
Financial Results for the First Half of FY2006
& Projections for FY2006

THE JOYO BANK, LTD.

December 2006



Performance Highlights (1)

Efficient capital utilization is the key to maintain the 'Top Line' growth.

(Key measures taken)

(Overview of the first half of FY 2006)

Increase 'Top Line'

- Gross profit decreased by 1.5% compared to the same period of the previous year mainly due to an increase in the funding costs associated with foreign currency.
- Improvement in loan balances and yields as well as the positive movement both in residential loans and sales of investment trusts.

Capital efficiency

- Increase in profit leads to an increase in Tier 1 Capital (Tier1 ratio (non-consolidated) is approximately 9.8% which already exceeded our initial targeted range of 8 to 9%).
- Efficient use of capital helped increase 'Top Line' and expand business operations.

Cost control

(Credit cost & Operating expenses)

- Credit costs^{※1} decreased significantly compared to the same period of the previous year (▲¥7.3 billion, or ▲33bps).
- Operating expenses increased slightly compared to the same period of the previous year due mainly to system unification costs (¥80mm, or OHR^{※2} +0.9%).

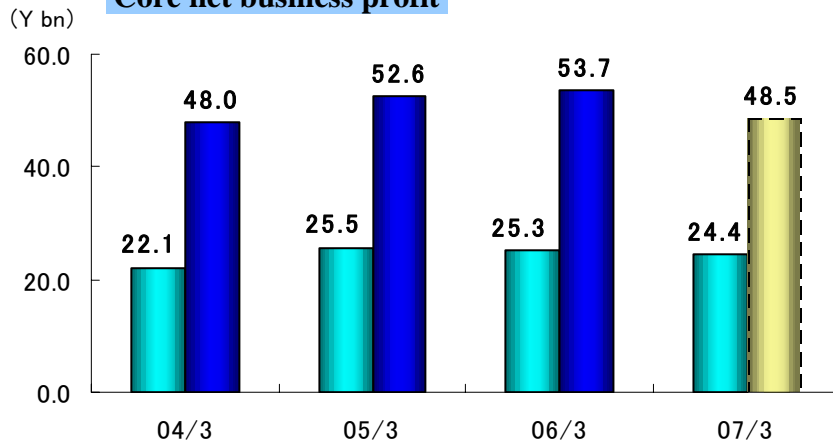
※1: Net credit costs = General provisions for possible loan losses + Gains/Losses of disposal of loans - gains on loans previously charged-off - reversal of allowance for credit losses

※2: OHR = Operating expenses / (Operating expenses + Core business profit)

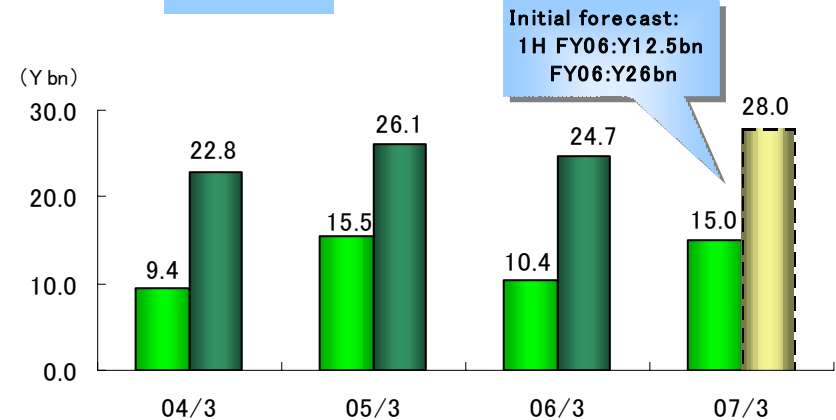
Performance Highlights (2)

Surpassed targeted profits for the first half of FY2006 due to a significant decrease in credit costs, boosting the Tier 1 ratio approximately to 10%, which is the highest among major regional banks.

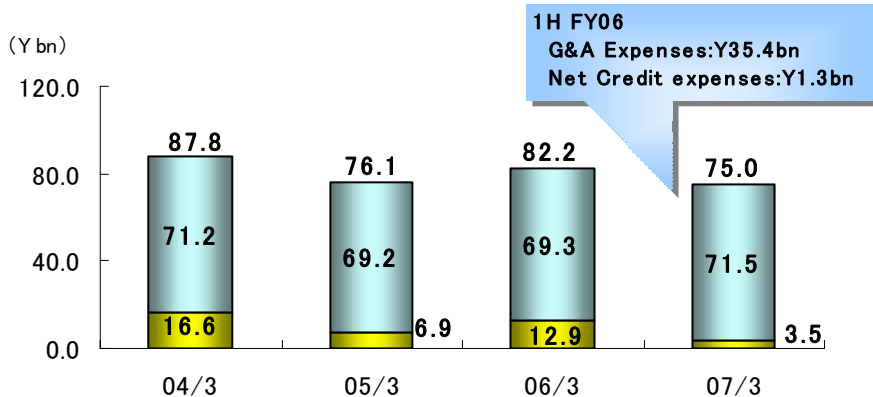
Core net business profit



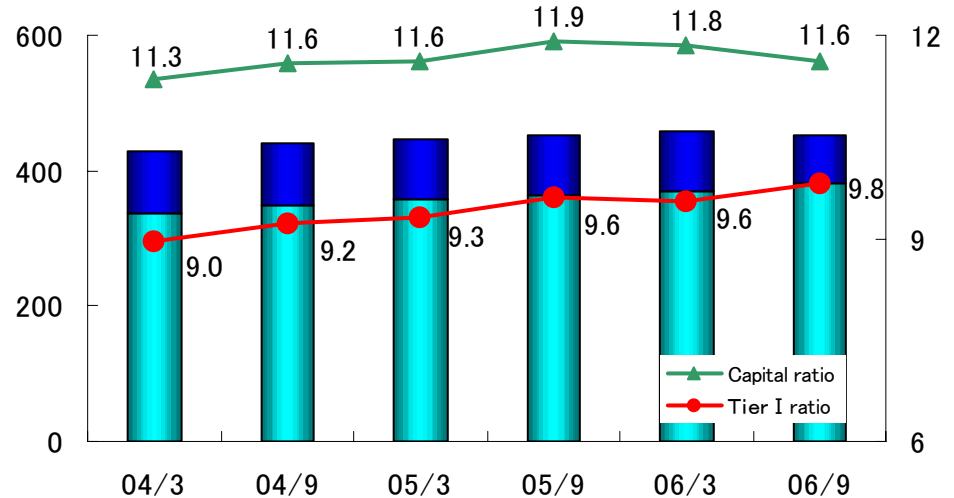
Net income



G&A and Net Credit Expenses



Capital ratio / Tier 1 ratio



Financial Results for the First Half of FY2006
(ended September 30, 2006)

Summary Financial Results of the First Half of FY2006 4

Net business income, core net business profit, ordinary profit and net income all surpassed the original FY2006 semiannual targets.

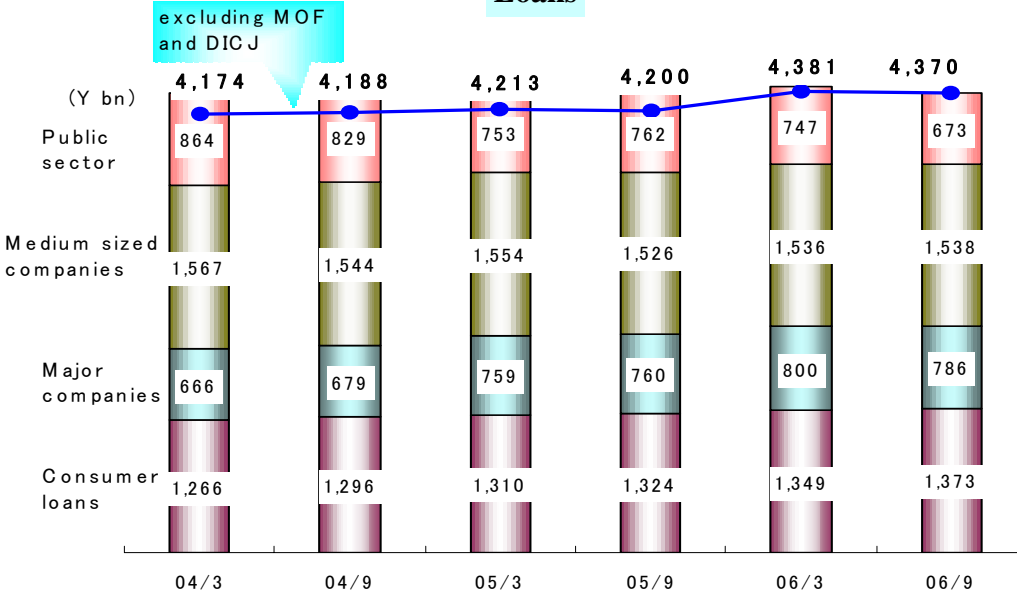
(Y bn)	1H FY2006	1H FY2005	change	change from forecast at the original target
Net business income	25.1	27.0	▲ 1.8	1.1
Core net business income	24.4	25.3	▲ 0.8	0.9
Gross business profit	60.5	61.5	▲ 0.9	▲ 0.7
Net interest income	51.8	52.8	▲ 0.9	1.0
Fees and commissions	7.5	7.0	0.5	▲ 0.7
G&A expenses	35.4	35.3	0.0	▲ 1.1
Net transfer to general reserve for possible loan losses	—	▲ 0.8	0.8	▲ 1.0
Net non-recurring gains(losses)	▲ 2.4	▲ 8.7	6.3	0.7
Disposals of non-performing loans	3.7	10.8	▲ 7.1	▲ 0.3
Net gains(losses) on equity securities	▲ 0.2	0.4	▲ 0.6	▲ 0.2
Ordinary profit	22.7	18.2	4.4	1.7
Net special gains(losses)	2.4	0.1	2.2	1.9
Gains on loan charged-offs	0.8	1.2	▲ 0.4	0.1
Reversal of allowance for loan losses	1.5	—	1.5	1.5
Net income after tax	15.0	10.4	4.5	2.5
Net credit expenses	1.3	8.7	▲ 7.3	▲ 2.9

● Net business profit and core net business income exceeded initial forecasts.

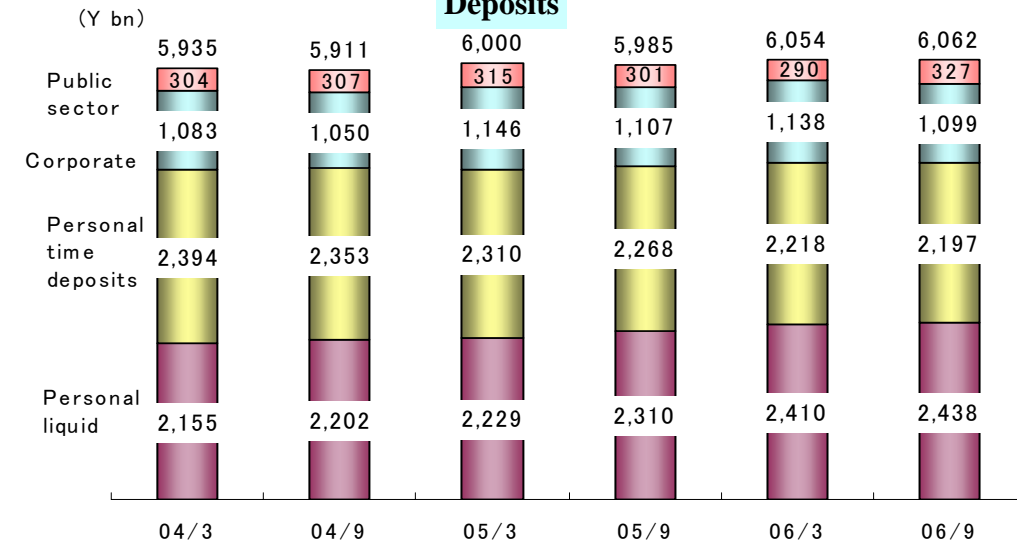
(Y bn)	1H FY06	change from forecast
Net interest income	51.8	1.0
Interest income of domestic loans	40.7	▲ 0.3
(Personal loans)	16.5	0.0
(Corporate loans)	18.8	▲ 0.5
Interest income of securities	22.3	1.0
(Domestic)	10.4	1.1
(Foreign)	11.8	▲ 0.1
Interest expenses on deposits	1.4	0.8
Interest expenses on foreign deposits	9.9	▲ 1.0
Domestic loans (Average balance)	4,481.4	11.1
Personal loans	1,361.1	8.0
Corporate loans	2,409.7	6.5
Securities (Average balance)	2,316.4	▲ 112.4
Fees and commissions	7.5	▲ 0.7
Investment trusts and personal annuities	3.1	0.2

