
Financial Results for the First Half of FY2008 & Projections for FY2008 (Summary)

For the 'Best Partner' Bank in a New Financial Era



Projections for FY2008

Summary of Projections for FY2008

Although loan volume could steadily increase, decrease in fees from investment products business and increase in security mark downs and in credit cost due to slowdown of economy would lead to lower income margins.

【Non-consolidated】

(Y bn)

	FY2008 forecast	FY2007	change
Net business income	9.0	28.4	△ 19.4
Core net business income	46.0	52.3	△ 6.3
Gross business profit	82.0	98.6	△ 16.6
Net interest income	105.1	107.6	△ 2.5
Fees and commissions	13.8	14.6	△ 0.8
Net other operating profit	△ 37.6	△ 24.1	△ 13.5
Expenses	73.1	71.7	1.4
Net transfer to general reserve for possible loan losses (A)	△ 0.1	△ 1.6	1.5
Net non-recurring gains(losses)	0.1	△ 3.6	3.7
Disposals of non-performing loans (B)	15.8	15.2	0.6
Ordinary profit	9.0	24.8	△ 15.8
Net special gains(losses)	0.3	△ 0.2	0.5
Gains on loan charged-offs (C)	1.7	1.9	△ 0.2
Reversal of allowance for loan losses (D)	0.0	0.0	0.0
Net income after tax	8.0	12.9	△ 4.9
Net credit costs (A)+(B)-(C)-(D)	13.9	11.6	2.3

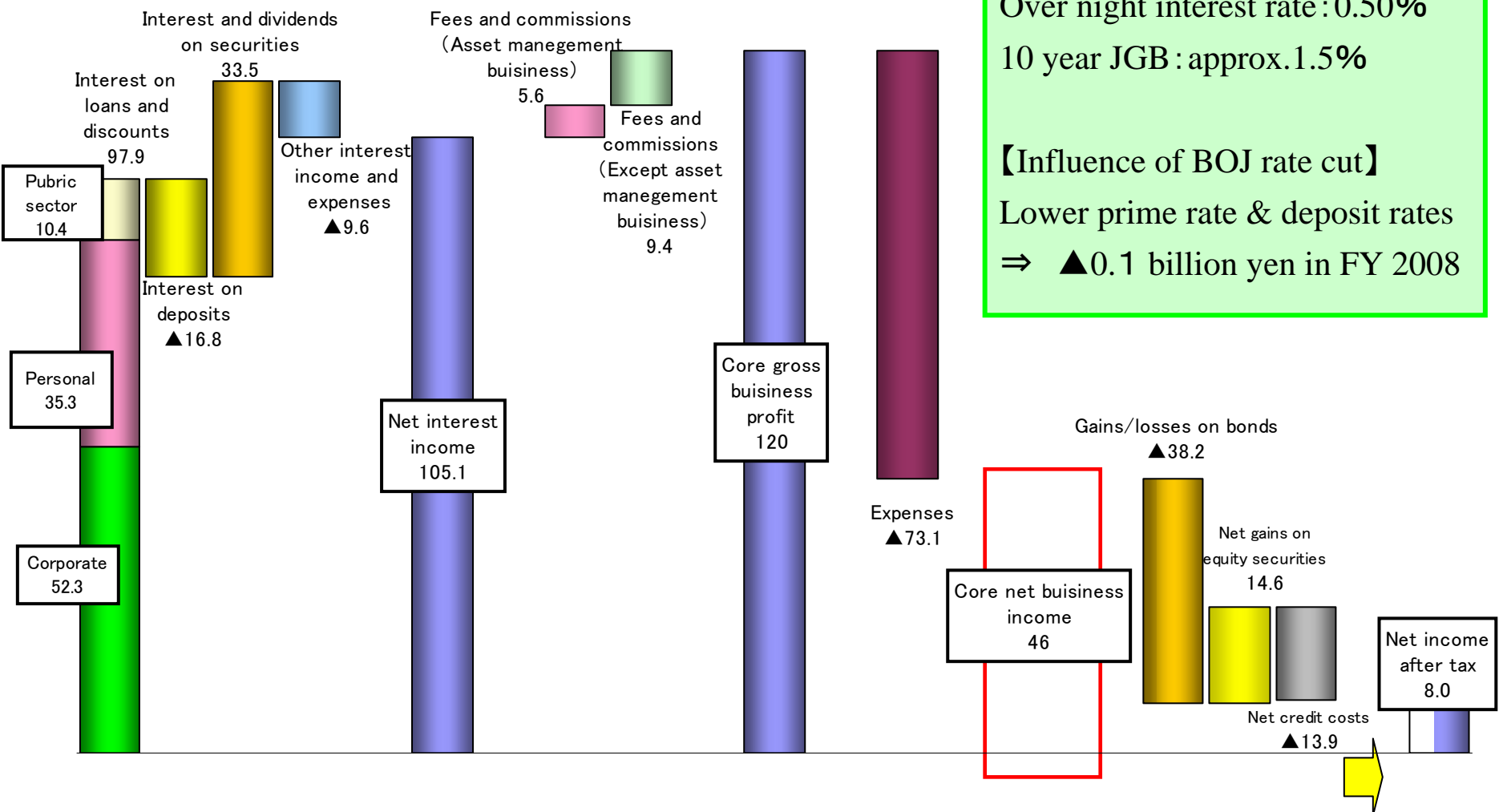
Breakdown of 'Top line⁽¹⁾'

	FY08 forecast	change from FY07
Net interest income	105.1	△ 2.5
Interest income on domestic loans	97.9	2.5
Interest income on securities	33.5	△ 13.0
(Domestic)	21.4	△ 1.2
(Foreign)	12.0	△ 11.8
Interest expenses on deposits	16.8	2.7
Fees and commissions	13.8	△ 0.7
Investment trusts and personal annuities	4.9	△ 1.2
Net other operating profit	△ 37.6	△ 13.5
Gains/losses on bonds	△ 38.2	△ 12.8
Gains(Losses)	△ 17.5	△ 8.6
Devaluation losses	20.7	4.1

Note: (1) Top line=gross business profit

Increase due to loan restructuring and high reserves for bad loans.

Breakdown of Core Net Business income in FY2008



【Assumptions】
 Over night interest rate : 0.50%
 10 year JGB : approx. 1.5%

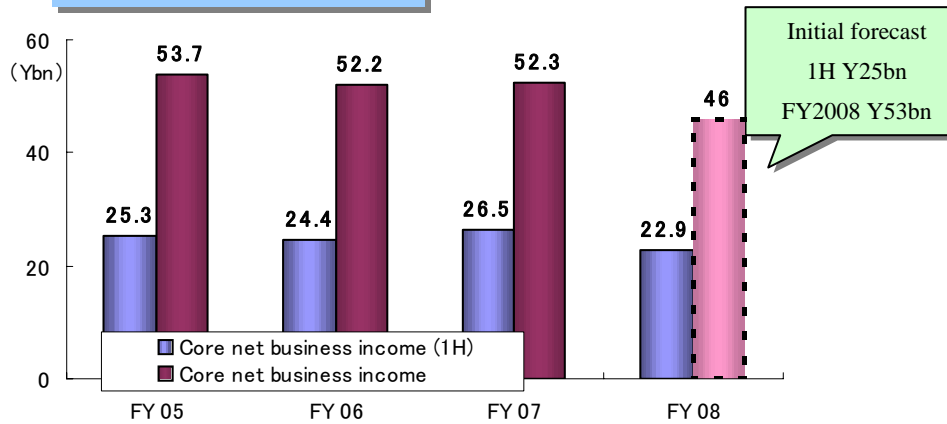
【Influence of BOJ rate cut】
 Lower prime rate & deposit rates
 ⇒ ▲0.1 billion yen in FY 2008

**Financial Results for the First Half of FY2008
(Ended September 30, 2008)**

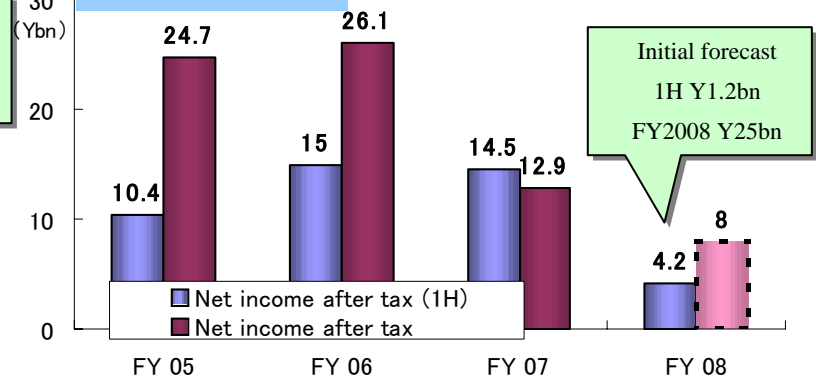
Performance Highlights(1)

Core Net Business income decreased compared to last year, mainly due to decreased investment trust fees while loan interest income increased. Ordinary profit and net income after tax decreased due to more securitization product markdowns. Capital ratio steadily stood at over 12%.

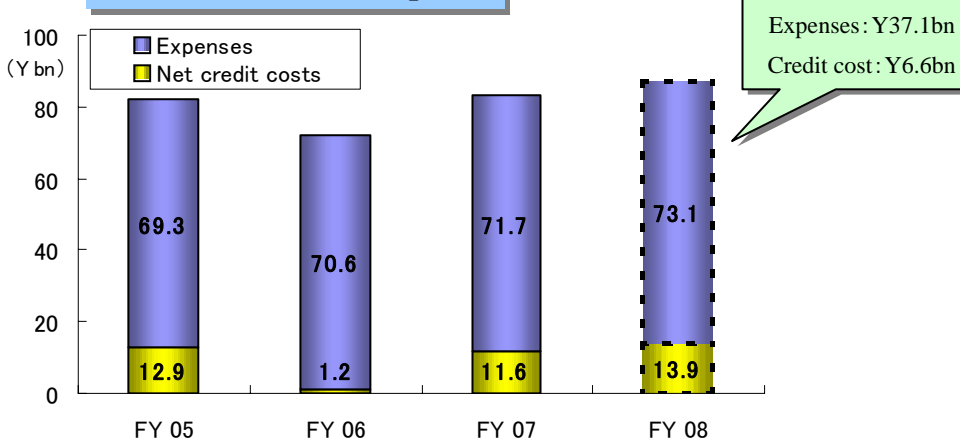
Core net business income



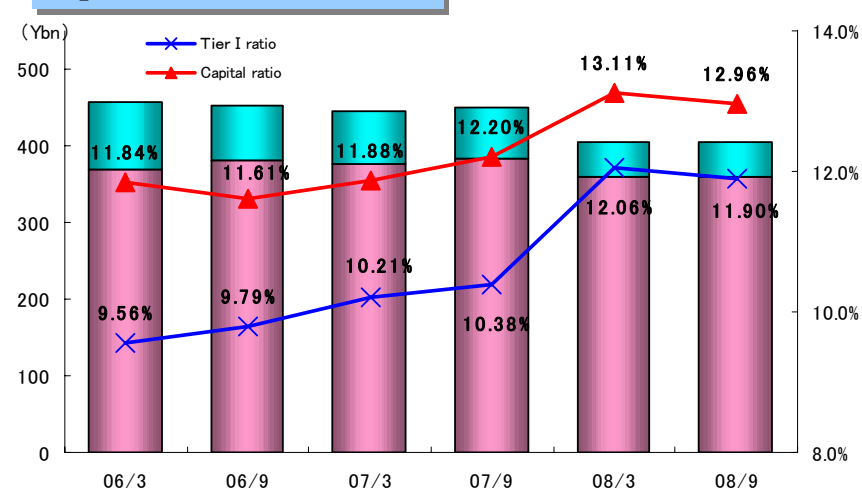
Net income



Net credit costs and Expenses



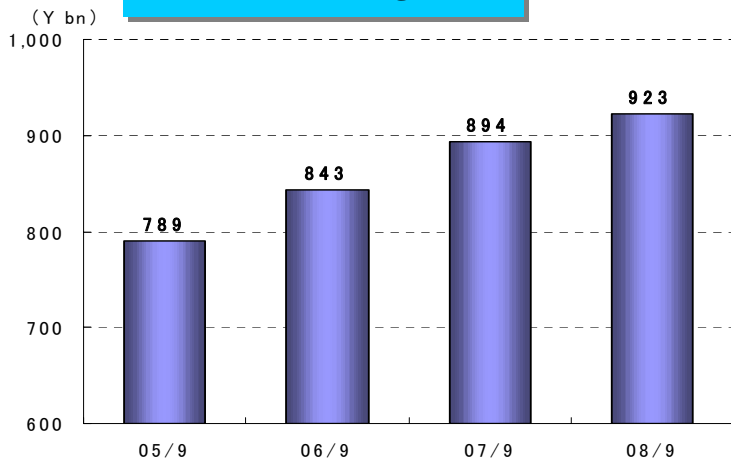
Capital ratio and Tier I ratio



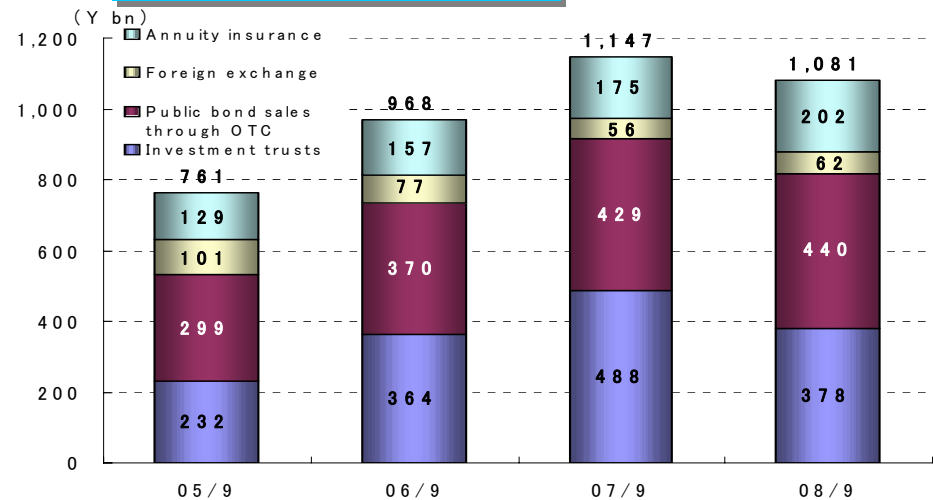
Performance Highlights(2)

While current fiscal year profitability decreased, our customer base kept its strength. Would try to keep it by satisfying customers' needs.

