

**Financial Results for FY2008
and Projections for FY2009 (Summary)**

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



Financial Results for FY2008 (ended March 31, 2009)

Performance highlights (1) - Summary

While loans showed steady growth, a fall in investment trust sales and losses from investment securities led to gross profit decline. Credit costs were mostly in line with our forecast, as the loan portfolio remained healthy. As our operating franchise expands, we expect to see improvement in profitability in FY2009.

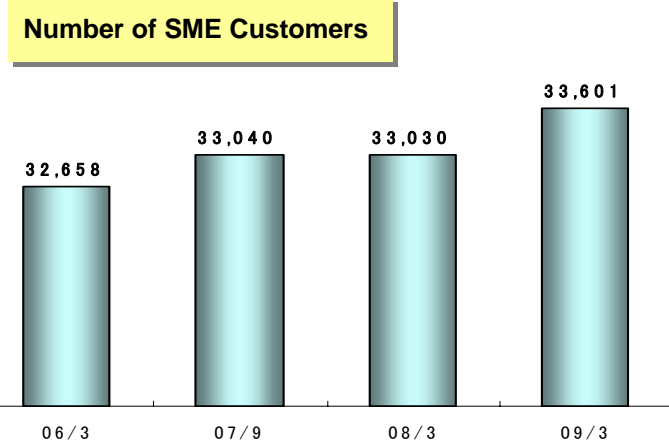
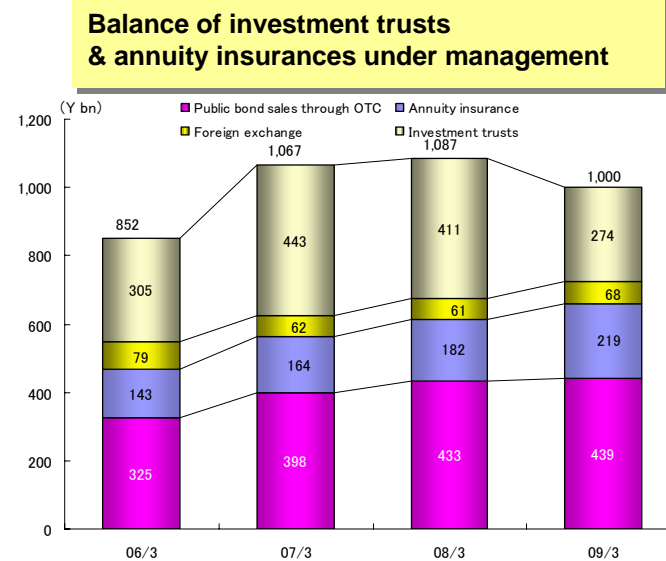
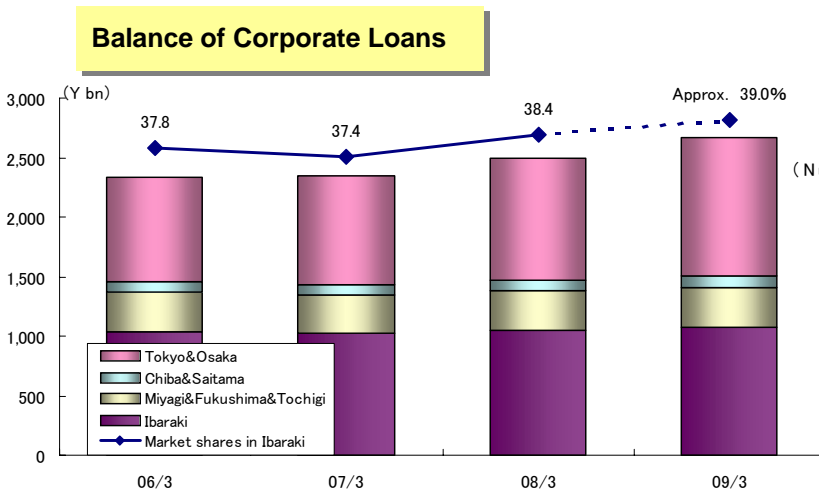
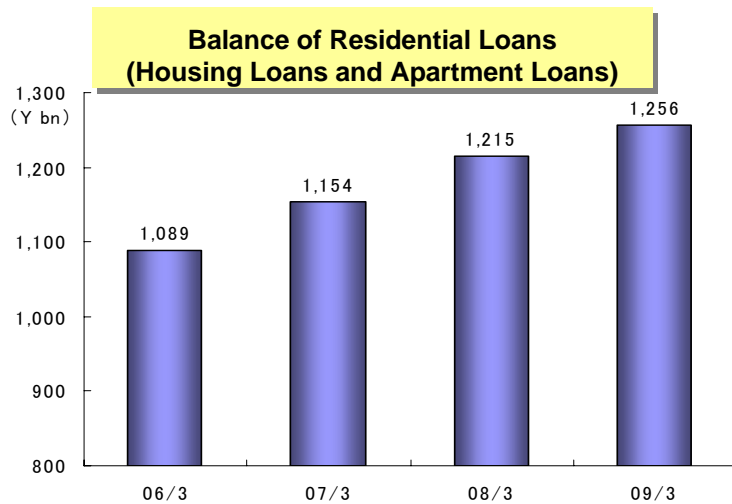
	(FY2008 results)	(vs. last year)
Income from operations	Interest income grew, mainly on steady increase in corporate loans and residential loans vs. last year	Interest margin +¥0.9bn
	Decline in investment sales and in market value due to weak market resulted in lower fees & commissions; annuity insurance and JGB sales rose	Fees & commissions -¥1.9bn
Investment Securities	Increased losses from holding securities	Gains/losses on bonds -¥14.4bn
	Worsened due to unfavorable market conditions	Gains/losses on equity securities - ¥0.4bn
Costs	Net credit expenses (*1) increased by 2 bp compared to last year mainly due to application of stricter standard (Credit cost ratio: 27bp)	Credit costs +¥1.1bn
	Expenses rose YoY mainly due to increase in strategic investments; OHR (*2) rose 2.4% YoY	Expenses +¥0.5bn

*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

*2: OHR =Expense/(Expenses + core business profit)

Performance highlights (2) - Historical data

Our business base expanded mainly due to growth in lending. Although market weakness hurt investment trust sales, we posted steady growth in sales of insurance products, JGBs and foreign denominated deposits.



Performance highlights (3) - Balance sheet

Loans (P. 6)

- Interest margins (P. 7)
Lowered loan interest rate led to lower interest margin.

- Corporate loans
Increase both in average balance and # of corporate. Interest rate slightly declined. (P. 8)

- Residential loans
Steady growth in volume despite fall in new loans. (P. 9)

Securities

Decreased volume to lessen risk; decreased potential gains mainly due to stock market decline (P11, 12)

Deposits (P. 6)

Increased mainly due to growth in retail sector.

Fees & commissions

- Asset management (P. 10)
Decline in investment trust sales, but growth elsewhere.
- Fee business (Corp.)
Mostly flat; need to strengthen derivative sales.

Capital (P. 16)

Capital utilization for business expansions and reserves for potential risks.

(Y bn)

At the end of FY08.			
Figures in () shows changes from FY07.			
Asset		Liabilities	
Loan (floating rate)	2,473 (+75)	Deposits (liquid)	3,713 (+79)
Loans based on market index rate	625 (Δ15)		
Loan (fixed rate)	2,506 (+204)	Deposits (time)	2,780 (+124)
Securities invested	1,981 (Δ326)	Capital and others	909 (Δ172)
Others	442 (+77)		
Total	7,402 (+31)	Total	7,402 (+31)
Fees from corporate	2 (Δ0)	Investment products	1,000 (Δ87)

※Securities were evaluated by fair value.

Summary of FY2008 results

While net business income shows that the real profitability of the bank declined only 10%, ordinary profit and net income after taxes fell significantly vs. the previous year. This was mainly due to losses from holding securities and bad debt write-offs.

(Non-consolidated)

(Y bn)	FY2008	FY2007	change
Net business income	10.3	28.4	△ 18.1
Core net business income	47.7	52.3	△ 4.5
Gross business profit	80.1	98.6	△ 18.4
Net interest income	105.6	107.6	△ 2.0
Fees and commissions	12.7	14.6	△ 1.9
Net other operating profit	△ 38.7	△ 24.1	△ 14.6
G&A expenses	72.3	71.7	0.5
Net transfer to general reserve for possible loan losses (A)	△ 2.5	△ 1.6	△ 0.8
Net non-recurring gains(losses)	△ 8.8	△ 3.6	△ 5.2
Disposals of non-performing loans (B)	17.2	15.2	2.0
Net gains(losses) on equity securities	9.2	9.6	△ 0.4
Ordinary profit	1.4	24.8	△ 23.3
Net special gains(losses)	0.6	△ 0.2	0.9
Gains on loan charged-offs (C)	2.0	1.9	0.0
Net income after tax	5.0	12.9	△ 7.8
Net credit expenses (A)+(B)-(C)	12.7	11.6	1.1

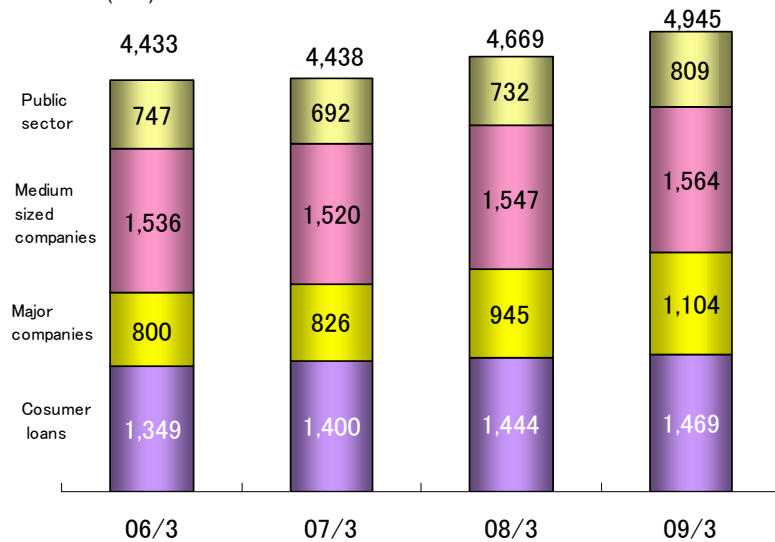
Top-line breakdown

(Y bn)	FY08	change from FY07
Net interest income	105.6	△ 2.0
Interest income on domestic loans	97.2	1.8
Interest and dividends on securities	31.4	△ 15.1
(Domestic)	20.6	△ 2.0
(Foreign)	10.7	△ 13.0
Interest expenses on deposits (△)	15.0	0.9
Interest expenses on borrowing (△)	7.7	△ 12.6
Fees and commissions	12.7	△ 1.9
Investment trusts and personal annuities	4.3	△ 1.8
Net other operating profit	△ 38.7	△ 14.6
Gains/losses on bonds	△ 39.9	△ 14.4
Gains/Losses on bonds sold	△ 6.4	2.4
Markdowns of bonds (△)	33.5	16.9

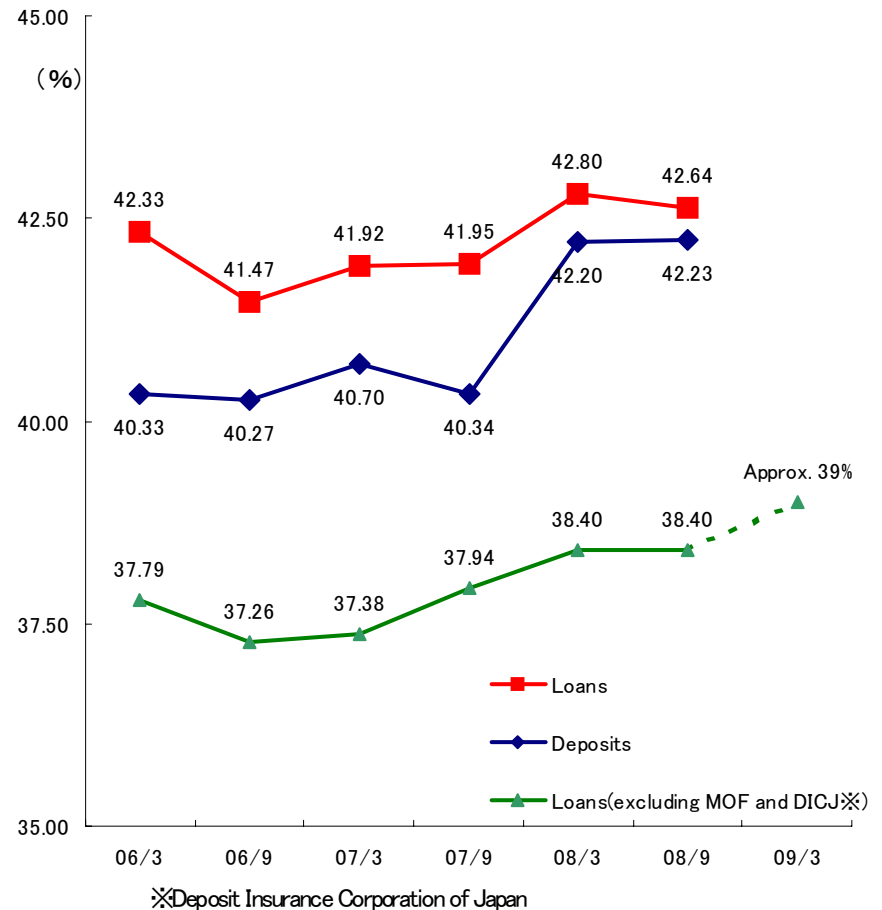
Loans and deposits

Loans

(¥bn)