Loans and Deposits

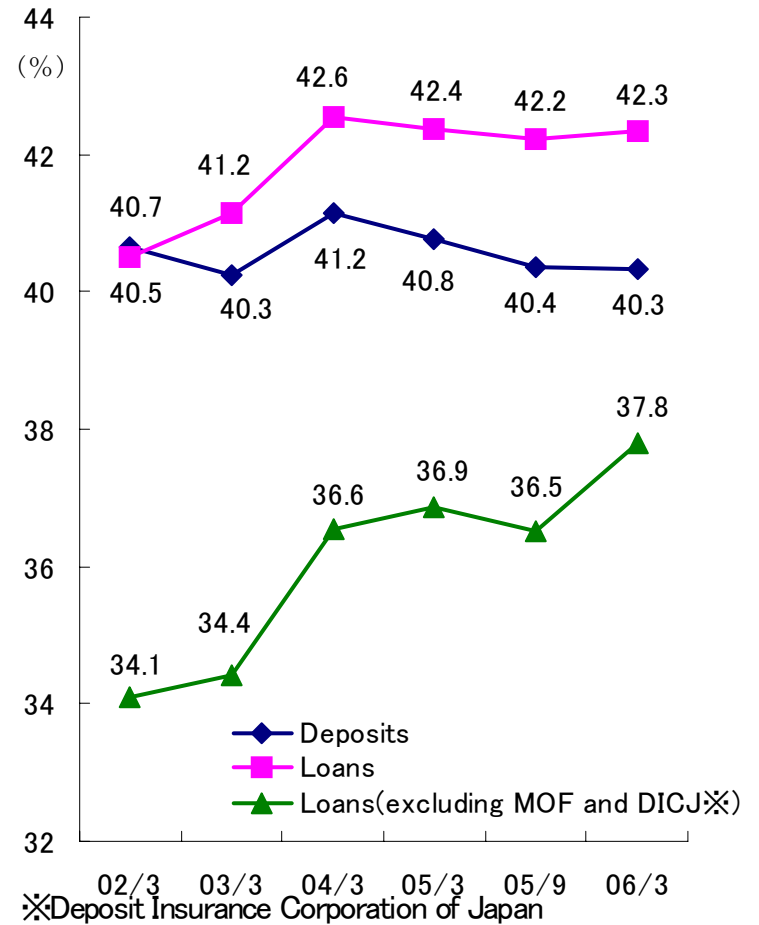
Loans



Deposits



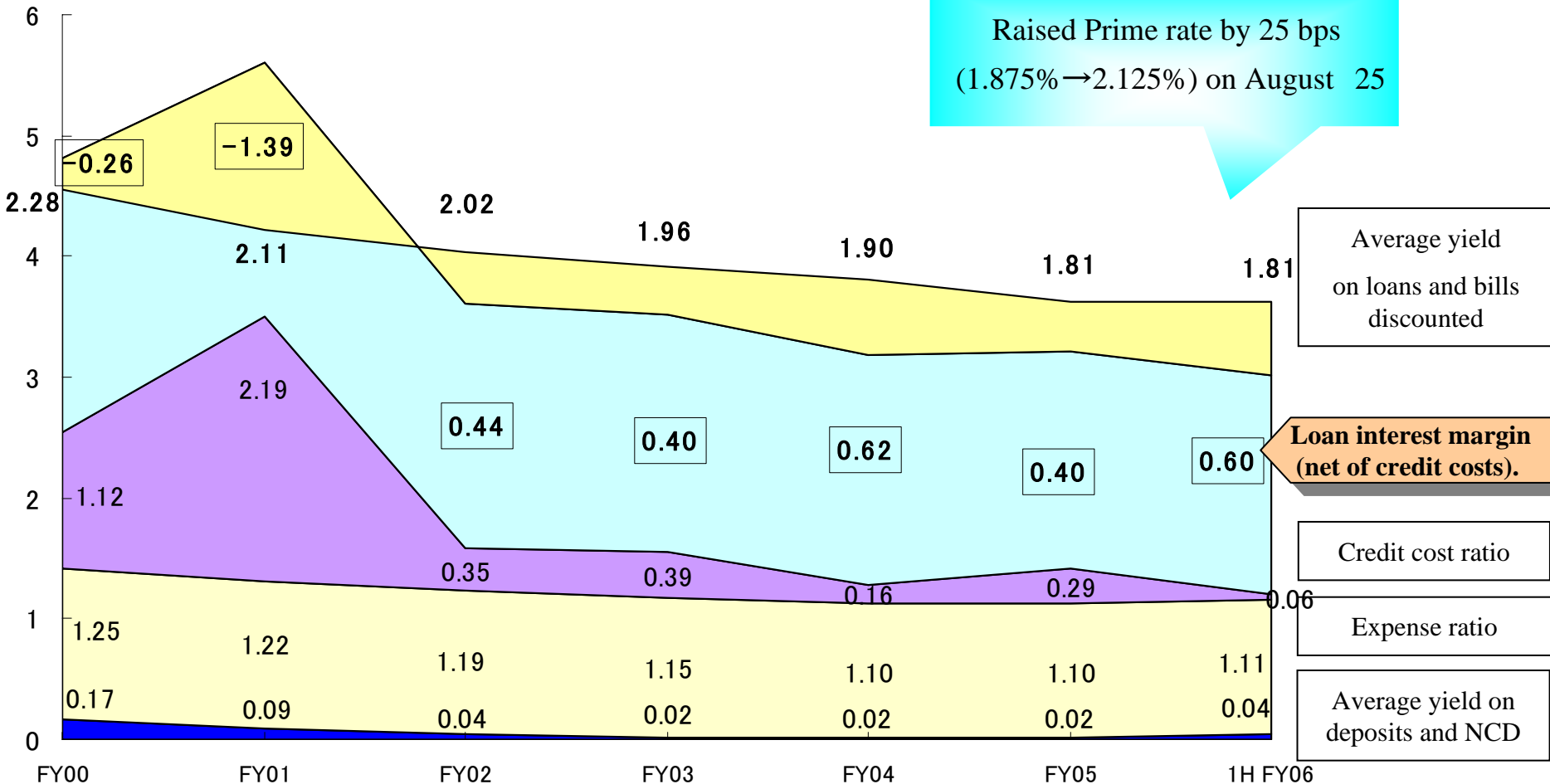
Market share in Ibaraki



Loan Interest Margin

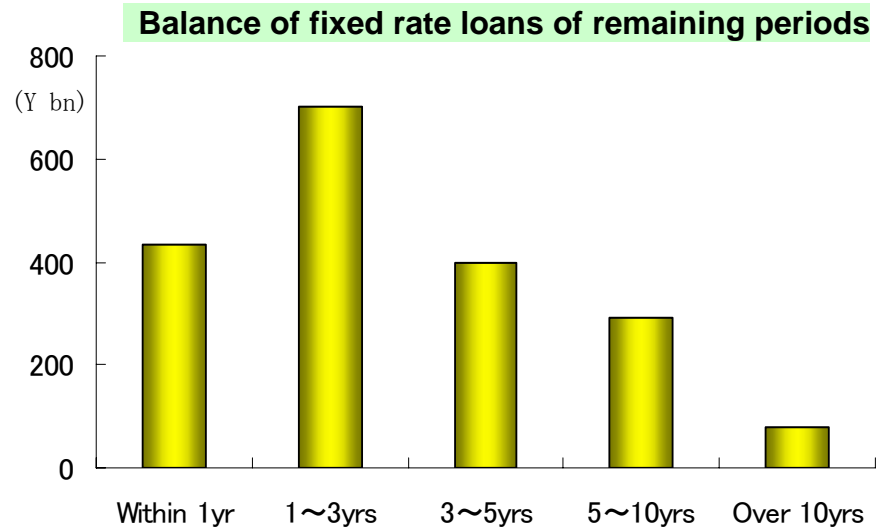
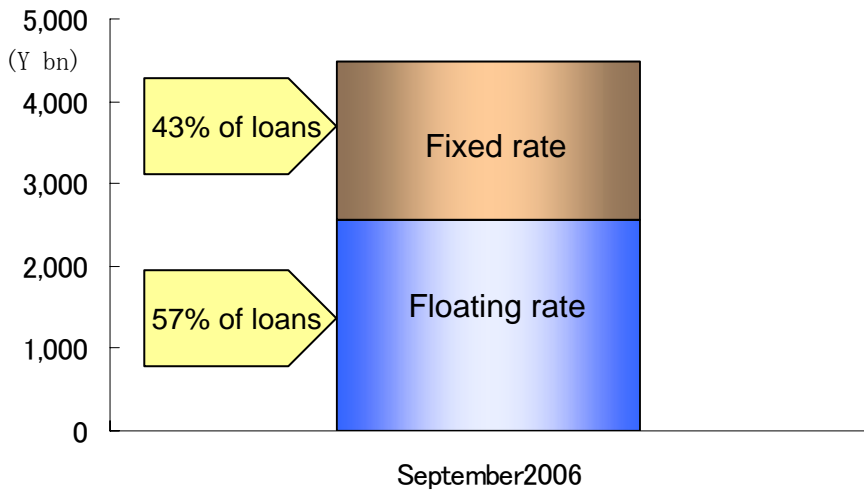
Credit costs decreased significantly and loan yield has found its bottom. Loan interest margin, net of credit costs, shows improvement.

Raised Prime rate by 25 bps
(1.875% → 2.125%) on August 25

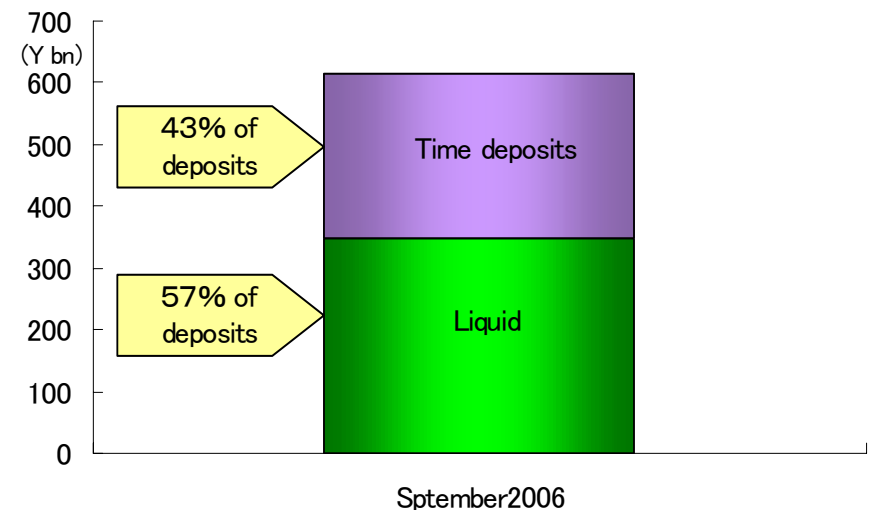
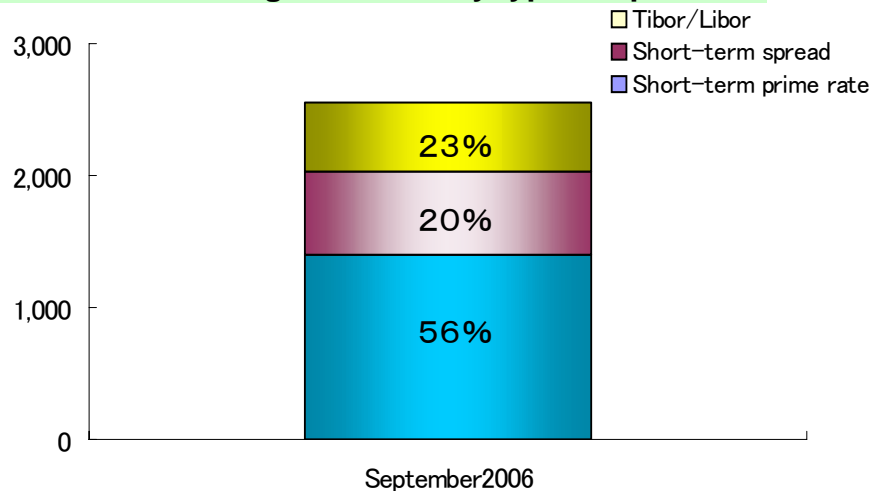


Loan portfolio

Floating rate loans make up 57% of total loan portfolio. To benefit from interest rate rises, approximately 60% of fixed rate loans are shorter than 3 years in duration.