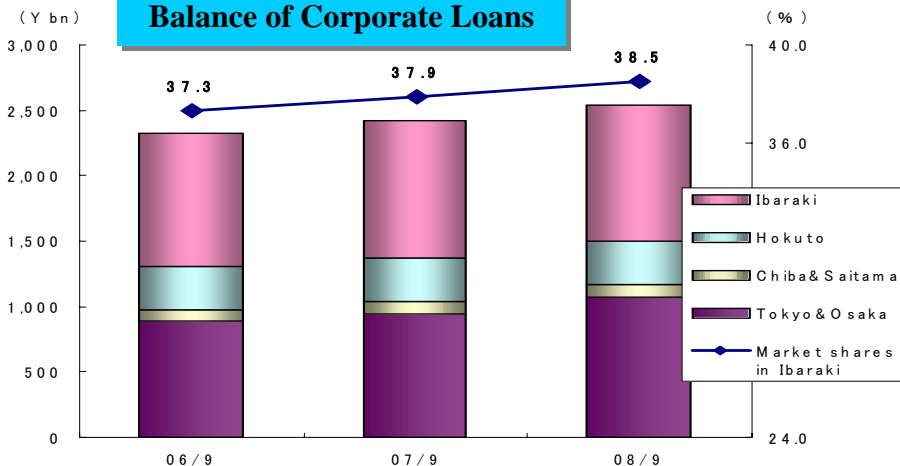
Balance of Housing Loans



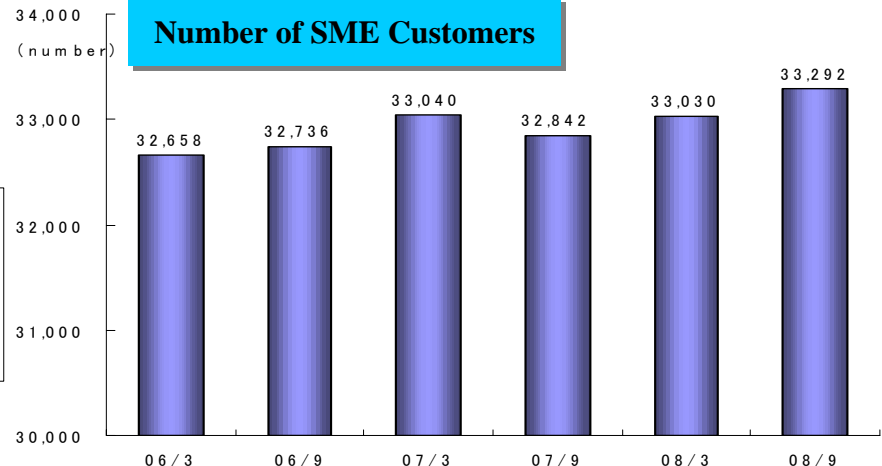
Clients Assets Volume by Type



Balance of Corporate Loans



Number of SME Customers



Summary Financial Results for the 1H of FY2008

7

Net Business income, ordinary profit and net income after tax decreased compared to last fiscal year mainly due to increase in securities mark down and in credit costs. Core Net Business income slightly decreased due to decrease in investment trust fees although loan interest steadily increased.

【Non-consolidated】

(Y bn)

Breakdown of 'Top line'

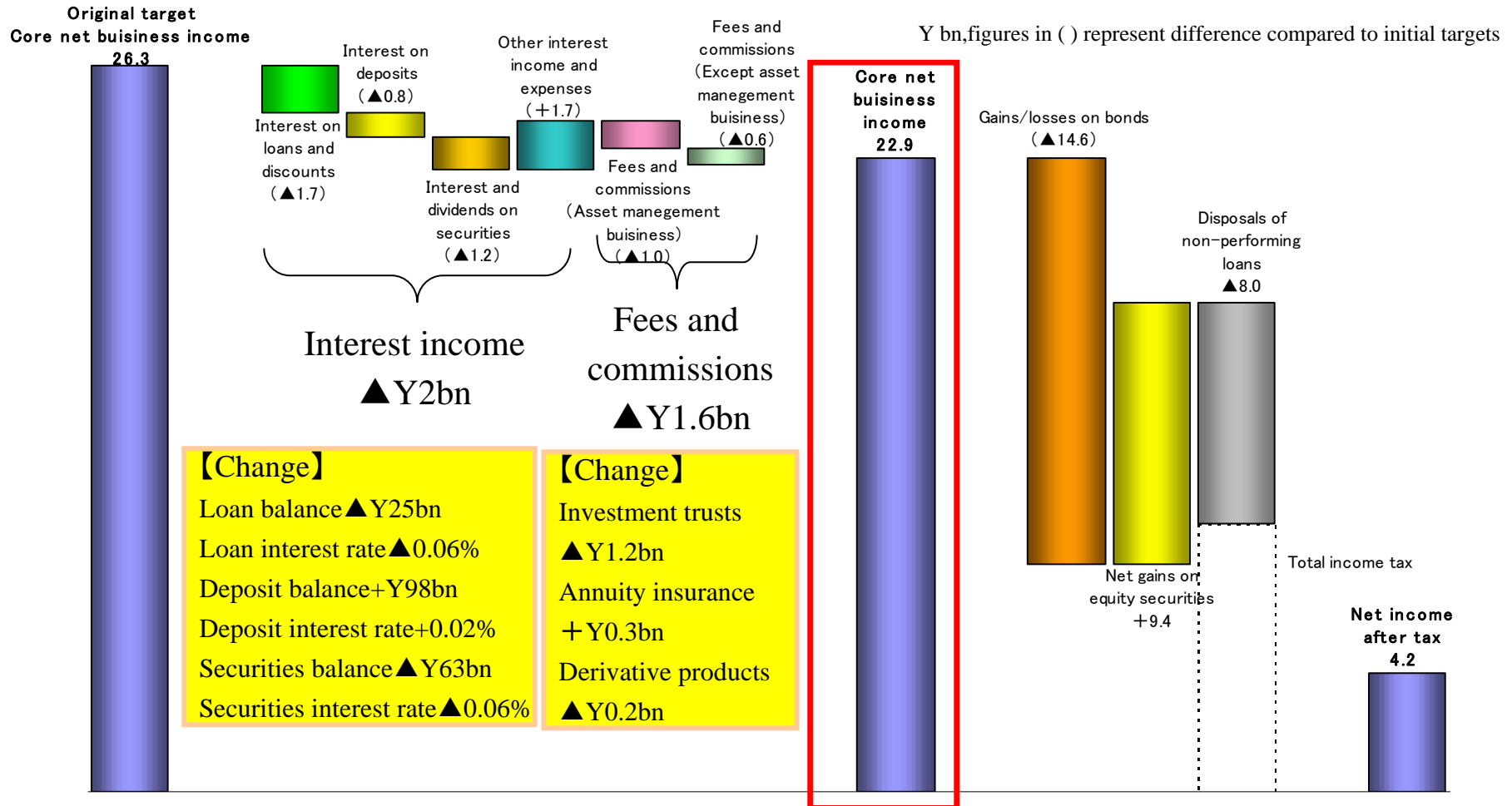
(Y bn)

	1H FY2008	1H FY2007	change	change from forecast
Net business income	8.3	28.3	△ 20.0	0.1
Core net business income	22.9	26.5	△ 3.6	
Gross business profit	45.3	63.4	△ 18.1	
Net interest income	52.4	54.2	△ 1.8	
Fees and commissions	6.9	7.8	△ 0.8	
Net other operating profit	△ 14.2	1.1	△ 15.3	
Expenses	37.1	36.5	0.5	
Net transfer to general reserve for possible loan losses (A)	△ 0.1	△ 1.4	1.2	
Net non-recurring gains(losses)	1.5	△ 3.0	4.6	
Disposals of non-performing loans (B)	8.0	5.5	2.5	
Ordinary profit	9.8	25.2	△ 15.4	0.1
Net special gains(losses)	0.1	△ 0.7	0.9	
Gains on loan charged-offs (C)	1.2	1.2	0.0	
Reversal of allowance for loan losses (D)	0.0	0.0	0.0	
Net income after tax	4.2	14.5	△ 10.3	0.0
Net credit costs (A)+(B)-(C)-(D)	6.6	2.8	3.7	

	1H FY08	change from 1H FY07
Net interest income	52.4	△ 1.8
Interest income on domestic loans	48.3	1.4
(Personal loans)	19.4	0.7
(Corporate loans)	23.6	0.7
Interest income on securities	17.6	△ 7.9
(Domestic)	11.0	△ 1.1
(Foreign)	6.6	△ 6.8
Interest expenses on deposits	8.6	1.9
Other interest expenses (foreign)	4.6	△ 6.2
Fees and commissions	6.9	△ 0.8
Investment trusts and personal annuities	2.6	△ 0.8
Net other operating profit	△ 14.2	△ 15.3
Gains/losses on bonds	△ 14.6	△ 15.0
Gains	1.0	△ 6.7
Losses	0.5	△ 6.9
Devaluation losses	15.1	15.1

Difference between Initial Income Target and Real result 8

[Interest income] Lower loan interest rate and lower volume of foreign securities portfolio.
[Fees & commissions] Low volume of asset under custody due to bad market environment.



Stock Repurchase and Dividends Plan in FY2008

**Plan to implement stock repurchase and dividends in 2008 as announced.
 (Policy: Dividend ratio of equal or higher than 20%, shareholder return ratio of equal or higher than 40%)**

⇒ Annual dividend be 8 yen per share.

※ Shareholder return ratio = (Stock repurchase + dividends) ÷ net profit after tax

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Number of stocks repurchased (thousands)	6,508	24,401	4,122	9,955	20,815	15,335	8,000 ≥
Total amount of stock repurchased (Y bn)	2.1	8.1	1.8	7.2	14.5	9.4	4.4 ≥
Total dividends (Y bn)	4.3	4.1	4.9	4.9	5.6	6.3	6.3
Dividend per stock (Y)	5.0	5.0	6.0	6.0	7.0	8.0	8.0
Net income after tax (non-consolidated) (Y bn)	8.3	22.8	26.1	24.7	26.1	12.9	8.0
Shareholder return ratio (%)	77.1	54.2	26.2	49.2	77.0	121.5	approx. 133
Dividend pay-out ratio (%)	51.3	18.4	19.1	20.0	21.6	48.8	approx. 78

Points for First Half of FY2008

Joyo's Balance Sheet at the end of September 30

●Loans

▪Corporate

Balance and # of customers increased
Yield unchanged

▪Residential

Balance increased while new loan extension decreased

▪Interest margin

Margin shrunk due to higher deposit yield

●Securities

Continued to decrease balance of foreign bonds and investment trusts to lower liquidation risk

(Y bn)

At the end of Sept.			
Figures in () shows changes from 07/09			
Asset		Liabilities	
Loan (floating rate)	2,347 (+61)	Deposits (liquid)	3,546 (+23)
うちスプレッド貸	648 (+80)		
Loan (fixed rate)	2,388 (+156)	Deposits (time)	2,805 (+152)
Securities invested	2,194 (△328)	Capital and others	1,054 (△181)
Others	476 (+105)		
Total	7,405 (△7)	Total	7,405 (△7)
Fees from corporate	1 (△0)	Asset under custody	1,081 (△66)

※貸出金は部分直接償却前。
有価証券は貸借対照表計上額(時価)

●Deposits

Balance increased mainly due to personal deposits

●Fees & commissions

▪Clients assets

Balance decreased due to dull market

▪Corporate

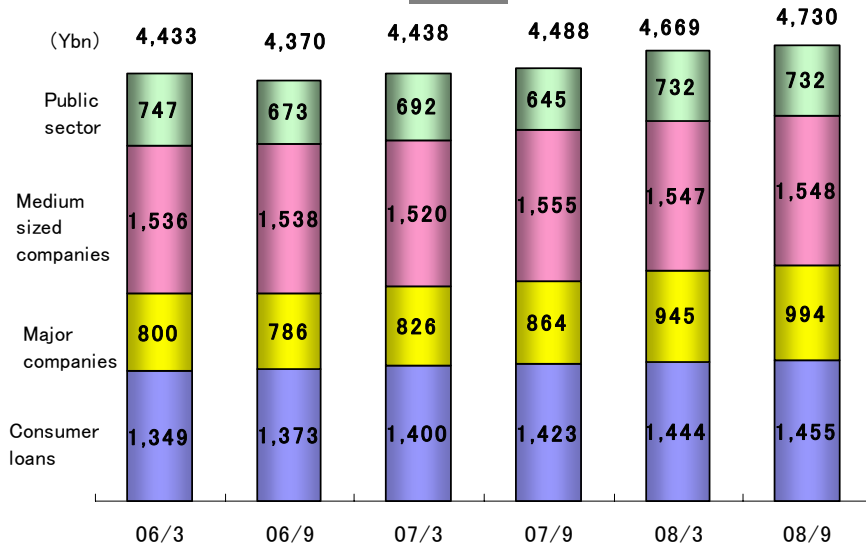
Tough environment to increase

●Capital

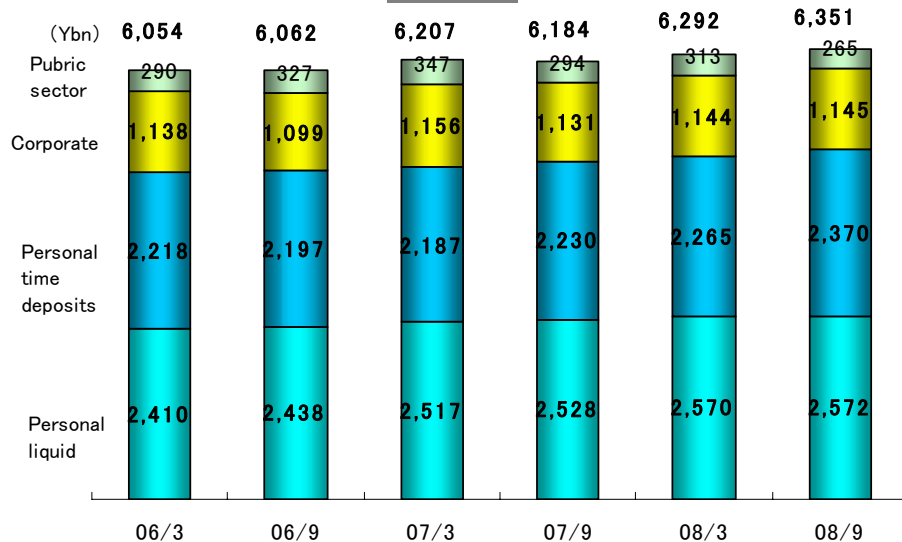
Efficient capital usage
Expanding business areas