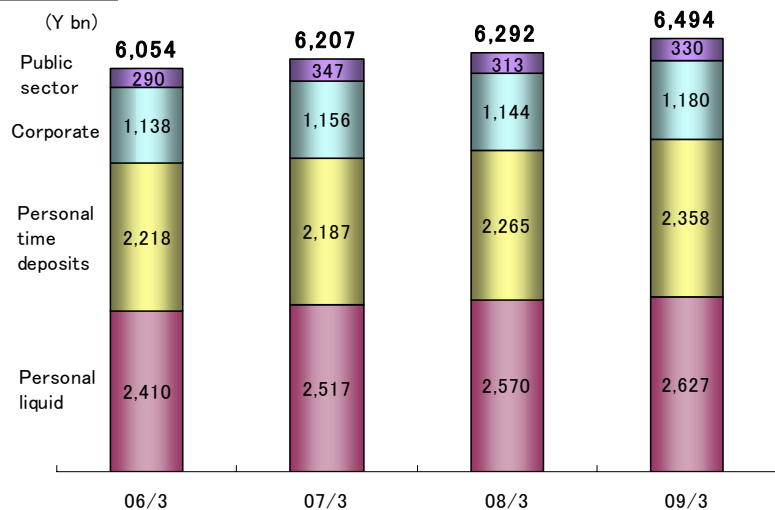


Market shares in Ibaraki



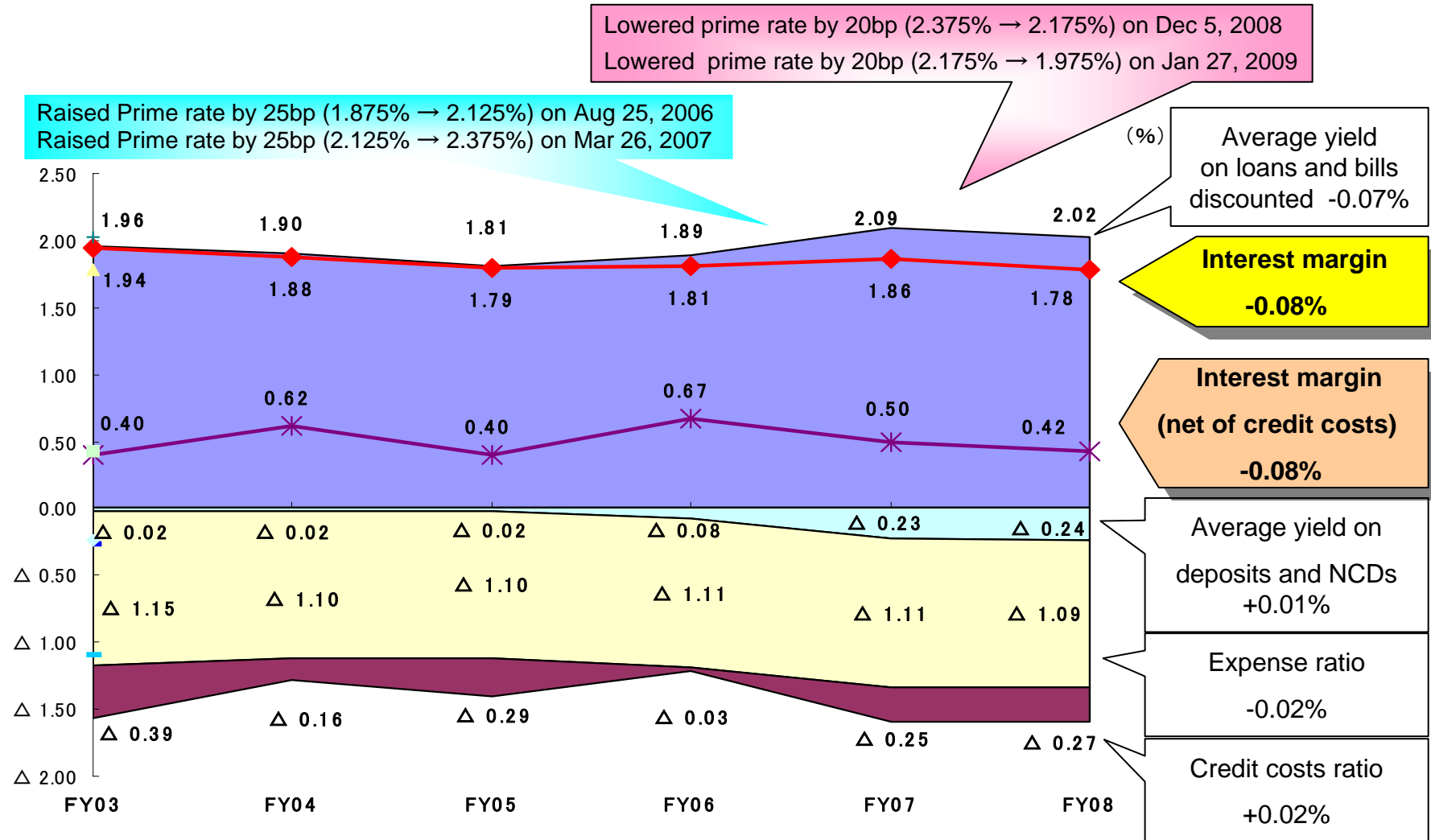
Deposits

(Y bn)



Loan interest margin

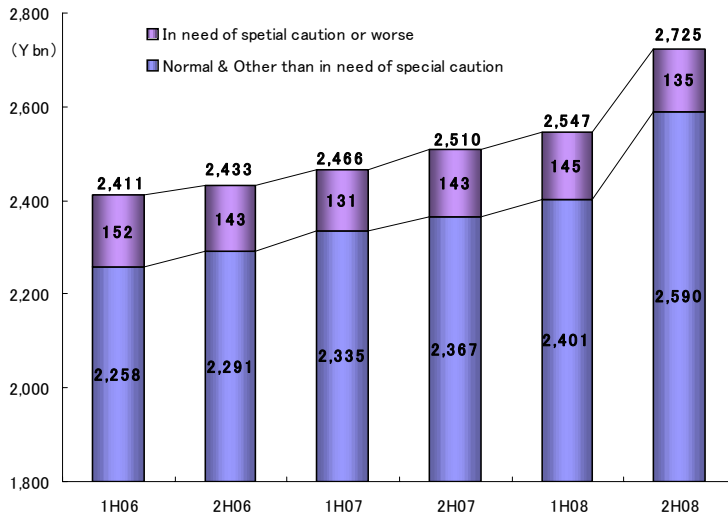
Loan interest rate declined by 7bp due to BoJ rate cuts.
 Interest margin after credit costs fell 8bp as credit costs increased.



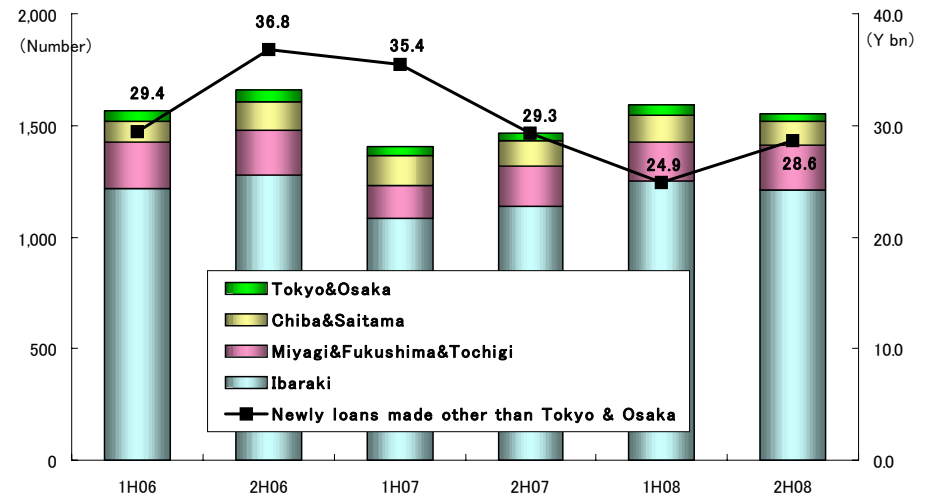
Corporate loans

Strong growth in loans to 'normal' and 'other than needing special caution' category borrowers; slight decline in interest rate following BoJ rate cuts. Aim to increase number of corporate customers, and expand share in Ibaraki through strengthening sales promotions to new customers.

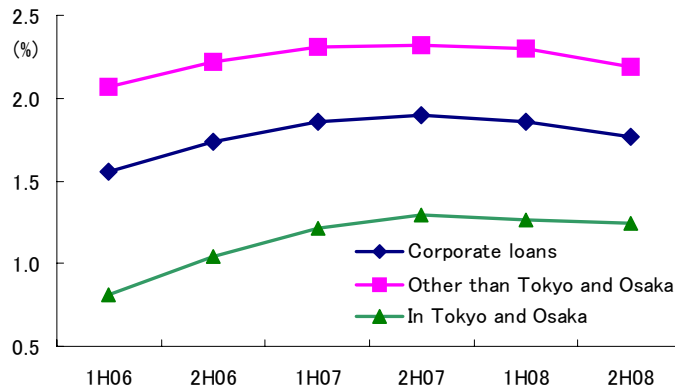
Corporate Loans (average balance)



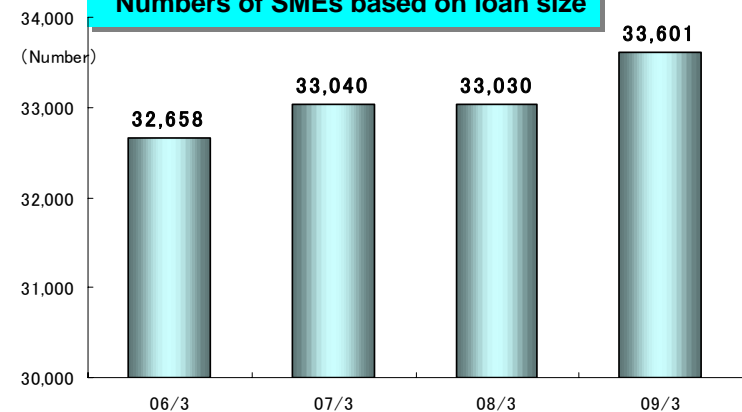
New loans, by region



Yield on Corporate Loans



Numbers of SMEs based on loan size

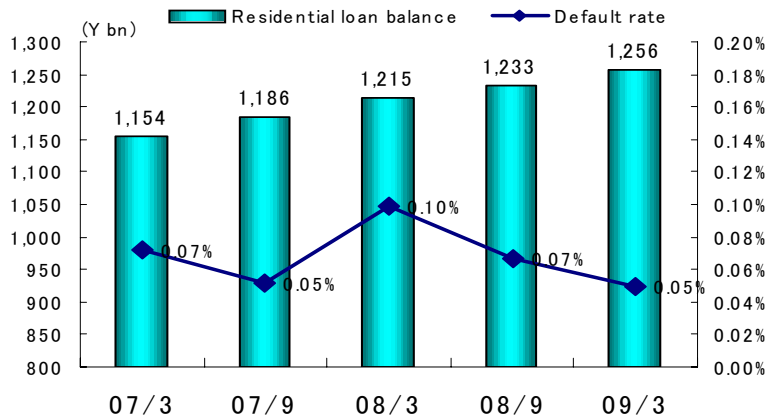


Residential loans

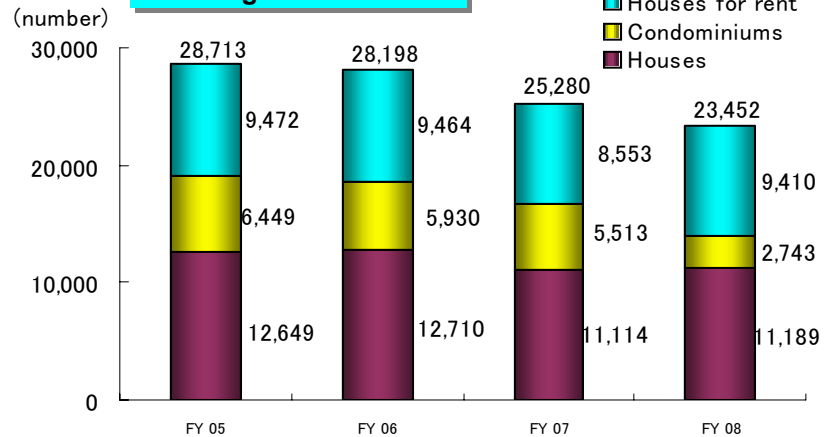
Continued growth in total volume of residential loan balance, despite a sharp fall in housing starts in Ibaraki (particularly for condominiums). Weak demand in Tsukuba, but higher demand in Western Ibaraki, Chiba, and Saitama.

