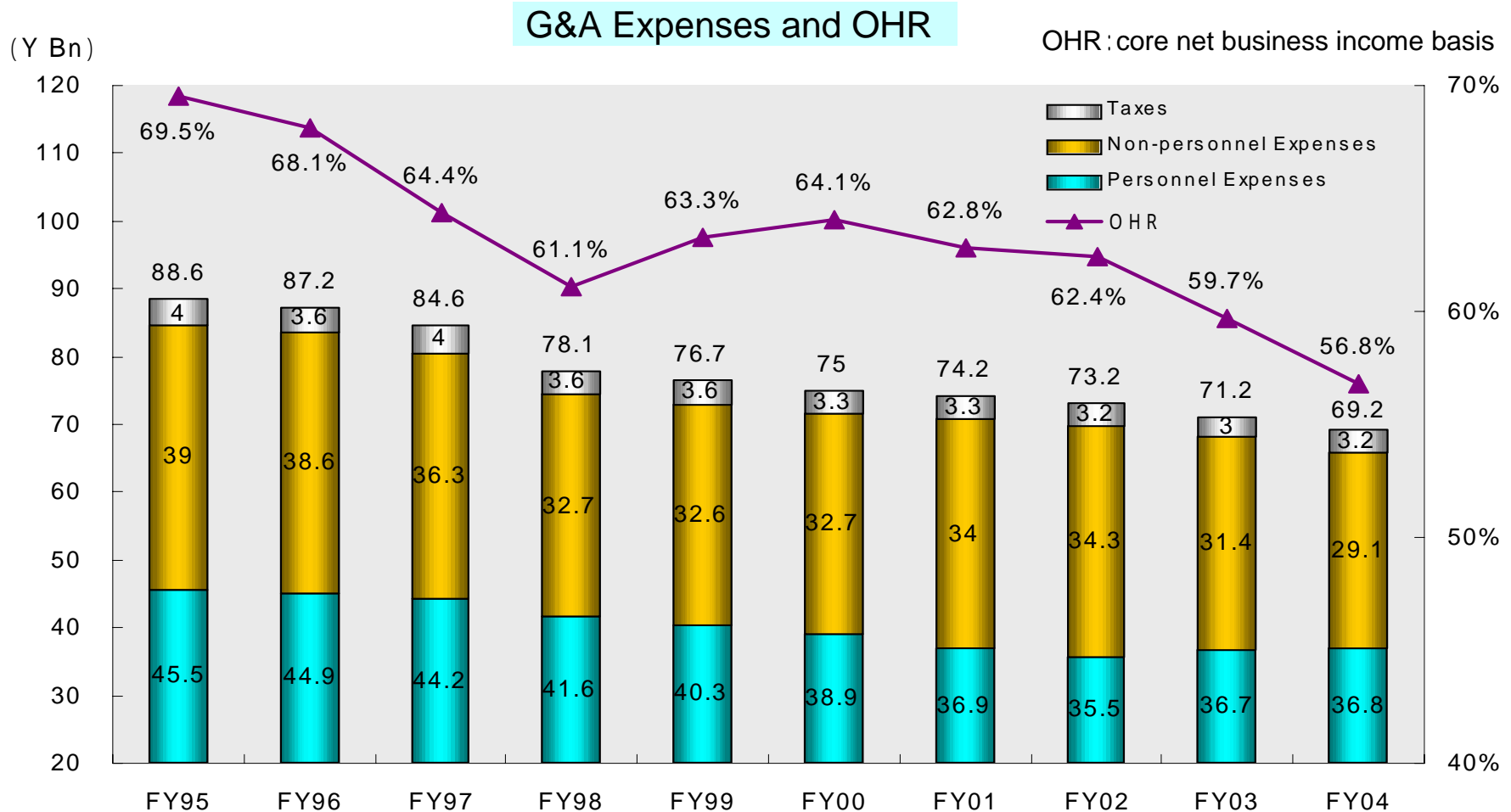
Remarkably Reduced NPLs

NPLs have come down to Y174 billion, and the ratio has reached under 4% level.



Further Improvement of Operating Efficiency

Continuously improved OHR through further expense reduction as well as the increase in gross business profit.