Loans and Deposits

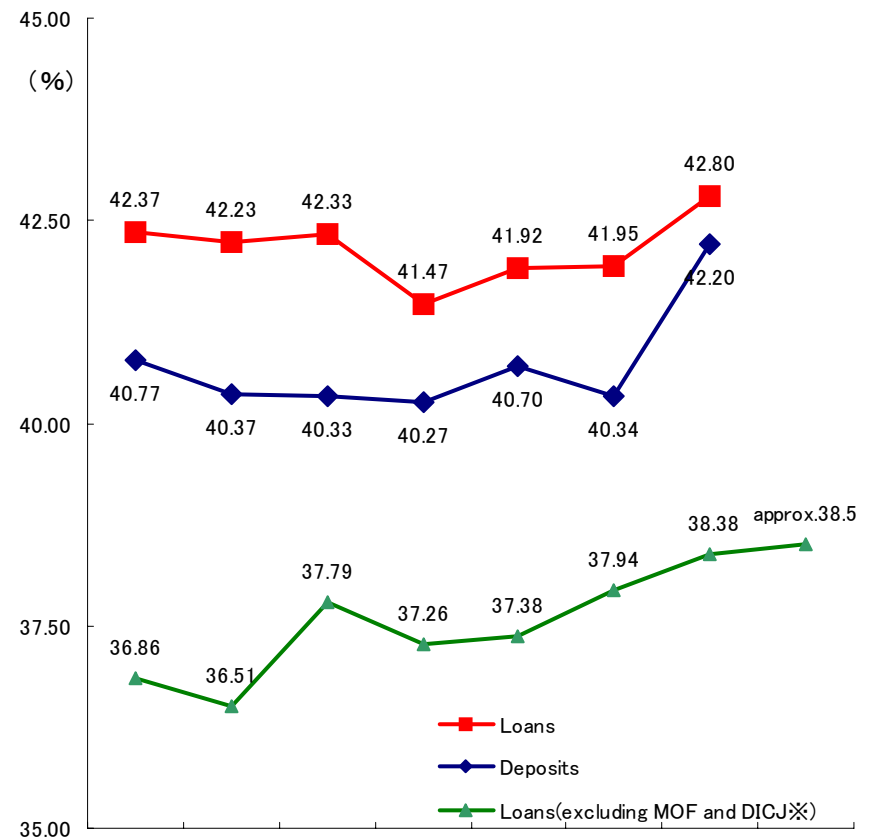
Loans



Deposits



Market shares in Ibaraki

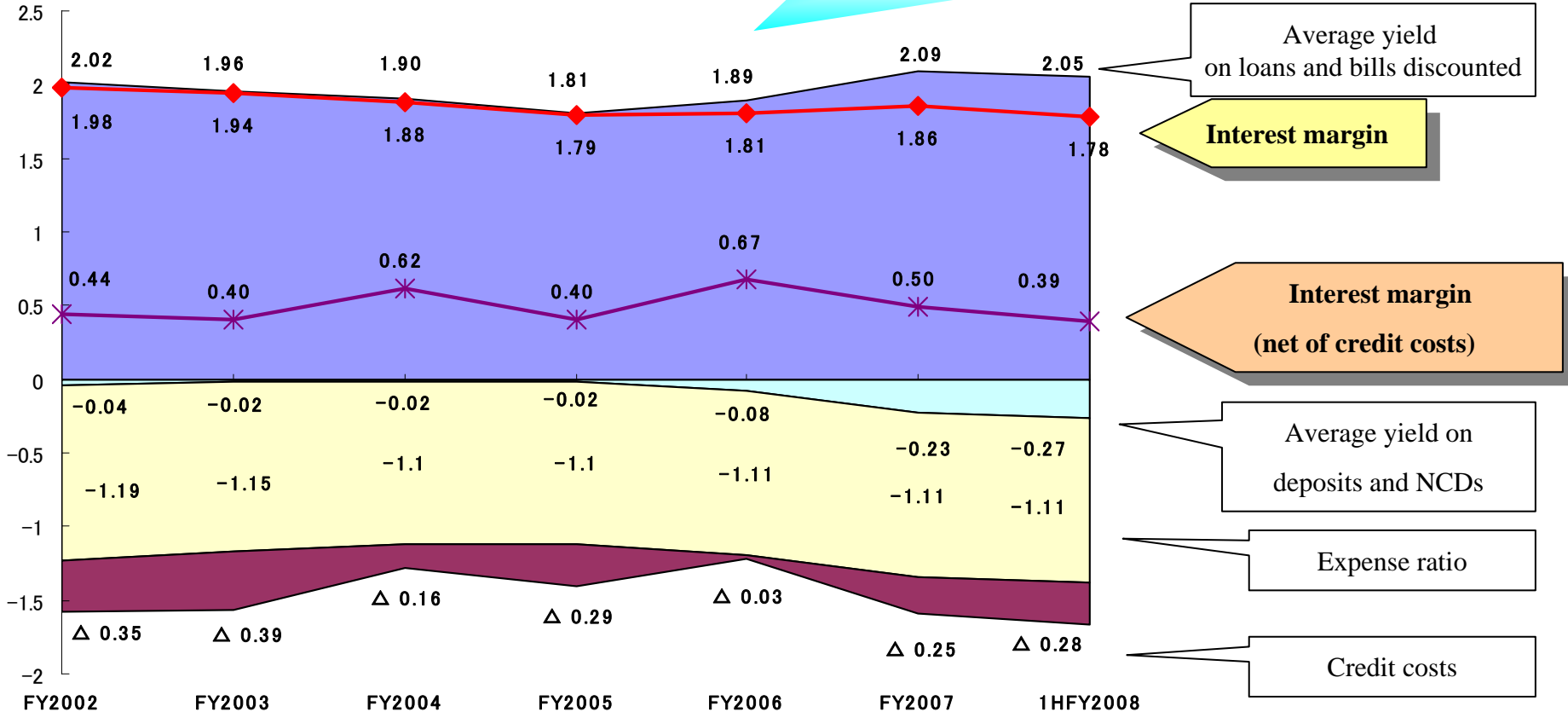


※Deposit Insurance Corporation of Japan

Interest Margin

Loan yields hovered. Credit costs exceeded normalized credit cost of approximately 28 basis points due to loan restructuring and rank downs.

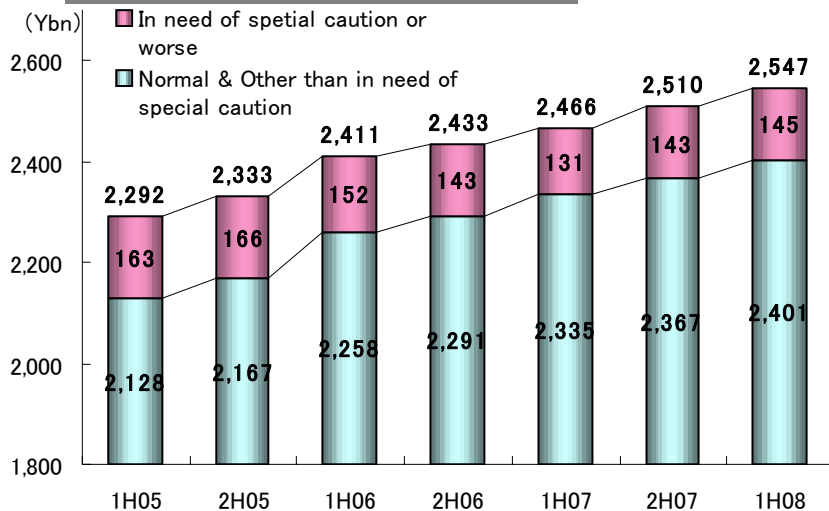
Raised Prime rate by 25bps (1.875% → 2.125%) on August 25, 2006.
 Raised Prime rate by 25bps (2.125% → 2.375%) on March 26, 2007.



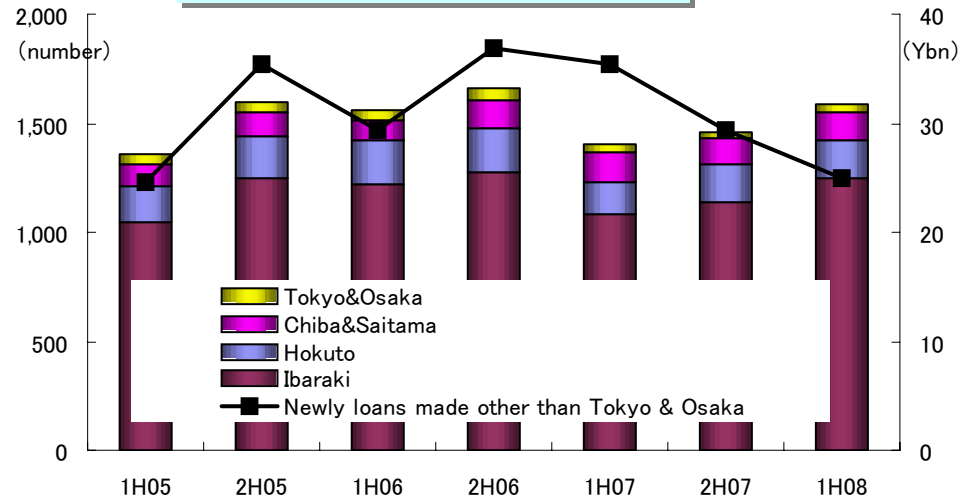
Corporate Loans

Increased outstanding balance of normal and substandard loans and yields roughly kept unchanged. Aim to the increasing numbers of customers and loan market share.

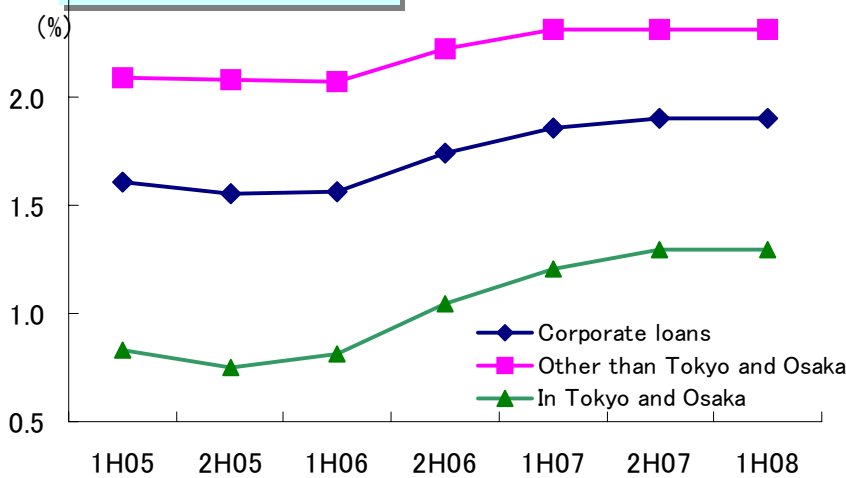
Corporate Loans (average balance)



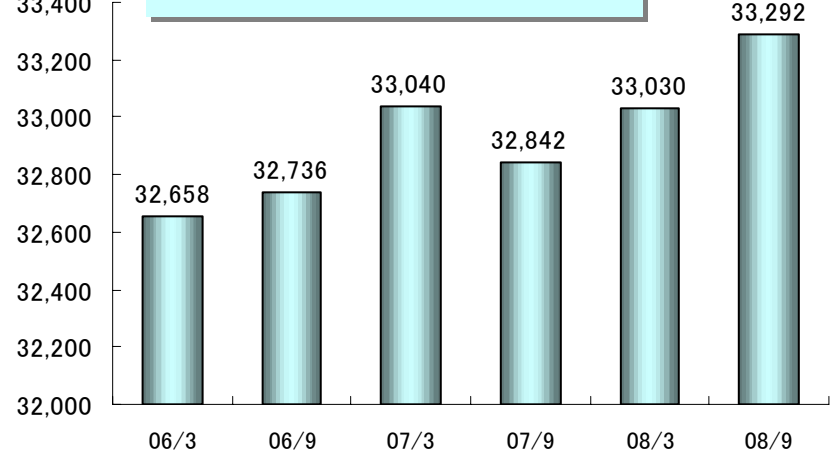
Newly loans made (break down by regions)