Residential loan balance*

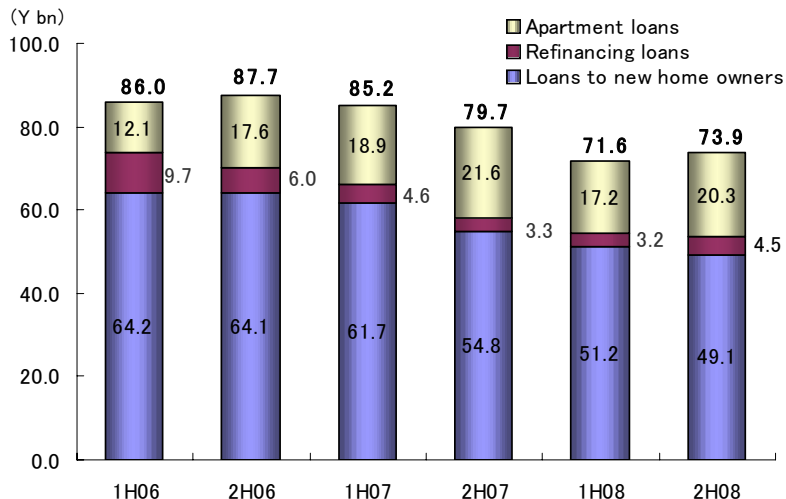
*residential loans=Housing loans + Apartment loans



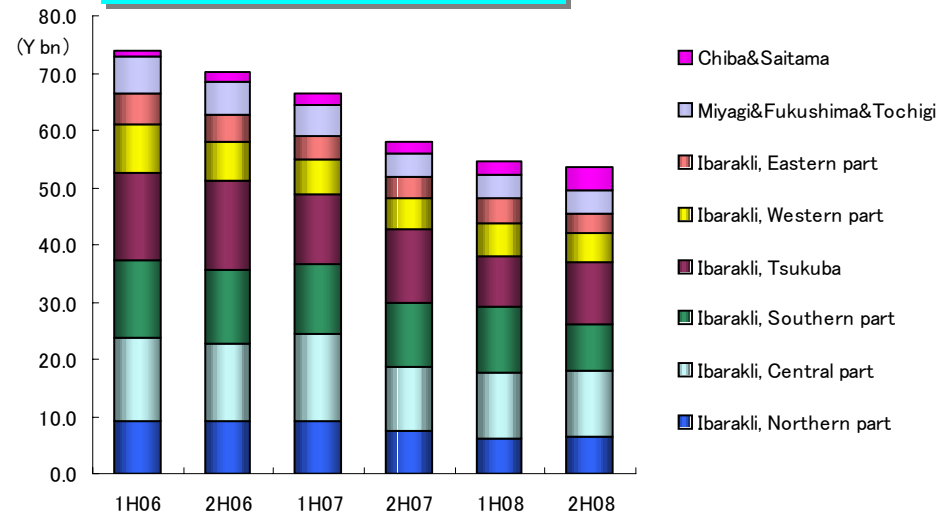
Housing starts in Ibaraki



New residential loan origination (incl. apartments)



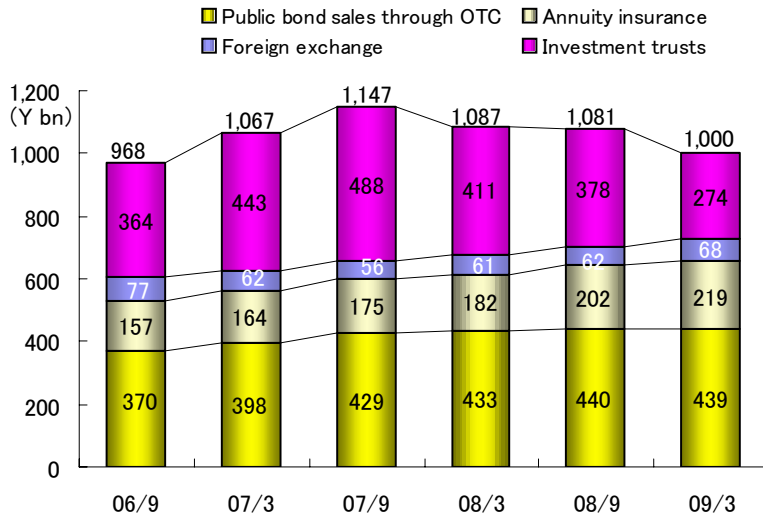
Loans, by geographical areas



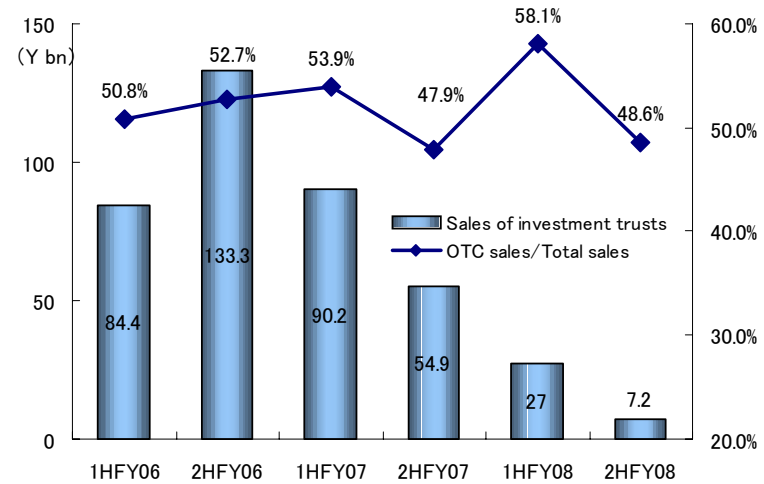
Investment product sales

Steady growth in JGB OTC sales and annuity insurance sales. The net asset value of investment trusts declined rapidly from previous year, on a fall in client assets due to market deterioration.

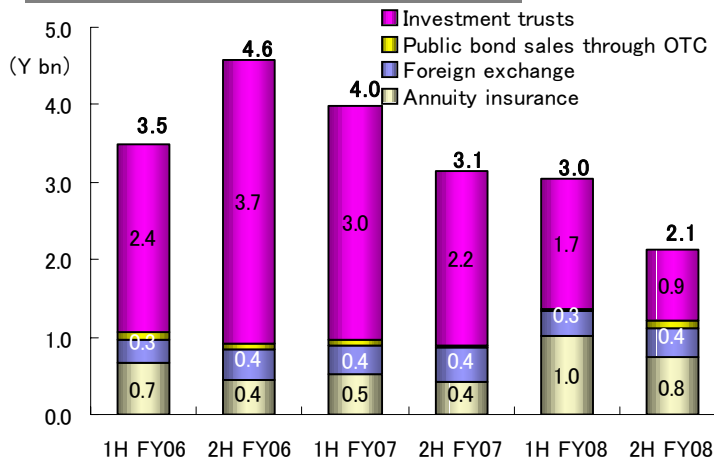
Balance of investment trusts & annuity insurance under management



Sales of investment trusts



Fees from investment product sales



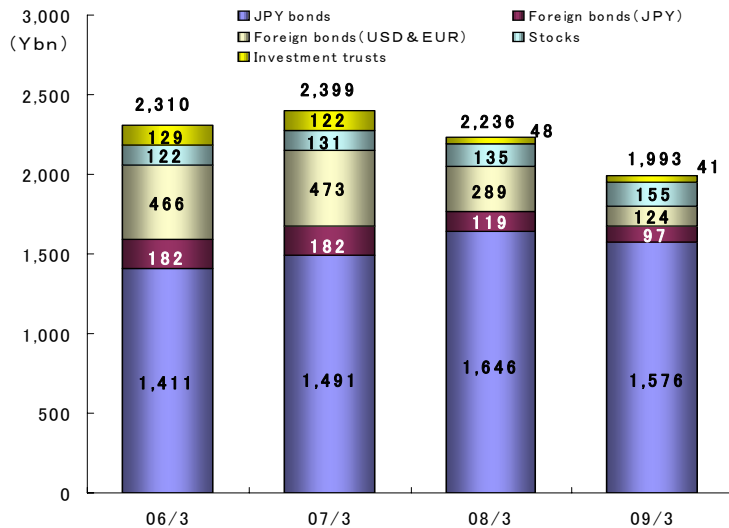
Steps to strengthen investment products sales

- **Expand annuity insurance products**
(Medium term investment needs)
- **Expand our sales terminals**
Investment trust sales through web-site (Jul 2008)
Sales results 1,420 transactions, ¥400mn in sales
J-plaza Tsukuba (Oct 2008)
- **Increase personal deposits**
Targeting 'Baby boomer generation' (investment needs)
- **Respond quickly to market changes**
Hold investment seminars and reporting meeting
(Offer information, and strengthen relationship with follow-up contact)

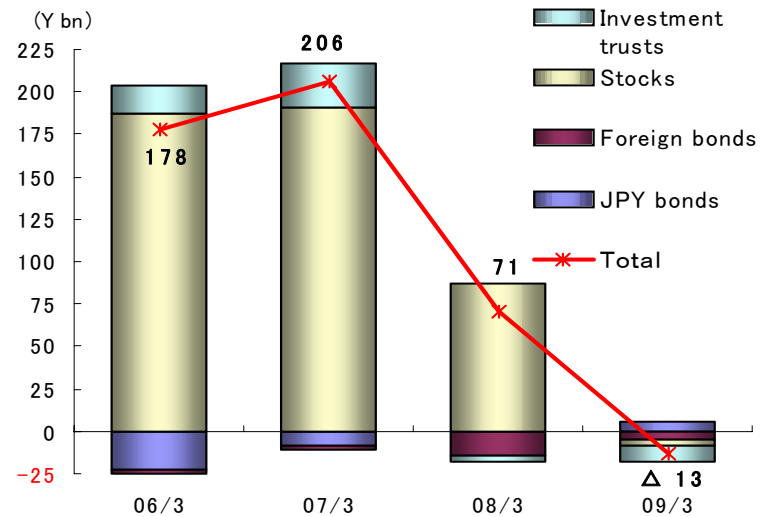
Investment portfolio

Continued decline in foreign bonds (especially securitization products).
 Net potential gain/loss balance slightly negative.

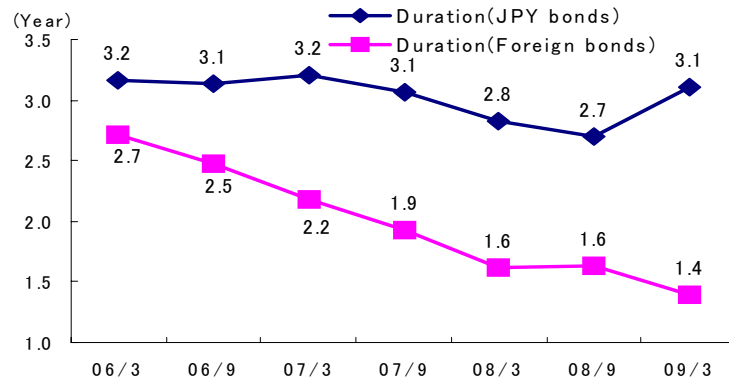
Asset allocation



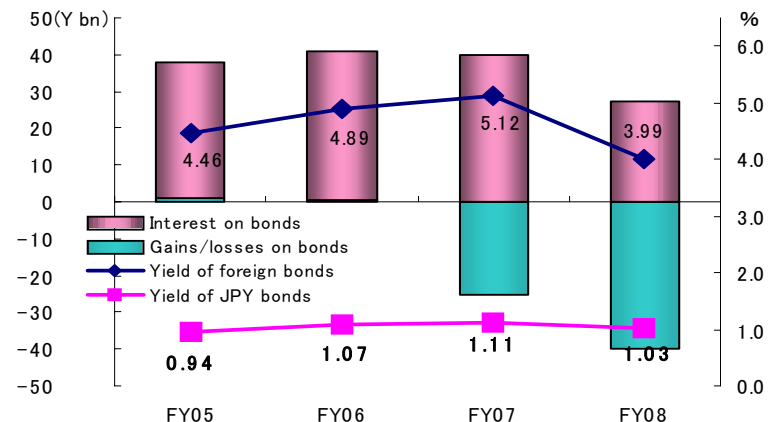
Unrealized gains/losses



Duration of bond portfolios



Bond yields and profits



Securitization products

Balance of securitization products declined ¥59.7bn through sales and markdowns; this limits the future potential negative impact on profitability going forward; we will continue to reduce CLOs and CDOs by watching market movements.