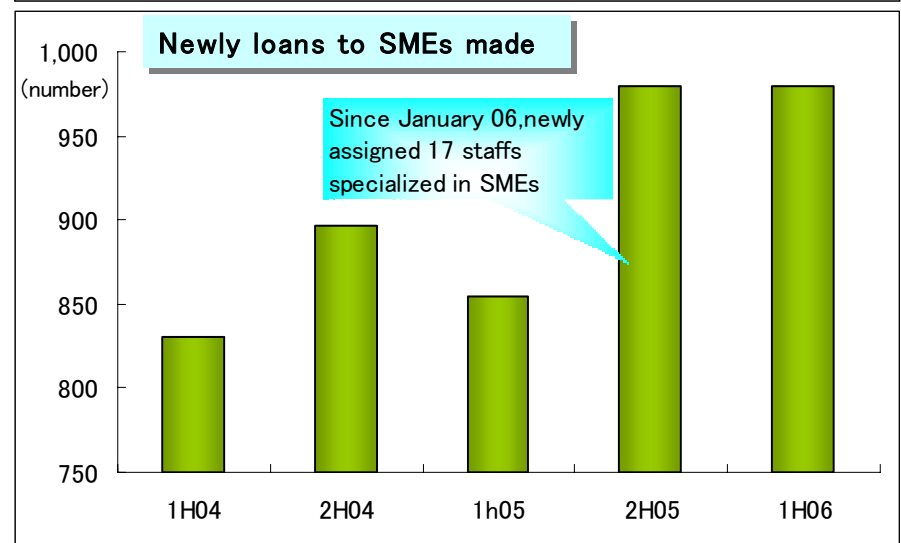
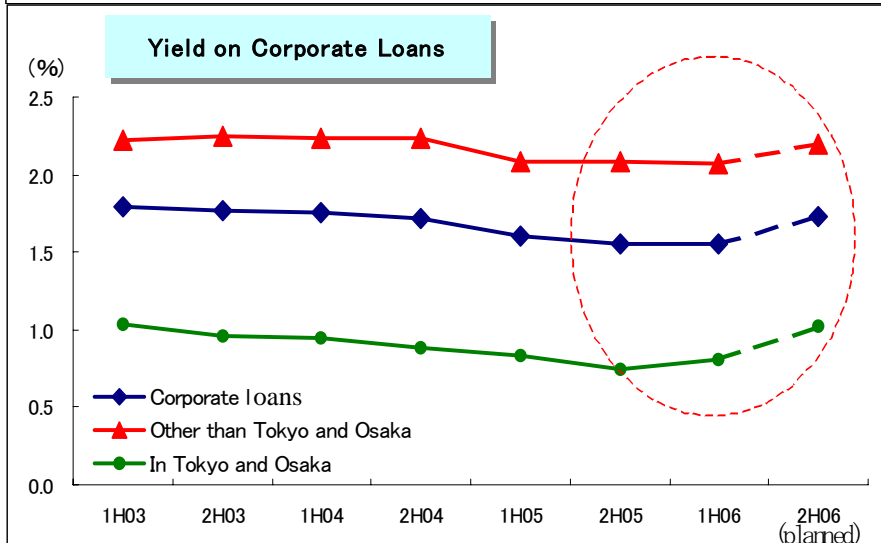
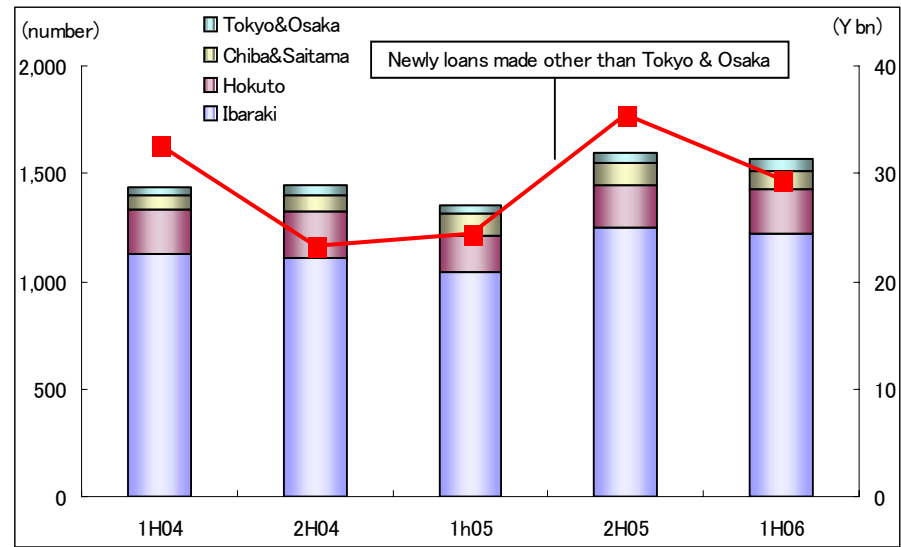
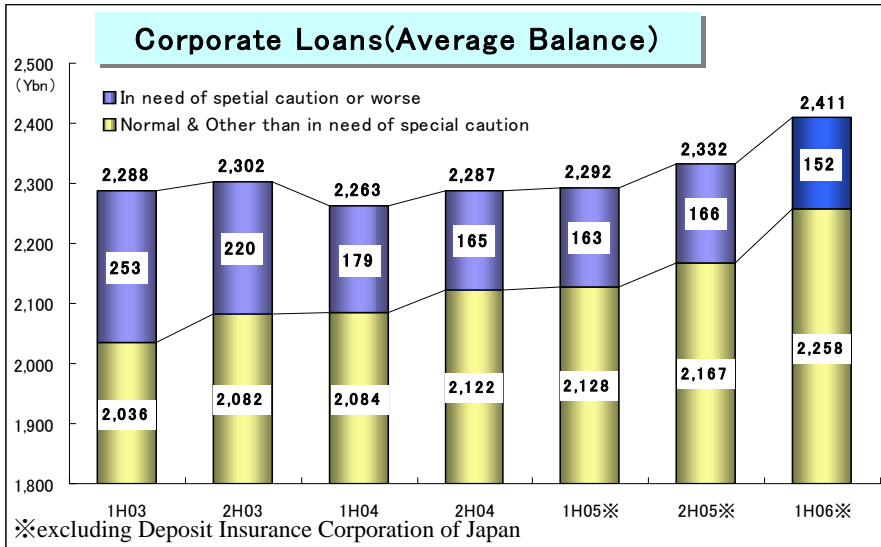


Balance of floating rate loans by types of products



Corporate Loans

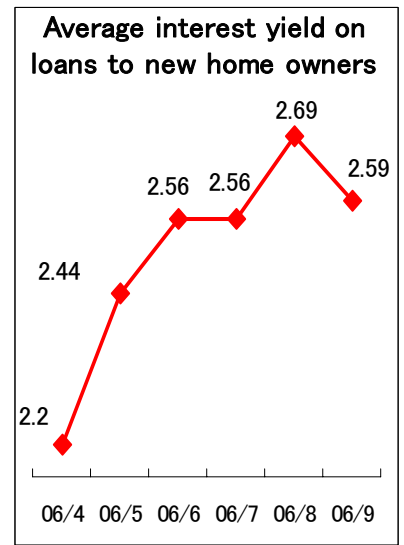
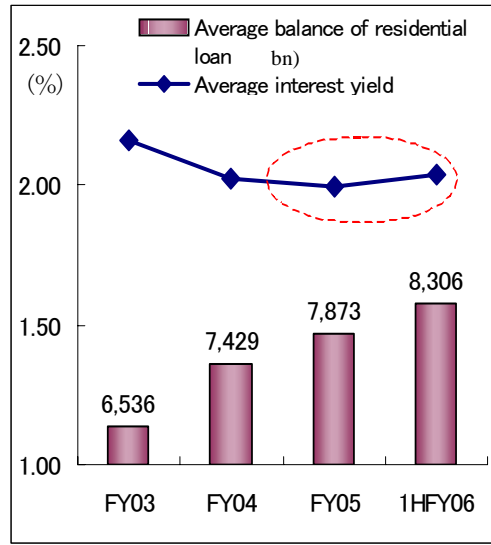
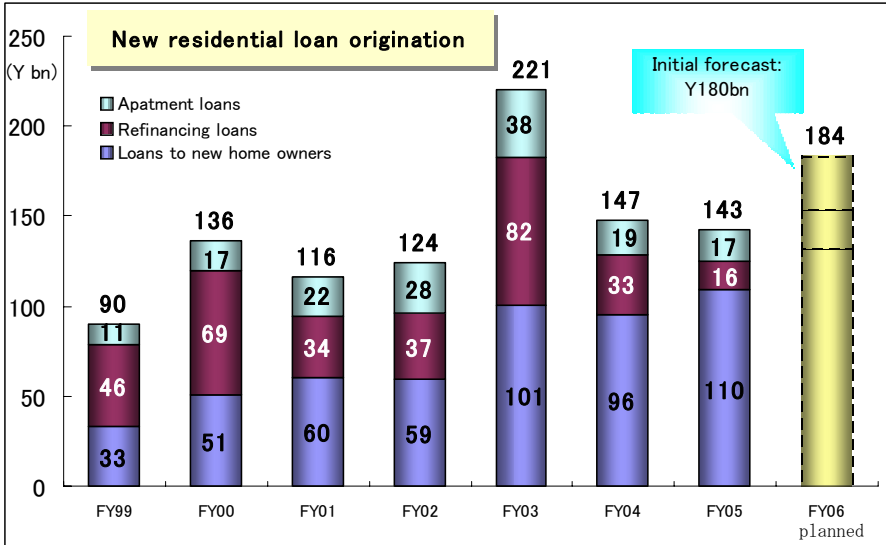
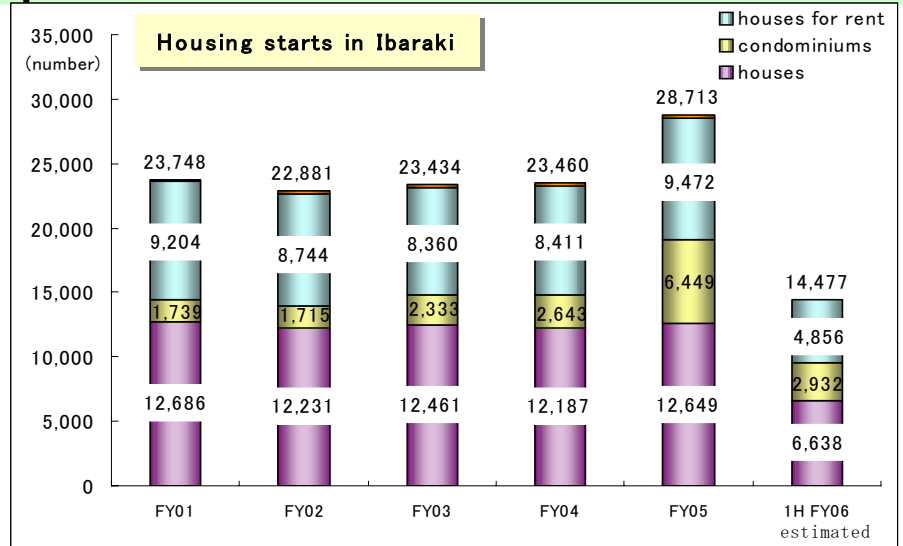
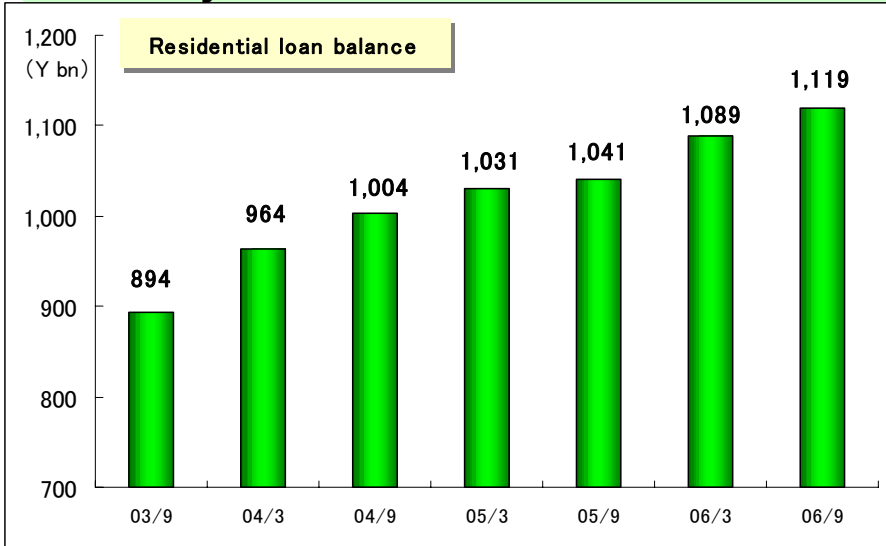
Increased outstanding balance in loans to normal and other than in need of special caution. Also showed improvement in yields. Strengthening sales approaches by specialized staffs.