Yields on Corporate Loans



Numbers of SMEs based on size of loans

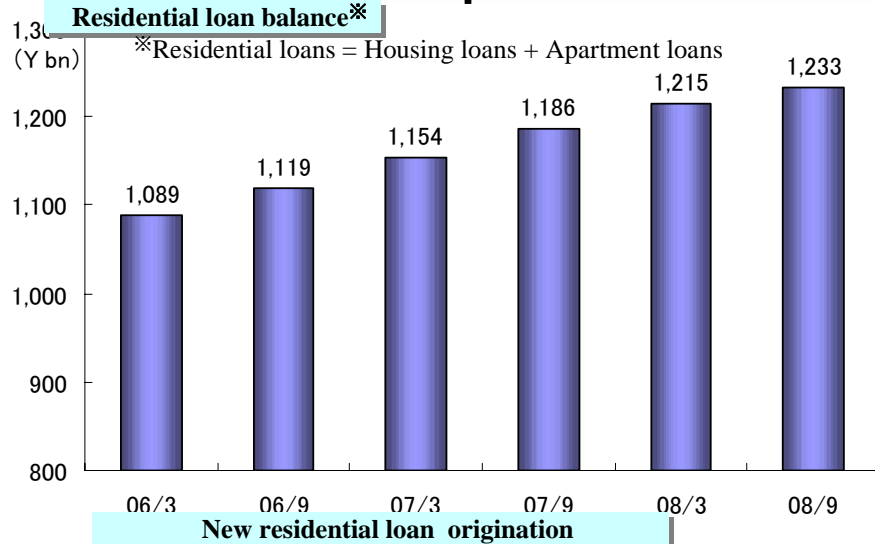


Residential Loans

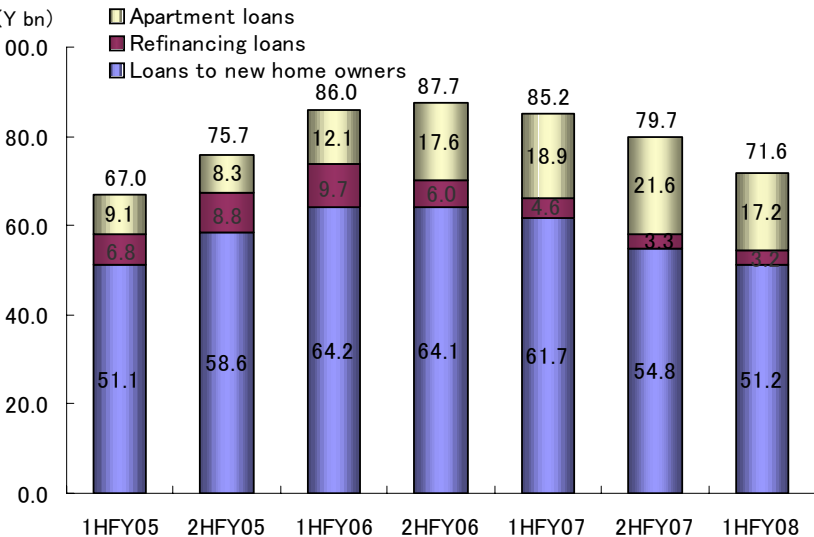
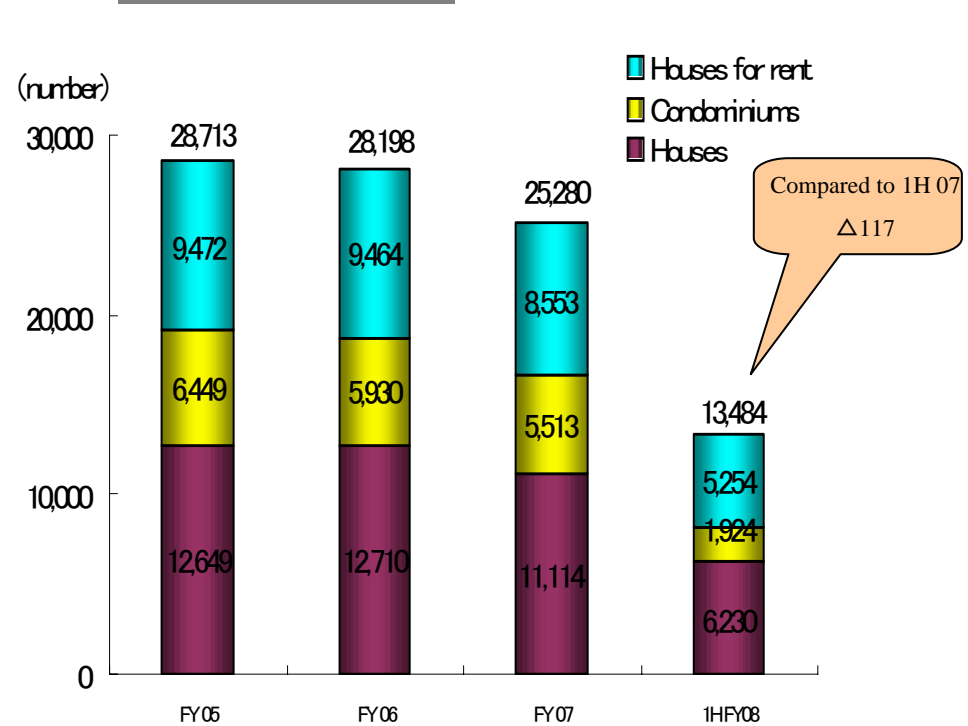
Sustained increase in total volume of residential loan balance though housing starts decreased mainly in condominiums. Showed increase in neighborhood prefectures.

Residential loan balance*

*Residential loans = Housing loans + Apartment loans



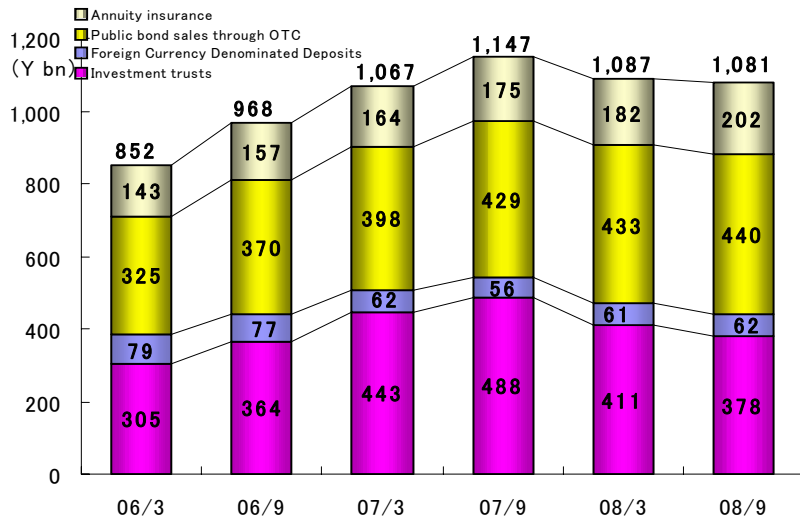
Housing starts in Ibaraki



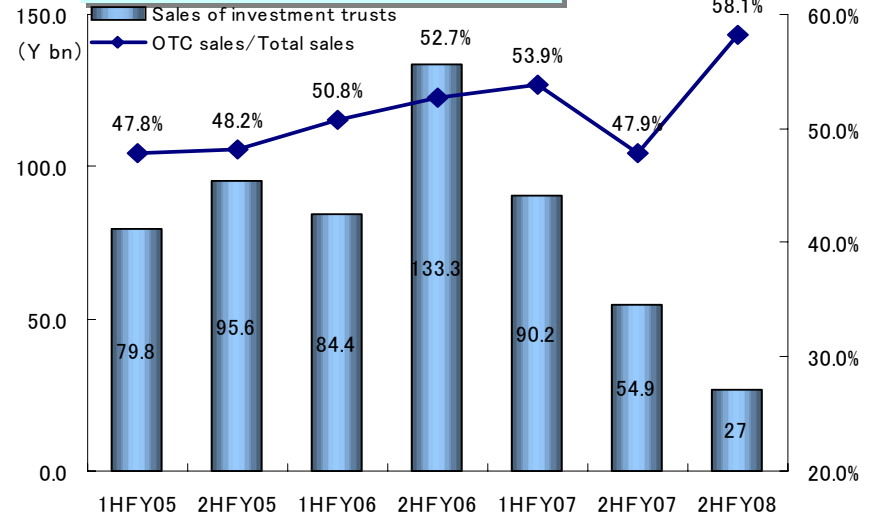
Investment Product Sales

The net asset value of investment trusts as the client assets decreased by 23% compared to the 1st Half of FY2007 due to market decline. Annuity insurance increased by 16%.

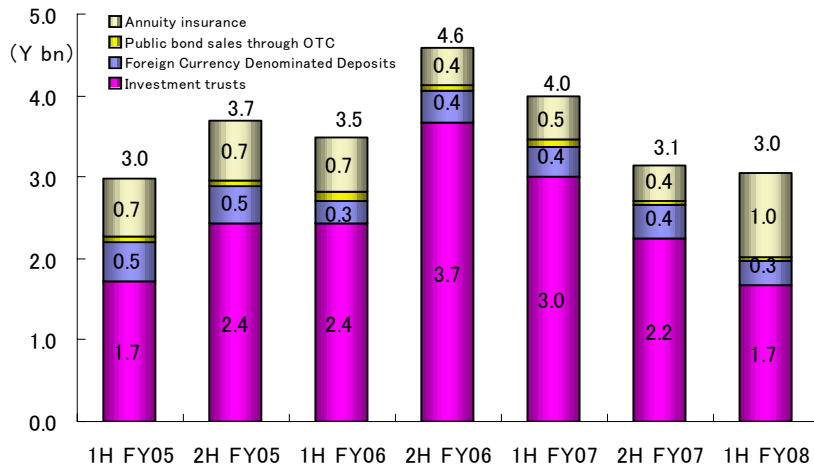
Clients assets



Sales of investment trusts



Fees from investment product sales



★Strengthen investment products sales

○Strengthen sales forces

- Strengthen training systems to sales forces
- Introduce skill certificate program etc.

○Strengthen OTC insurance sales

- Mainly to corporate and public sector

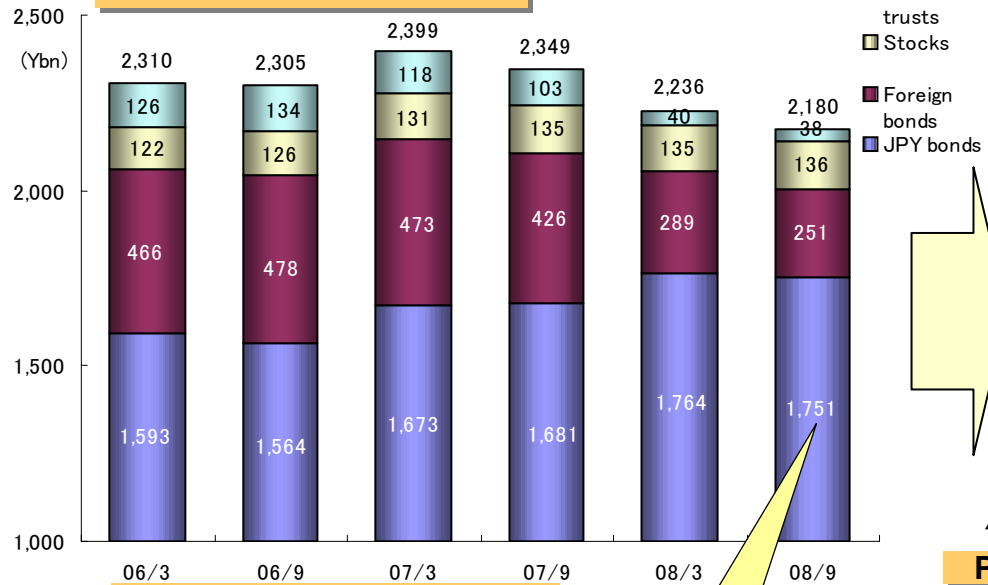
○Steady sales system under volatile market condition

- Follow up consulting
- Adopt more installment investment trusts and sales through our web site

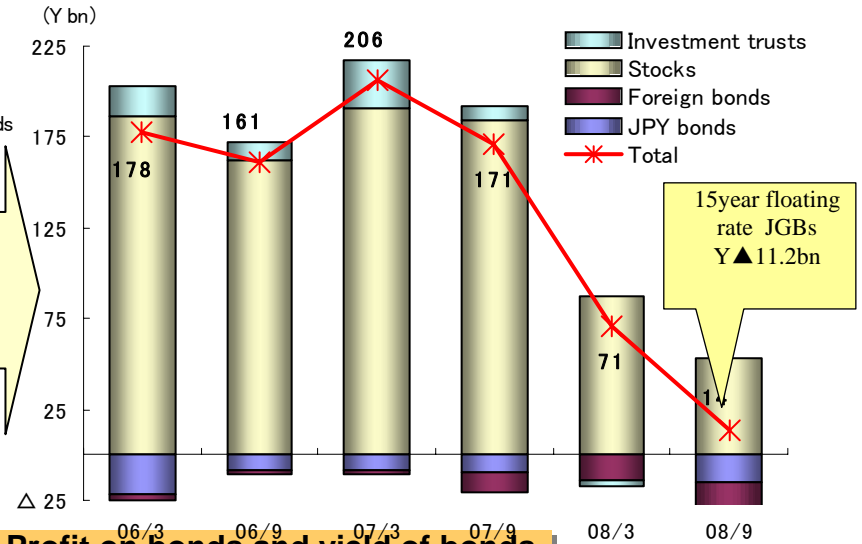
Investment Portfolio

Continued to decrease foreign bonds and investment trusts in response to a liquidity pressure.