○Securitized Products

	(Number ,Y bn)			
	08/3		09/3	
	Number	Balance	Number	Balance
ABS・CDO	2	0.6	0	0
CDS・CDO	8	7.1	6	0.1
CLO	46	47.2	27	12.4
CDO	19	29	18	20
ABS	17	27.9	12	19.7
Total	92	112	63	52.3

○As of March 31, 2009

(Number ,Y bn)

	CLO & CDO							
			Marked down			Not-marked down		
	Number	Balance	Number	Balance	Unrealized gains/losses	Number	Balance	Unrealized gains/losse
AAA	9	12.4	1	0.6	0	8	11.8	△ 0.9
AA	26	19.2	17	3.9	△ 0.3	9	15.2	△ 1.8
A	1	0	1	0	0	—	—	—
BBB	5	0.3	5	0.3	0	—	—	—
Below BBB	4	0.4	4	0.4	0	—	—	—
Total	45	32.5	28	5.4	△ 0.3	17	27.1	△ 2.7

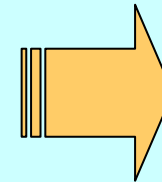
- ABS/CDO, CDS/CDO balance essentially reduced to zero.
- CLOs mostly marked down.
- Continuing to decrease the volume of CLOs and CDOs.
- Negative impact on FY09 is limited, on continued selling to prevent further mark downs.

Change after the end of FY2008 (reference)

(1) Sales

CLO: 20 bonds, ¥3bn

CDO: 5 bonds, ¥0.6bn



Total

18 bonds, ¥23.1bn

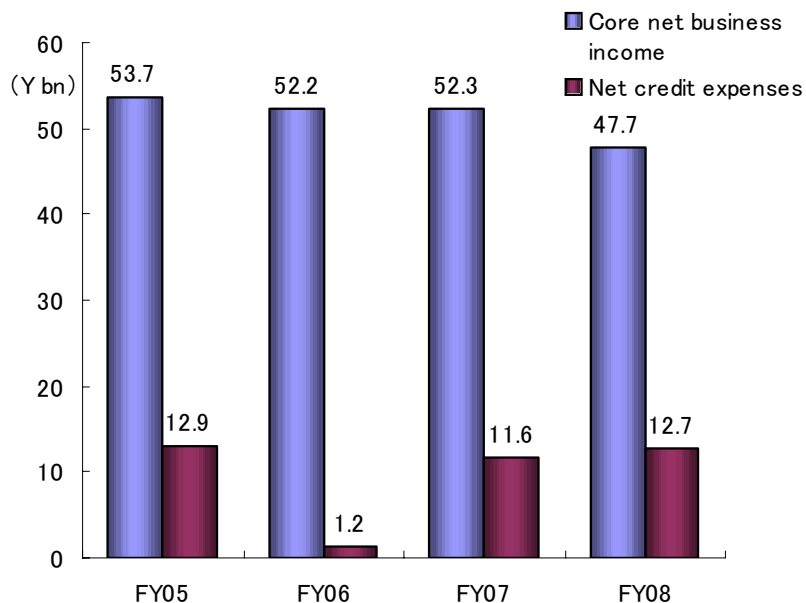
(2) Redemptions

CLO: 2 bonds, ¥5.8bn

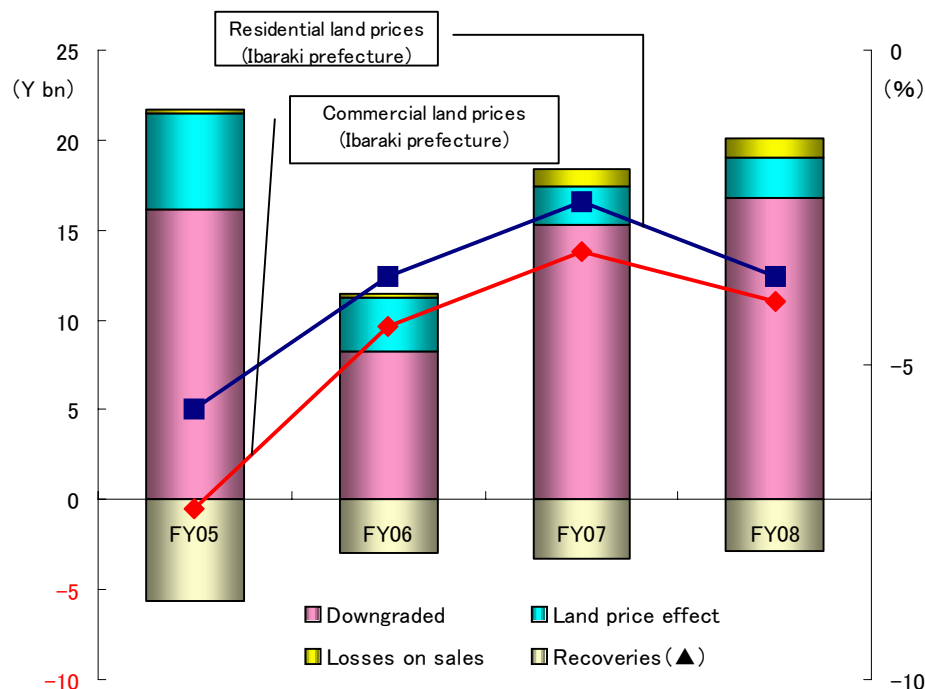
Credit costs

Credit costs rose slightly by ¥1.1bn in FY2008 (27bp) due to loan restructuring and rank downs. Credit costs expected to rise ¥7.3bn to ¥20bn (c. 40bp) in FY2009 due to the poor economic outlook.

Core net business income and net credit expenses *1



Disposal of non-performing loans

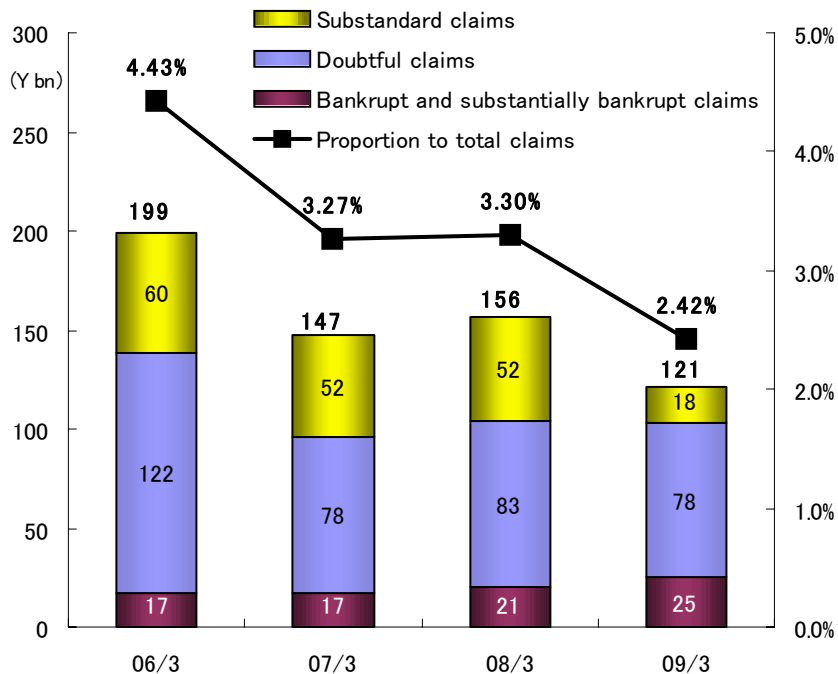


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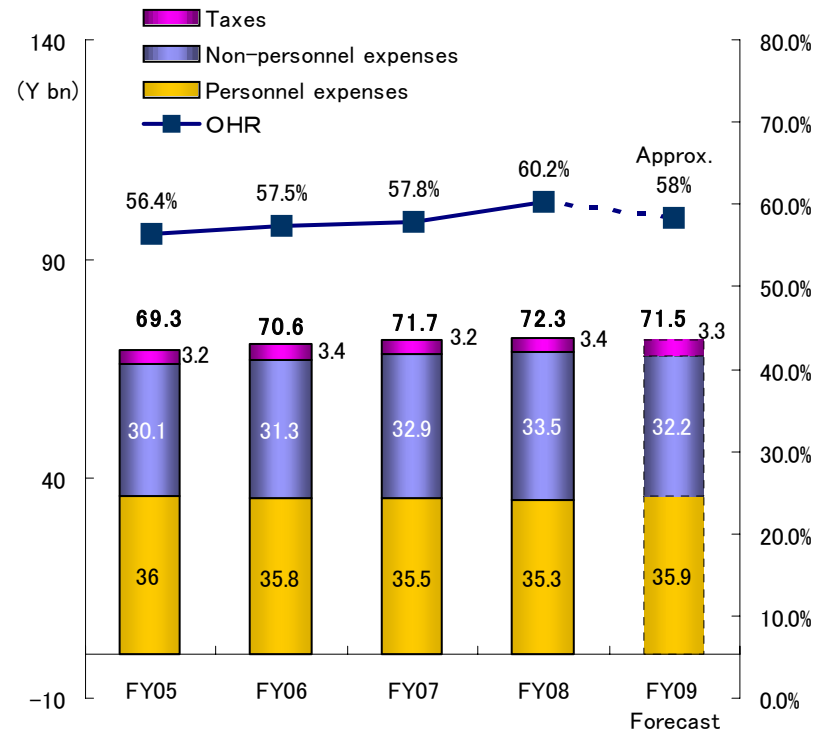
Non-performing loans & G&A expenses

Thanks mainly to the recovery plan and the government guideline for reviewing standards, substandard claims declined ¥35.2bn. The Non-performing ratio fell 0.88% YoY to c. 2.5%. The OHR rose mainly due to an increase in franchise investments and lower revenue. We have established a special working committee led by the Board to reduce costs going forward.

Non-performing loans under Financial Revitalization Law



G&A Expenses & OHR*

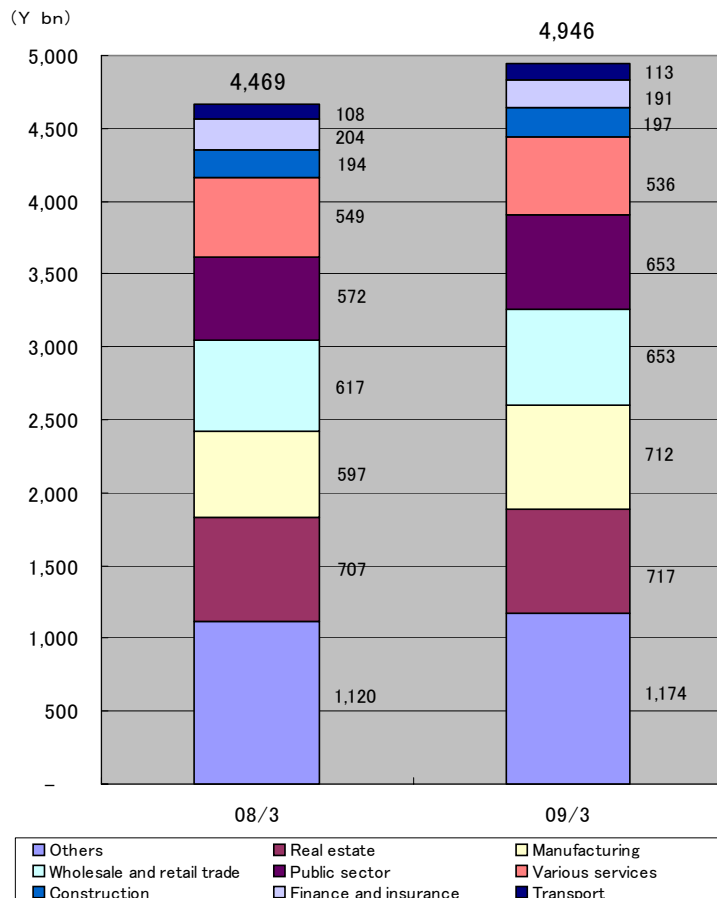


*OHR: Core net business income basis

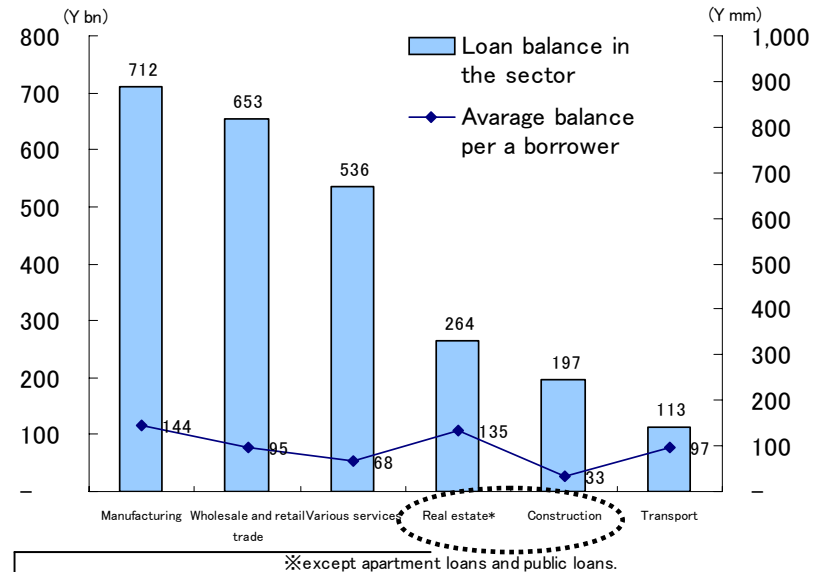
Loan portfolio by business category

While loan volumes for the construction and real estate industries were mostly unchanged, loans for the manufacturing, wholesale and retail trade, and public sector increased. Average loan balance per company remains at a manageable level.