Residential Loans

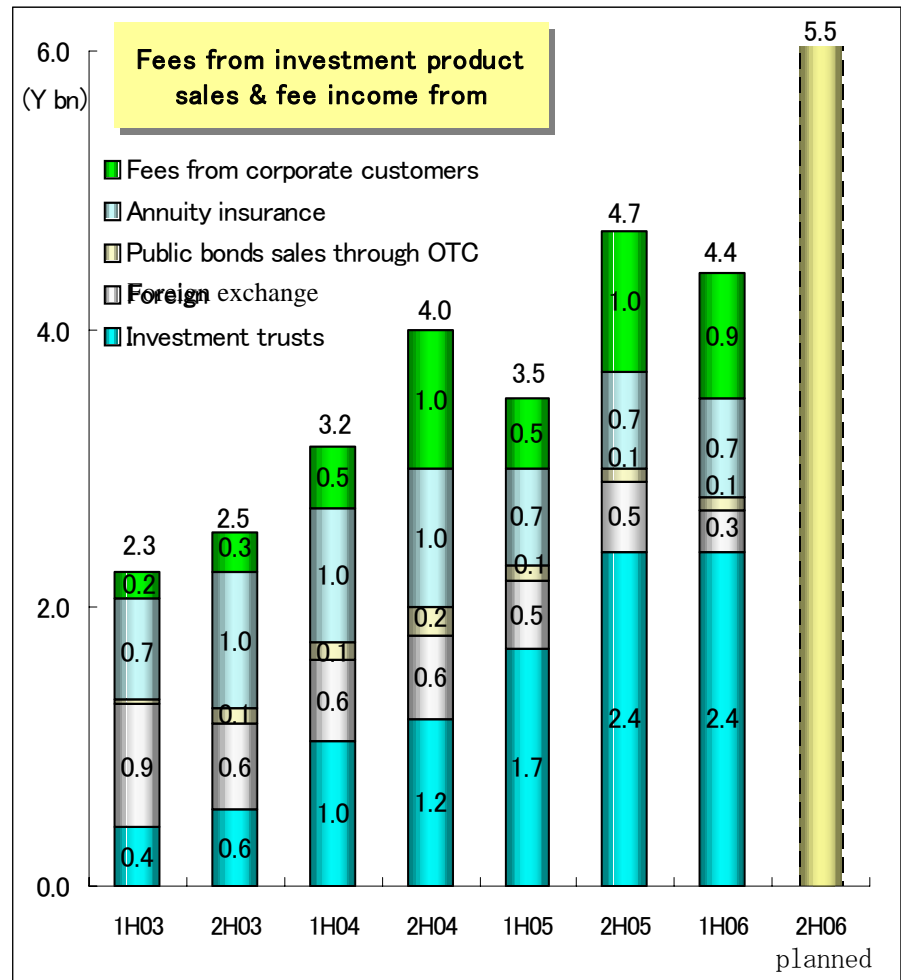
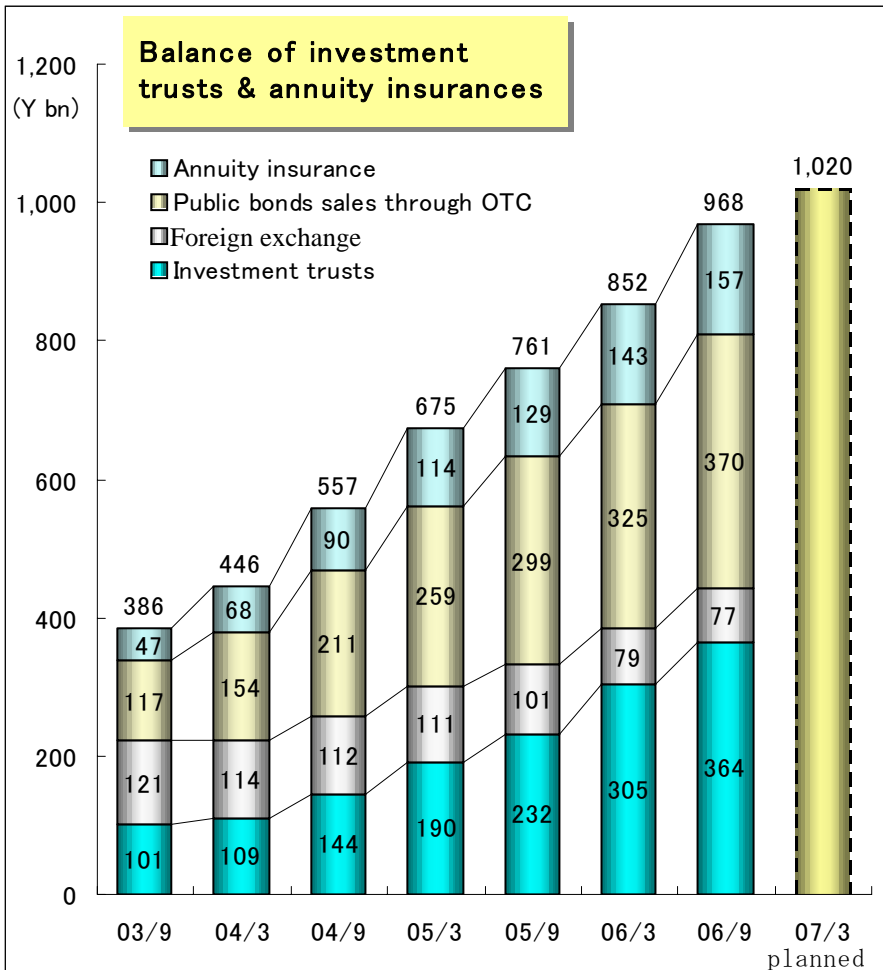
※Residential loans = Housing loans + Apartment loans

Steady increase in residential loans continued. Increasing housing constructions due to the opening of the 'Tsukuba Express' also is expected to bring loan potentials. Interest yield on loans shows continuous improvement.



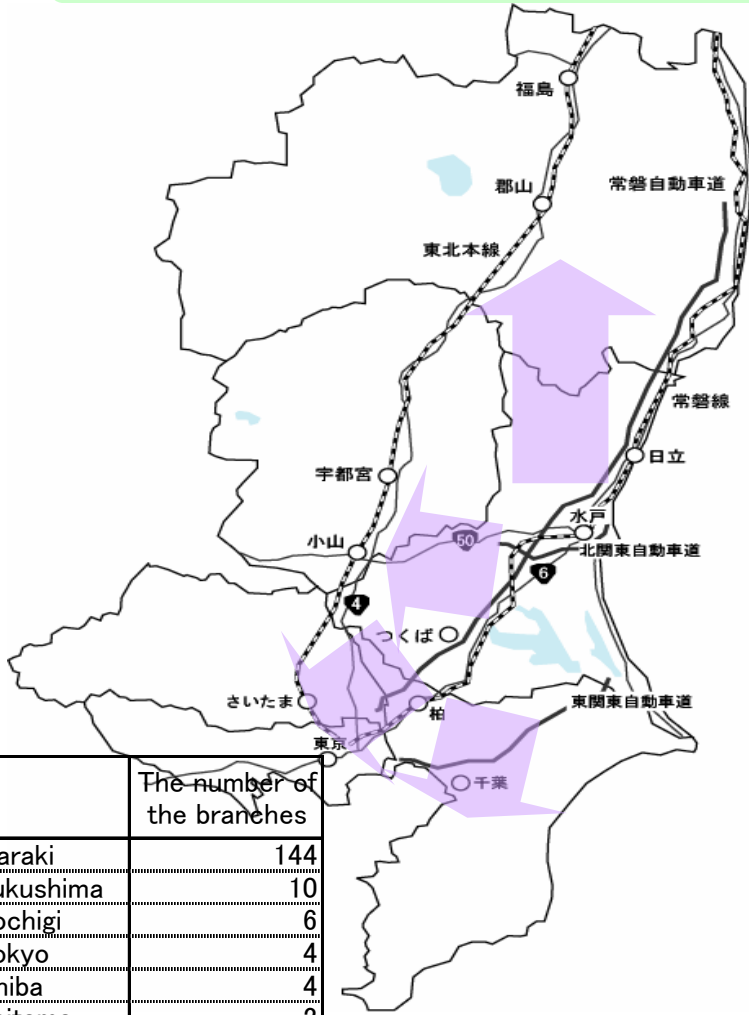
Asset Management Business

Assets under custody projected to reach ¥1 trillion during FY2006 by strengthening sales approaches to customers. Fee incomes also projected to increase steadily.



Expansion of Business Area

Business operations in our neighbor prefectures be activated.



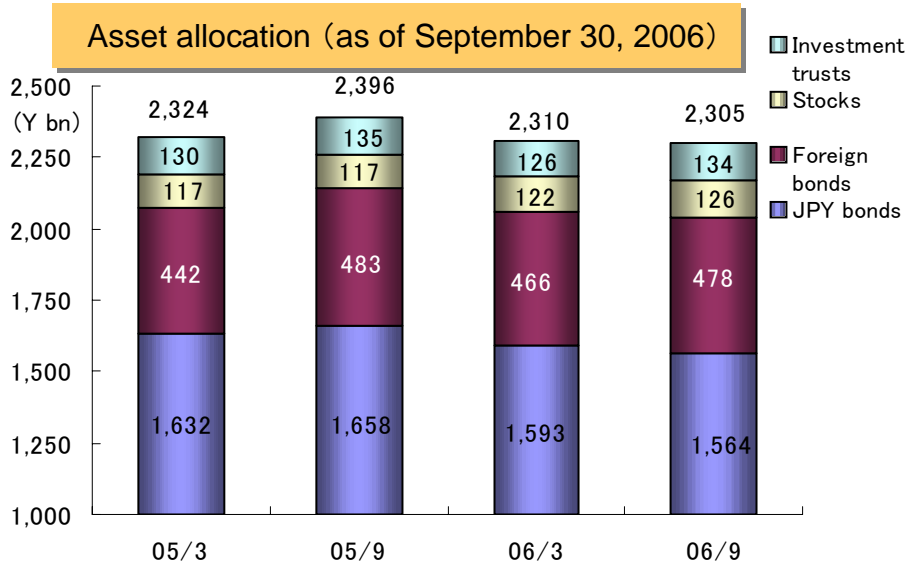
- **Corporate**
 - Has already established brands in Ibaraki, Tochigi and Fukushima.
⇒ Increase our customer base by utilizing resources held.
 - Lack of human resources in Chiba and Saitama which have large market potentials.
⇒ Strengthen the corporate banking business, such as increasing the branches that specialize in corporate banking transactions
 - Lead companies to open their locations in the Chiba, Saitama and Hokuto areas※, for the upcoming business opportunities associated with the large projects undergoing in the Ibaraki area.
⇒ Conducted tours visiting potential business locations for company representatives (November), which is also intended to increase the reputation of the bank. Approximately 70 companies attended.
- **Personal**
 - Residential loans ⇒ Focus on advantageous Ibaraki with strong housing starts.
 - Financial Products ⇒ Strong sales approaches in Ibaraki.

	The number of the branches
Ibaraki	144
Fukushima	10
Tochigi	6
Tokyo	4
Chiba	4
Saitama	2
Others	3
Total	173

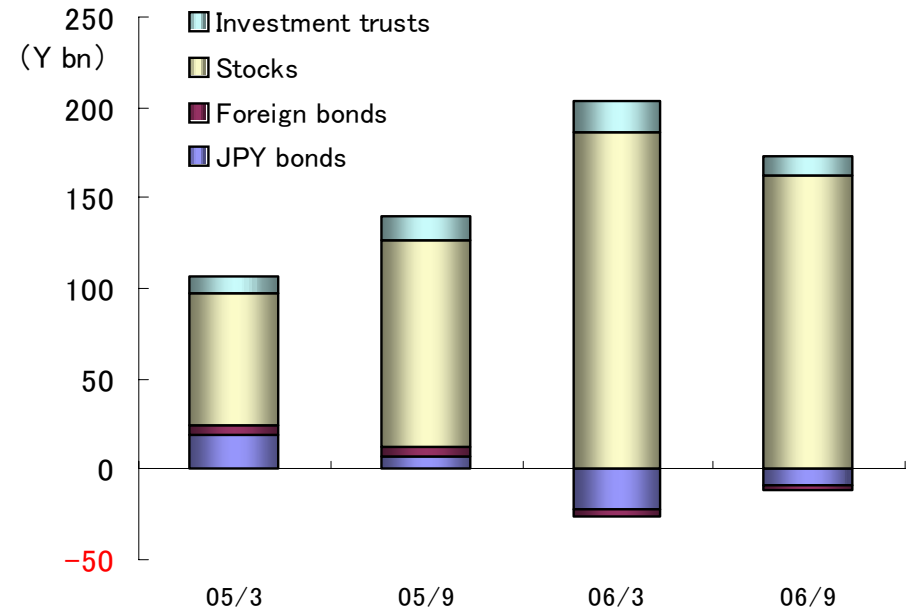
※ Hokuto areas : Fukushima, Tochigi, Miyagi

Performance on Investment Portfolio

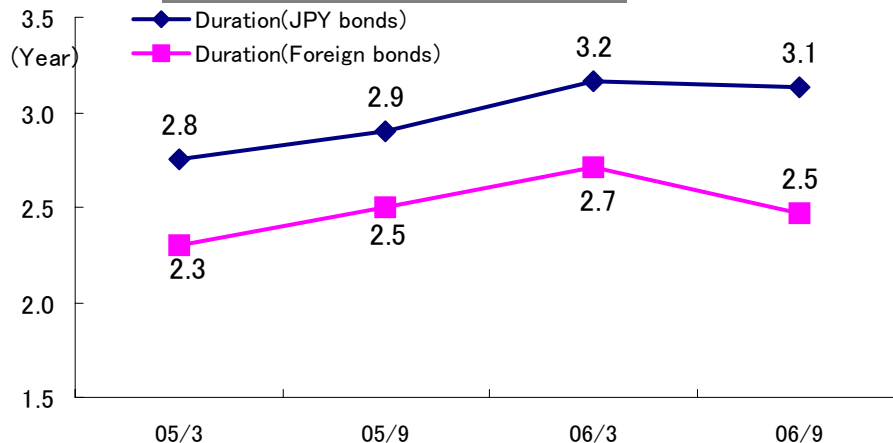
Asset allocation optimized based on risk analysis and correlation via keeping volume and duration under control, portfolio showed improvements in performance.