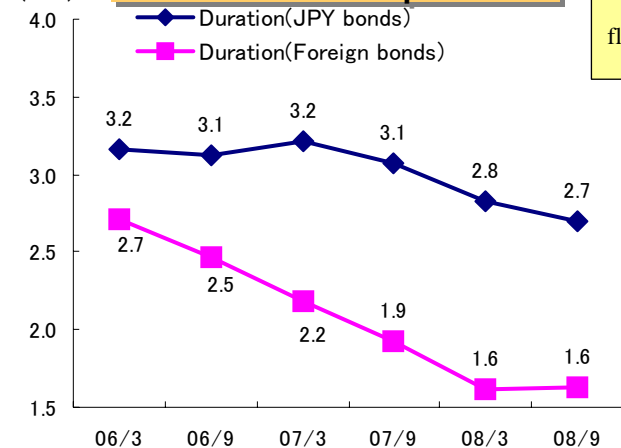
Asset allocation



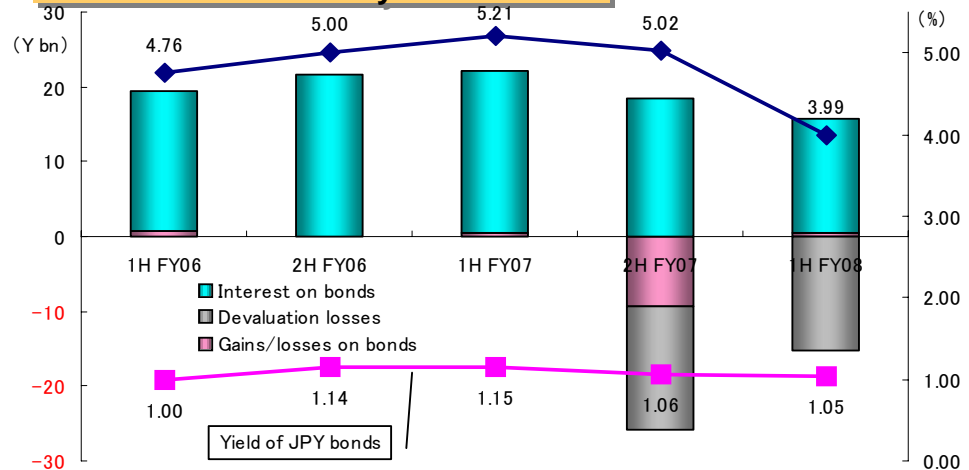
Unrealized gains/losses



Duration of bond portfolios



Profit on bonds and yield of bonds



Securitized Products

**Sold and mark downed 92.6billion of securitized products within the period.
Continuously decrease total volume.**

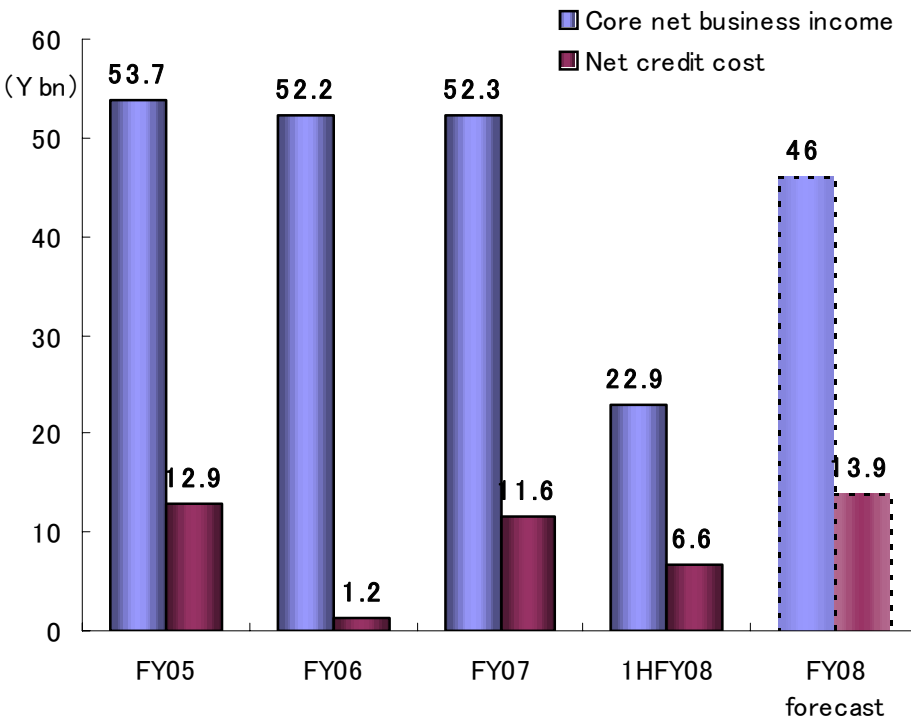
(Y bn)

	Ratings	08/9		08/3		07/9		Change from 07/9	
		Balance	Unrealized gains/losses	Balance	Unrealized gains/losses	Balance	Unrealized gains/losses	Balance	Unrealized gains/losses
ABS		21	0	28	0	43	0	△ 22	△ 0
	AAA	21	0	27	0	42	0	△ 21	0
	AA	1	0	1	0	1	0	△ 0	0
	A	0	0	0	0	0	0	△ 0	0
CLO		44	△ 11	47	△ 9	57	△ 4	△ 13	△ 7
	AAA	20	△ 3	20	△ 2	21	△ 0	△ 1	△ 3
	AA	13	△ 4	13	△ 3	20	△ 1	△ 7	△ 3
	A	11	△ 3	14	△ 4	16	△ 2	△ 5	△ 1
CDO		27	△ 2	29	△ 3	41	△ 1	△ 14	△ 2
	AAA	9	△ 0	10	△ 1	21	△ 0	△ 12	△ 0
	AA	17	△ 2	19	△ 2	19	△ 0	△ 2	△ 1
CDS・CDO		3	0	7	0	23	△ 2	△ 20	2
	AAA	1	0	4	0	14	△ 1	△ 13	1
	AA	1	0	3	0	9	△ 1	△ 8	1
	A	0	0	1	0	-	-	0	0
	BBB	0	0	-	-	-	-	0	0
ABS・CDO		-	-	1	0	23	△ 4	△ 23	4
	AAA	-	-	1	0	20	△ 3	△ 20	3
	AA	-	-	-	-	3	△ 1	△ 3	1
(Sub prime related)	AAA	-	-	1	0	11	△ 2	△ 11	2
	AA	-	-	-	-	2	△ 0	△ 2	0
Total		95	△ 13	112	△ 12	188	△ 10	△ 93	△ 3

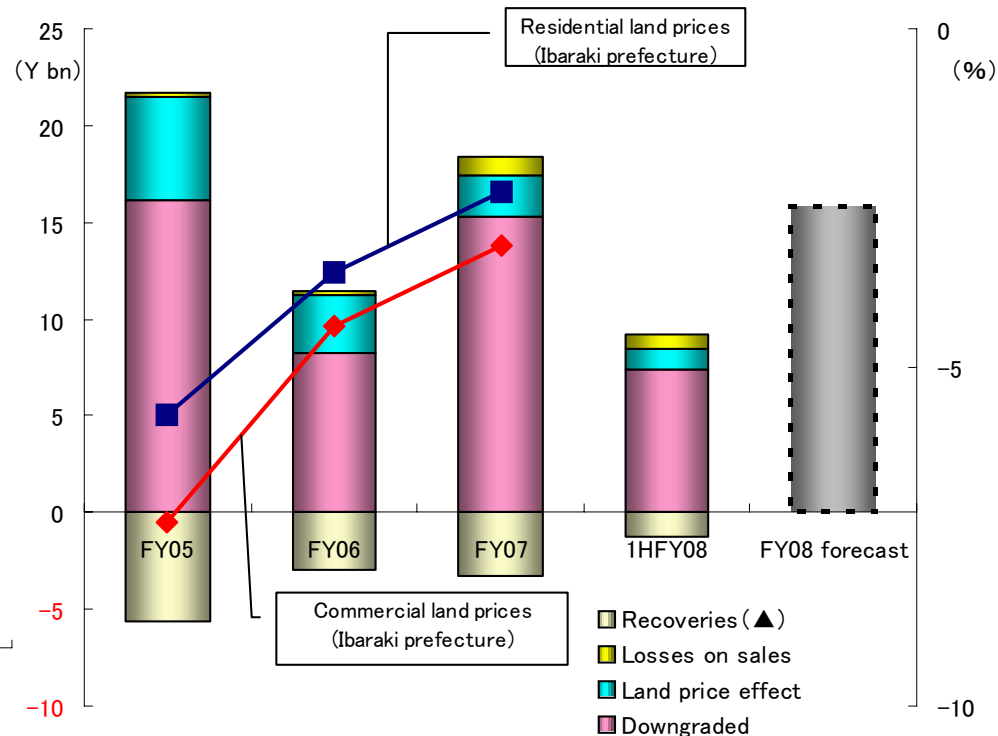
Credit Costs

Credit costs of Y13.9billion in FY2008 estimated, i.e.30 basis points. Due to loan restructuring and rank downs, normalized credit cost of 20 basis points be exceeded for time being.

Core net business income and net credit expenses ※1



Disposal of non-performing loans

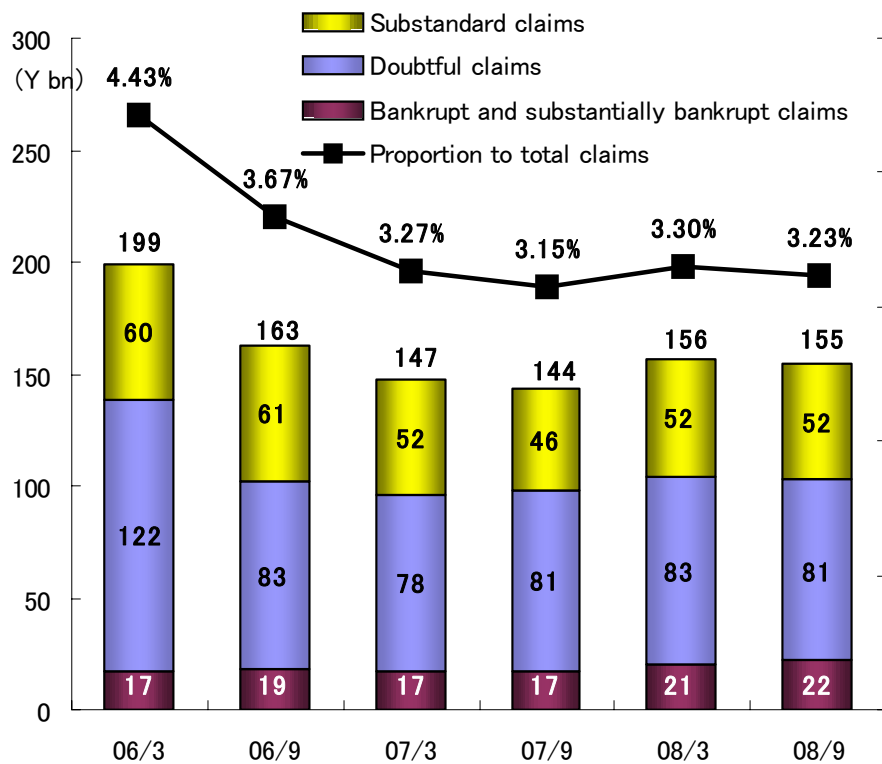


※1: Net credit expenses = General provisions for possible loan losses + Gains/Losses of disposal of loans - gains on loans previously charged-off - reversal of allowance for credit losses

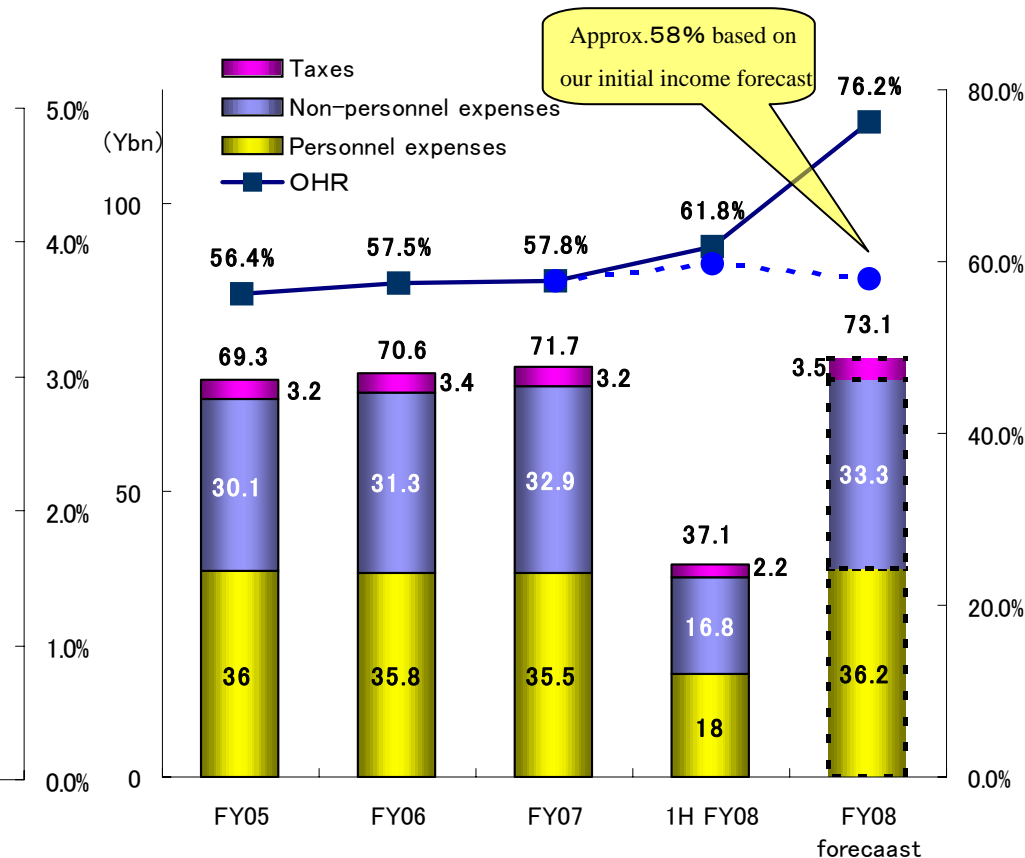
Non Performing Loans & G&A Expenses

**Volume and ratio of non-performing loans stood unchanged.
Temporary increase in expense and decrease in core net business income led to higher OHR.**