Loan balance by industry (Mar 2009)



Average balance per borrower (Mar 2009)



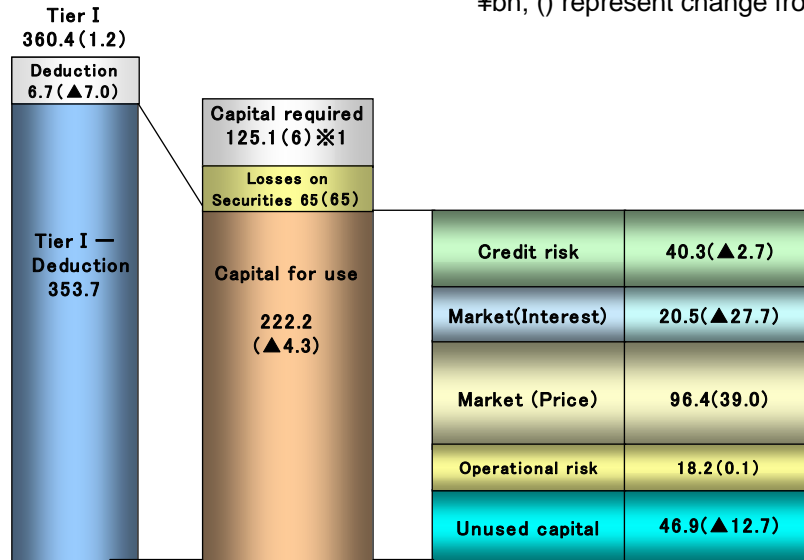
(Y bn)	Real estate		Construction		Total		
	Number	Balance	Number	Balance	Number	Balance	Average
Major companies	17	86	28	40	45	126	2.8
SMEs	1,934	178	5,902	157	7,836	335	0.04
Total	1,951	264	5,930	197	7,881	462	0.06

(Y bn)	~aa-	~a-	~bbb	~bb+	bb	Total
Real estate	29.0	34.0	18.5	0.8	3.7	86.0
Construction	2.5	12.5	10.6	1.0	0.6	27.2
Total	31.5	46.5	29.1	1.8	4.2	113.2

Effective utilization of capital

Risk capital (Mar 2009)

¥bn; () represent change from 07/3



Aiming to improve capital efficiency through necessary investments and attractive shareholder returns.

Directions for capital utilization

- Expand sales force in growth areas
- Proper allocation of assets
- Improve shareholder return

(*1) Risk buffer (reserved capital against future risk)

Reserve capital of 4% of risk assets to prepare for uncalculated or unexpected risk.

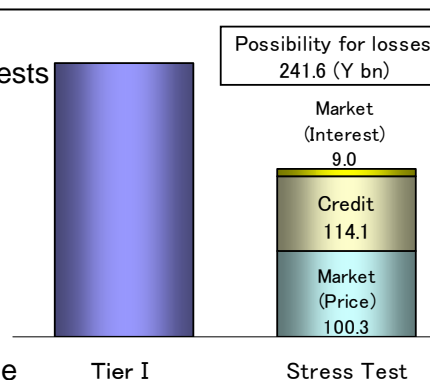
(*2) Adopted internal calculation for 'core deposit' since Oct 08.

Stress Tests

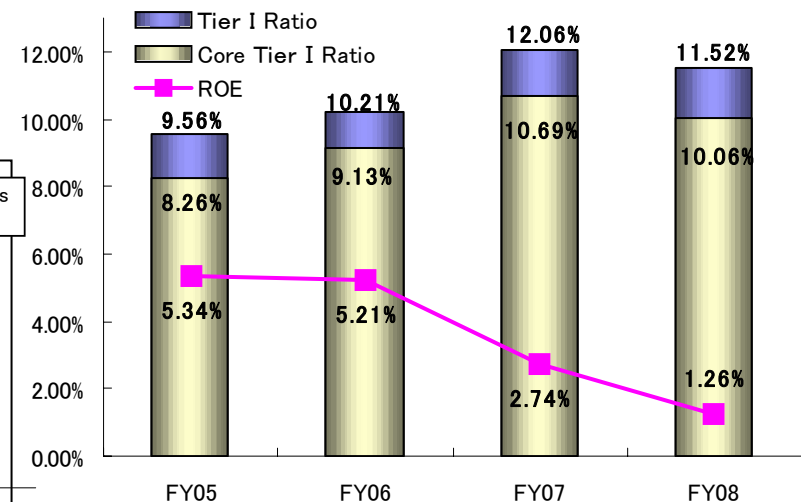
- Examine necessary capital through stress tests periodically.
- Expected loss under the scenarios is within Tier I capital.

Scenarios

- Nikkei: down to Y4,000
- Interest: Increase slightly
- Higher default rate and lower collateral value



Tier 1 and RoE



※Core Tier I ratio = Tier I — deferred tax assets (temporary difference)

Shareholder returns in FY2008

Shareholder Return Policy

- Shareholder Return Ratio*

Targeting ratio equal to or greater than 40%.

* Shareholder Return Ratio = (dividends paid + shares repurchased) / Net income after tax

- Dividend Pay-out Ratio

Targeting ratio equal to or greater than 20% while maintaining stable dividend policy.

- Dividend in FY2008

¥8 per share

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Number of stocks repurchased(thousands) ※	6,508	24,401	4,122	9,955	20,815	15,335	12,006
Total amount of stock repurchased(Y bn) ※	2.1	8.1	1.8	7.2	14.5	9.4	5.6
Total dividends(Y bn)	4.3	4.1	4.9	4.9	5.6	6.3	6.2
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	5.0
Shareholder return ratio(%)	77.1	54.2	26.2	49.2	77.0	121.5	234.0
Dividend pay-out ratio(%)	51.3	18.4	19.1	20.0	21.6	48.8	123.1

※ Including unit amount stocks

Projections for FY2009

Summary of projections for FY2009

Expect profit improvement in core business profit, through strengthening sales approach to expand our customer base, and lower disposal costs on investment securities.

【Non-consolidated】

			(Y bn)		
	1H FY2008 Forecast	Change from 1H FY 2008	FY 2009 Forecast	FY 2008	Change from FY2008
Net business income	20.0	11.7	40.0	10.3	29.7
Core net business income	24.7	1.8	51.0	47.7	3.3
Gross business profit	57.9	12.6	114.9	80.1	34.8
Net interest income	53.6	1.2	107.9	105.6	2.3
Fees and commissions	6.9	0.0	13.6	12.7	0.9
Net other operating profit	△ 2.9	11.3	△ 7.2	△ 38.7	31.5
G&A expenses	36.4	△ 0.7	71.5	72.3	△ 0.8
Net transfer to general reserve for possible loan losses (A)	1.2	1.3	2.5	△ 2.5	5.0
Net non-recurring gains(losses)	△ 10.3	△ 11.8	△ 21.1	△ 8.8	△ 12.3
Disposals of non-performing loans (B)	9.5	1.5	19.0	17.2	1.8
Ordinary profit	10.0	0.2	20.0	1.4	18.6
Net special gains(losses)	0.5	0.4	1.1	0.6	0.5
Gains on loan charged-offs (C)	0.7	△ 0.5	1.5	2.0	△ 0.5
Reversal of allowance for loan losses (D)	0.0	0.0	0.0	0.0	0.0
Net income after tax	6.0	1.8	12.0	5.0	7.0
Net credit expenses (A)+(B)-(C)-(D)	10.0	3.4	20.0	12.7	7.3

Gross profit growth:

Expect to increase interest margin and higher profitability through strengthening sales approaches to expand our franchises.
Lower costs for investment security disposal is expected.

Reduce expenses:

See to have cost reduction through efficient operation and cost reduction project activity.

Higher credit costs:

Expect a rise in credit costs given the outlook for further economic weakness.
(credit cost ratio; c. 40bp)

Breakdown of core net business income in FY2009 20

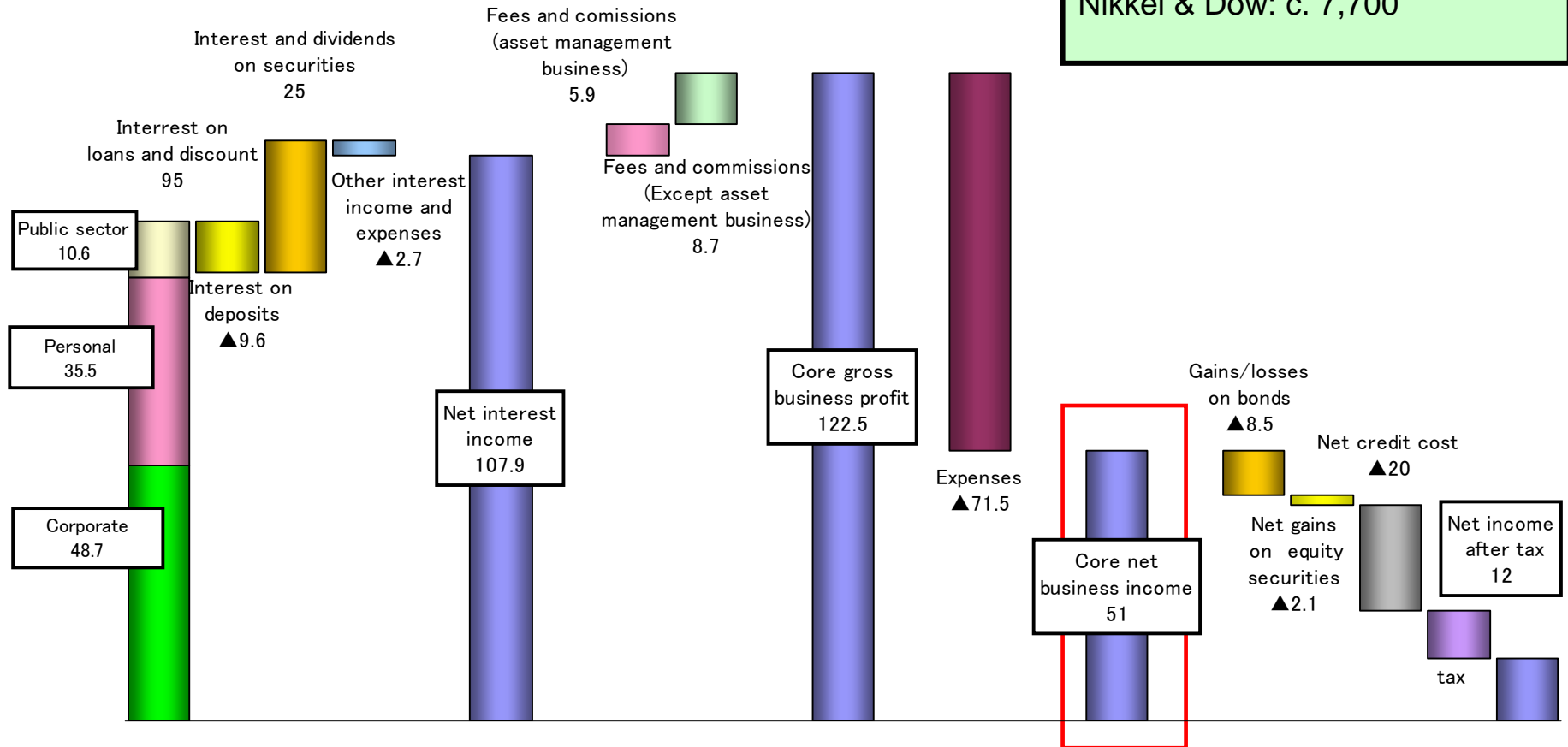
(¥bn)

Scenarios:

Overnight interest rate: 0.10%

10-year JGB: c. 1.3%

Nikkei & Dow: c. 7,700



※includes loan interest to SMEs.

Shareholder Return Policy

Shareholder Return Policy

- Shareholder Return Ratio*

Targeting ratio equal to or greater than 40%.