Unrealized gains/losses (as of September 30, 2006)



The duration of bond portfolio

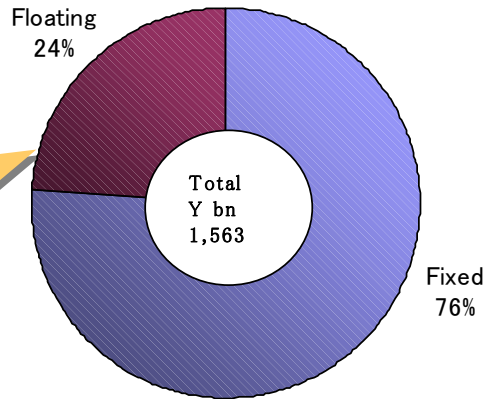


Bond Portfolio

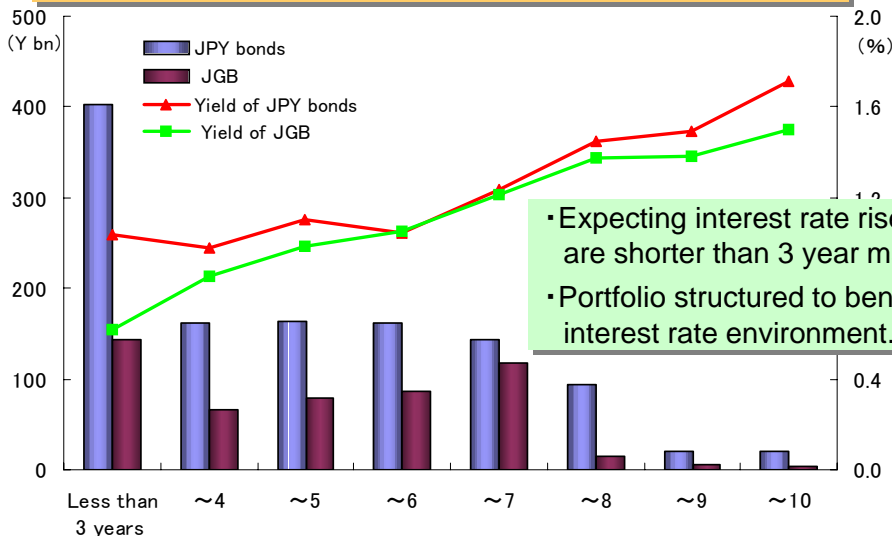
Attempt to pick up yield on mid/short-term bonds and trust funds with high sensitivity to interest rate to benefit from interest rate rises.

Japanese yen bond balance (types of bonds)

A quarter of the portfolio is comprised of FRNs

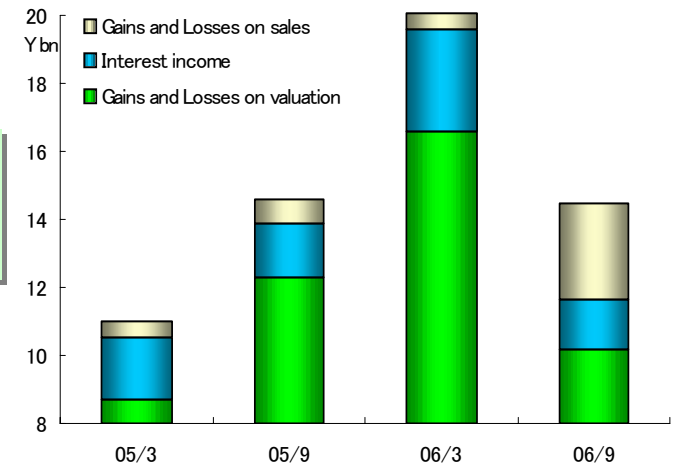
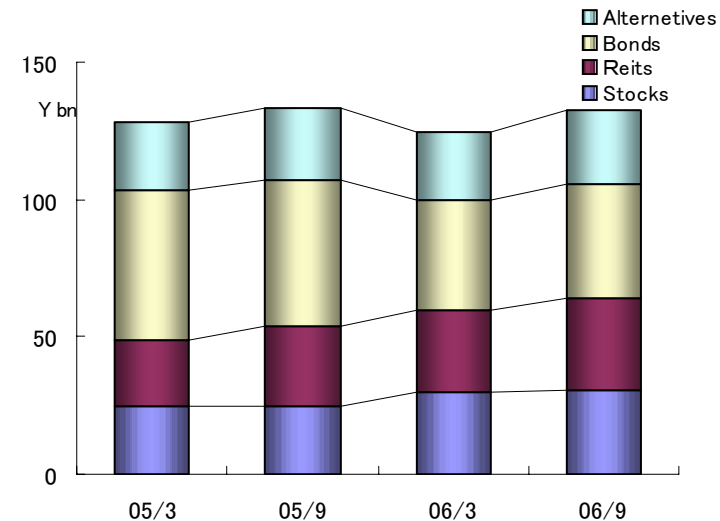


Balance of SB based on remaining periods



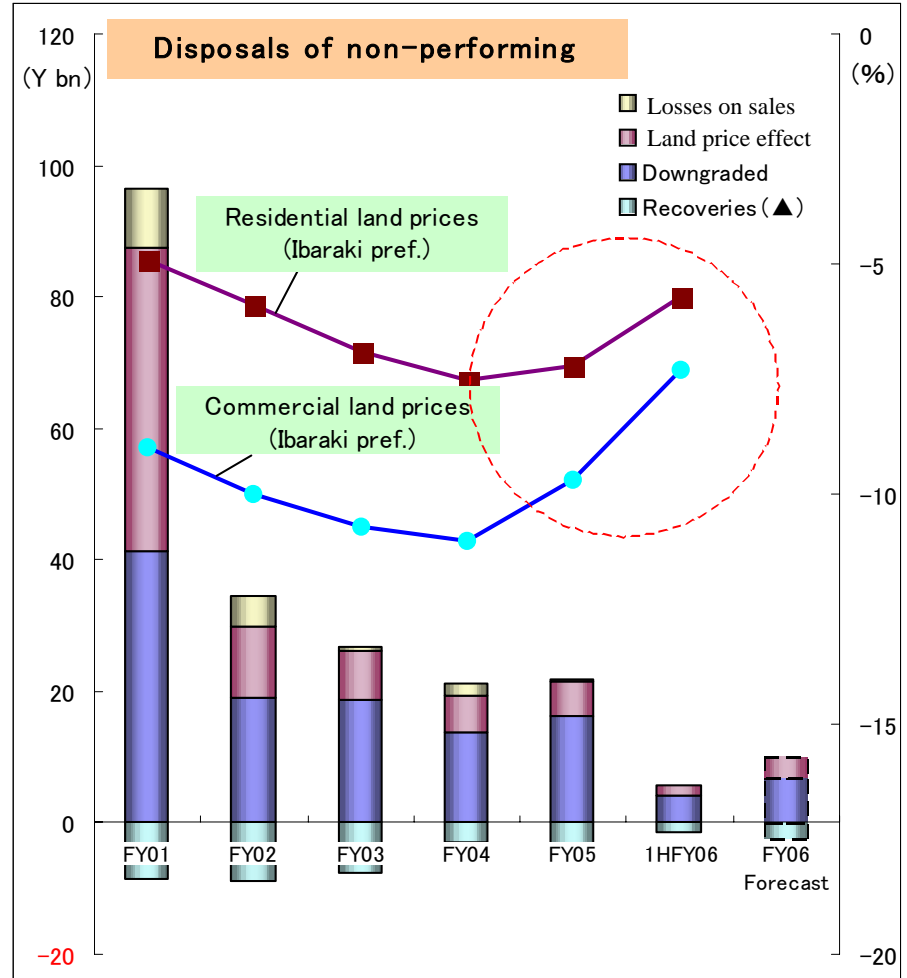
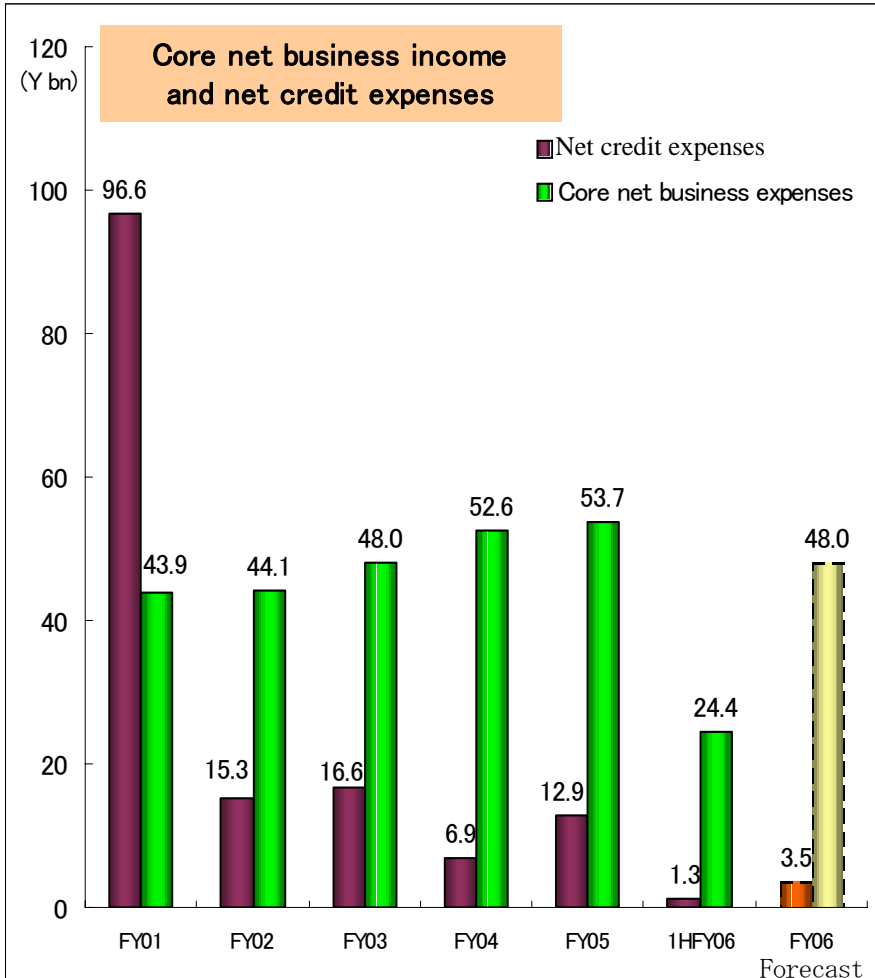
- Expecting interest rate rise, approximately 30% are shorter than 3 year maturity.
- Portfolio structured to benefit from a rising interest rate environment.

Investment Trusts



Credit Costs

**Credit costs ratio is expected to be 8 bps in FY06.
Net credit expenses significantly decreased.**

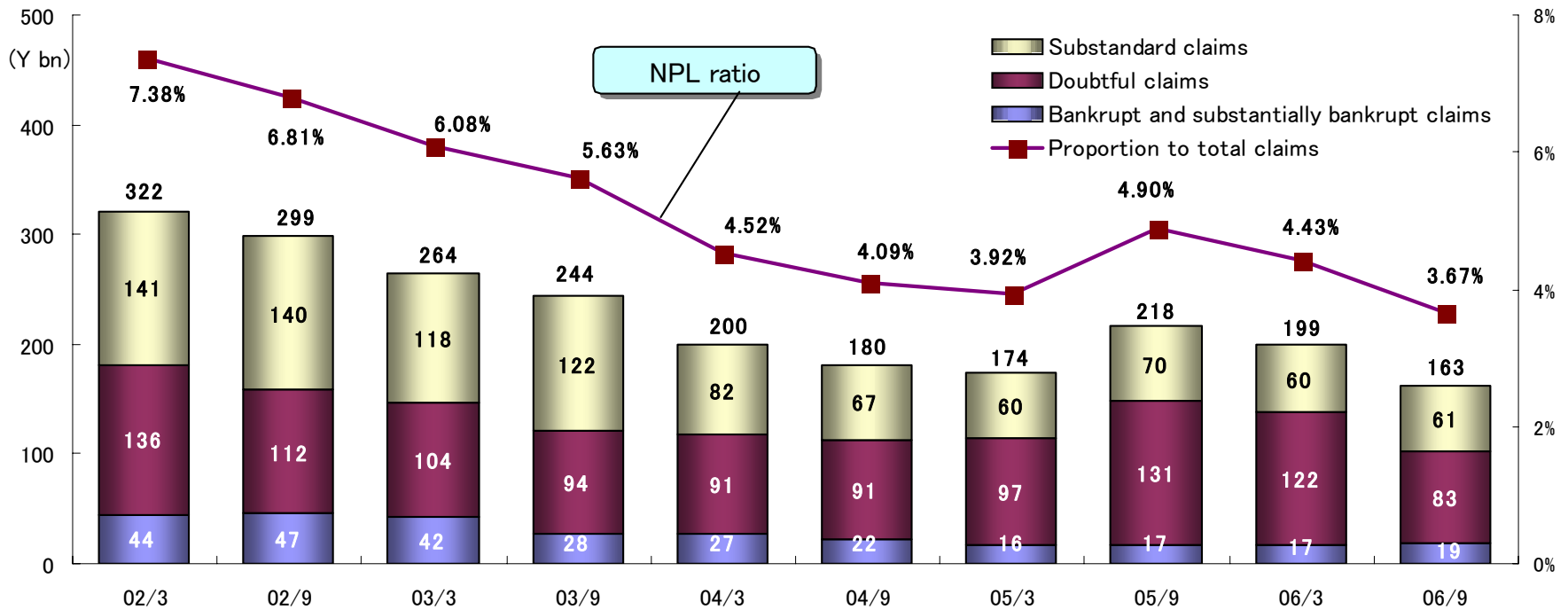


※1: Net credit costs = General provisions for possible loan losses + Gains/Losses of disposal of loans - gains on loans previously charged-off - reversal of allowance for credit losses

Non Performing Loans

Total claims decreased and NPL ratio improved significantly due to improvements in credit ratings of major borrowers.