Non-performing loans under Financial Revitalization Law



G&A Expenses & OHR*

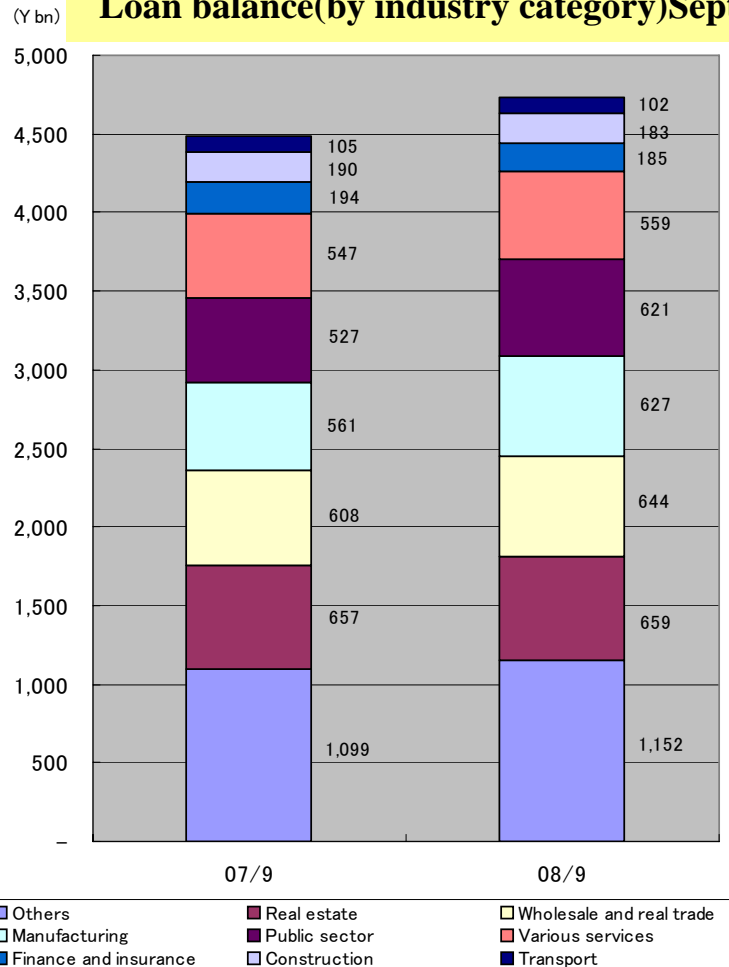


*OHR: Core net business income basis

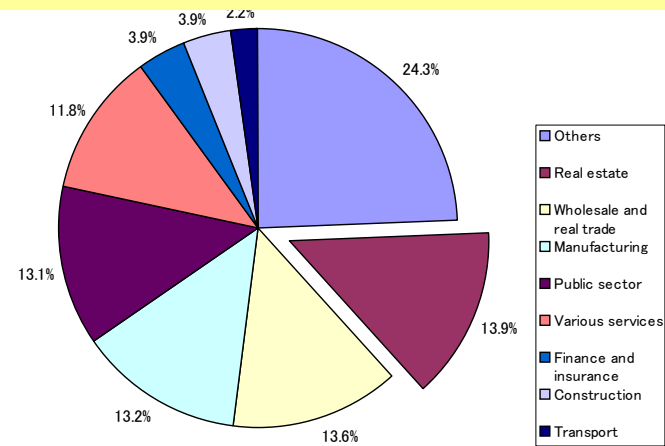
Loan portfolio by business category

While decrease in loan for the construction industry, increase in loan for the public sector, manufacturing, wholesale and retailers. In real estate sector, apartment loans, real estate lending and public sector occupy approximate 80% of all.

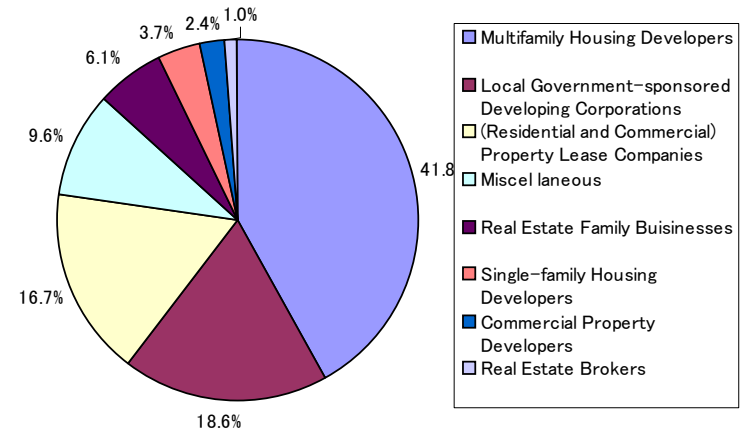
Loan balance(by industry category)Sept 08



Loan balance(by industry category)Sept 08



Loan balance to real estate industry Sept 08

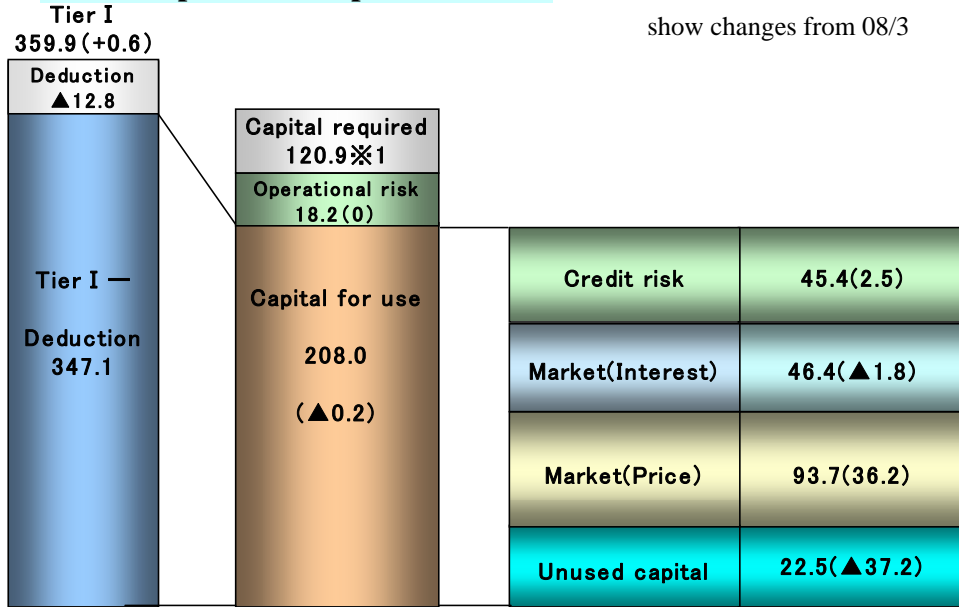


Potentials

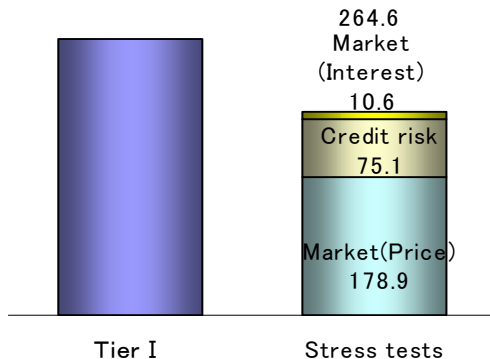
Effective Capital Utilization

Risk Capital as of September 2008

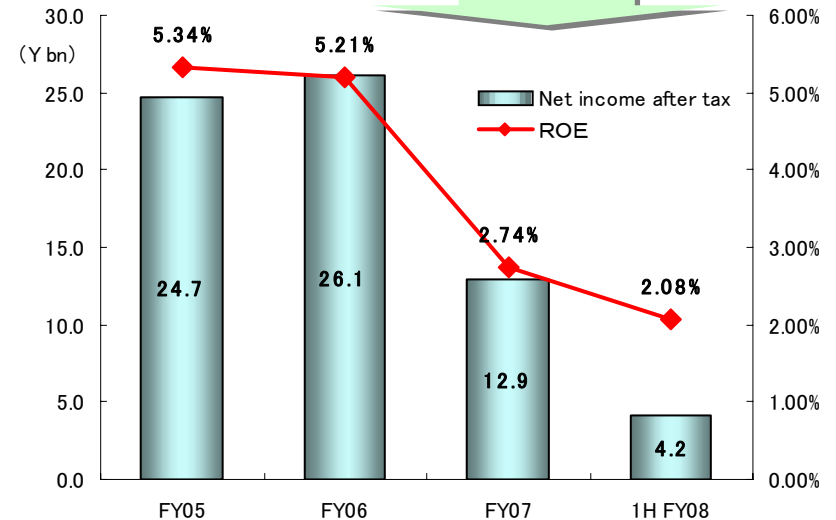
Y bn, figures in ()
show changes from 08/3



(※1) risk buffer(reserved capital for unforeseeable risk)
Reserve capital of 4% of risk asset to prepare for uncalculated or unexpected potential risk.
Examine necessary capital through stress tests periodically.



- Maximize shareholders' value through effective capital utilization and higher shareholder return.
- Aim to increase capital efficiency by:
 - ◆ Expanding business areas
 - Broadening business areas and product lines
 - Expanding spectra of investment opportunities
 - ◆ Optimizing capital allocation in each risk category
 - ◆ Policy of shareholder return
- Aim to sustain enough capital under volatile business environment
- Set corporate bond facility(Y100bn, 2 years since Sept 2008)



※ROE=Net income after tax ÷ total net assets

Allocate resource to higher potential areas benefiting from highway and railway infrastructure developments.

Land

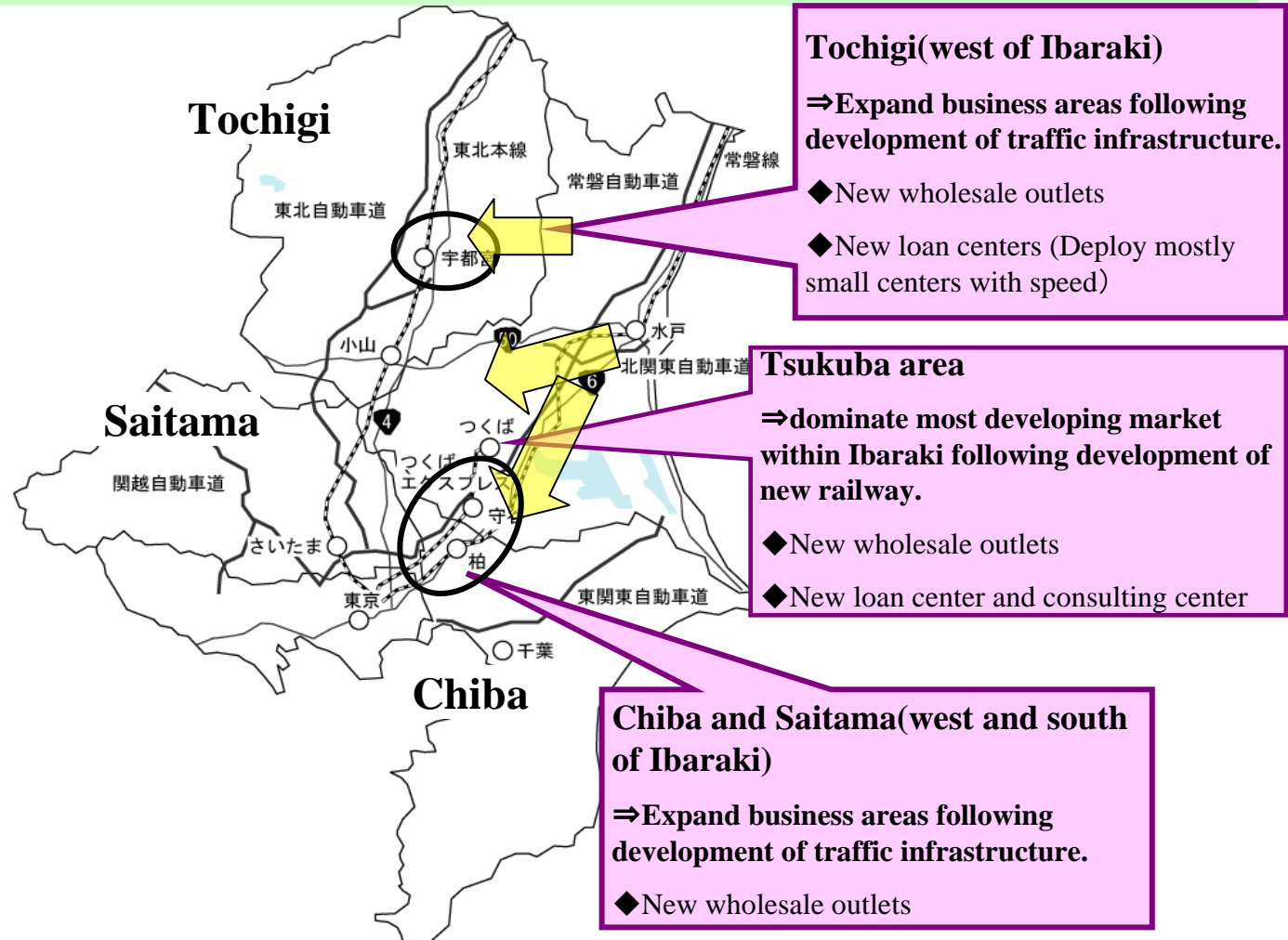
- Tsukuba Express
August 2005~
- Kita-Kanto Expressway
Connect to Tohoku highway in 2009.
- Ken-O Expressway
Convenient access from Tsukuba to Narita in 2009
- Higashi-Kanto Expressway
Connect Mito to Ibaraki airport in 2010.

Sea

- Major ports including prestigious Hotachi-naka port.