* Shareholder Return Ratio = (dividends paid + shares repurchased) / Net income after tax

- Dividend Pay-out Ratio

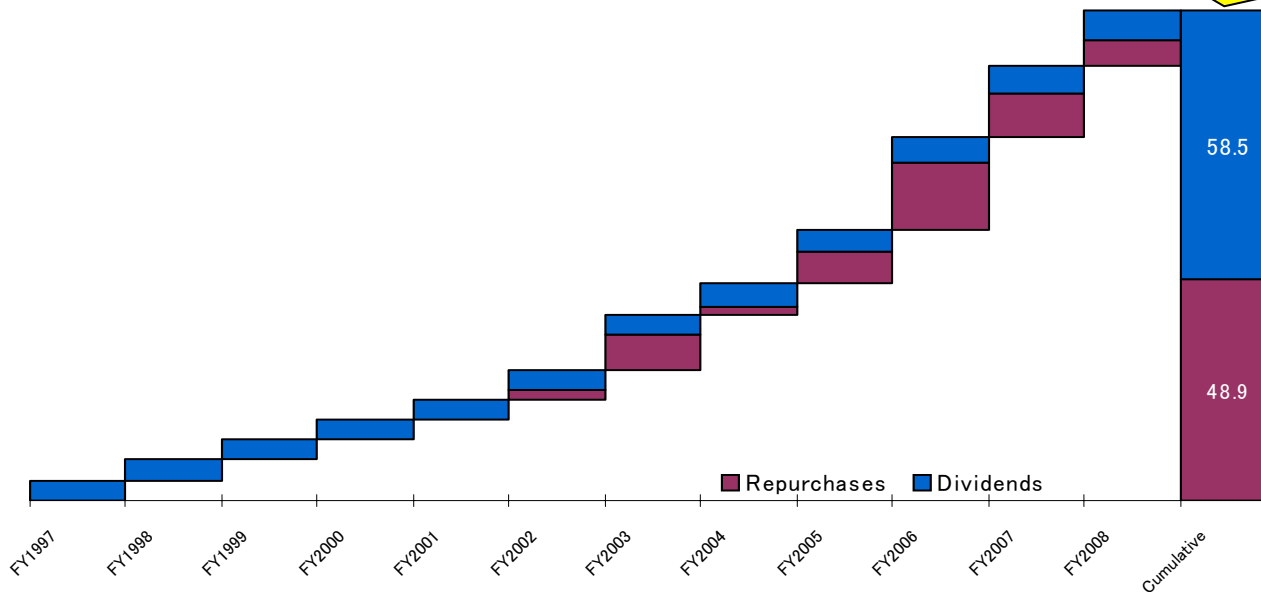
Targeting ratio equal to or greater than 20% while maintaining stable dividend policy.

- Dividend in FY2008

¥8 per share

Shareholder returns (¥bn)

Accumulated shareholder return ratio of 174%



The 10th mid-term business plan – (1)

Financial result targets (FY 2010)

Primary changes

	Initial		Revised
Gross business profit	¥141bn	- ¥15bn	¥126bn
Core net business income	¥67bn	-¥11bn	¥56bn
Ordinary profit	¥58bn	-¥26bn	¥32bn
Net income after tax	¥35bn	-¥15bn	¥20bn
(Consolidated)	(¥37bn)	(-¥16bn)	(¥21bn)
ROE	c. 9%	c. -4%pt	mid-5%
OHR	≤53%	c. +2%pt	c. 55%
Tier I ratio	c.10%	c. +1%pt	c. 11%
Expand position as a main bank	Corporate: 9,000 – expand position as a main bank Retail: 60,000 increase in core customers (unchanged)		
Loan share in Ibaraki (excl. public sector)	< 40%		(unchanged)

	(Y bn)
	Changes from former plan
Gross business profit	Δ 15.0
Net interest income	Δ 10.5
Fees & commissions	Δ 4.0
G&A Expenses	+4.0
Core net business income	Δ 11.0
Net credit expenses	Δ 13.0
Ordinary profit	Δ 26.0

Scenarios (Interest policy)

Previous: Three rate hikes during period
Current: No policy change during period

Decline in loan volumes (¥bn)

- Fall in loan volume due to low demand (Retail: -30, Corporate: -110, Public: -10)
- Fall in security volume (-230 through portfolio restructuring)

Fees and commissions

- Due to expected slowdown of investment product sales

Expenses

- Low cost operation (lower personnel Costs, lower investment costs)

Credit costs

- Reflects current credit cost trends

The 10th mid-term business plan – (2)

Investment targets

	Initial		Revised
Employees	3,500	c. -100	3,400
Channel investment*	¥6bn	c. -30%	¥4bn
IT investment*	¥4bn	c. -40%	¥2.5bn

Investment plan revisions

- Strategic allocation of resources
- Better utilization of resources
- Further cost reductions

*Total investment cost for FY2009 and FY2010

Response to environmental changes

Bolster sales force

- Strengthen sales approach, MIS.
- Proper spread on current loans
- Restructuring channels and networks

Restructuring investment securities

- Reduce foreign bonds, boost domestic bonds
- Strengthen risk management system
- Qualify analytic skills in market section

Improve efficiency

Address rise in credit costs

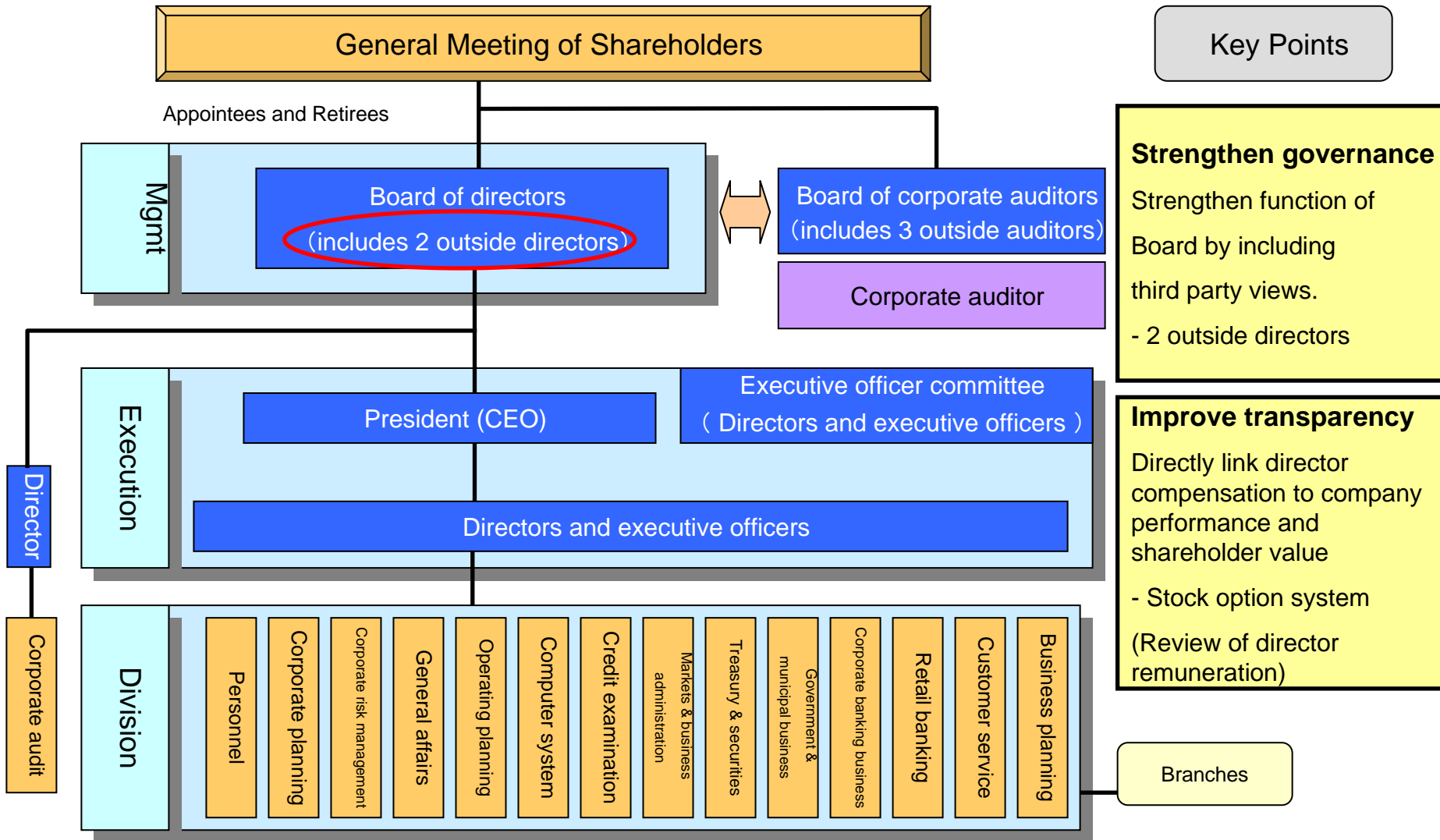
- Strengthen support branches
- Certificate system for loan examination
- Establish industry analysis meeting

Efficient operation

- BPR at branch management and loan examination as well as efficient HQ operations
- Cost cutting

Corporate Governance

To further strengthen our corporate governance system and further improve transparency, new outside directors are to be selected, and a new stock option system is to be adopted.



Key Points

Strengthen governance

Strengthen function of Board by including third party views.

- 2 outside directors

Improve transparency

Directly link director compensation to company performance and shareholder value

- Stock option system

(Review of director remuneration)

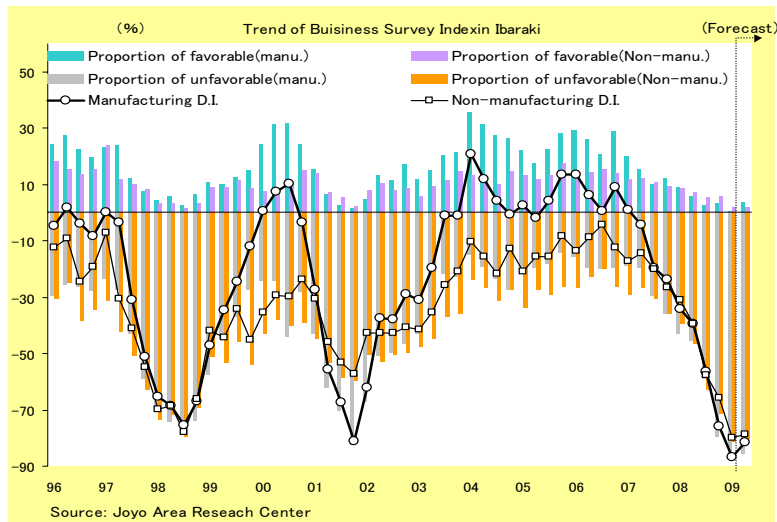
Appendix

Economic Indicators for Ibaraki Prefecture (1)

	Contents	Units	Ibaraki	Japan	Rank	Date
Land area	Total land area	km ²	6,096	372,867	24	Oct 1, 2007
	Liveable land area	km ²	3,976	121,372	4	Oct 1, 2007
Population	Population	K	2,970	127,770	11	Oct 1, 2007
	Proportion of senior	%	20.7	21.5	38	Oct 1, 2007
Economy	Prefectural GDP	Y Bn	10,950.7	510,924.7	12	2006
	Average prefectural income	Y K	2,843	2,924	18	2006
Industry	Farm output	Y Bn	408.2	8,444.9	3	2007
	Value of manufactured goods shipment	Y Bn	12,744.1	336,756.6	8	2006
	Annual sales of merchandizing goods (wholesale)	Y Bn	3,911.1	413,531.7	16	2007
	Annual sales of merchandizing goods (retail)	Y Bn	2,958.8	134,705.4	13	2007
	Number of establishments	-	122,258	5,722,559	14	2006
	Number of factories newly located	number/ha	79/121	1,631/2,181	5/5	2008

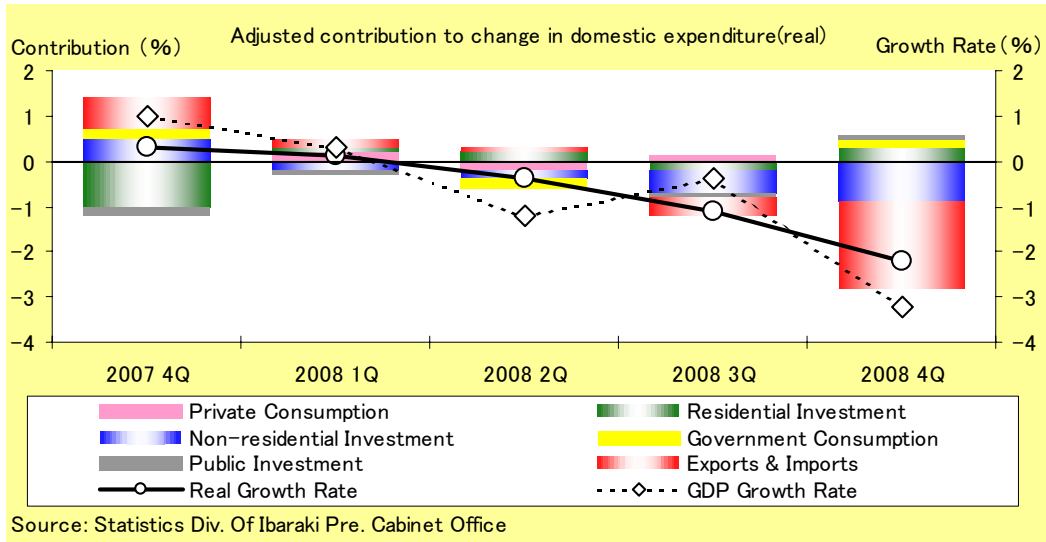
Source: Statistics Div of Ibaraki Pref, Kanto Bureau of Economy, Trade and Industry

Economic Indicators for Ibaraki Prefecture (2)



Unfavorable trends have pulled corporate sentiment to an all-time low

- Both manufacturing and non manufacturing show increasingly weak trends.