Non-performing loans under Financial Revitalization Law

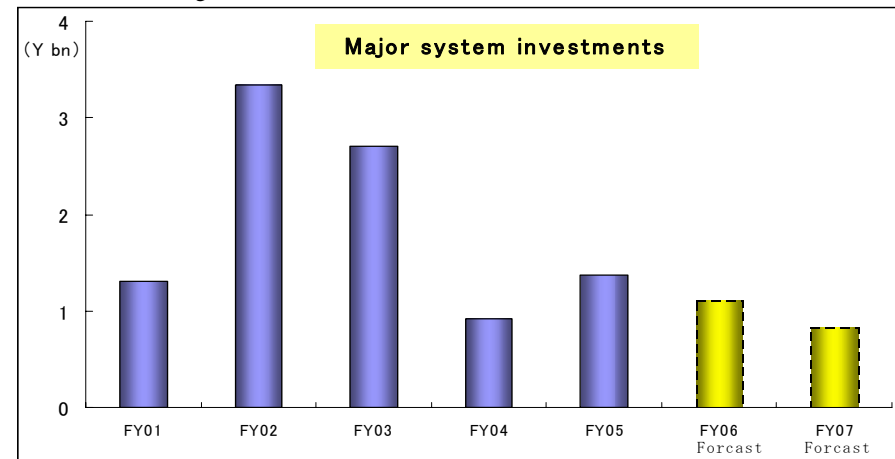
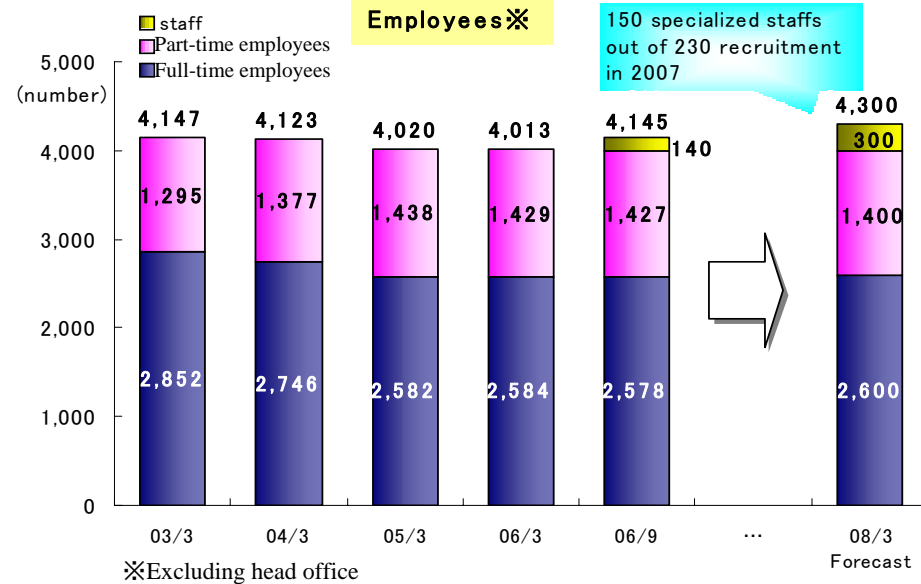
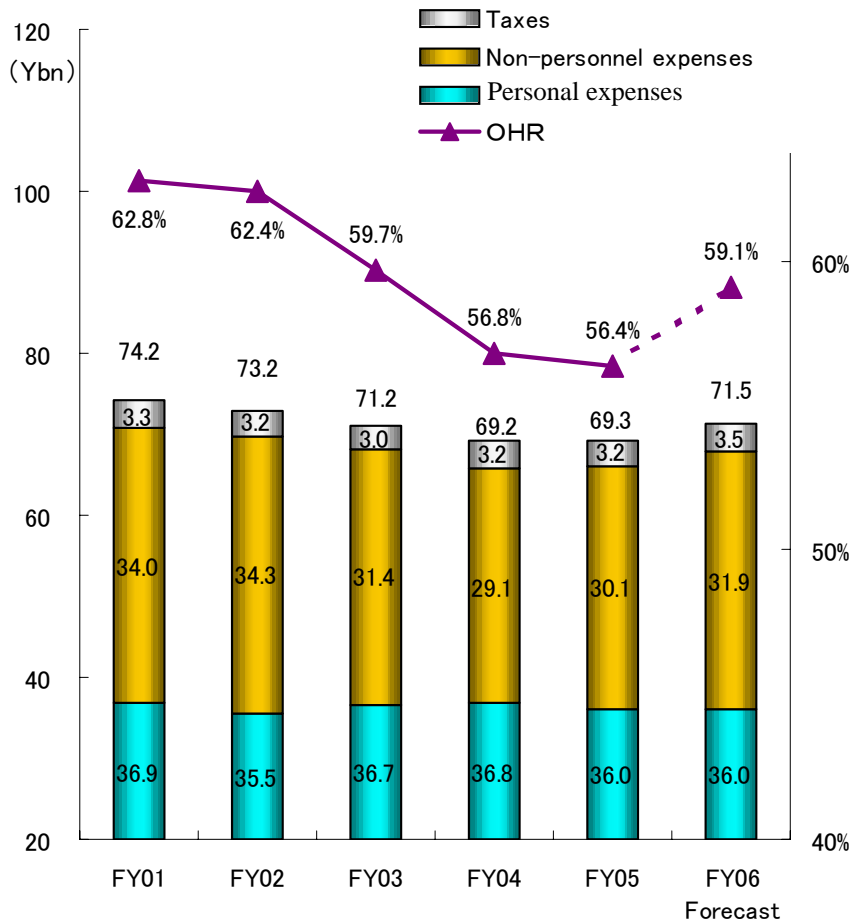


G&A Expenses

Total operating expenses increased temporarily in FY2006 mainly due to system related costs resulted from system unification. G&A expenses for FY2007 expected under ¥ 70 billion.

G&A Expenses and OHR*

*OHR: core net business profit basis



Effective Utilization of Capital

Risk Capital as of Sep. 2006

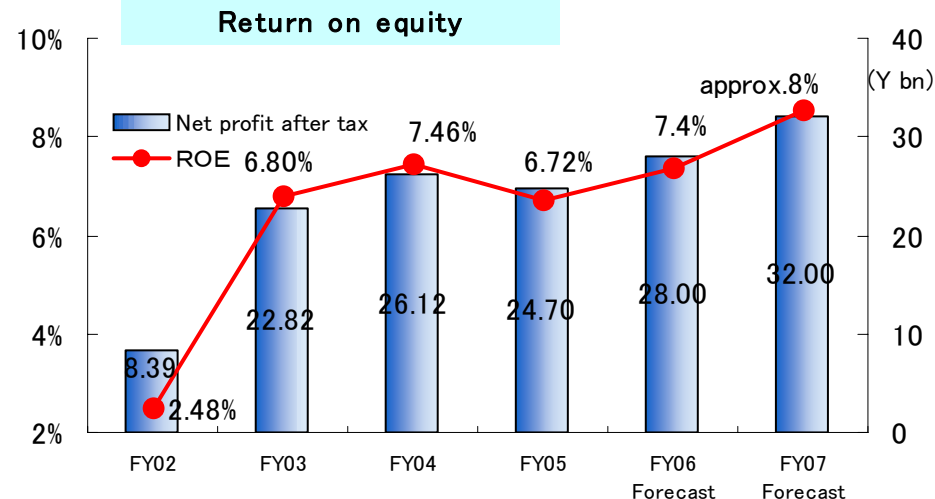
Y bn, figures in () show changes from 06/3

Capital 489.4 (1.2)	Dividends		
	Net unrealized gains on other securities		
	Capital required for 4% of risk assets 155.7(1.2) ※1		
	Capital for use 233.9 (14.6)	Credit risk	20.7(▲5.8)
		Market(Interest)	35.6(▲1.4)
		Market(Price)	57.6(11.8)※2
		Operational risk	19.2(0.2)
		Unused capital	100.8(9.8)

- Intend to maximize shareholders' value through effective utilization / flexible payback of capital
- Capital efficiency be increased by means of:
 - ◆ Expansion of the business area
 - Broaden the business area and attain regional / product line diversification
 - Expand the spectrum of investment opportunities
 - ◆ Optimization of capital allocation

(※1) Represents approximately 4% of risk-weighted assets (Please note that the capital of ¥489.4 billion includes ¥96.9 billion of unrealized gains on securities available for sale (after tax).

(※2) Changes in the market value on equity securities portfolio held for strategic and business-relationship purposes have been deducted.



Returns to Shareholders in FY2006

Basic strategy (announced in November 2005)

● Return to Shareholder Ratio*

Targeting ratio equals to or higher than 40%.

* Shareholder Return Ratio = (Dividends paid + Stock repurchases) / Net income after tax

⇒ **20 million stock repurchase leads to approximately 70% return to shareholder ratio.**

● Dividend Pay-out Ratio

Targeting ratio equals to or higher than 20% while maintaining stable dividend payment policy.

⇒ **Dividend in FY 2006 increased to ¥7 per share. (An increase of ¥1 from FY2005)**

	FY2002	FY2003	FY2004	FY2005	FY2006
Number of stocks repurchased (thousands)	6,508	24,401	4,122	9,955	approx. 20,000
Total amount of stock repurchases (Y bn)	2.1	8.1	1.8	7.2	approx. 14
Number of stocks retired (thousands)	—	—	—	13,000	15,000
Number of treasury stocks (thousands)	5,933	30,154	33,845	30,466	35,466
Total dividends (Y bn)	4.3	4.1	4.9	4.9	5.6
Dividend per stock (Y)	5.0	5.0	6.0	6.0	7.0

Net income after tax (non-consolidated) (Y bn)	8.3	22.8	26.1	24.7	28.0
Shareholder return ratio (%)	77.1	54.2	26.2	49.2	approx. 70
Dividend pay-out ratio (%)	51.3	18.4	19.1	20.0	20 ≤

Projections for FY2006

Summary of Projections for FY2006

20

Net business profit projected to decline to ¥50 billion due to lower interest margin on securities as well as an increase in expenses.

Projection for both ordinary profit and net income after tax in FY 2006 revised upward by ¥20 billion, reflecting the positive outcomes for the first half of FY 2006.

(Y bn)	FY2006 Forecast	FY2005	change	Initial Forecast
Net business income	50.0	55.3	▲ 5.3	50.0
Core net business income	48.5	53.7	▲ 5.2	48.0
Gross business profit	121.5	123.9	▲ 2.4	
Net interest income	103.1	106.7	▲ 3.6	
Fees and commissions	15.2	14.7	0.5	
G&A expenses	71.5	69.3	2.2	
Net transfer to general reserve for possible loan losses	-	▲ 0.8	0.8	
Net non-recurring gains(losses)	▲ 4.8	▲ 14.3	9.5	
Disposals of non-performing loans	6.2	16.1	▲ 9.9	
Net gains(losses) on equity securities	▲ 0.2	0.7	▲ 0.9	
Ordinary profit	45.0	41.0	4.0	43.0
Net special gains(losses)	2.5	0.9	1.6	
Gains on loan charged-offs	1.5	2.4	▲ 0.9	
Reversal of allowance for loan losses	1.0	0.0	1.0	
Net income after tax	28.0	24.7	3.3	26.0
Net credit expenses	3.5	12.9	▲ 9.4	

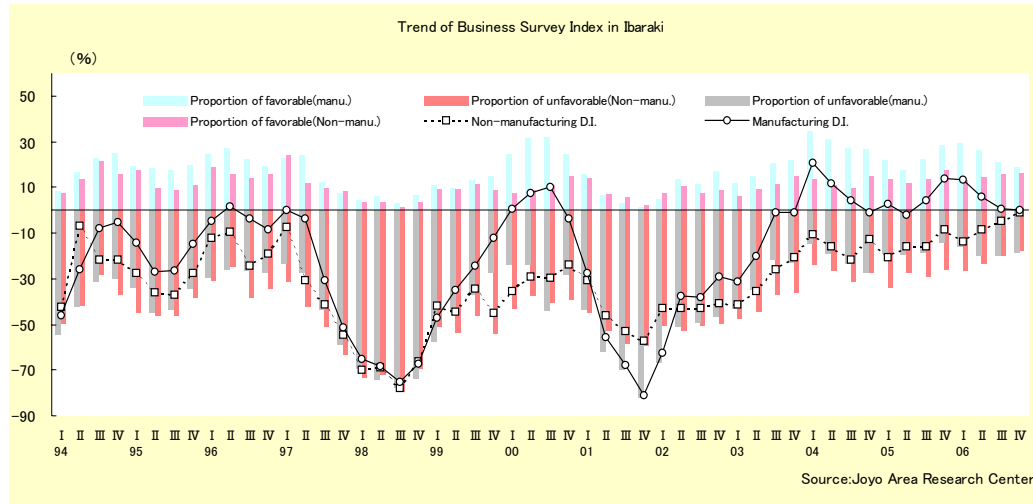
Appendix

Economic Indicators for Ibaraki Prefecture (1)

	Contents	Unit	Ibaraki	Japan	Rank	Date
Land area	Total land area	km ²	6,096	377,907	23	Oct 1, 2004
	Liveable land area	km ²	3,976	126,358	4	Oct 1, 2004
Population	Population	thousands	2,980	127,760	11	Oct 1, 2005
	Proportion of aged population	%	19.4	20.1	39	Oct 1, 2005
Economy	Prefectural GDP	Y Bn	11,150	495,772	11	2003
	Prefectural income (per person)	Y MM	2.98	2.96	10	2003
Industry	Farm output	Y Bn	420	8,914	3	2004
	Value of manufactured goods shipment	Y Bn	10,750	295,606	8	2005
	Annual sales of merchandizing goods(wholesale)	Y Bn	3,749	405,650	16	2004
	Annual sales of merchandizing goods(retail)	Y Bn	2,902	133,328	13	2004
	Number of establishments	-	123,187	5,728,492	14	2004
	Number of factories newly located	number/km ²	48/1.28	1,545/22.39	11/3	in 2005