Air

- Ibaraki airport
2009~



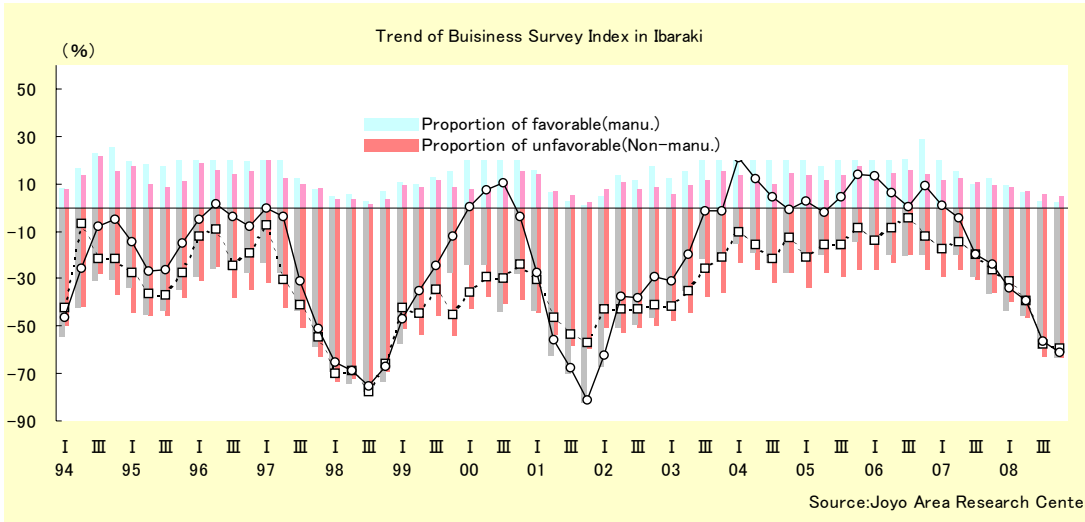
Appendix

Economic Indicators for Ibaraki Prefecture (1)

	Contents	Units	Ibaraki	Japan	Rank	Date
Land area	Total land area	km ²	6,096	372,878	24	Oct 1, 2005
	Liveable land area	km ²	3,976	121,384	4	Oct 1, 2005
Population	Population	thousands	2,970	127,760	11	Oct 1, 2006
	Proportion of senior	%	20.0	20.8	38	Oct 1, 2006
Economy	Prefectural GDP	Y Bn	10,956	503,367	12	2005
	Average prefectural income	Y MM	2.84	2.88	18	2005
Industry	Farm output	Y Bn	399	8,632	4	2006
	Value of manufactured goods shipment	Y Bn	11,492	314,835	8	2006
	Annual sales of merchandizing goods (wholesale)	Y Bn	3,788	410,679	16	2007
	Annual sales of merchandizing goods (retail)	Y Bn	2,892	134,572	13	2007
	Number of establishments	-	122,258	5,722,559	14	2006
	Number of factories newly located	number/km ²	92/1.65	1,791/27.10	5/3	2007

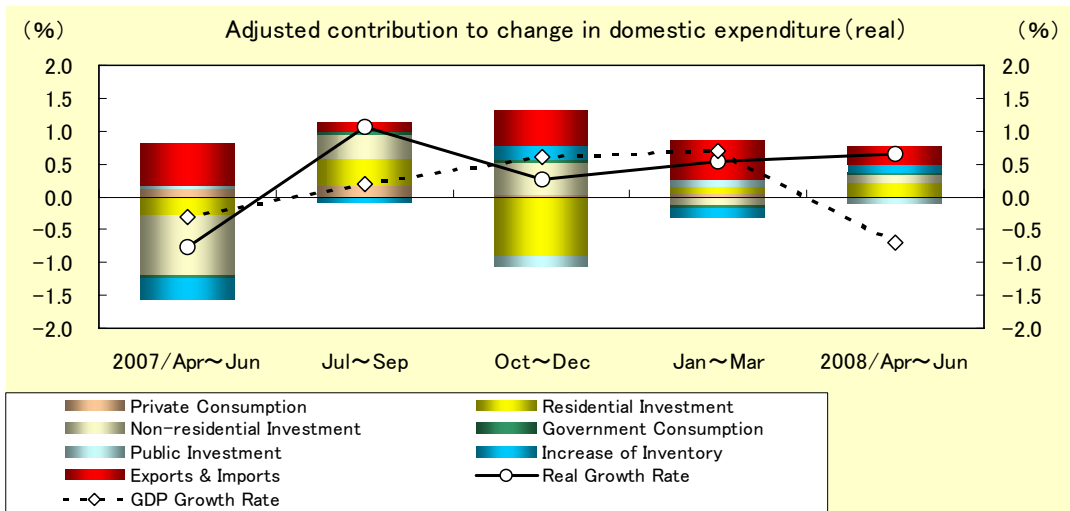
Source: Statistics Div of Ibaraki Pref, Kanto Bureau of Economy, Trade and Industry

Economic Indicators for Ibaraki Prefecture (2)



● **More weekend corporate sentiment suggesting recession**

- Both manufacturing and non manufacturing show unfavorable trends in past seven consecutive quarters.
- Expecting unfavorable trends.



● **Real economic growth 0.7%**

- Ibaraki posted real economic growth of 0.7% between April and June 2008, four consecutive positive quarter.

Average Balance

28

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

	1H FY2008			Change from 1H FY2007		
	Average balance	Yield	Interest income	Average balance	Yield	Interest income
Loans and bills	4,694.8	2.06	48,384	159.8	▲0.00	1,446
JPY	4,688.9	2.06	48,333	158.3	▲0.00	1,451
Foreign	5.8	1.73	51	1.5	▲0.87	▲5
Securities	2,262.1	1.56	17,646	▲118.0	▲0.58	▲7,961
Bonds	1,677.1	1.02	8,574	189.9	▲0.13	25
Stocks	142.1	3.00	2,142	9.1	▲0.40	▲125
Foreign bonds	406.6	3.25	6,629	▲252.9	▲0.82	▲6,851
Others	36.1	1.64	298	▲64.2	▲0.96	▲1,013
Call loans	10.9	4.81	263	▲3.7	0.65	▲42
JPY	1.8	1.41	13	1.0	0.88	11
Foreign	9.0	5.53	250	▲4.7	1.13	▲53
Bills bought	—	#REF!	#REF!	—	—	—
Other debt purchased	62.3	0.97	302	▲17.3	0.05	▲67
Due from banks	81.2	1.12	458	31.7	▲1.31	▲147
NCD	—	—	—	—	—	—
Foreign exchange assets	1.3	2.08	14	0.3	▲1.84	▲5
Others	—	—	50	—	—	2
Interest rate swaps	—	—	—	—	—	—
Interest earning assets	7,112.9	1.88	67,119	52.7	▲0.20	▲6,776

	1H FY2008			Change from 1H FY2007		
	Average balance	Yield	Interest expense	Average balance	Yield	Interest expense
Deposits	64.5	0.28	9,278	1.6	0.03	1,111
JPY	63.8	0.27	8,639	1.7	0.06	1,954
Foreign	0.7	1.79	639	▲0.1	▲1.85	▲842
NCD	0.9	0.55	262	0.0	0.08	33
Call money	1.8	1.12	1,035	▲0.5	▲1.84	▲2,557
JPY	1.3	0.47	335	0.1	▲0.01	41
Foreign	0.4	3.18	699	▲0.7	▲2.26	▲2,599
Payable under securities lending transactions	1.2	0.81	496	0.0	▲0.31	▲240
Bills sold	—	—	—	—	—	—
Borrowed money	0.6	1.40	449	0.0	▲0.05	▲50
Foreign exchange liabilities	0.0	0.00	#REF!	0.0	▲0.01	0
Bonds	0.1	2.23	167	0.0	▲0.01	0
Others	0.0	—	3,032	0.0	—	▲3,251
Interest rate swaps	—	—	3,020	—	—	▲3,257
Interest bearing liabilities	69.3	0.42	14,723	0.9	▲0.15	▲4,955
Other expenses	0.0	0.30	6	0.0	0.04	2
Interest bearing liabilities	69.2	0.42	14,717	0.9	▲0.15	▲4,957

Interest Yields

Total account							Domestic account						%
	1H 2006	FY 2006	1H 2007	FY 2007	1H 2008	Change from 1H 2007	1H 2006	FY 2006	1H 2007	FY 2007	1H 2008	Change from 1H 2007	
Average yield on interest earning assets (A)	1.84	1.93	2.08	2.05	1.88	△0.20	1.53	1.60	1.76	1.76	1.72	△0.04	
Average yield on loans and bills discounted (B)	1.81	1.89	2.06	2.09	2.05	△0.01	1.81	1.89	2.06	2.09	2.05	△0.01	
Average yield on securities	1.92	2.01	2.14	1.99	1.55	△0.59	1.27	1.31	1.40	1.30	1.18	△0.22	
Average yield on interest bearing liabilities	0.36	0.42	0.57	0.55	0.42	△0.15	0.09	0.13	0.26	0.27	0.31	0.05	
Average yield on deposits and NCDs (C)	0.08	0.12	0.26	0.27	0.29	0.03	0.04	0.08	0.21	0.23	0.27	0.06	
Expense ratio	1.11	1.12	1.13	1.12	1.12	△0.01	1.11	1.11	1.12	1.11	1.11	△0.01	
Funding cost (D)	1.40	1.46	1.63	1.59	1.48	△0.15	1.15	1.19	1.34	1.33	1.37	0.03	
Difference between average yield on loans and deposits (B)-(C)	1.73	1.77	1.80	1.82	1.76	△0.04	1.77	1.81	1.85	1.86	1.78	△0.07	
Difference between average yield on interest earning assets and funding cost (A)-(D)	0.44	0.47	0.45	0.46	0.40	△0.05	0.38	0.41	0.42	0.43	0.35	△0.07	
Average yield on loans and bills discounted (excluding loans to MOF) (E)							1.83	1.90	2.06	2.09	2.05	△0.01	
Difference between average yield on loans and deposits (excluding loans to MOF) (E)-(C)							1.79	1.82	1.85	1.86	1.78	△0.07	

Yen Denominated Loans (1)

30

◎Self-assessed breakdown by regions

	06/3		06/9		07/3		07/9		08/3		08/9		Change from 07/9	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %
Yen denominated loans	4,432.8	100.0%	4,369.9	100.0%	4,437.8	100.0%	4,487.6	100.0%	4,668.6	104.0%	4,729.6	105.4%	242.0	5.4%
Normal	3,713.4	83.8%	3,828.9	87.6%	3,836.6	86.5%	3,844.5	85.7%	4,052.7	90.3%	4,141.2	92.3%	201.2	5.1%
Regional (excl. Tokyo & Osaka)	2,924.5	66.0%	2,979.9	68.2%	2,957.2	66.6%	2,981.2	66.4%	3,086.3	68.8%	3,123.6	69.6%	62.5	2.0%
In Ibaraki	2,461.4	55.5%	2,496.8	57.1%	2,462.6	55.5%	2,485.4	55.4%	2,583.1	57.6%	2,605.1	58.1%	64.2	2.5%
In Miyagi , Fukushima and Tochigi	361.3	8.2%	376.6	8.6%	384.1	8.7%	384.8	8.6%	386.7	8.6%	402.7	9.0%	1.5	0.4%
In Chiba and Saitama	101.7	2.3%	106.4	2.4%	110.4	2.5%	110.9	2.5%	116.3	2.6%	115.7	2.6%	▲ 3.2	▲2.7%
In Tokyo and Osaka	788.9	17.8%	848.9	19.4%	879.4	19.8%	863.2	19.2%	966.3	21.5%	1,017.5	22.7%	138.6	15.8%
Other than in need of special caution	417.7	9.4%	383.0	8.8%	349.8	7.9%	429.1	9.6%	437.8	9.8%	408.1	9.1%	20.8	5.4%
In need of special caution	93.3	2.1%	82.3	1.9%	82.4	1.9%	69.2	1.5%	74.9	1.7%	72.2	1.6%	9.0	14.2%
Potentially bankrupt or worse	147.6	3.3%	138.3	3.2%	101.1	2.3%	41.5	0.9%	103.2	2.3%	102.9	2.3%	6.0	6.2%

◎Breakdown by regions

	06/3		06/9		07/3		07/9		08/3		08/9		Change from 07/9	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %
Yen denominated loans	4,432.8	100.0%	4,369.9	100.0%	4,437.8	100.0%	4,487.6	100.0%	4,668.6	100.0%	4,729.6	101.3%	242.0	5.4%
Regional (excl. Tokyo & Osaka)	3,515.2	79.3%	3,454.8	79.1%	3,522.6	79.4%	3,540.3	78.9%	3,643.1	78.0%	3,652.0	78.2%	111.7	3.2%
In Ibaraki	2,938.4	66.3%	2,874.5	65.8%	2,942.8	66.3%	2,942.2	65.6%	3,046.5	65.3%	3,032.7	65.0%	90.5	3.1%
In Miyagi and Fukushima and Tochigi	448.5	10.1%	453.8	10.4%	450.0	10.1%	461.9	10.3%	460.1	9.9%	481.1	10.3%	19.2	4.2%
In Chiba and Saitama	128.3	2.9%	126.4	2.9%	129.7	2.9%	136.1	3.0%	136.5	2.9%	138.2	3.0%	2.1	1.5%
In Tokyo and Osaka	917.4	20.7%	915.0	20.9%	915.2	20.6%	947.2	21.1%	1,025.4	22.0%	1,077.5	23.1%	130.3	13.8%

Yen Denominated Loans (2)