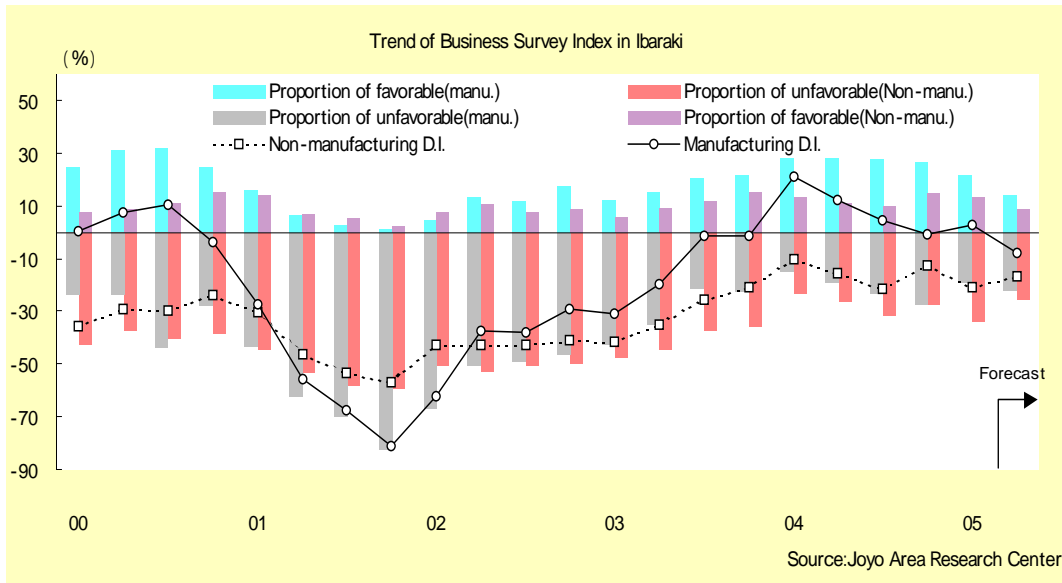


Key Economic Figures of Ibaraki Prefecture (1)

	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	Y Bn	11,079	493,182	11	2002
	Prefectural income (per person)	Y MM	2.90	2.92	12	2002
Industry	Farm output	Y Bn	419	900	3	2003
	Value of manufactured goods shipment	Y Bn	10,072	273,734	9	2003
	Annual sales of merchandizing goods(wholesale)	Y Bn	3,592	413,355	16	2001
	Annual sales of merchandizing goods(retail)	Y Bn	2,982	135,109	13	2001
	Number of establishments	-	125,028	5,921,514	14	Jun 1, 2004
	Number of factories newly located	number/km ²	50 / 0.9	1,305 / 16	8 / 3	in 2004

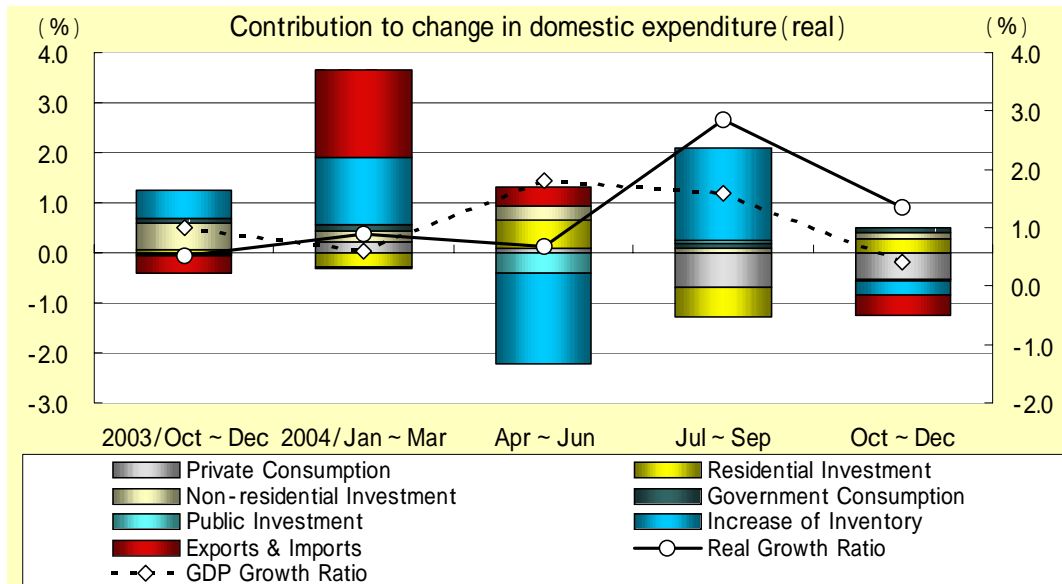
Source: Statistics Div of Ibaraki Pref, Kanto Bureau of Economy, Trade and Industry

Key Economic Figures of Ibaraki Prefecture (2)



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

- Manufacturing : Favorable continues to exceed unfavorable
- Non manufacturing: Improving unfavorable exceeds favorable



Real economic growth of 0.7%

- Ibaraki posted a real economic growth of 0.7% between October and December 2004.

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