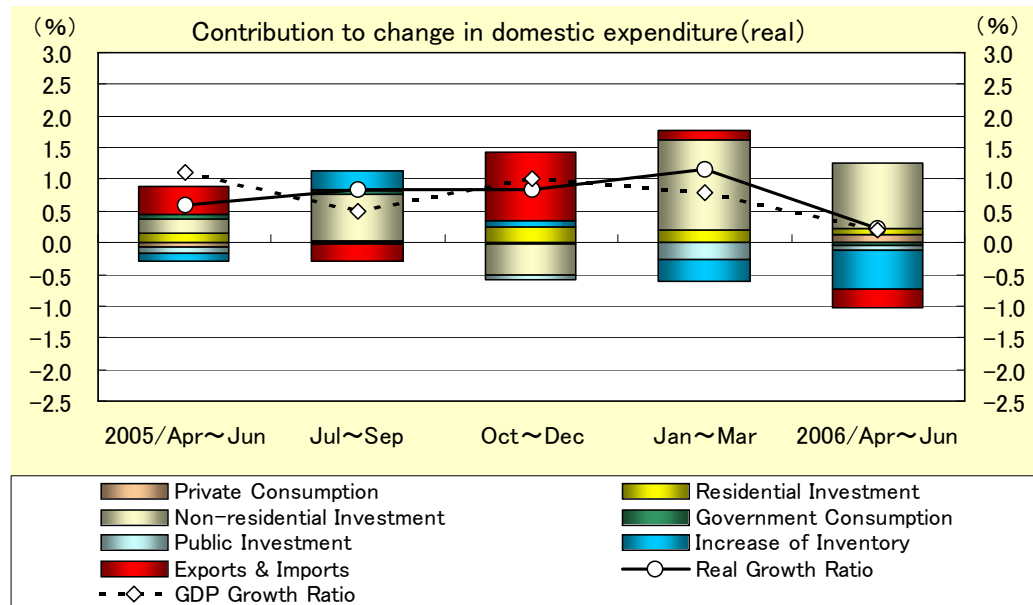
Source: Statistics Div of Ibaraki Pref, Kanto Bureau of Economy, Trade and Industry

Economic indicators for Ibaraki Prefecture (2)



Corporate sentiment flat.

- Manufacturing: decelerated favorable trend.
- Non manufacturing: Shows improvement.



Real economic growth of 0.2%

- Ibaraki posted real economic growth of 0.2% between April and June 2006, the sixth consecutive positive quarter.

Average Balance

(balance:Y bn, income/expense:Y mm, %)

	1H FY2006			Change from 1H FY2005		
	Average balance	Yield	Interest income	Average balance	Yield	Interest income
Loans and bills	4,482.9	1.81	40,796	59.7	▲ 0.02	139
JPY	4,481.3	1.81	40,761	59.0	▲ 0.02	122
Foreign	1.5	4.36	34	0.6	0.61	17
Securities	2,318.0	1.92	22,329	▲ 82.7	0.25	2,146
Bonds	1,426.2	1.04	7,448	▲ 40.3	0.11	624
Stocks	124.6	3.46	2,162	6.9	0.84	616
Foreign bonds	679.6	3.48	11,882	▲ 42.1	0.62	1,517
Others	87.6	1.90	837	▲ 7.2	▲ 1.14	▲ 612
Call loans	20.2	4.16	424	11.3	2.32	341
JPY	5.0	0.16	4	▲ 0.7	0.16	4
Foreign	15.2	5.47	419	12.1	0.26	337
Bills bought	—	—	—	—	—	—
Other debt purchased	81.0	0.48	198	20.4	0.13	89
Due from banks	31.6	2.32	368	▲ 5.9	▲ 0.15	▲ 98
NCD	—	—	—	—	—	—
Foreign exchange assets	1.0	3.62	19	0.0	0.86	3
Others	—	—	26	—	—	14
Interest rate swaps	—	—	—	—	—	—
Interest earning assets	6,935.2	1.84	64,163	1.9	0.08	2,637

	1H FY2006			Change from 1H FY2005		
	Average balance	Yield	Interest expense	Average balance	Yield	Interest expense
Deposits	6,181.0	0.08	2,714	24.8	0.03	904
JPY	6,093.8	0.02	1,415	62.0	0.02	781
Foreign	87.1	2.97	1,299	▲ 37.1	1.09	123
NCD	96.5	0.13	64	▲ 24.6	0.11	50
Call money	177.4	1.84	1,642	▲ 97.9	1.06	551
JPY	115.5	0.07	43	▲ 93.7	0.07	39
Foreign	61.9	5.15	1,599	▲ 4.2	1.88	512
securities lending transactions	190.8	1.03	994	84.2	▲ 0.40	226
Bills sold	—	—	—	—	—	—
Borrowed money	80.0	1.58	634	▲ 5.9	0.01	▲ 44
Foreign exchange liabilities	0.2	0.00	—	0.0	0.00	—
Bonds	15.0	2.24	168	0.0	0.00	0
Others	1.5	—	6,056	▲ 0.1	—	1,946
Interest rate swaps	—	—	6,049	—	—	1,974
Interest bearing liabilities	6,744.9	0.36	12,275	▲ 17.3	0.11	3,635
Other expenses	—	—	—	—	—	—
Interest bearing liabilities	6,744.9	0.36	12,275	▲ 17.3	0.11	3,635

Interest Yields

Total account							Domestic account						%
	1H 2004	FY 2004	1H 2005	FY 2005	1H 2006	change from 1H	1H 2004	FY 2004	1H 2005	FY 2005	1H 2006	change from 1H	
Average yield on interest earning assets (A)	1.76	1.76	1.76	1.80	1.84	0.08	1.56	1.54	1.51	1.51	1.53	0.02	
Average yield on loans and bills discounted (B)	1.89	1.90	1.83	1.81	1.81	▲0.02	1.89	1.90	1.83	1.81	1.81	▲0.02	
Average yield on securities	1.53	1.52	1.67	1.82	1.92	0.25	1.11	1.02	1.16	1.21	1.27	0.11	
Average yield on interest bearing liabilities	0.17	0.19	0.25	0.28	0.36	0.11	0.07	0.07	0.07	0.06	0.09	0.02	
Average yield on deposits and NCD (C)	0.03	0.04	0.05	0.05	0.08	0.03	0.02	0.02	0.02	0.02	0.04	0.02	
Expense ratio	1.12	1.10	1.11	1.10	1.11	0.00	1.12	1.10	1.11	1.10	1.11	0.00	
Funding cost (D)	1.24	1.23	1.29	1.29	1.40	0.11	1.16	1.14	1.12	1.10	1.15	0.03	
Difference between average yield on loans and deposits (B)-(C)	1.86	1.86	1.78	1.76	1.73	▲0.05	1.87	1.88	1.81	1.79	1.77	▲0.04	
Difference between average yield on interest earning assets and funding cost (A)-(D)	0.52	0.53	0.47	0.51	0.44	▲0.03	0.40	0.40	0.39	0.41	0.38	▲0.01	
Average yield on loans and bills discounted (excluding loans to MOF) (E)							1.99	1.98	1.90	1.88	1.83	▲0.07	
Difference between average yield on loans and deposits (excluding loans to MOF) (E)-(C)							1.97	1.96	1.88	1.86	1.79	▲0.09	

Yen Denominated Loans (1)

26

◎ Self-assessed breakdown by regions

	05/3		05/9		06/3		06/9		Change from 05/9		Change from 06/3	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %	Term-end balance	Change in %
Yen denominated loans	4,375.4	100.0%	4,372.2	100.0%	4,432.8	100.0%	4,369.9	100.0%	▲ 2.3	▲ 0.1%	▲ 62.9	▲ 1.4%
Normal	3,936.2	90.0%	3,713.4	84.9%	3,828.9	86.4%	3,836.6	87.8%	123.2	3.3%	7.7	0.2%
Other than Tokyo and Osaka	3,108.9	71.1%	2,924.5	66.9%	2,979.9	67.2%	2,957.2	67.7%	32.7	1.1%	▲ 22.7	▲ 0.8%
(Loans excluding loans to MOF and DICJ [※])	2,946.7	67.3%	2,834.1	64.8%	2,927.9	66.1%	2,957.2	67.7%	123.1	4.3%	29.3	1.0%
In Ibaraki	2,634.5	60.2%	2,461.4	56.3%	2,496.8	56.3%	2,462.6	56.4%	1.2	0.0%	▲ 34.2	▲ 1.4%
(Loans excluding loans to MOF and DICJ [※])	2,472.3	56.5%	2,371.0	54.2%	2,444.8	55.2%	2,462.6	56.4%	91.6	3.9%	17.8	0.7%
In Miyagi , Fukushima and Tochigi	363.6	8.3%	361.3	8.3%	376.6	8.5%	384.1	8.8%	22.8	6.3%	7.5	2.0%
In Chiba and Saitama	110.6	2.5%	101.7	2.3%	106.4	2.4%	110.4	2.5%	8.7	8.6%	4.0	3.8%
In Tokyo and Osaka	827.2	18.9%	788.9	18.0%	848.9	19.2%	879.4	20.1%	90.5	11.5%	30.5	3.6%
Other than in need of special caution	239.9	5.5%	417.7	9.6%	383.0	8.6%	349.8	8.0%	▲ 67.9	▲ 16.3%	▲ 33.2	▲ 8.7%
In need of special caution	85.8	2.0%	93.3	2.1%	82.3	1.9%	82.4	1.9%	▲ 10.9	▲ 11.7%	0.1	0.1%
Potentially bankrupt or worse	113.4	2.6%	147.6	3.4%	138.3	3.1%	101.1	2.3%	▲ 46.5	▲ 31.5%	▲ 37.2	▲ 26.9%
Normal (loans excluding loans to MOF and DICJ)	3,774.0	87.9%	3,540.9	82.7%	3,776.9	86.2%	3,836.6	87.8%	295.7	8.4%	59.7	1.6%

◎ Breakdown by regions

	05/3		05/9		06/3		06/9		Change from 05/9		Change from 06/3	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %	Term-end balance	Change in %
Yen denominated loans	4,375.4	100.0%	4,372.2	100.0%	4,432.8	100.0%	4,369.9	100.0%	▲ 2.3	▲ 0.1%	▲ 62.9	▲ 1.4%
Other than Tokyo and Osaka	3,510.9	80.2%	3,506.0	80.2%	3,515.2	79.3%	3,454.8	79.1%	▲ 51.2	▲ 1.5%	▲ 60.4	▲ 1.7%
In Ibaraki	2,939.0	67.2%	2,936.8	67.2%	2,938.4	66.3%	2,874.5	65.8%	▲ 62.3	▲ 2.1%	▲ 63.9	▲ 2.2%
In Miyagi and Fukushima and Tochigi	444.5	10.2%	442.4	10.1%	448.5	10.1%	453.8	10.4%	11.4	2.6%	5.3	1.2%
In Chiba and Saitama	127.3	2.9%	126.7	2.9%	128.3	2.9%	126.4	2.9%	▲ 0.3	▲ 0.2%	▲ 1.9	▲ 1.5%
In Tokyo and Osaka	864.5	19.8%	866.2	19.8%	917.4	20.7%	915.0	20.9%	48.8	5.6%	▲ 2.4	▲ 0.3%
Yen Loans excluding loans to MOF and DICJ [※]	4,213.2		4,199.7		4,380.8		4,369.9		170.2	4.1%	▲ 10.9	▲ 0.2%
Other than Tokyo and Osaka	3,348.7		3,333.5		3,463.2		3,454.8		121.3	3.6%	▲ 8.4	▲ 0.2%
In Ibaraki	2,776.8		2,764.3		2,886.4		2,874.5		110.2	4.0%	▲ 11.9	▲ 0.4%

※Deposit Insurance Corporation of Japan

Yen Denominated Loans (2)

27

◎ Breakdown by type

(Y bn)

	05/3		05/9		06/3		06/9		Change from 05/9		Change from 06/3	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %	Term-end balance	Change in %
Yen denominated loans	4,375.4	100.0%	4,372.2	100.0%	4,432.8	100.0%	4,369.9	100.0%	▲ 2.3	▲0.1%	▲ 62.9	▲1.4%
Personal loans	1,309.8	29.9%	1,324.0	30.3%	1,349.4	30.4%	1,372.9	31.4%	48.9	3.7%	23.5	1.7%
Corporate loans	2,312.4	52.9%	2,286.6	52.3%	2,336.2	52.7%	2,323.5	53.2%	36.9	1.6%	▲ 12.7	▲0.5%
corporate loans excluding loans to DICJ [※]	2,230.3	—	2,204.5	—	2,336.2	—	2,323.5	—	119.0	—	▲ 12.7	—
Major companies	758.5	17.3%	760.4	17.4%	799.8	18.0%	785.6	18.0%	25.2	3.3%	▲ 14.2	▲1.8%
Medium sized companies	191.8	4.4%	174.0	4.0%	169.5	3.8%	164.3	3.8%	▲ 9.7	▲5.6%	▲ 5.2	▲3.1%
Small and medium sized companies	1,362.0	31.1%	1,352.2	30.9%	1,366.7	30.8%	1,373.5	31.4%	21.3	1.6%	6.8	0.5%
Public sector	753.0	17.2%	761.5	17.4%	747.1	16.9%	673.3	15.4%	▲ 88.2	▲11.6%	▲ 73.8	▲9.9%
Loans to MOF	80.1	1.8%	90.4	2.1%	52.0	1.2%	0.0	0.0%	▲ 90.4	▲100.0%	▲ 52.0	▲100.0%