◎Breakdown by type

	06/3		06/9		07/3		07/9		08/3		08/9		Change from 07/9	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %
Yen denominated loans	4,432.8	100.0%	4,369.9	100.0%	4,437.8	100.0%	4,487.6	100.0%	4,668.6	104.0%	4,729.6	105.4%	242.0	5.4%
Personal loans	1,349.4	30.4%	1,372.9	31.4%	1,400.2	31.6%	1,423.0	31.7%	1,444.2	32.2%	1,454.8	32.4%	31.805	2.2%
Corporate loans	2,336.2	52.7%	2,323.5	53.2%	2,345.9	52.9%	2,419.6	53.9%	2,492.3	55.5%	2,542.4	56.7%	122.8	5.1%
Major companies	799.8	18.0%	785.6	18.0%	826.2	18.6%	864.1	19.3%	945.1	21.1%	994.4	22.2%	130.3	15.1%
Medium sized companies	169.5	3.8%	164.3	3.8%	162.3	3.7%	163.1	3.6%	152.8	3.4%	162.9	3.6%	▲ 0.2	▲ 0.1%
Small and medium sized companies	1,366.7	30.8%	1,373.5	31.4%	1,357.3	30.6%	1,392.3	31.0%	1,394.3	31.1%	1,385.0	30.9%	▲ 7.3	▲ 0.5%
Public sector	747.1	16.9%	673.3	15.4%	691.6	15.6%	644.9	14.4%	732.0	16.3%	732.4	16.3%	87.5	13.6%

◎Personal loans

	06/3		06/9		07/3		07/9		08/3		08/9		Change from 07/9	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %
Personal loans	1,349.4	100.0%	1,372.9	100.0%	1,400.2	100.0%	1,423.0	100.0%	1,444.2	101.5%	1,454.8	102.2%	31.805	2.2%
Residential loans	1,089.1	80.7%	1,119.1	81.5%	1,154.2	82.4%	1,185.7	83.3%	1,214.5	85.3%	1,232.7	86.6%	47	4.0%
Consumer loans	87.5	6.5%	86.2	6.3%	82.4	5.9%	81.3	5.7%	80.3	5.6%	79.7	5.6%	▲ 1.6	▲ 2.0%
Loans to small businesses	172.8	12.8%	167.6	12.2%	163.6	11.7%	156.0	11.0%	149.4	10.5%	142.4	10.0%	▲ 13.6	▲ 8.7%

◎Corporate loans

	06/3		06/9		07/3		07/9		08/3		08/9		Change from 07/9	
	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Proportion	Term-end balance	Change in %
Yen denominated loans	2,336.2	100.0%	2,323.5	100.0%	2,345.9	100.0%	2,419.6	100.0%	2,492.3	103.0%	2,542.4	105.1%	122.8	5.1%
Regional (excl. Tokyo & Osaka)	1,451.6	62.1%	1,439.0	61.9%	1,435.3	61.2%	1,476.6	61.0%	1,471.0	60.8%	1,468.7	60.7%	▲ 7.9	▲ 0.5%
In Ibaraki	1,035.1	44.3%	1,020.3	43.9%	1,019.2	43.4%	1,046.0	43.2%	1,044.5	43.2%	1,040.9	43.0%	▲ 5.1	▲ 0.5%
In Miyagi, Fukushima and Tochigi	329.8	14.1%	333.1	14.3%	326.9	13.9%	336.9	13.9%	333.6	13.8%	334.4	13.8%	▲ 2.5	▲ 0.7%
In Chiba and Saitama	86.8	3.7%	85.6	3.7%	89.2	3.8%	93.6	3.9%	92.9	3.8%	93.3	3.9%	▲ 0.3	▲ 0.3%
In Tokyo and Osaka	884.5	37.9%	884.6	38.1%	910.7	38.8%	942.9	39.0%	1,021.3	42.2%	1,073.7	44.4%	130.8	13.9%

Deposits and Clients Assets

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◎Deposits (Y bn)

	06/3		06/9		07/3		07/9		08/3		08/9		Change from 07/9		Change from 08/3	
	Term-end balance	Proportion	Term-end balance	Proportion	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	6,146.4	100.0%	6,148.9	100.0%	6,285.2	100.0%	6,258.9	100.0%	6,355.8	100.0%	6,412.4	100.0%	153.5	2.5%	56.6	0.9%
Yen deposits	6,054.3	98.5%	6,061.5	98.6%	6,206.6	98.7%	6,184.1	98.8%	6,292.0	99.0%	6,350.6	99.0%	166.5	2.7%	58.6	0.9%
Foreign deposits	79.3	1.3%	77.4	1.3%	62.0	1.0%	55.7	0.9%	61.3	1.0%	61.7	1.0%	6.0	10.8%	0.4	0.7%
JOM deposits	12.8	0.2%	10.0	0.2%	16.5	0.3%	19.0	0.3%	2.5	0.0%	0.0	0.0%	-19	—	-2.5	—
Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
NCDs	34.5		49.6		41.0		44.4		50.0	0.0%	80.9	0.0%	36.5	82.2%	30.9	61.8%

◎Yen deposits (Y bn)

	06/3		06/9		07/3		07/9		08/3		08/9		Change from 07/9		Change from 08/3	
	Term-end balance	Proportion	Term-end balance	Proportion	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	6,054.3	100.0%	6,061.5	100.0%	6,206.6	100.0%	6,184.1	100.0%	6,292.0	100.0%	6,350.6	100.0%	166.5	2.7%	58.6	0.9%
Personal	4,627.1	76.4%	4,635.2	76.5%	4,703.8	75.8%	4,758.7	77.0%	4,835.4	76.8%	4,941.3	77.8%	182.6	3.8%	105.9	2.2%
Corporate	1,137.7	18.8%	1,099.0	18.1%	1,156.1	18.6%	1,131.4	18.3%	1,143.6	18.2%	1,144.6	18.0%	13.2	1.2%	1.0	0.1%
Public sector	289.5	4.8%	327.3	5.4%	346.7	5.6%	294.0	4.8%	312.8	5.0%	264.6	4.2%	▲29.4	▲10.0%	▲48.2	▲15.4%

◎Personal assets (Y bn)

	06/3		06/9		07/3		07/9		08/3		08/9		Change from 07/9		Change from 08/3	
	Term-end balance	Proportion	Term-end balance	Proportion	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	5,479.0	100.0%	5,603.1	100.0%	5,771.2	100.0%	5,905.9	100.0%	5,922.0	100.0%	6,022.4	100.0%	116.5	2.0%	100.4	1.7%
Liquid	2,409.6	44.0%	2,438.2	43.5%	2,517.3	43.6%	2,528.4	42.8%	2,570.2	43.4%	2,571.5	42.7%	43.1	1.7%	1.3	0.1%
Time deposits	2,217.5	40.5%	2,197.0	39.2%	2,186.5	37.9%	2,230.3	37.8%	2,265.2	38.3%	2,369.7	39.3%	139.4	6.3%	104.5	4.6%
(Sub total)	4,627.1	84.5%	4,635.2	82.7%	4,703.8	81.5%	4,758.7	80.6%	4,835.4	81.7%	4,941.3	82.0%	182.6	3.8%	105.9	2.2%
Financial products	851.9	15.5%	967.9	17.3%	1,067.4	18.5%	1,147.2	19.4%	1,086.6	18.3%	1,081.1	18.0%	-66.1	△5.8%	-5.5	△0.5%

Securities Portfolio

33

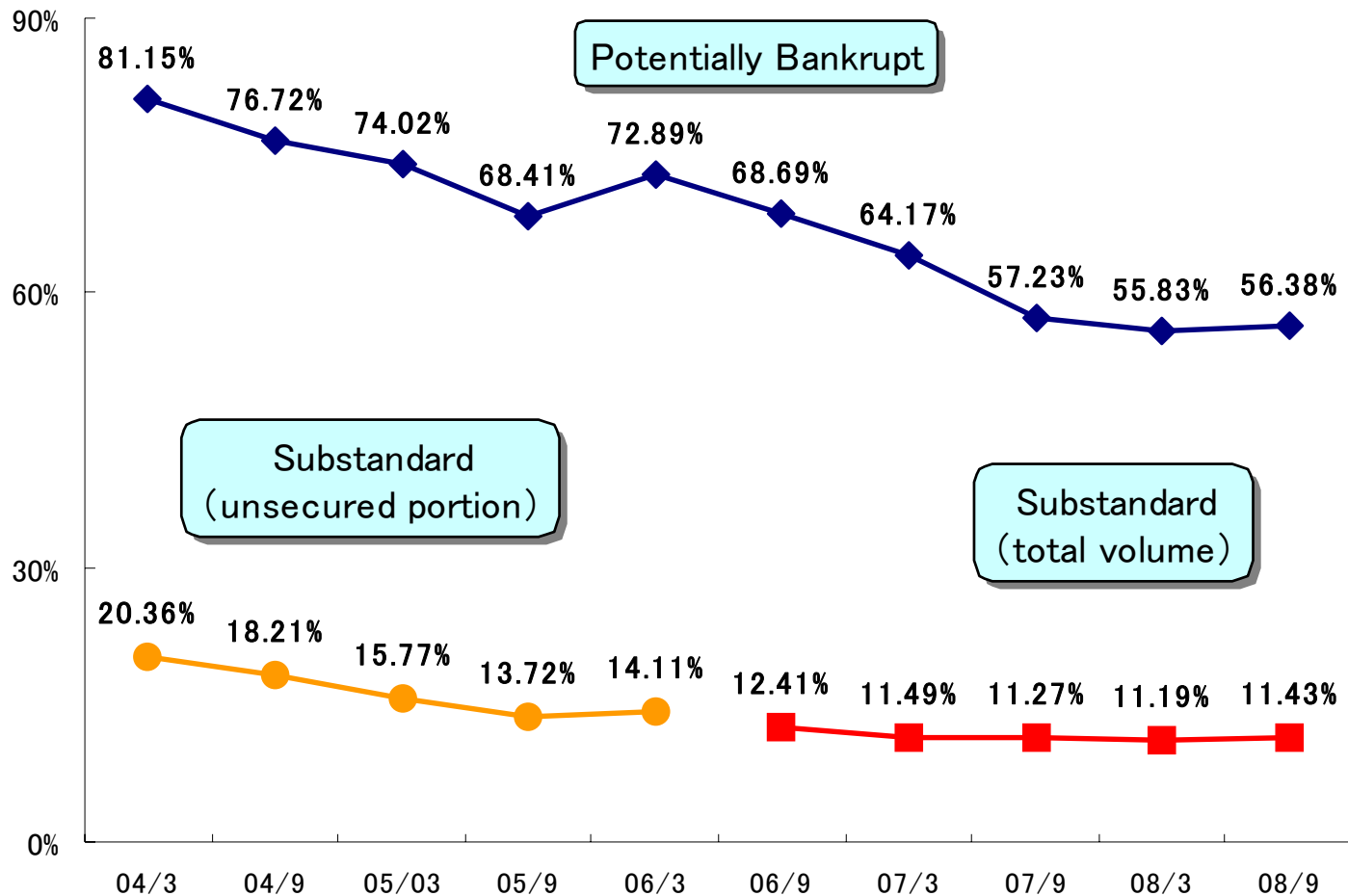
(Y bn)

	07/9		08/3		08/9		Change from 08/3	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Yen denominated bonds	1,680.9	71.6%	1,764.2	78.9%	1,750.7	80.3%	△ 13.5	1.4%
Duration (years)	3.07	—	2.82	—	2.70	—	△ 0.1	—
Fixed rate notes	1,352.3	57.6%	1,488.3	66.6%	1,486.8	68.2%	△ 1.5	1.6%
(Average yield: %)	(1.22)	—	(1.12)	—	(1.09)	—	(△0.04)	—
Floating rate notes	328.5	14.0%	275.9	12.3%	263.8	12.1%	△ 12.1	△ 0.2%
(Average yield: %)	(0.94)	—	(0.79)	—	(0.89)	—	(0.10)	—
Foreign denominated bonds	426.0	18.1%	288.6	12.9%	251.4	11.5%	△ 37.2	△ 1.4%
Duration (years)	1.9	—	1.6	—	1.6	—	0.0	—
(Average yield: %)	(0.27)	—	(0.28)	—	(0.62)	—	(0.34)	—
Fixed rate notes	204.2	8.7%	129.4	5.8%	115.1	5.3%	△ 14.3	△ 0.5%
(Average yield: %)	(4.69)	—	(4.74)	—	(4.71)	—	(△0.03)	—
(Average yield spread: %)	(0.13)	—	(0.14)	—	(0.70)	—	(0.56)	—
Floating rate notes	221.8	9.4%	159.1	7.1%	136.3	6.3%	△ 22.8	△ 0.9%
(Average yield: %)	(5.77)	—	(5.49)	—	(3.44)	—	(△2.05)	—
(Average yield spread: %)	(0.42)	—	(0.42)	—	(0.56)	—	(0.14)	—
Stock	135.4	5.8%	134.9	6.0%	136.4	6.3%	1.5	0.2%
Tier 1 ratio	—	32.9%	—	34.8%	—	1.7%	—	△ 33.0%
Investment trusts	106.7	4.5%	44.1	2.0%	41.6	1.9%	△ 2.5	△ 0.1%
Total	2,349.1	100.0%	2,236.1	100.0%	2,180.2	100.0%	△ 55.9	0.0%
(Average yield: %)	(2.15)	—	(2.00)	—	(1.55)	—	(△0.45)	—
Unrealized gains/losses	173.2	—	70.5	—	13.7	—	△ 56.8	—

General Reserve for Possible Loan Losses

Due to economical downturn, reserve ratio for possible loan losses slightly moved up.

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



Management Indices (Non-consolidated)

35

(Yen, %)

Financial Targets	07/9	08/3	08/9	change
EPS	18.28	16.30	5.46	▲12.82
ROE (Net income basis)	5.72	2.74	2.08	▲3.64
	7.54	3.39	2.22	▲5.31
BPS	633.3	545.3	503.3	▲130.0
OHR (Core net business income basis)	57.9	57.8	61.8	3.9
ROA (Core net business income basis)	0.71	0.70	0.30	▲0.41

※ 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	06/3	07/9	08/3	change
Loan share in Ibaraki	41.92	41.95	42.80	0.88
Deposit share in Ibaraki	40.70	40.34	42.20	1.50

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