Real economic growth: Three straight quarters of negative economic growth

- Real economic growth in Ibaraki down -2.2% YoY between Oct 2008 and Dec 2008.

Average Balance

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

	FY2008			Change from FY2007		
	Average balance	Yield	Interest income	Average balance	Yield	Interest income
Loans and bills	4,800.1	2.02	97,311	241.5	▲0.07	1,814
JPY	4,794.2	2.02	97,214	240.4	▲0.07	1,825
Foreign	5.9	1.62	96	1.1	▲0.61	▲10
Securities	2,178.2	1.44	31,470	▲154.3	▲0.55	▲15,118
Bonds	1,658.2	1.00	16,691	133.3	▲0.08	65
Stocks	142.2	2.64	3,766	6.1	▲0.20	▲103
Foreign bonds	340.5	3.16	10,784	▲256.0	▲0.84	▲13,086
Others	37.1	0.61	227	▲37.7	▲2.35	▲1,993
Call loans	13.3	3.06	409	▲11.9	0.62	▲210
JPY	0.9	1.37	13	▲13.2	0.68	▲91
Foreign	12.3	3.20	396	1.3	▲1.45	▲119
Bills bought	—	—	—	—	—	—
Other debt purchased	59.7	0.95	572	▲14.8	▲0.02	▲152
Due from banks	54.8	1.26	694	▲12.5	▲1.25	▲1,003
NCD	—	—	—	—	—	—
Foreign exchange assets	1.3	1.81	24	0.3	▲1.86	▲12
Others	—	—	165	—	—	22
Interest rate swaps	—	—	—	—	—	—
Interest earning assets	7,107.6	1.83	130,649	48.2	▲0.22	▲14,660

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

	FY2008			Change from FY2007		
	Average balance	Yield	Interest expense	Average balance	Yield	Interest expense
Deposits	6,436.1	0.24	16,045	159.5	▲0.02	▲768
JPY	6,367.1	0.23	15,009	168.7	▲0.01	928
Foreign	69.0	1.50	1,035	▲9.2	▲2.00	▲1,696
NCD	98.2	0.53	526	14.5	0.03	106
Call money	202.2	0.81	1,651	▲36.6	▲1.74	▲4,445
JPY	172.5	0.37	646	35.0	▲0.12	▲28
Foreign	29.7	3.37	1,004	▲71.7	▲1.97	▲4,416
Payable under securities lending transactions	124.9	0.63	791	▲37.2	▲0.35	▲806
Bills sold	—	—	—	0.0	—	0
Borrowed money	79.4	1.23	985	12.7	▲0.20	21
Foreign exchange liabilities	0.2	0.01	0	0.0	▲0.01	0
Bonds	15.0	2.23	333	0.0	▲0.01	▲1
Others	1.4	—	4,743	0.0	—	▲6,702
Interest rate swaps	—	—	4,725	—	—	▲6,707
Interest bearing liabilities	6,957.8	0.36	25,076	112.8	▲0.19	▲12,595
Other expenses	10.7	0.28	29	6.9	0.00	19
Interest bearing liabilities	6,947.0	0.36	25,046	105.9	▲0.19	▲12,614

Interest Yields

○Total account

	FY2005	FY2006	FY2007	FY2008	Change from FY2007
Average yield on interest earning assets (A)	1.80	1.93	2.05	1.83	△0.22
Average yield on loans and bills discounted (B)	1.81	1.89	2.09	2.02	△0.07
Average yield on securities	1.82	2.01	1.99	1.44	△0.55
Average yield on interest bearing liabilities	0.28	0.42	0.55	0.36	△0.19
Average yield on deposits and NCDs (C)	0.05	0.12	0.27	0.25	△0.02
Expense ratio	1.10	1.12	1.12	1.10	△0.02
Deposit cost (D)	1.16	1.25	1.39	1.35	△0.04
Funding cost (E)	1.29	1.46	1.59	1.39	△0.20
Difference between average yield on loans and deposits (B)-(C)	1.76	1.77	1.82	1.77	△0.05
Difference between average yield on loans and deposits (B)-(D)	0.65	0.64	0.70	0.67	△0.03
Difference between average yield on interest earning assets and funding cost (A)-(E)	0.51	0.47	0.46	0.44	△0.02

○Domestic account (%)

	FY2005	FY2006	FY2007	FY2008	Change from FY2007
	1.51	1.60	1.76	1.71	△0.05
	1.81	1.89	2.09	2.02	△0.07
	1.21	1.31	1.30	1.12	△0.18
	0.06	0.13	0.27	0.27	0.00
	0.02	0.08	0.23	0.24	0.01
	1.10	1.11	1.11	1.09	△0.02
	1.12	1.20	1.34	1.33	△0.01
	1.10	1.19	1.33	1.30	△0.03
	1.79	1.81	1.86	1.78	△0.08
	0.69	0.69	0.75	0.69	△0.06
	0.41	0.41	0.43	0.41	△0.02

Average yield on loans and bills discounted (excluding loans to MOF) (F)	1.88	1.90	2.09	2.02	△0.07
Difference between average yield on loans and deposits (Adjusted: excluding loans to MOF) (F)-(C)	1.86	1.82	1.86	1.78	△0.08
Difference between average yield on loans and deposits (Adjusted) (F)-(D)	0.76	0.70	0.75	0.69	△0.06

Yen Denominated Loans (1)

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◎Self-assessed breakdown by regions

(Y bn)

	07/3		07/9		08/3		08/9		09/3		Change from 08/3		Change from 08/9	
	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	Proportion
Yen denominated loans	4,437.8	100.0%	4,487.6	100.0%	4,668.6	100.0%	4,729.6	100.0%	4,945.1	100.0%	276.5	5.9%	215.5	4.6%
Normal	3,844.5	86.6%	3,940.0	87.8%	4,052.7	86.8%	4,146.3	87.7%	4,288.3	86.7%	235.6	5.8%	142.0	3.4%
Regional (excl. Tokyo & Osaka)	2,981.2	67.2%	3,061.1	68.2%	3,086.3	66.1%	3,128.7	66.2%	3,164.6	64.0%	78.3	2.5%	35.9	1.1%
In Ibaraki	2,485.4	56.0%	2,540.9	56.6%	2,583.1	55.3%	2,610.2	55.2%	2,654.0	53.7%	70.9	2.7%	43.8	1.7%
In Miyagi , Fukushima and Tochigi	384.8	8.7%	401.2	8.9%	386.7	8.3%	402.7	8.5%	391.4	7.9%	4.7	1.2%	△11.3	△2.8%
In Chiba and Saitama	110.9	2.5%	118.9	2.6%	116.3	2.5%	115.7	2.4%	119.1	2.4%	2.8	2.4%	3.4	2.9%
In Tokyo and Osaka	863.2	19.5%	878.9	19.6%	966.3	20.7%	1,017.5	21.5%	1,123.7	22.7%	157.4	16.3%	106.2	10.4%
Other than in need of special caution	429.1	9.7%	387.3	8.6%	437.8	9.4%	408.1	8.6%	526.4	10.6%	88.6	20.2%	118.3	29.0%
In need of special caution	69.2	1.6%	63.2	1.4%	74.9	1.6%	72.2	1.5%	27.7	0.6%	△47.2	△63.0%	△44.5	△61.6%
Potentially bankrupt or worse	95.0	2.1%	96.9	2.2%	103.2	2.2%	102.9	2.2%	102.6	2.1%	△0.6	△0.6%	△0.3	△0.3%

◎Breakdown by regions

(Y bn)

	07/3		07/9		08/3		08/9		09/3		Change from 08/3		Change from 08/9	
	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	Proportion
Yen denominated loans	4,437.8	100.0%	4,487.6	100.0%	4,668.6	100.0%	4,729.6	100.0%	4,945.1	100.0%	276.5	5.9%	215.5	4.6%
Regional (excl. Tokyo & Osaka)	3,522.6	79.4%	3,540.3	78.9%	3,643.1	78.0%	3,652.0	77.2%	3,779.3	76.4%	136.2	3.7%	127.3	3.5%
In Ibaraki	2,942.8	66.3%	2,942.2	65.6%	3,046.5	65.3%	3,032.7	64.1%	3,152.5	63.7%	106.0	3.5%	119.8	4.0%
In Miyagi and Fukushima and Tochigi	450.0	10.1%	461.9	10.3%	460.1	9.9%	481.1	10.2%	482.0	9.7%	21.9	4.8%	0.9	0.2%
In Chiba and Saitama	129.7	2.9%	136.1	3.0%	136.5	2.9%	138.2	2.9%	144.7	2.9%	8.2	6.0%	6.5	4.7%
In Tokyo and Osaka	915.2	20.6%	947.2	21.1%	1,025.4	22.0%	1,077.5	22.8%	1,165.7	23.6%	140.3	13.7%	88.2	8.2%

Yen Denominated Loans (2)

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◎Breakdown by type

(Y bn)

	07/3		07/9		08/3		08/9		09/3		Change from 08/3		Change from 08/9	
	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	Proportion
Yen denominated loans	4,437.8	100.0%	4,487.6	100.0%	4,668.6	100.0%	4,729.6	100.0%	4,945.1	100.0%	276.5	5.9%	215.5	4.6%
Personal loans	1,400.2	31.6%	1,423.0	31.7%	1,444.2	30.9%	1,454.8	30.8%	1,468.7	29.7%	24.5	1.7%	13.9	1.0%
Corporate loans	2,345.9	52.9%	2,419.6	53.9%	2,492.3	53.4%	2,542.4	53.8%	2,667.3	53.9%	175.0	7.0%	124.9	4.9%
Major companies	826.2	18.6%	864.1	19.3%	945.1	20.2%	994.4	21.0%	1,103.5	22.3%	158.4	16.8%	109.1	11.0%
Medium sized companies	162.3	3.7%	163.1	3.6%	152.8	3.3%	162.9	3.4%	154.4	3.1%	1.6	1.0%	△8.5	△5.2%
Small and medium sized companies	1,357.3	30.6%	1,392.3	31.0%	1,394.3	29.9%	1,385.0	29.3%	1,409.4	28.5%	15.1	1.1%	24.4	1.8%
Public sector	691.6	15.6%	644.9	14.4%	732.0	15.7%	732.4	15.5%	808.9	16.4%	76.9	10.5%	76.5	10.4%

◎Personal loans

(Y bn)

	07/3		07/9		08/3		08/9		09/3		Change from 08/3		Change from 08/9	
	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	Proportion
Personal loans	1,400.2	100.0%	1,423.0	100.0%	1,444.2	100.0%	1,454.8	100.0%	1,468.7	100.0%	24.5	1.7%	13.9	1.0%
Residential loans	1,154.2	82.4%	1,185.7	83.3%	1,214.5	84.1%	1,232.7	84.7%	1,255.9	85.5%	41.4	3.4%	23.2	1.9%
Consumer loans	82.4	5.9%	81.3	5.7%	80.3	5.6%	79.7	5.5%	78.3	5.3%	△2.0	△2.5%	△1.4	△1.8%
Loans to small businesses	163.6	11.7%	156.0	11.0%	149.4	10.3%	142.4	9.8%	134.5	9.2%	△14.9	△10.0%	△7.9	△5.6%

◎Corporate loans

(Y bn)