◎ Personal loans

(Y bn)

	05/3		05/9		06/3		06/9		Change from 05/9		Change from 06/3	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %	Term-end balance	Change in %
Personal loans	1,309.8	100.0%	1,324.0	100.0%	1,349.4	100.0%	1,372.9	100.0%	48.9	3.7%	23.5	1.7%
Residential loans	1,031.0	78.7%	1,054.4	79.6%	1,089.1	80.7%	1,119.1	81.5%	64.7	6.1%	30.0	2.8%
Consumer loans	90.6	6.9%	88.7	6.7%	87.5	6.5%	86.2	6.3%	▲ 2.5	▲2.8%	▲ 1.3	▲1.5%
Loans to small businesses	188.2	14.4%	180.9	13.7%	172.8	12.8%	167.6	12.2%	▲ 13.3	▲7.4%	▲ 5.2	▲3.0%

◎ Corporate loans

(Y bn)

	05/3		05/9		06/3		06/9		Change from 05/9		Change from 06/3	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %	Term-end balance	Change in %
Yen denominated loans	2,312.4	100.0%	2,286.6	100.0%	2,336.2	100.0%	2,323.5	100.0%	36.9	1.6%	▲ 12.7	▲0.5%
Yen loans excluding loans to DICJ [※]	2,230.3	—	2,204.5	—	2,336.2	—	2,323.5	—	119.0	—	▲ 12.7	▲0.5%
Other than Tokyo and Osaka	1,480.6	64.0%	1,458.4	63.8%	1,451.6	62.1%	1,439.0	61.9%	▲ 19.4	▲1.3%	▲ 12.6	▲0.9%
Excluding loans to DICJ [※]	1,398.5	—	1,376.3	—	1,451.6	—	1,439.0	—	62.7	—	▲ 12.6	—
In Ibaraki	1,067.6	46.2%	1,048.7	45.9%	1,035.1	44.3%	1,020.3	43.9%	▲ 28.4	▲2.7%	▲ 14.7	▲1.4%
In Miyagi , Fukushima and Tochigi	329.0	14.2%	325.2	14.2%	329.8	14.1%	333.1	14.3%	7.8	2.4%	3.3	1.0%
In Chiba and Saitama	84.0	3.6%	84.5	3.7%	86.8	3.7%	85.6	3.7%	1.1	1.4%	▲ 1.1	▲1.3%
In Tokyo and Osaka	831.9	36.0%	828.2	36.2%	884.5	37.9%	884.6	38.1%	56.3	6.8%	0.1	0.0%

※Deposit Insurance Corporation of Japan

Deposits and Assets under Custody

28

◎Deposits (Y bn)

	05/3		05/9		06/3		06/9		Change from 05/9		Change from 06/3	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %	Term-end balance	Change in %
Deposits	6,139.7	100.0%	6,105.1	100.0%	6,146.4	100.0%	6,148.9	100.0%	43.8	0.7%	2.5	0.0%
Yen deposits	5,999.9	97.7%	5,985.3	98.0%	6,054.3	98.5%	6,061.5	98.6%	76.2	1.3%	7.2	0.1%
Foreign deposits	111.4	1.8%	101.2	1.7%	79.3	1.3%	77.4	1.3%	▲ 23.8	▲23.5%	▲ 1.9	▲2.4%
JOM deposits	28.3	0.5%	18.6	0.3%	12.8	0.2%	10.0	0.2%	▲ 8.6	▲46.2%	▲ 2.8	▲21.9%
Others	—	0.0%	—	0.0%	—	0.0%	—	0.0%	—	—	—	—
NCDs	57.4		55.2		34.5		49.6		▲ 5.6	▲10.1%	15.1	43.8%

◎Yen Products (Y bn)

	05/3		05/9		06/3		06/9		Change from 05/9		Change from 06/3	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %	Term-end balance	Change in %
Yen deposits	5,999.9	100.0%	5,985.3	100.0%	6,054.3	100.0%	6,061.5	100.0%	76.2	1.3%	7.2	0.1%
Personal	4,539.3	75.7%	4,577.1	76.5%	4,627.1	76.4%	4,635.2	76.5%	58.1	1.3%	8.1	0.2%
Corporate	1,145.8	19.1%	1,107.3	18.5%	1,137.7	18.8%	1,099.0	18.1%	▲ 8.3	▲0.7%	▲ 38.7	▲3.4%
Public sector	314.8	5.2%	300.9	5.0%	289.5	4.8%	327.3	5.4%	26.4	8.8%	37.8	13.1%

◎Financial Products(Personal) (Y bn)

	05/3		05/9		06/3		06/9		Change from 05/9		Change from 06/3	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %	Term-end balance	Change in %
Personal	5,213.9	100.0%	5,338.3	100.0%	5,479.0	100.0%	5,603.1	100.0%	264.8	5.0%	124.1	2.3%
Liquid	2,228.9	42.7%	2,309.5	43.3%	2,409.6	44.0%	2,438.2	43.5%	128.7	5.6%	28.6	1.2%
Time deposits	2,310.4	44.3%	2,267.6	42.5%	2,217.5	40.5%	2,197.0	39.2%	▲ 70.6	▲3.1%	▲ 20.5	▲0.9%
(Sub total)	4,539.3	87.1%	4,577.1	85.7%	4,627.1	84.5%	4,635.2	82.7%	58.1	1.3%	8.1	0.2%
Financial products	674.6	12.9%	761.2	14.3%	851.9	15.5%	967.9	17.3%	206.7	27.2%	116.0	13.6%

Securities Portfolio

29

Balance of securities

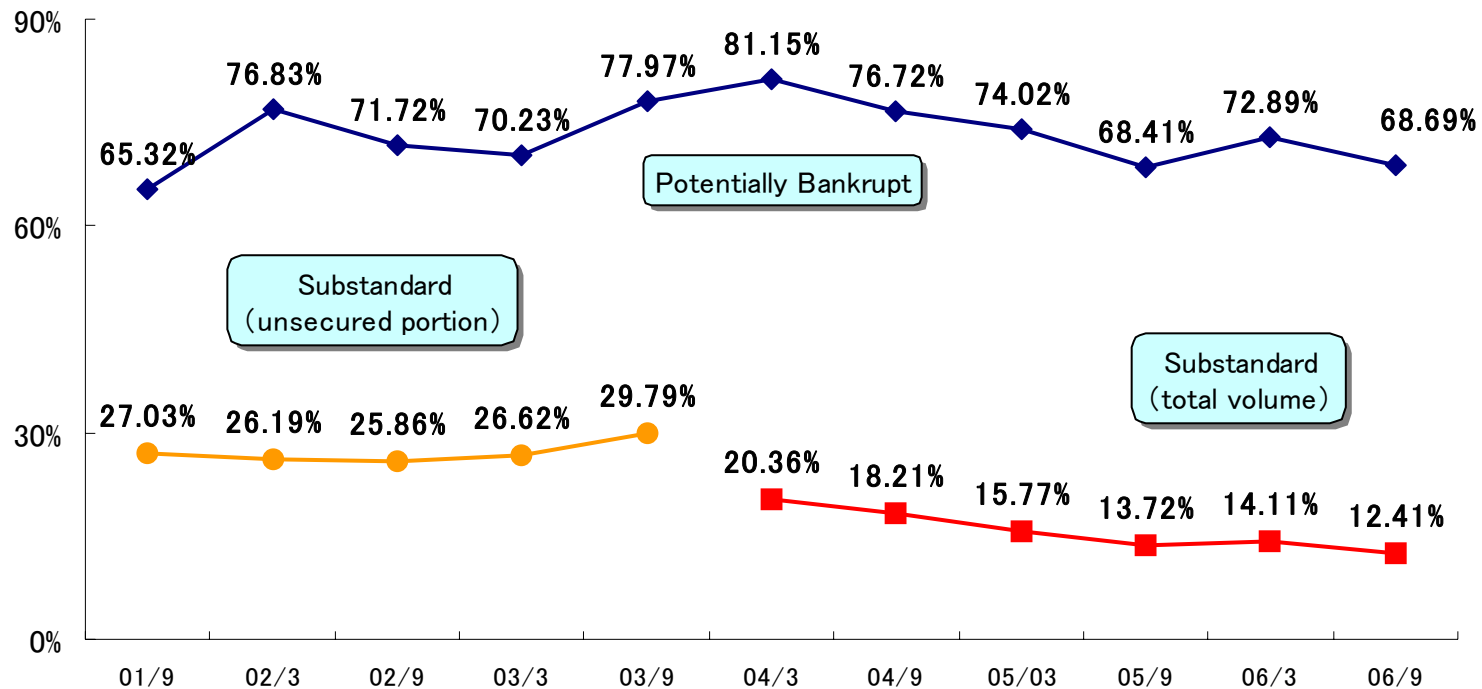
(Y bn)

	05/9		06/3		06/9		Change from 05/9		Change from 06/3	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Yen denominated bonds	1,657.5	69.2%	1,593.1	69.0%	1,563.7	67.8%	▲ 93.8	▲ 1.3%	▲ 29.4	▲ 1.1%
Duration(years)	2.9	—	3.2	—	3.1	—	0.2	—	▲ 0.1	—
Fix rate notes	1,246.1	52.0%	1,201.3	52.0%	1,188.3	51.6%	▲ 57.8	▲ 0.4%	▲ 13.0	▲ 0.4%
(Average yield: %)	(1.01)	—	(1.19)	—	(1.11)	—	(0.10)	—	(▲ 0.08)	—
Floating rate notes	411.4	17.2%	391.8	17.0%	375.3	16.3%	▲ 36.1	▲ 0.9%	▲ 16.5	▲ 0.7%
(Average yield: %)	(0.46)	—	(0.48)	—	(0.68)	—	(0.22)	—	(0.20)	—
Foreign denominated bonds	483.2	20.2%	466.5	20.2%	478.1	20.7%	▲ 5.1	0.6%	11.6	0.6%
Duration(years)	2.5	—	2.7	—	2.5	—	▲ 0.0	—	▲ 0.2	—
(Average yield: %)	(1.21)	—	(0.85)	—	(0.43)	—	(▲ 0.78)	—	(▲ 0.42)	—
Fixed rate notes	327.8	13.7%	295.4	12.8%	280.6	12.2%	▲ 47.2	▲ 1.5%	▲ 14.8	▲ 0.6%
(Average yield: %)	(4.29)	—	(4.43)	—	(4.30)	—	(0.02)	—	(▲ 0.13)	—
(Average yield spread: %)	(1.58)	—	(1.08)	—	(0.48)	—	(▲ 1.10)	—	(▲ 0.60)	—
Floating rate notes	155.3	6.5%	171.1	7.4%	197.5	8.6%	42.2	2.1%	26.4	1.2%
(Average yield: %)	(3.71)	—	(4.72)	—	(5.47)	—	(1.77)	—	(0.75)	—
(Average yield spread: %)	(0.41)	—	(0.42)	—	(0.36)	—	(▲ 0.05)	—	(▲ 0.06)	—
Stocks	1,174.0	49.0%	1,220.0	52.8%	1,256.0	54.5%	82.0	5.5%	36.0	1.7%
Tier1ratio	—	32.2%	—	33.0%	—	32.9%	—	0.7%	—	▲ 0.1%
Investment trusts	138	5.8%	129	5.6%	137	6.0%	▲ 0.8	0.2%	8.6	0.4%
Total	2,397	100.0%	2,311	100.0%	2,305	100.0%	▲ 91.5	0.0%	▲ 5.5	0.0%
(Average yield: %)	(1.67)	—	(1.96)	—	(1.92)	—	(0.25)	—	(▲ 0.04)	—
Unrealized gains/losses	140.5	—	179.4	—	163	—	22.0	—	▲ 16.9	—

General Reserve for Possible Loan Losses

Reserve ratio expected to decrease due to further non-performing loan disposals.

Reserve ratio for possible loan losses (Potentially bankrupt & substandard)



Management Indices (Non-consolidated)

31

Financial targets	05/9	06/3	06/9	Yen, % change
EPS	28.93	29.80	29.27	▲0.53
ROE (Net income basis)	5.61	6.72	7.87	1.15
	4.66	5.34	6.12	0.78
BPS (projection for 06/3)	554.9	595.3	596.9	1.6
OHR (Core net business income basis)	58.2	56.4	59.1	2.7
ROA (Core net business income basis)	0.70	0.74	0.69	▲0.05

※EPS based on average stocks outstanding. BPS based on FY year end stocks outstanding.

ROE : Figure on top based on average balance of capital.(excludes net unrealized gains on other securities) .

Figure on bottom based on average of capital balance at the beginning and end of term.

%

Operational targets	05/3	05/9	06/3	change
Loan share in Ibaraki	42.37	42.23	42.33	0.10
Deposit share in Ibaraki	40.77	40.37	40.33	▲0.04

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