	07/3		07/9		08/3		08/9		09/3		Change from 08/3		Change from 08/9	
	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	Proportion
Yen denominated loans	2,345.9	100.0%	2,419.6	100.0%	2,492.3	100.0%	2,542.4	100.0%	2,667.3	100.0%	175.0	7.0%	124.9	4.9%
Regional (excl. Tokyo & Osaka)	1,435.3	61.2%	1,476.6	61.0%	1,471.0	59.0%	1,468.7	57.8%	1,504.7	56.4%	33.7	2.3%	36.0	2.5%
In Ibaraki	1,019.2	43.4%	1,046.0	43.2%	1,044.5	41.9%	1,040.9	40.9%	1,074.0	40.3%	29.5	2.8%	33.1	3.2%
In Miyagi, Fukushima and Tochigi	326.9	13.9%	336.9	13.9%	333.6	13.4%	334.4	13.2%	335.0	12.6%	1.4	0.4%	0.6	0.2%
In Chiba and Saitama	89.2	3.8%	93.6	3.9%	92.9	3.7%	93.3	3.7%	95.7	3.6%	2.8	3.0%	2.4	2.6%
In Tokyo and Osaka	910.7	38.8%	942.9	39.0%	1,021.3	41.0%	1,073.7	42.2%	1,162.6	43.6%	141.3	13.8%	88.9	8.3%

Deposits and Assets Under Custody

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◎Deposits (Y bn)

	07/3		07/9		08/3		08/9		09/3		Change from 08/3		Change from 08/9	
	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	Proportion
Deposits	6,285.2	100.0%	6,258.9	100.0%	6,355.8	100.0%	6,412.4	100.0%	6,562.7	100.0%	206.9	3.3%	150.3	2.3%
Yen deposits	6,206.6	98.7%	6,184.1	98.8%	6,292.0	99.0%	6,350.6	99.0%	6,494.4	99.0%	202.4	3.2%	143.8	2.3%
Foreign deposits	62.0	1.0%	55.7	0.9%	61.3	1.0%	61.7	1.0%	68.2	1.0%	6.9	11.3%	6.5	10.5%
JOM deposits	16.5	0.3%	19.0	0.3%	2.5	0.0%	0.0	0.0%	0.0	0.0%	△2.5	△100.0%	-	-
Others	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	-	-	-
NCDs	41.0		44.4		50.0		80.9		104.0		54.0	108.0%	23.1	28.6%

◎Yen deposits (Y bn)

	07/3		07/9		08/3		08/9		09/3		Change from 08/3		Change from 08/9	
	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	Proportion
Yen deposits	6,206.6	100.0%	6,184.1	100.0%	6,292.0	100.0%	6,350.6	100.0%	6,494.4	100.0%	202.4	3.2%	143.8	2.3%
Personal	4,703.8	75.8%	4,758.7	77.0%	4,835.4	76.8%	4,941.3	77.8%	4,984.9	76.8%	149.5	3.1%	43.6	0.9%
Corporate	1,156.1	18.6%	1,131.4	18.3%	1,143.6	18.2%	1,144.6	18.0%	1,179.6	18.2%	36.0	3.1%	35.0	3.1%
Public sector	346.7	5.6%	294.0	4.8%	312.8	5.0%	264.6	4.2%	329.8	5.1%	17.0	5.4%	65.2	24.6%

◎Personal assets (Y bn)

	07/3		07/9		08/3		08/9		09/3		Change from 08/3		Change from 08/9	
	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	Proportion
Personal	5,771.2	100.0%	5,905.9	100.0%	5,922.0	100.0%	6,022.4	100.0%	5,984.6	100.0%	62.6	1.1%	△37.8	△0.6%
Liquid	2,517.3	43.6%	2,528.4	42.8%	2,570.2	43.4%	2,571.5	42.7%	2,627.2	43.9%	57.0	2.2%	55.7	2.2%
Time deposits	2,186.5	37.9%	2,230.3	37.8%	2,265.2	38.3%	2,369.7	39.3%	2,357.7	39.4%	92.5	4.1%	△12.0	△0.5%
(Sub total)	4,703.8	81.5%	4,758.7	80.6%	4,835.4	81.7%	4,941.3	82.0%	4,984.9	83.3%	149.5	3.1%	43.6	0.9%
Financial products	1,067.4	18.5%	1,147.2	19.4%	1,086.6	18.3%	1,081.1	18.0%	999.7	16.7%	△86.9	△8.0%	△81.4	△7.5%

Securities portfolio

Balance of securities

(Balance:Y bn)

	07/3		08/3		09/3		Change from 08/3	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Yen denominated bonds	1,673.0	69.7%	1,764.2	78.9%	1,672.9	83.9%	△ 91.3	5.0%
Duration (years)	3.2	—	2.8	—	3.1	—	0.3	—
Fixed rate notes	1,339.9	55.9%	1,488.3	66.6%	1,414.1	71.0%	△ 74.2	4.4%
(Average yield : %)	(1.17)	—	(1.12)	—	(1.08)	—	(△0.05)	—
Floating rate notes	333.0	13.9%	275.9	12.3%	258.8	13.0%	△ 17.1	0.6%
(Average yield : %)	(0.75)	—	(0.79)	—	(0.87)	—	(0.08)	—
Foreign denominated bonds	473.3	19.7%	288.6	12.9%	123.7	6.2%	△ 164.9	△6.7%
Duration (years)	2.2	—	1.6	—	1.4	—	△ 0.2	—
(Average yield : %)	(0.35)	—	(0.28)	—	(0.73)	—	(0.45)	—
Fixed rate notes	268.4	11.2%	129.4	5.8%	61.0	3.1%	△ 68.4	△2.7%
(Average yield : %)	(4.17)	—	(4.74)	—	(4.64)	—	(△0.10)	—
(Average yield spread:%)	(0.31)	—	(0.14)	—	(0.79)	—	(0.65)	—
Floating rate notes	204.8	8.5%	159.1	7.1%	62.7	3.1%	△ 96.4	△4.0%
(Average yield : %)	(4.35)	—	(5.49)	—	(3.47)	—	(△2.02)	—
(Average yield spread:%)	(0.40)	—	(0.42)	—	(0.69)	—	(0.27)	—
Stock	130.5	5.4%	134.9	6.0%	155.1	7.8%	20.2	1.7%
Tier 1ratio	—	34.8%	—	36.2%	—	43.0%	—	6.8%
Investment trusts	121.7	5.1%	44.1	2.0%	41.1	2.1%	△ 3.0	0.1%
Total	2,398.7	100.0%	2,236.1	100.0%	1,992.9	100.0%	△ 243.2	
(Average yield : %)	(1.98)		(1.99)		(1.44)		(△0.55)	
Unrealized gains/losses	208.5	—	70.5	—	△ 12.7	—	△ 83.2	—

(Yield: Calculated by average FY balance)

Securitization product

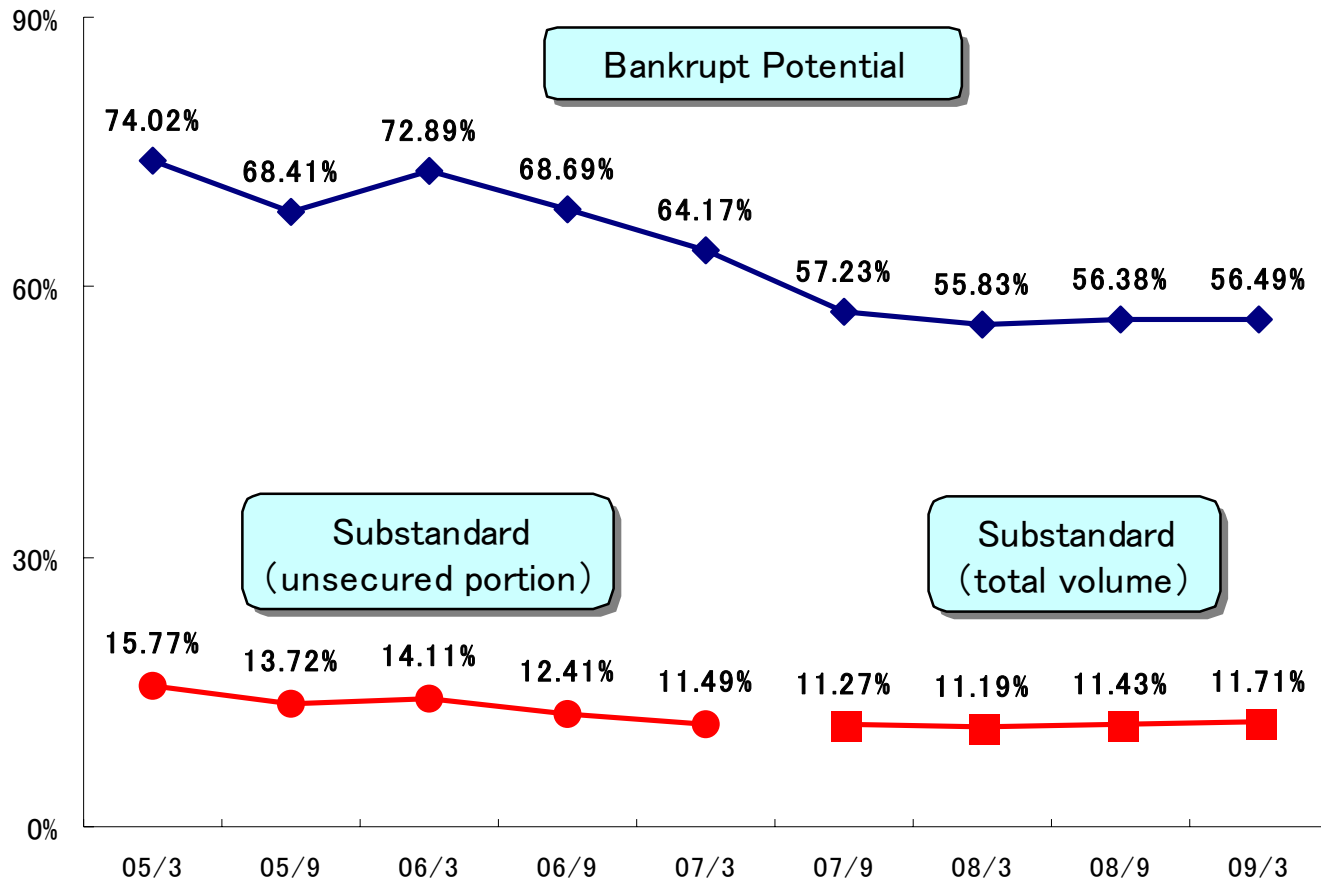
- Securitization product balances, at term-end

(Y bn)

	Ratings	09/3		Source of fair value	FY2008		Change from 08/03	
		Balance	Unrealized gains/losses		Gains/Losses on bonds sold	Markdowns of bonds	Balance	Unrealized gains/losses
ABS		20	△ 0.1	Broker price	0.0	0.0	△ 8.2	△ 0.1
	AAA	19.1	△ 0.1				△ 8.0	0.0
	AA	0.5	0.0				△ 0.2	0.0
CLO		12.4	△ 0.7	Broker price or Theoretical price	△ 5.6	△ 17.4	△ 34.7	8.1
	AAA	4.8	△ 0.2				△ 15.3	1.3
	AA	7.2	△ 0.5				△ 6.0	2.2
	A	0.0	0.0				△ 13.7	4.4
	BBB	0.3	0.0				0.3	0.0
CDO		20.0	△ 2.3	Broker price or Theoretical price	0.0	△ 6.0	△ 8.9	0.7
	AAA	7.6	△ 0.7				△ 2.7	0.0
	AA	12.0	△ 1.6				△ 6.5	0.7
	A	-	-				-	-
	BB以下	0.4	0.0				0.4	0.0
CDS・CDO		0.1	0.0	Broker price	△ 0.8	△ 5.6	△ 7.0	0.0
	AAA	-	-				△ 3.8	0.0
	AA	-	-				△ 2.8	0.0
	A	-	-				△ 0.5	0.0
	BBB	0.0	0.0				0.0	0.0
	BB以下	0.1	0.0				0.1	0.0
ABS・CDO		-	-	-	0.2	△ 0.6	△ 0.6	0.0
	AAA	-	-	-	-	-	△ 0.6	0.0
Total		52.3	△ 3.2		△ 6.2	△ 29.7	△ 59.7	8.7

General Reserve for Possible Loan Losses

Reserve ratio for possible loan losses (potentially bankrupt and sub-standard)



Management Indices (Non-consolidated)

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Financial targets	07/3	08/3	09/3	(¥, %)
				change
EPS	32.12	16.30	6.46	-9.84
ROE (net income base)	5.21	2.74	1.26	-1.48
	6.97	3.39	1.32	-2.07
BPS	645.0	545.3	479.3	-66.0
OHR (core net business income basis)	57.5	57.8	60.2	2.4
ROA (core net business income basis)	0.72	0.71	0.64	-0.07

EPS based on average number of shares outstanding; BPS based on shares o/s at end-FY

ROE: Figure on top based on average of capital balance at the beginning and end of term.

Figure on bottom based on average capital balance (excludes net unrealized gains on other securities)

Operational targets	07/9	08/3	08/9	(%)
				change
Loan share in Ibaraki	41.95	42.80	42.64	-0.16
Deposit share in Ibaraki	40.34	42.20	42.23	0.03

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